CHARLOTTE

Charlotte City Council

Governmental Affairs Committee

Meeting Summary for June 06, 2011

COMMITTEE AGENDA TOPICS

I. **Subject:** **Federal Update**
Action: None.

II. **Subject:** **State Update**
Action: None.

V. **Subject:** **Hot Topics**
Action: None.

VI. **Subject:** **Next Meeting**
Action: Monday, September 12 at Noon in Room 280

COMMITTEE INFORMATION

Present: Nancy Carter, Andy Dulin and Patrick Cannon
Absent: Warren Turner
Time: 4:00 p.m. to 5:00 p.m.

ATTACHMENTS

1. Agenda Package
2. Handouts

DISCUSSION HIGHLIGHTS

Committee Discussion:

Council member Carter welcomed everyone to the meeting and asked those in attendance to introduce themselves.

I. Federal Update

Holland & Knight
Representative of Holland & Knight, Rich Gold, joined the Committee meeting via conference call.

Mr. Gold relayed that right now the issue is waiting to see if in the Budget Agreement all 12 bills move through the House and it will depend on what happens with the President's negotiation deals. There will be an anticipated deficit of a trillion dollars and a lot of painful decisions by party leaders will have to be made. Mr. Gold was not sure how much this would impact Light Rail funding. There will definitely be a significantly scaled down Transportation budget. Transportation Reauthorization won't get done this fiscal year.

II. State Update

[Memorandum Handout]

State Budget

House concurred with changes made to budget by Senate: major interest points for the City in the budget include:

Funding appropriated for NCDOT to commit to state share of Blue Line Extension and budget does not include any provisos that create any conditions prior to NCDOT entering into Full Funding Grant Agreement with City for Blue Line extension and Red Line Commuter Rail projects.

Powell Bill funds to be paid to cities in two equal installments on October 1 and January 1 instead of one payment on October 1.

Reduces funding for CATS statewide Maintenance Assistance Program (SMAP) payments by 6%.

Will require NCDOT to consult with the Joint Legislative Commission on Governmental Operations before accepting federal rail funds if the

required state matching funds or future annual maintenance costs are reasonably expected to exceed $3 million, and seek approval of the General Assembly if costs are expected to exceed $5 million; caveat allows NCDOT to accept funds if 30 days have passed since consultation with the Joint Legislative Commission on Governmental Operations and General Assembly has not acted upon request.

Trial Court Administrator positions in 10 districts including Mecklenburg are funded.

Mobility Fund budgeted in FY12, but FY13 and FY14 funding directed to DOT Prioritization Reserve Fund while criteria for program is reformulated; budget also has language favoring projects that qualify for Congestion relief and Intermodal Funding in the process; the intent is for General Assembly to approve funding formula and projects chosen.

If Governor vetoes the budget bill, then the bill will be returned to the House of Representatives where 3/5 of present and voting members can vote to override the veto; if the House votes to override the veto, the bill will then be sent back to the Senate where 3/5 of present and voting members must also vote to override the veto before the bill can become law.

Developing Issues

Ecosystem Enhancement Program Changes – SB 425 makes a number of changes to the Ecosystem enhancement Program (EEP) administered by the Department of Environmental and Natural Resources (DENR); among the changes is a provision that favors the purchase of wetland mitigation credits from privately owned mitigation banks over publicly owned mitigation banks, such as the one owned by the City of Charlotte. Staff is engaged in negotiations with sponsor to ensure City Charlotte is not impacted by bill; trying to get exempted

No High Speed Rail – HB 422 is the legislation that would require NCDOT to consult with the Joint Legislative Commission on Governmental Operations before accepting federal rail funds. Bill is still technically alive and we will be moving forward with high speed rail.

Admissions Ticket Reform Act – HB 308 is opposed by 14 organizations. This Legislation sought by ticket resellers StubHub and Ticket Network to gain entry into North Carolina market; in process, would impose additional costs on current ticket office operations, including venues operated by Charlotte Regional Visitors Authority. The Bill also raises competitive barrier to acts booking in North

Carolina by requiring disclosure of proprietary information not required in other States; Columbia, SC will gain a considerable advantage if this bill passes.

Legislative Agenda

Annexation – HB 845 is the House annexation reform package; according to NCLM, bill includes language requiring local governments to pay the full cost of water and sewer hook-ups to every residence. NCLM has been taking the lead on this.

Courts Funding – Budget funds Trial Court Administrators positions in 10 districts including Mecklenburg.

Mobility Fund – Budget funds Mobility Fund in FY12, but directs FY13 and FY14 funding to DOT Prioritization Reserve Fund while criteria for program is reformulated; Budget also has language favoring projects that quality for Congestion Relief and Intermodal Funding in the process; intent is for General Assembly to approve funding formula and projects chosen.

Local Revenue Sources for Roads and Transit – Nothing to report at this time.

Other Bills Being Watched

Roadside Campaign Signs – SB 315, trying to allow City to exempt itself from this Bill which enacts statewide standards for placement of campaign sign in state's right-of-way from 30 days before election to 10 days after the campaign; referred to state Transportation; proposed committee substitute reported on May 18; local governments requesting amendment to allow cities to exempt themselves this bill due to confusion over common boundaries of state and city rights-of-way, re-referred to Senate Finance.

Fire Separation Allowance – SB 350 has been revamped entirely and not very clear now. Legislation would require the local Government Employees' Retirement System to provide an annual separation allowance to eligible retired firefighters; this would be in addition to all other currently provided benefits; fiscal impact is being determined at this time; trying to understand rationale behind the Bill. A similar allowance for retired police officers cost the City approximately $3.9 million per year; referred to Senate Pensions, Retirement & Aging; it is understood this bill will be overhauled significantly and will be heard June 8th.

III. Hot Topics - None

IV. <u>Next Meeting</u>

Monday, September 12, Noon in Room 280
(2nd Monday of the month)