

The City Council of the City of Charlotte, North Carolina, met in regular session, on Monday, February 14, 1977, at 3:00 o'clock p. m., in the Council Chamber, City Hall, with Mayor John M. Belk presiding, and Councilmembers Betty Chafin, Louis M. Davis, Harvey B. Gantt, Pat Locke, James B. Whittington, Neil C. Williams and Joe D. Withrow present.

ABSENT: None.

* * * * *

INVOCATION.

The invocation was given by Reverend Milford Thuman, Minister of Mouzon Methodist Church.

APPROVAL OF MINUTES.

Motion was made by Councilman Whittington, seconded by Councilman Williams, and unanimously carried, approving the minutes of the Council Meetings on Monday, January 31 and Monday, February 7, 1977, as submitted.

ORDINANCE NO. 440-X AMENDING THE 1976-77 BUDGET ORDINANCE TRANSFERRING \$8,000 FROM THE GENERAL FUND CONTINGENCY TO FINANCE THE INSTALLATION OF A TRAFFIC SIGNAL AT ROMANY AND DILWORTH ROADS.

Motion was made by Councilman Whittington that the subject ordinance be adopted amending the 1976-77 Budget Ordinance transferring \$8,000 from the General Fund Contingency to finance the installation of a traffic signal at Romany and Dilworth Roads. The motion was seconded by Councilman Gantt, and carried unanimously.

The ordinance is recorded in full in Ordinance Book 24, at Page 17.

CONTRACT WITH ATE MANAGEMENT AND SERVICE COMPANY FOR MANAGEMENT OF THE CITY TRANSIT SYSTEM, APPROVED.

Motion for approval of the contract with ATE Management and Service Company to manage the City transit system was made by Councilwoman Locke and seconded by Councilwoman Chafin.

Councilman Gantt stated this is one of the most significant steps Council has taken in their efforts to improve public transportation. But, the over-riding concern he has is a question of whether or not they are extracting all of the possible services that this fine firm has to offer Charlotte. His question is more directly put to the definition of "Scope of Services"; that is those primary services that the company will offer and those services that are put in the neighborhood of "support". He has some serious difficulty with regard to whether or not they have carefully drawn the line between what is policy on the part of the City and what would be legitimate in terms of operational kinds of things that the company is charged with the responsibility for. It seems to him that they are asking the company simply to be a caretaker - to worry about washing buses, getting buses on the street, repairing flat tires and brakes, things of that nature. Indeed, they have that responsibility; they have the responsibility of managing the operators of the system - drivers, the maintenance men and things of that nature; but in the crucial areas that deal with increasing ridership, route scheduling and planning it seems to him that they are not taking full advantage of what this firm might have to offer.

He stated he was under the impression that they had a full-service contract from them, but they list specifically on Page 3 of the contract those areas of primary service. It does seem significant to him that possibly with the

February 14, 1977
Minute Book 65 - Page 2

exception of the City using its own Purchasing Department, that we have not really defined clearly enough a higher profile role for the ATE management firm. He is concerned about this because he believes that having changed companies, they all changed for certain perceptive reasons, one of them being that this company has a track record of increasing ridership in other cities and that he wanted to take advantage of their broad-based experience in a number of different sized cities and he wants the City to get and take advantage of as much as possible. When he looks at how we are going to utilize them in terms of "support expertise" he really does not feel they have locked them in and made them as accountable as they ought to be made for increasing the image and the reality of passengers riding on our public transportation system. He personally wants to see them sign this contract, but he thinks there might be some possibility that they make some modifications in it to give ATE a little more responsibility.

Councilman Withrow stated if this company is going to do the same thing as the company we had, that is why he voted to keep the company that we had operating it; with this contract we are not getting anymore services than we got from the company we already had.

Mr. Burkhalter stated he feels we do get considerably more out of this than what Councilman Gantt said. If they will look at the Scope of Service that they have outlined, there are several things on which they can rely. The concern that he has is that they have a great responsibility to Council and he does not want to relinquish this responsibility for operation if he is going to have the responsibility for costs - he just cannot do it. They have a reasonably good understanding - they are employing this company now to go into the changeover into this service; they have allowed them expenses to go into this area.

He stated that this contract provides for us to get any type of service from them that we wish to have, and they have a price for doing that. Rather than trying to make a lengthy contract to include this cost and whatever the bill may come up to be, he thinks they should have some controls over it so they will know what the cost is when Council asks for these different things. That Council ought to be aware of the fact that they are not going to get any of these things without paying for them, so if they want them, let's get them, let's pay for them and let them tell us where they think they will be helpful in performing these services and the others we will take care of. He and his staff suggested to Council that they need to add people to their staff already for the purposes of doing the things that we need to do. There is no question about the fact that they can do most of the routine operational services in the accounting and purchasing field cheaper than they can do it. There is no way that they can do it as cheaply as the City can because they have to make money on it, or it does not pay them to do it. He does not think that purchasing, and other things, on a wide scale will make that much difference; that their purchasing of buses and that sort of thing will stand the norm probably as well as any other group doing the purchasing. Yes, they can increase the scope; you can just open it wide open and let them have free reign to run it anyway they see fit, but when you do that you are removing the controls that the City has on the cost of this operation.

Mr. Michael Kidd, Transit Planner, stated the one thing they tried to build into this contract was enough flexibility to allow them to get done what they wanted to get done. That Mr. Ringo, the City Manager and any of the City staff - they all have the same purpose, that is to improve the transit system. That what this document tries to do is to provide enough flexibility for them to get that done. They spelled out primary and support responsibilities for several reasons. It is in a sense a consulting contract with ATE. Having formerly worked with a consultant, he found that the clients who got the best work out of his previous employer were the ones that had sufficient staff on board to challenge them as they did the job and that is part of the thinking they used. That what they have done is broken down the transit operation of the Charlotte Transit System into four functional areas: operations, marketing, administration and planning.

February 14, 1977
Minute Book 65 - Page 3

He stated the operations section will be the primary responsibility of ATE, and 95 percent of the employees of Charlotte Transit System, if you think of it as a joint City-ATE group, are right here. The bulk of the responsibility is right here for operating the buses and doing those types of things. City Coach had this same responsibility plus partial responsibility in another area. The City was duplicating that in one sense of the word. It was costing us about \$116,000 a year from City Coach to provide a finance and purchasing and administrative service. They are proposing now to do all of this within the City staff - employees in our Purchasing Department, in our Accounting Department; two employees will be needed in the cash counting area, and two in the inventory and servicing control area. Right now those are tentative figures - there still has to be some more discussion about that.

In the fourteen months he has been here, they have been doing the planning and the marketing for the Charlotte Transit System. They have people in positions who are doing that right now. That is not to say that they will not draw on ATE for their help in these areas. They have a tremendous marketing resource system that they are going to use. But, as far as reporting to the Council through the Manager - if three years from now ATE were to leave or before that, and they have to take the system over totally themselves, they would want people in these positions. He thinks this is good accountability. He is not saying they will not use ATE as a resource because they certainly plan to. They have a good background in planning and in marketing. For instance, if there were ATE people here in the planning function, what would happen is that ATE would be dealing directly with the Planning Commission and you would not need Transit Planning - they would be dealing with the Planning Commission for the grants and the planning studies and do it themselves, pretty much taking that out of the Council's hands, in effect. He thinks what they have set up is something that will function; it will work; they are not going to limit them to operations. They want support from them. This is already going on right now. They feel that ATE can help them improve this and put together a whole system. That the goal for the system is improvement, not because of who is running it, but by working together.

Councilman Gantt asked how much it costs to do the marketing function right now? Mr. Kidd replied they spent about \$80,000 on marketing last year on two contracts that Council approved almost a year ago - that was for the Ilium study and for the advertising they did during Bus Week. Councilman Gantt asked how much it would cost to use ATE to take over the entire marketing function? Mr. Kidd replied that is rather difficult to say. It could be another person, or it could be a person from the three people they are going to provide to us for management that would cover that activity. He would certainly need support staff.

Councilman Gantt asked if most of the marketing that we did do was handled by an outside consultant? Mr. Kidd replied the policy formulation and the overseeing of the functions; that Ilium left them three documents or reports for implementation - you need staff to do this implementation. They went to an outside agency for placement of advertising because they did not have any capability last year this time. In November of this year the City hired Jim Holsten who was formerly with City Coach Line and has a marketing background, thinking that he would fill in this slot, and he has been working in that direction.

Councilman Gantt asked if he knew what it would cost to transfer that function to the management company? Mr. Kidd replied all he can say is that it would require additional staff to do that. Whether it would be one person working with outside agencies or a larger staff he would have to have Mr. Ringo respond to that, but it would take more people and that would in all likelihood impact the management fee.

Councilman Gantt asked if all the route scheduling and decisions on where the buses will run takes place in Planning now? Mr. Kidd replied that is a joint decision. Obviously, we are hiring these people for their experience and expertise. They are "plugged in" on the transit development program and see where we are right now to help us. But, a decision on new

February 14, 1977
Minute Book 65 - Page 4

routes and new schedules would come to Council from the City Manager. Before it got there it would come to the Transit Planning Office and a decision would be made among these two groups. They would be providing support in the planning area.

Councilman Davis asked who originates the route changes? Mr. Kidd replied these people do, under the direction of Council's policy. Councilman Davis asked who is going to "dream up" a new route schedule that will increase our ridership, who originates that? Mr. Kidd replied these people working together. Councilman Davis asked whose responsibility is it to put together the idea? Mr. Kidd replied he could tell them how they worked with City Coach on the routes. Councilman Davis stated if they cannot make a decision on whose responsibility it is, we need a better definition of this. Mr. Kidd stated it would be this division's responsibility to make a recommendation here to come to Council. Councilman Davis asked - and use the ATE just as a consultant? Mr. Kidd replied use them for support. Councilman Davis asked how much we would be paying for planning service as we are doing it now? Mr. Kidd replied their budget this year for planning was somewhere in the neighborhood of \$75,000.

Councilman Davis asked that Mr. Ringo of ATE comment on some of these areas with this thought in mind, that Mr. Kidd has suggested that we are using them almost as a consultant and he would rather, as Councilman Gantt has said, see more responsibility rest with Mr. Ringo's organization so that he understands what we want done - we want ridership increased. He would like to hear from Mr. Ringo that he has the tools to accomplish this so that one year from now, or two years, or three years, that we can look to him and expect performance on increasing ridership.

He stated under this contract the City has kept responsibility for marketing, finance administration and planning. He would like to know how this fits in, or does not fit in, with ATE's normal, full-service contract, and what it would cost us to get these services under ATE's contract.

Mr. Ringo replied the contract they submitted to the City was a full-service contract. It did change to some extent during the process of their discussions with Mr. Kidd and the City people. He feels strongly that the City needs to have controls over the resources; the City needs to have control over the financial end of the system, the purchasing. This is very important; it makes a lot of sense. ATE's concern as they discussed the contract was that they get to use the full resources that he told Council two weeks ago they would bring to bear on the system. Very frankly, they had some concerns, and still have, with the contract because the structure leaves a couple of areas grey.

He stated they signed the contract happily because he received assurances from the City staff that they would use ATE's resources; that they would make full use of these resources - they have been discussing this for several weeks; they have talked at great length about the route planning. He is in a position where he wants to make sure they are doing what their clients want them to do. On the other hand, as businessmen they have to make sure that they get the best shot at using their resources. He thinks the contract has some constraints, but he thinks it is workable. None of their situations are normal; each one is based on the local situation.

Mayor Belk asked what happened to them in Denver? Mr. Ringo replied the situation there was they had been there for six years managing the system for the City and County. Under that situation, for three years they ran the entire system. They had responsibility for everything. They passed a bond issue in 1973 and allowed them to go regional - a seven-county system. They then went out and staffed up - they hired as many as 200 staff planners and others to, in effect, build for an automated system. The Urban Mass Transit Administration turned down their original request for funding and they were in a situation where they had some 200-odd staffers, they had a management contract, and they felt that the management contract was a redundancy. They parted friends and he thinks they will find that their record in Denver is impeccable.

Mr. Ringo stated his company has been in Louisville for three years. That there they are responsible for marketing. They have a finance man who acts as an internal controllee. ATE does the operations, planning and marketing. They report to a Transit Board who in turn reports to the City.

Councilman Williams asked if these extra services are performed is that an extra cost on top of the contract and Mr. Ringo replied no. Councilman Williams asked if we need a study of the route, for example, and asked ATE to do it, is that part of the \$138,000? Mr. Ringo replied the only expense would be bringing in people and having a per diem added - cost of the hotel room and \$10.00 for food. He stated the schedule which Mr. Burkhalter has would confuse the issue - those hourly rates only apply for the 20-day period that we are in right now; they are not in a management contract. As soon as the contract is signed those people come free - no cost.

Mr. Burkhalter stated with the type of contract we have now, the City gave roughly \$80,000 to Ilium last year. What they hope is that the same type of service will come from ATE and he does not intend to give them \$80,000. He does feel they had to give them something to get them down here to make a special study - they have to pay them to do it. This is what they propose to do in these areas, but it was necessary to have this first. He does not know what kind of contract would be needed to get all of these services other than that, but he can assure them they will pay for them one way or another. This way the City Council decides when they pay for them; the other way you have a blanket contract.

Councilman Williams asked if ATE is willing to provide that type service on a strictly cost basis - per diem basis? Mr. Burkhalter replied that is the way it is set up to do it. Mr. Ringo stated they should understand they are getting access to some 35 people who come in under this management contract and the only thing they pay is the per diem - the professional time is free. His only concern, to answer Councilman Davis' question, is that the City use those resources. That Mr. Kidd and Mr. Burkhalter have told him that they plan to use those resources. That is what is important to him.

Mr. Burkhalter stated if these people have anything in the world to offer to improve our bus system they want to use it. As far as this company is concerned they would never have been on the list if they had not thought they were a good company. They are one of the top companies in the country and were selected for that reason. He has every confidence that they are as good as you can get. Another concern he has, and this comes from having worked with at least twenty-five cities, that the cost of bus operation is so stupendous that it can get out of hand overnight, and he feels a strong commitment to the City Council to see that this money control comes from them. Anytime in their operation with ATE that they feel they should be doing something that the City is not letting them do, he thinks Council will hear about it. That Council will make that decision - not the staff. He thinks that Council is going to find that with the professionalism the City staff has to offer in this area and what ATE has to offer they are going to have a good team.

Councilman Davis stated that after this discussion he can summarize his feelings about the contract - he still prefers a full-service contract. He is concerned about the controls Mr. Burkhalter refers to. He thinks it would be sufficient control for the City to establish perimeters within which the management company could operate and that every recommendation that they bring to Council through the Manager have a price tag on it so that they have the opportunity to exert fiscal control at that time. He is not particularly interested in building a staff that might be a challenge to our management company or to provide an edge in case they quit and leave us. He thinks there is sufficient challenge that we can set up for them to better the national averages, or better the averages for bus service companies in this area, and he thinks there is a sufficient edge

February 14, 1977
Minute Book 65 - Page 6

for personnel in that if this company does not perform or if they no longer find the contract attractive, there are a number of other companies in the market whose services we can obtain. He would like to see some fairly extensive modification of this contract to bring it at least more in line with the full-service idea that Mr. Ringo offers and let him say to Council before they sign the contract that this is something that he can operate under and can give the City the results we are looking for.

Mayor Belk asked Mr. Kidd to report on the progress of the bus system since service was resumed after the bus strike, compared to what they were doing in November.

Mr. Kidd replied the first week after the strike ended they were down about 18 percent in regular passengers, those who pay money; the first week in February it was down to less than 9 percent - the loss has been cut in half at this point. All of the free people came back. This is about 3,000 people a day. The total ridership is about 22,000 - to and from - about 11,000 people.

Councilman Gantt stated he really does appreciate Mr. Burkhalter's concern for this question of responsibility for the costs and he agrees that because Council sets policy they definitely ought to control those figures because it can get out of hand and they all know how expensive this public transportation business is. He thinks they will always have control of that, particularly if the suggestion Councilman Davis made that anytime they want to make changes in the system they bring Council a price tag for those changes is adhered to. The Council can then either vote them up or down. What he chafes at a little bit is that we are buying \$138,000 worth of services and if, as a consultant, he could sit back and do only a portion of those services - the chart shows that ATE would be doing only one fourth of what they normally could be doing - he would be happy with the contract. There is absolutely no responsibility on their shoulders. Their accountability is to do those primary things that they are charged to do. In that light, he thinks Councilman Withrow is right - they might as well have stayed with City Coach Line.

He stated when one offers support services, that is a whole different ball of wax than having the responsibility. He wants to be able to ask Mr. Ringo in a year's time why certain things never happened. He does not want him saying "I cannot do it because that is not what I am supposed to do. That is Mike Kidd's job or that is Dave Burkhalter's job." He wants Mr. Ringo to have as much opportunity as possible to carry through on these various things and he has to have some responsibility and some accountability to somebody. The question of marketing, the question of whether or not he can do what he said he was going to do when he presented that beautiful picture to Council and convinced five of the Councilmembers to vote his way have not been answered. He stated then they were going to tear this system apart, look at it, put it all back together again. He does not have the responsibility to do that; that is the City's Transit Coordinator's responsibility. So, he can literally come and start worrying about buses - let's see that they are clean; that is all he can see that his primary responsibility is; and they will be paying him \$138,000 to do that.

Councilman Gantt stated what Mr. Ringo has said to them is that we do have the benefit of their resources for this \$138,000 - all we have to do is pay for his man to come in here at \$35 a day, no professional fees. We have that whether we shift the word "support" and use "primary" in shifting the scope of services. They can change that whole list of Scope of Services and switch a number of items over to the primary responsibility segment of the contract and the dollar amount still does not change. As it stands now, before he can even bring one of these people from Cincinnati, or wherever he is from, he has to have the approval of the Manager and the Transit Planner and everybody else. He does not call that flexibility. If

they are a profit-making enterprise and they do not have that kind of responsibility, that means that they can certainly sit back and tell us the best way to get this thing going.

He stated he does not make these remarks to impune the motivation of the Staff. He understands that they want the same kinds of things that Council wants - a better public transit system. He just wonders why, for \$138,000 we are not taking advantage of everything we need.

Mayor Belk stated if this management firm is going to just sit back for \$138,000, then in the first place they made a mistake in voting for them. In the second place, if they are going to do that, they had better have someone on top of them; that if you are going to pay that, you had better have someone on top of them to be sure they are consulting. He thinks that responsibility has to come back to Council.

Councilwoman Chafin stated they are just asking to give ATE a little more responsibility than is written out. Mayor Belk replied he does not see that they need to give them anymore. Councilwoman Chafin stated she thinks they do.

Councilman Withrow stated we have already hired a management firm and Mr. Ringo is it; and he is for them 100 percent because he wants the best bus system possible. One thing he is concerned with is do they have a fixed per diem price on his key people? Suppose their top planner would come to Charlotte, on what basis would the per diem be fixed? Mr. Ringo replied it can be no more than \$35 a day for the actual per diem. Councilman Withrow asked just travel and food? Mr. Ringo replied yes. If they paid the hourly rate it would range from \$20 to \$60 an hour, but you do not pay those hourly rates, that comes as part of the management contract.

Councilman Williams stated that part of the problem may be where the new ideas are generated. If we give ATE the discretion and the maneuvering to generate new ideas he expects they will generate them, but if we wait for our own professional staff to generate those ideas, he does not know what is going to motivate the professional staff. They may be waiting on the Council to motivate them and we may be sitting around a year from now everyone waiting on everyone else to do something. He really does not see how we can lose if these people are doing it just for their costs, just what it would cost them to travel down here and stay in a motel and eat while they are here.

Mr. Ringo stated they have "kicked this thing around" with Mr. Burkhalter, Mr. Bobo and Mr. Kidd and they have assured him that they are going to use ATE's entire resources. They have talked about getting the key people to come in here and do the route study and he feels that is going to happen. If he did not feel that way he would not have signed that contract.

Councilwoman Chafin asked if he is saying he can live with the contract and Mr. Ringo replied he can live with the contract with the assurances he has that their resources will be used. It is a concern to him that they all understand who has ultimate accountability. It does give him some discomfort, but he thinks they can make it work. He thinks they have the same goal.

Councilman Davis asked the City Manager if he feels, considering the type of discussion they have had, if they could move the major portion of the services - marketing and advertising, routes and schedule development, fare analyses, grant preparation and administration, short and long-term planning - things of this nature, and give ATE the authority to do these things, subject to his (the City Manager's) approval, or Mike Kidd's or Council's, depending on how they want to arrange it?

Councilman Whittington stated he would not vote for that. Mr. Burkhalter stated that is exactly what the contract says. Councilman Davis replied he does not think so because, as Mr. Gantt has pointed out, there is a substantial difference between providing support and having the authority to do it.

Mr. Burkhalter stated Mr. Ringo will agree that the operation is the key to success; that if you want to take responsibility for anything and do not have the operation, you do not have anything. In other words, you can tell people what to do forever, but if they do not do it, it does not work. One of the things about this company that really sold them is the educational program they have for drivers; the things they pay attention to that are involved in operating the buses. These are things that are most important to the person that is riding than any advertising you do on radio or anything else; the proof of the pudding is in the eating and they really know how to do this; they have convinced the Staff they know how to train people and they have the expertise in order to do this.

He stated if they had any complaint about City Coach, it was the fact that Mr. Kidd was way ahead of them in all innovations, or new things to do. They are looking forward to when the innovations come from Council's end of the line, they will be ten times easier to put in because ATE will understand what we are talking about and the things we want to do. He thinks they have nothing to be concerned about. That anytime Mr. Ringo or his organization have something they think will make this bus system work better, and staff says no, he thinks they will be in talking to Council the next week.

Councilman Davis stated he understands that but his question was - can these items be moved over, the items colored orange on the chart, and put them under Mr. Ringo's organization and instruct him in the contract that anything that involves additional outlay of money must be approved by Mr. Burkhalter, as City Manager, or by City Council? Mr. Burkhalter replied he has not been involved in all of the negotiations and is not aware of all the intricacies of it, but from his viewpoint, narrow as it is right now, he would say there are no objections to moving them over there as long as they leave them with staff, but if they take his staff's responsibilities away, then he would have strong objections.

Mr. Burkhalter stated he would hesitate to give ATE those responsibilities with the City Staff having no capability of reviewing and doing the things they would like to do in the same area.

Councilman Davis asked if that would be a duplicate staff and Mr. Burkhalter replied if you call the ATE Staff that, yes.

Councilwoman Chafin asked Councilman Davis if he is suggesting that ATE ought to have the Planning and Marketing Staff on site in Charlotte or draw from their central office resources and Councilman Davis replied Mr. Ringo has already said that he could do it without any additional personnel.

Mr. Burkhalter stated we already have it - this contract provides for it. Councilman Davis stated he wants them to have the authority and responsibility to use that staff and Mr. Burkhalter asked to do what? Councilman Davis replied to originate planning and marketing and to know that at the end of the year, if they have not done the job, their job is on the line; that they have the burden of performing.

Mr. Burkhalter stated the difficulty he has with this - first of all, he hates to see it come to Council every week, which is what they are getting ready to do. The second thing, if Mr. Ringo feels like a certain type of marketing study ought to be made, then it would be made and we would have to pay for it. He is not saying he is going to do that; he has to stay in business - but this is the type of thing he is talking about. It would just be a lot better if the City made those decisions, rather than somebody else.

Councilman Davis stated Council could make the decision in the proposal he made, anytime it involved the outlay of Capital. Mr. Burkhalter stated he sees Councilman Davis' point but he is trying to see how they can do this and assure Council that they are getting what they want.

Mr. Kidd stated perhaps "support" is not the best word; he does not intend to cut these people out, he is happy there are here. In the area of marketing, the work they have done in conjunction with the Federal Government in Nashville and the tremendous manuals and resources and information that we can use. Once you have the idea, once you take the system apart the first time and put it back together again - that is a one-time consulting sort of thing with routes and schedules and what you are talking about after that is maintenance, monitoring and making changes when they are needed. That is not going to take a crash team like what he has been talking about. The planning concerns him more than the marketing because you do have a good planning staff now that has a good relationship with the Planning Commission and with the federal and local people. That ATE can help us with contracts, etc.

Councilman Gantt stated he does not have any problem with the planning operation; that is what he always thought Mr. Kidd was - a transit planner. He does not have any problem with his monitoring an agency that Council hires to manage and run the bus system. He just wants to make sure they put some responsibility in the lap of this company and for that reason he feels they must put the responsibility in the wording of the contract. That is why he is going to have to vote against it. It is not a vote against ATE; it is just that he wants to make sure they have some accountability.

Councilman Davis asked how much time they have and Mr. Burkhalter replied February 28th is the deadline. Councilman Davis asked if Council acts on this on the 28th, would that cause any great problem and Mayor Belk replied they should go ahead and act on it now because what can you learn in the next two weeks? Councilman Davis replied if they deferred this agenda item it would give the staff and Mr. Ringo time to bring this contract around to something more acceptable. That he knows Mr. Ringo has agreed to it but he (Mr. Davis) has not agreed to it.

Mayor Belk stated if the one who is going to operate it agrees to it - at least let him try. Councilman Davis stated if they give him \$138,000 today, he would probably go home and be happy. Mayor Belk stated he has a little more confidence in him than that; he is bound to go home and do some kind of work. Councilman Davis stated he is willing to, but if they are going to send him home to do nothing, he thinks he would honor their wishes in that respect, too. That he would like to see this matter deferred to give someone time to restudy this contract and bring it more in line with a full service contract such as Mr. Ringo offers in his standard areas where he operates around the country.

Councilman Williams stated he is willing to vote for this contract because although there may be something there that he does not understand, look at Category A and Category B as a synopsis of this contract; Category A is mandatory items for ATE to perform; Category B consists of items for them to perform if directed to do so by the Staff and by Council - he does not see that there is a lot of difference in taking it as it is, as long as Council has a financial veto over matters in Category B, even if these matters in Category B were in A and Council nevertheless had a financial veto. ATE might make suggestions but they would still have to come through Council for the financial veto. It may just boil down to who initiates these items that are in Category B. If they were all in one category, presumably ATE would initiate these items and make recommendations to the Council and Council could take it or not. The way it is now, the items in B are subject to initiation by the City staff; he can see a little bit of problem there if the Staff were of the mind not to initiate anything, but he does not believe the Staff is inclined in that direction. He hopes not and he is going to assume not and put his faith in that premise, so if the Staff is initiating these items in what is now Category B, they are still going to end up in Council's lap.

Councilwoman Locke stated she thinks it is imperative that they vote this contract today and called for the question. The vote was as follows:

YEAS: Councilmembers Locke, Chafin, Whittington, Williams and Withrow.
NAYS: Councilmembers Davis and Gantt.

The vote was taken on the motion to approve the contract and carried as follows:

YEAS: Councilmembers Locke, Chafin, Whittington, Williams and Withrow.
NAYS: Councilmembers Davis and Gantt.

February 14, 1977
Minute Book 65 - Page 10

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE FEDERAL DEPARTMENT OF TRANSPORTATION FOR A GRANT TO MAKE IMPROVEMENTS FOR TRANSIT PASSENGERS AT THE SQUARE.

Motion was made by Councilwoman Locke, seconded by Councilman Whittington, and unanimously carried adopting the subject resolution which is recorded in full in Resolutions Book 12, at Page 195.

AMENDMENTS TO EXISTING LEASE/PURCHASE AGREEMENT AND MAINTENANCE CONTRACTS WITH BURROUGHS CORPORATION, DEFERRED.

Mr. Burkhalter, City Manager, stated he would like to defer this item if it meets with the approval of Council.

Councilman Whittington moved to defer this item, which motion was seconded by Councilwoman Locke, and unanimously carried.

RESOLUTIONS AUTHORIZING THE SUBMISSION OF APPLICATIONS FOR STATE CLEAN WATER BOND GRANTS, APPROVED.

Motion was made by Councilman Whittington and seconded by Councilwoman Chafin to approve two resolutions authorizing the submission of applications for State Clean Water Bond Grants (25%) for the following projects:

(a) Proposed Annexation Water Projects	\$ 668,750
(b) Hoskins Water Treatment Plant Addition	1,440,000

Councilman Davis asked if these amounts of money have been funded and Mr. Burkhalter replied no, but this is the last of the State Bond Grants and if we do not put in for our part, we will not get it; they anticipated getting this money.

Councilman Gantt asked what the water bonds for the annexation came to and Mr. Burkhalter replied roughly this amount.

Councilman Davis asked if Mr. Burkhalter received any kind of recommendation on this from the Community Facilities Committee and Mr. Burkhalter replied no. Councilman Davis asked if this does not involve the financing of our water and sewer extension services and Mr. Burkhalter replied we have an expansion of the plan and also the proposed annexation which Council has already approved; we do not have much choice in that matter.

Councilman Davis stated as he reads the previous instructions of Council, the CFC should be involved in matters involving extension facilities, or the extension thereof, and on the surface this does not appear to be any problem but he knows when you take federal monies, you frequently involve yourself with a lot of contractual obligations that in the future years, cause some right serious problems and if this is a matter which should properly come before them, he would like to hear their advise on it.

He stated it was his understanding the CFC was originally set up when it was found to be desirable to have some kind of joint City-County agency to assist local governments in selling bond issues, back at a time when many issues were being defeated and he was told that was the original intent of the Community Facilities Committee. That it appears in recent years there seems to be a communication problem and we are not utilizing in anyway near the way we should because they could be a very helpful group to us in advising the Council in matters of this nature. He does not think it is going to be effective if we keep piling all this responsibility on them and then when something comes up - to bypass them.

February 14, 1977
Minute Book 65 - Page 11

Mayor Belk stated the reason it was set up was so the City and the County would be able to have another outside body to work out the problems, other than Council and the County Commissioners, because every time Council would send one over there, or they would send one over, they would argue over what size pipe or what kind of pipe and other things they did not know much about, so they said we will set up an outside group and that was so we could have two from the County and two from the City. That now it looks like the fight was between the City and the CFC and this was not the reason it was set up; possibly the best solution might be just to dissolve it.

Councilman Davis stated it does look that way, but if they can help us, we ought to utilize them and first of all, we have to decide what their job is.

Councilman Whittington stated this has nothing to do with the bond issue. That we had two facilities, the City and the County, and they could not agree on the first thing, so the CFC was created. The CFC had nothing to do with the rate structure, bond issues, or anything else - they were just to advise these two bodies and then the County ran out of money and they asked the City to take over the utilities and the City did.

Mr. Underhill stated at the same time, they asked the City to continue the existence of the CFC which they did by the merger agreement, for specific purposes.

Councilman Davis stated in the Council Minutes, the duties of the Community Facilities Committee were specified as to what the Council wanted them to do for the City and in there, the Council says we want the CFC to advise them on the extension of water-sewer facilities and the financing thereof; this to him looks like an extension of water or sewer facilities and financing and things like this are things that ought to routinely come before the CFC.

Mayor Belk stated this was a part of the Water Bonds from two years ago and Councilman Davis replied that is right, it is an old issue, but we are now proposing a grant, and this is brand new, this is what we are voting on today, not the bond issue.

Councilman Williams stated he would appreciate a little briefing by Mr. Dukes on the item and how it relates to the upcoming annexation and possible bond issue.

Mr. Lee Dukes, Director of Utilities, stated the reason he requested this action is because they are broke and have searched every way they could to get this financing since 1975 for a bond referendum. He stated this is some money that was set up by the State to come to Mecklenburg County and because Mecklenburg County did not have enough projects that were funded with local funds and the federal grants, this money was not used up.

That this money is set up for the County until March of this year and after that, if we have not made application, it goes back and this is the last opportunity we have to get State Clean Water Bond Funds. They have been looking for projects to try to keep these funds and they just want to make application and then if they find the local funds, they will have this amount of money to help out; that is what he is trying to do here - just take advantage of funds that are already set up to come to Mecklenburg County if we apply for them.

Councilman Williams asked if this was contingent on the bond issue passing and Mr. Dukes replied if the City cannot fund the projects, then they cannot get the Grants - this is part of it. Once they made the offer, by then, hopefully our monies would become available for doing these projects but if we do not have the money, then we will not be able to follow up on the Grants; if we do not make application, we lose everything. Even if we make the application, we may not get the Grant.

February 14, 1977
Minute Book 65 - Page 12

Councilman Williams asked if the City did not have a couple of million dollars left over from a prior bond issue and Mr. Dukes replied they have two million dollars of unsold bond funds that have been proposed to be used for annexation and this money could not be used for these projects. Mr. Dukes stated the funds might be used for these projects if Council states we will have annexation.

Councilman Williams asked if these are annexation projects and Mr. Dukes replied the first one is but the Water Treatment Plant Addition is not - this other one is a project that has been in their Capital Improvement Book and the CFC has a copy of it.

Mayor Belk asked what influence would the proposed annexation water project, as listed under (a), have under the bond package and what influence would it not have and Mr. Dukes replied it would seem to him that it would have none; the only thing is if we annex and this is approved, they would be in good about \$700,000.

Councilman Williams asked if Council is committed to a course of action here and Mr. Dukes replied no, these are State Clean Water Bond Funds and have very little red tape to them; the only thing you have to do is complete the project.

Councilman Whittington stated you have to have "x" number of dollars on hand to match what the State is going to give you and if we do not have it, then the State is going to keep taking the money back - the same way with the Federal Government.

The vote was taken on the motion and carried, as follows:

YEAS: Councilmembers Whittington, Chafin, Gantt, Locke, Williams and Withrow.
NAYS: Councilman Davis.

Councilman Davis stated his vote against this is a matter of policy because this should come before the CFC as it is his understanding that it is under Council's written instructions. There seems to be some misunderstanding of the role of the CFC and he would like to have this clarified and set down, in writing, so we will all know what it is and he would ask the City Manager to include thi on an early agenda.

Mayor Belk requested the City Manager to notify the CFC of today's action.

The resolutions are recorded in full in Resolutions Book 12, at Page 197.

AMENDMENTS TO AFFIRMATIVE ACTION PLAN, APPROVED.

Councilman Gantt stated he would like to re-state that it is not his intent by proposing Amendments (a) and (b), that they be used in a negative sense as much as they be used from the standpoint that when Council can make adjustments and alterations to this Affirmative Action Plan that they be allowed the opportunity to do so by having semi-annual reports. That in reading Mr. Burkhalter's memorandum to Council, he points out that while he would have no difficulty doing it, he was concerned about the amount of time it would take to prepare these reports.

He stated as he read the Affirmative Action Plan, it appears that Department Heads are going to be up-dating them anyway on a frequent basis as to what they are doing and this interim report, while not being as detailed as an annual report to Council, ought to institute any suggestions or problems that ought to be pointed out to Council on at least a six months basis when we normally use reporting a number of other kinds of things on a quarterly basis, such as our Capital Improvement Programs and he would see no reason why this cannot be done on a semi-annual basis.

Councilwoman Locke asked that Amendment (a) and (b) be considered separately.

February 14, 1977
Minute Book 65 - Page 13

Councilman Gantt stated they now have a 60-member Community Relations Committee made up of some very fine citizens. That he understands Dr. Warner Hall has resigned and this will be a loss to the City of Charlotte. Mayor Belk stated Dr. Hall served the City well and they should go on record as thanking him for serving this community in this capacity.

Councilman Gantt stated this Body has been charged with responding and acting and making suggestions and resolutions to Council over the years with regard to items concerning race relations in this community and specifically its role as it now plays in the Affirmative Action Program which we have with the Federal Government. He felt that in any reporting, or annual reporting, or interim reporting to Council, they be formally recognized as a Body that will also give their opinions and comments on the Plan and it would seem this would be the least they could do, either as special attention or special recognition to the role CRC has already been doing for the community and for that reason he would move that Council adopt Amendment (a) to the Affirmative Action Plan to require semi-annual reports on goals achievement.

Councilwoman Locke stated she would second the motion for discussion and would like to hear from Mr. Earle at this time relative to Amendment (a) as to how long it would take and since it does have to be updated frequently by the Department Heads, she would like to have his opinion on it.

Mr. Earle, Personnel Director, stated in response to Councilman Gantt's proposal on semi-annual reports, he would like to say two things; first, they already had contemplated the possibility of interim reports as needed and recommendations on an interim basis, for changes within the Plan as they are determined to be needed. That the entire Chapter 9, beginning on Page 19 of the Plan, is devoted to this.

He stated he believes the statement that was made earlier that Departments would be involved - they will be, in a sense, but they will not compile information for reporting purposes - this will fall upon the Personnel Department - they are the clearing house and have been for some time for the applicant flow, retention of records related to applicants, employment referrals, etc. and they are scrambling right now to work out some way the Personnel Department can maintain these records so they can be retrieved easily, quickly and accurately and they are working with the MIS people on this. That right now, they are hand maintained.

Mr. Earle stated they are running a high volume of applications and are not at all sure they have the manpower, until they get a good computer program, or an accurate computer program, to provide this kind of information as easily as they would like to have it. They contemplate at least a monthly kind of analysis, but this would be dependent upon their ability to work it out with the computer people.

Councilman Gantt asked Mr. Earle if Councilmembers would be informed of the interim reports of how well the Plan was doing; that he understand in the initial stages of this Plan, it is going to take some time to decide what is the best system for retrieving this information, categorizing information, etc. but he did not realize we were going to get into such a controversy over whether or not when the system is rolling along, whether they can come to Council every six months and tell them how they are doing. Mr. Earle stated it is not really a controversial matter but simply a practical matter of getting things geared up so we can find out where we are at a given time.

Councilman Gantt asked if, after Mr. Earle has had initial start up, would he have any difficulty in giving Council a report on a semi-annual basis and Mr. Earle replied he did not think so, once they get the system set up.

February 14, 1977
Minute Book 65 - Page 14

Mr. Burkhalter stated the word might be an oral, or informal report every six months until they get set up - that he has no objection to reporting every 30 days if it were a practical matter.

Councilman Gantt stated Mr. Burkhalter has given Councilmember written reports that have been one or one and a half pages. Mr. Burkhalter stated he would have no problem with this at all.

Councilwoman Locke stated this is probably the best route Council can go until they do set up some sort of system.

A vote was taken on the motion to approve Amendment (a) and carried unanimously.

Councilwoman Locke moved approval of Amendment (b) to require the Community Relations Committee to evaluate the implementation of the Affirmative Action Plan, which motion was seconded by Councilman Gantt, and carried unanimously.

MR. JIMMIE LEE HACKETT APPOINTED TO THE ZONING BOARD OF ADJUSTMENT FOR AN UNEXPIRED TERM TO EXPIRE JANUARY 30, 1979.

Councilman Gantt moved the appointment of Mr. Jimmie Lee Hackett to the Zoning Board of Adjustment for an unexpired term to expire January 30, 1979. The motion was seconded by Councilwoman Locke, and carried unanimously.

CONTRACT AWARDED FISCHER & PORTER COMPANY FOR CHLORINATION UNITS AND VALVES.

Councilwoman Locke moved award of contract to the low bidder, Fischer & Porter Company, in the amount of \$4,914.58, on a unit price basis, for chlorination units and valves. The motion was seconded by Councilman Withrow, and carried unanimously.

The following bids were received:

Fischer & Porter Company	\$ 4,914.58
Wallace & Tiernan	6,062.00

CONTRACT AWARDED CAROLINA BUILDERS, INC. FOR ADDITION TO THE WATER WORKS SHOP AT 811 FAIRMONT STREET.

Motion was made by Councilman Withrow, seconded by Councilman Whittington, and unanimously carried, awarding contract to the low bidder, Carolina Builders, Inc., in the amount of \$13,950, for addition to the Water Works Shop at 811 Fairmont Street.

The following bids were received:

Carolina Builders, Inc.	\$13,950.00
Frank H. Conner Company	14,996.00
Myers & Chapman, Inc.	15,050.00
Moretti Construction, Inc.	16,647.00

February 14, 1977
Minute Book 65 - Page 15

CONTRACT AWARDED TO SANDERS BROTHERS, INC. FOR SANITARY SEWER COLLECTION AND WATER DISTRIBUTION PROJECT FOR POTTSTOWN IN HUNTERSVILLE, NORTH CAROLINA.

Councilman Whittington moved award of contract to the low bidder, Sanders Brothers, Inc., in the amount of \$42,272, on a unit price basis, for sanitary sewer collection and water distribution project for Pottstown in Huntersville, North Carolina. The motion was seconded by Councilwoman Locke, and carried unanimously.

The following bids were received:

Sanders Brothers, Inc.	\$42,272.00
RDR, Inc.	47,221.75
Ben B. Propst Contractor, Inc.	52,439.65
Rea Brothers	53,667.00
Trans-State	55,964.00
Blythe Industries	57,280.00
Dellinger, Inc.	59,795.60
D. R. Mozeley, Inc.	67,924.75

CONTRACT AWARDED TO BLYTHE INDUSTRIES FOR VALVE REPLACEMENT FOR WATER DISTRIBUTION PROJECT, BEATTIES FORD ROAD AND WEST TRADE STREET.

Upon motion of Councilwoman Locke, seconded by Councilman Withrow, and unanimously carried, contract was awarded to Blythe Industries, in the amount of \$69,800, on a unit price basis, for valve replacement for water distribution project, Beatties Ford Road and West Trade Street.

The following bids were received:

Blythe Industries	\$69,800.00
Crowder Construction Company	69,800.00
DPS Contractors	70,000.00
A. P. White	72,410.00
Sanders Brothers	77,470.00
Metric Construction, Inc.	87,300.00
L. O. Chapman	90,650.00

CONTRACT AWARDED TO FISCHER & PORTER COMPANY FOR ELECTRONIC RECORDING ALARM RECEIVERS FOR UTILITY DEPARTMENT.

Motion was made by Councilwoman Locke, seconded by Councilman Withrow, and unanimously carried, awarding contract to the only bidder, Fischer & Porter Company, in the amount of \$6,578.40, on a unit price basis, for electronic recording alarm receivers for Utility Department.

RESOLUTION TO AMEND THE RESOLUTION ADOPTED BY CITY COUNCIL ON JULY 26, 1976, AUTHORIZING CONDEMNATION PROCEEDINGS FOR THE ACQUISITION OF PROPERTY BELONGING TO WILLIAM H. PROTZ AND WIFE, LUCILLE L. PROTZ.

Motion was made by Councilwoman Locke, seconded by Councilman Whittington, and unanimously carried, adopting a resolution to amend the resolution adopted by City Council on July 26, 1976, authorizing condemnation proceedings for the acquisition of property belonging to William H. Protz and wife, Lucille L. Protz, and a Leasehold Interest located off Highway 29 North, in the County of Mecklenburg, for the Mallard Creek Wastewater Treatment Plant Site.

The resolution is recorded in full in Resolutions Book 12, at Page 201.

February 14, 1977
Minute Book 65 - Page 16

RESOLUTION AUTHORIZING CONDEMNATION PROCEEDINGS FOR THE ACQUISITION OF PROPERTY BELONGING TO JAMES LOO LOCATED IN THE FOURTH WARD URBAN RENEWAL AREA.

Councilman Withrow moved adoption of a resolution authorizing condemnation proceedings for the acquisition of property belonging to James Loo located at 313 West Seventh Street in the Fourth Ward Urban renewal Area. The motion was seconded by Councilman Davis and carried unanimously.

The resolution is recorded in full in Resolutions Book 12, at Page 202.

RESOLUTION AUTHORIZING CONDEMNATION PROCEEDINGS FOR THE ACQUISITION OF PROPERTY BELONGING TO ARTHUR E. GRIER, JR. IN THE GRIER HEIGHTS COMMUNITY DEVELOPMENT TARGET AREA.

Motion was made by Councilman Gantt, seconded by Councilwoman Locke, and unanimously carried, authorizing condemnation proceedings for the acquisition of property belonging to Arthur E. Grier, Jr., Successor Trustee, located at 108 Orange Street, in the Grier Heights CD Target Area.

The resolution is recorded in full in Resolutions Book 12, at Page 203.

REPORT FROM CITY ATTORNEY REGARDING PROPERTY CONDEMNED BY CITY FOR SATELLITE FACILITY.

Councilman Gantt stated recently he read in the Charlotte Observer that the Court awarded \$197,000 for the Garbage Satellite Center and he would like to hear a report about this and if it means that whether the City uses this property as a satellite center or not, they would still have to pay the owners \$197,000.

Mayor Belk asked that Council vote on whether they would like this report from the City Attorney at this time or not.

A vote was taken and carried unanimously.

Mr. Underhill, City Attorney, replied Council authorized the condemnation of this property several years ago and his department filed a condemnation suit and their estimate of a Fair Market Value and deposited approximately \$97,000 or \$98,000, based upon two real estate appraisals which they obtained and for which they used for negotiating purposes. He stated they deposited that amount of money at the time they filed the lawsuit.

That the case went to trial before a Judge and Jury and his evidence was \$97,000 and \$98,000 because their appraisers were very close together in terms of what their opinion was to Fair Market Value. The property owners' evidence ranged from \$164,000, on the low, to \$270,000, as a high, and the property owner had four witnesses. The Jury returned a verdict of \$197,000, which means the City has to deposit an additional \$100,000 since they had already deposited the sum of about \$97,000. He stated the City has owned the property from the day they filed the lawsuit - the issue before the Judge and Jury was how much the property owner was entitled to in the way of damages for the taking of the property.

February 14, 1977
Minute Book 65 - Page 17

Mr. Underhill stated he moved to have the verdict set aside as being contrary to the weight of the evidence and the Judge denied that, which is very routine if you have the evidence that would support a finding by the jury in that category and, as he stated, their evidence was for a higher amount; that they have also looked at a transcript of the case to see if there were any errors committed to see whether it would be worth the City's while to appeal the case; he talked with the trial attorney and looked at the transcript and it is as clear as a whistle, procedurally, and he does not think the City would gain too much by taking it on an appeal. That the City now owns the property and has owned the property from the time he filed the suit about 2 or 2-1/2 years ago. The purchase price, as determined by the Jury, is \$197,000 plus interest at the rate of 6 percent on the difference between what the City deposited and what the Jury awarded the property owner.

AGENDA ITEM NOS. 12 AND 15 IN THE CONSENT AGENDA TO BE DISCUSSED SEPARATELY.

Councilwoman Locke stated she would like to take Agenda Item No. 15 from the Consent Agenda and vote on it separately. Councilman Davis asked that Agenda Item No. 12 be voted on separately, too.

A vote was taken on voting on these items separately, and carried unanimously.

CONSENT AGENDA, APPROVED WITH THE EXCEPTION OF ITEMS 12 AND 15.

Councilwoman Locke moved approval of the Consent Agenda, with the exception of Agenda Items No. 12 and 15, which will be discussed later. The motion was seconded by Councilman Davis, and carried unanimously.

1. An Open Non-Exclusive Contract with J. R. Nicholson and Company for real estate brokers services for Brooklyn Project No. N. C. R-43.
2. Settlements as follows:
 - (a) In the case of City of Charlotte versus Craig S. Love and wife, Marguerite Love, in the total amount of \$4,300, for Hickory Grove Area Sanitary Sewer Trunk, Parcel 48.
 - (b) In the case of City of Charlotte versus Hill Properties, Inc., al Motor Transport Facility, in the amount of \$17,500, for Parcels 4, 5, 6 and 7.
 - (c) In the case of City of Charlotte versus Isaiah Massey, et al, in the amount of \$30,000, for Statesville Avenue Widening, Parcels 8 and 9.
 - (d) In the case of City of Charlotte versus Lucille Hood, in the amount of \$2,625, for Sardis Road Widening, Parcel 6.
3. Loan to Mr. and Mrs. Christopher Geiger, in the amount of \$35,600, for improvement and restoration of property located at 314 West Eighth Street, in the Fourth Ward Urban Redevelopment Project Area.
4. Contract with R. A. Stevenson for the construction of 2,950 feet of water main and three fire hydrants, at an estimated cost of \$25,550, to serve Raintree Corporation.
5. Encroachment Agreement with the North Carolina Department of Transportation permitting the City to construct an 8-inch sanitary sewer trunk entering Service Road "C" (SR 2622) of I-85 at Sugar Creek Road and ending at Manhold Station 38+80.

February 14, 1977
Minute Book 65 - Page 18

6. Property transactions:

- (a) Acquisition of 30' x 3,229.81' of easement on 102 acres west of I-77 at Sam Furr Road, from James R. Withers, Jr. and wife, at \$4,500, for McDowell Creek Outfall, Phase II.
- (b) Option on 99.07 acres of land on the north side of Neck Road, at McDowell Creek, belonging to John Springs Davidson (single), at a purchase price of \$114,000, for the North Mecklenburg Wastewater Treatment Plant Site.
- (c) Acquisition of 15.61' x 171.23' x 15.28' x 171.52' of easement on the east side of Fincher Boulevard, from Margaret C. Holt, at \$400, for Allen Hills Park Footbridge.
- (d) Acquisition of 4,850 sq. ft. at 1116 Jefferson Street, from Jesse Stroud, at \$14,000, for West Morehead CD Target Area.
- (e) Acquisition of four parcels of real estate for the Grier Heights CD Target Area, as follows:
 - (1) 7,000 sq. ft. from Mary Reid Gray, 3028 Marney Avenue, at \$10,000.
 - (2) 35,775 sq. ft. from Mr. and Mrs. W. Douglas Moore, at 3507 and 3509 Ellington Street, at \$15,500.
 - (3) 1,539 sq. ft. from Mrs. W. F. Upshaw, at 3700 Ellington Street, at \$475.

LEASE AGREEMENT BETWEEN THE CITY AND THE NELSON COMPANY FOR SPACE IN THE EXECUTIVE BUILDING, APPROVED.

Councilman Davis asked when the City has a contract or a bid and there is only one bid received, does the City have any stated procedures for handling cases like this and Mr. Burkhalter replied only to get Council's approval before awarding the contract; that Council will make the determination - that in this case, the City's water billing machine would have to be removed from the building and placed somewhere else and in his opinion, there was no choice but to leave it there.

Councilman Davis stated in this case Mr. McWhirter, on his own initiative, documented this very well and he has no objection to it but wanted to know what the policy was when you see there is no competitive bid which normally you would like to see something a little extra as has been presented in this case. He asked if there was a general policy on this and Mr. Burkhalter replied no, only to satisfy Council.

Mayor Belk asked why the billing machine cannot be housed in this building, and Mr. Burkhalter replied this building does not have enough space for the operation; this machine does all the printing for the water bills and has been in the Executive Building for a long time.

Mr. Fennell, Finance Director, stated this billing machine has been in the Executive Building for about eight years and requires a certain amount of storage for supplies and is also used by Public Information and others. That the basic problem is that it would cost about \$1,000 to move it and they did not have a place to move it to.

Mr. Burkhalter stated this machine is so noisy that you would have to have a real secluded spot or a room that would be sound proof.

Upon motion of Councilwoman Locke, seconded by Councilman Whittington, and carried unanimously, the Lease Agreement for Suite 405, Executive Building, for a term of one year, beginning January 1, 1977, was approved.

February 14, 1977
Minute Book 65 - Page 19

APPLICATIONS FOR PROPERTY REHABILITATION LOANS AND GRANTS, APPROVED.

Councilwoman Locke stated she would like to ask someone to explain why one of these items is a grant and one is a loan to the same people and Mr. Vernon Sawyer, Director of Community Development, replied the McMahan family is eligible for a grant, but at the same time, the total cost of the rehabilitation is \$16,790; the man owes \$7,600 on his existing mortgage, so they are combining the loan and the grant, which is the only way we can get the total amount of the work done and part of that is used to re-finance the mortgage which is outstanding and lower the man's total household expense limit to 25 percent of his income and this was done to help him out because his total expenditure out of his income for his house payments and maintenance and everything is 25 percent of his income and this is their limit.

Councilwoman Locke moved approval of the following property rehabilitation loans and grant, which motion was seconded by Councilwoman Chafin, and unanimously carried:

1. Loan to Richard Alridge, in the amount of \$18,000 for 1712 Winthrop Avenue, Wilmore/Dilworth Target Area.
2. Loan to Richard McMahan and Frances, in the amount of \$13,150, for 3006 North Davidson Street, in the North Charlotte Target Area.
3. Grant to Richard McMahan and Frances, in the amount of \$4,500, for 3006 North Davidson Street, in the North Charlotte Target Area

MOTION TO RECONSIDER COUNCIL ACTION ON ZONING PETITION NO. 76-66, APPROVED.

Councilman Withrow stated in regard to an item which Council had before them sometime ago, he would like to move that Council take action today on the reconsideration of previous action taken by the Council in connection with the zoning classification of the Howard Nance property, under Petition No. 76-66. The motion was seconded by Councilman Whittington, and carried unanimously.

ORDINANCE NO. 441-Z, AMENDING ORDINANCE NO. 417-Z, RESCINDING PREVIOUS ACTION OF COUNCIL RELATIVE TO PETITION NO. 76-66 AND PROPERTY DESIGNATED R-12MF.

Councilman Withrow stated he would like to move that Council rescind its previous action that was taken on January 17, 1977 in connection with the Nance property located north of Griers Grove Road and the easterly end of Plumstead Road and that the property be designated as R-12MF in order to clarify the situation as to what zoning classification was applied to the Nance property at the January 17 meeting on Petition No. 76-66. The motion was seconded by Councilman Whittington, and unanimously carried.

The ordinance is recorded in full in Ordinance Book 24, at Page 18.

MR. J. WILL PATTERSON NOMINATED FOR REAPPOINTMENT TO THE INSURANCE ADVISORY COMMITTEE.

Councilman Whittington placed the name of Mr. J. Will Patterson for nomination for reappointment to the Insurance Advisory Committee for a term of three years.

MAYOR BELK TO CONGRATULATE THE MAYOR AND CITY MANAGER OF RALEIGH, NORTH CAROLINA ON BEING RATED AS TRIPLE A IN BONDS.

Mayor Belk advised Council that the City of Raleigh has now joined the City of Charlotte in being rated as Triple A in Bonds. That he feels they should be congratulated and if it meets with the approval of Council, he would write them a letter of congratulations.

Councilmembers were in agreement that a letter of congratulations should be written.

February 14, 1977
Minute Book 65 - Page 20

ADJOURNMENT.

Upon motion of Councilman Whittington, seconded by Councilwoman Locke, and unanimously carried, the meeting was adjourned.

Louise H. Comfort
Louise H. Comfort, Deputy City Clerk