# AGENDA

<table>
<thead>
<tr>
<th>Meeting Type:</th>
<th>W</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td>03/01/1993</td>
</tr>
<tr>
<td>SUBJECT</td>
<td></td>
</tr>
</tbody>
</table>

City of Charlotte, City Clerk’s Office
MOTION FOR EXECUTIVE SESSION

I move that the City Council hold an executive session upon the conclusion of this meeting to confer with the City Attorney about a matter of potential litigation involving the City as permitted by G.S. § 143-318.11(a)(4).
CITY COUNCIL
WORKSHOP AGENDA
March 1, 1993

5:00 Dinner

5:10 Approval of the minutes of January 4 Workshop, January 11 Citizens Hearings, Dinner Briefing and Meeting, January 13 Legislative Breakfast Meeting, January 19 Dinner Briefing and Zoning Meeting

5:15 Rightsizing Presentation

6:30 Council Approval of Rightsizing Agenda Items

1. AS400 Conversion to LAN
2. Deletion of Positions from the Table of Organization
3. Budget Ordinance to transfer the Rightsizing Savings

7:00 Presentation by Mayor’s Task Forces

1. Organization
2. Compensation
3. Privatization
COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Rightsizing

KEY POINTS (Issues, Cost, Change in Policy):

City Manager and staff will present to City Council the results of their Rightsizing Program. The Rightsizing Program was presented to Council in February 1992. The City Council approved the Rightsizing Program with a goal of eliminating 200 positions from the City payroll by February 1993.

In June 1992, City Council increased the rightsizing goal to 250 positions in order to partially fund 50 new police officers in addition to the 50 police officers recommended by the City Manager.

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED:

1. Approval of the AS400 conversion to a Local Area Network (LAN)
2. Approval of a budget ordinance deleting 272.50 positions from the Table of Organization
3. Approval of a budget ordinance to transfer $5.1 million in rightsizing savings

ATTACHMENTS:

Requests for Council Action for:
1. AS400 conversion to LAN
2. Deletion of 272.50 positions from the Table of Organization
3. Budget ordinance to transfer $5.1 million in rightsizing savings

Council will receive a printed Rightsizing Report at the Workshop.
Recommend approval of: (a) conversion to Local Area Network (LAN) office automation platform, and (b) contract to purchase 85 LAN workstations.

City Manager's Office

Explanation of Request

Council is requested to approve the conversion from the "AS-400" office automation platform to the local area network platform. The conversion pays for itself in less than 24 months based on the following assumptions and information.

<table>
<thead>
<tr>
<th></th>
<th>Yr. 1</th>
<th>Yrs. 2-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Cost of Hardware and Software</td>
<td>$560,000</td>
<td>28,000</td>
</tr>
<tr>
<td>*Conversion Support</td>
<td>50,000</td>
<td>0</td>
</tr>
<tr>
<td>*Charges for Communications</td>
<td>14,130</td>
<td>28,390</td>
</tr>
<tr>
<td>Total Cost</td>
<td>624,130</td>
<td>56,390</td>
</tr>
</tbody>
</table>

As a comparison, the annual lease of the AS-400 system totals approximately $104,000 in year one and $44,000 in years two and three. However, a key assumption is that the conversion allows for the elimination of clerical employees.

With the elimination of 10 positions ($275,000), the conversion pays for itself in less than 24 months. (During the past year, 60 clerical/administrative positions have been eliminated as part of Rightsizing. Many of those eliminations are dependent on departments acquiring this LAN technology.)

<table>
<thead>
<tr>
<th></th>
<th>Yr. 1</th>
<th>Yr. 2</th>
<th>Yr. 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion to LAN</td>
<td>$624,130</td>
<td>$ 42,390</td>
<td>$ 42,390</td>
</tr>
<tr>
<td>Stay with AS-400</td>
<td>379,000</td>
<td>319,000</td>
<td>319,000</td>
</tr>
</tbody>
</table>
To begin the conversion, Council is also requested to approve the purchase of 85 LAN workstations from Gateway 2000 for $131,070. (Bid information is attached.) This cost is included in the $624,130.

Approval of this purchase will allow the City sufficient time to order and acquire the workstations to meet the conversion target of July 1, 1993. In April, Council will be requested to approve the remaining purchases to complete the conversion. The cost of these remaining purchases is included in the $624,130.

Source of Funding

As part of the Rightsizing plan, Council approved $1 million in the FY93 Budget to promote technology improvements to meet Rightsizing goals.

BACKGROUND: At the July 1992 Council Workshop on Rightsizing, staff presented an overview of the City’s automation plan. The plan outlined the transition from the City’s current office automation platform to a local area network platform. Also presented were the goals of automation and technology in meeting Rightsizing objectives.

1. Eliminate positions through technology improvements.

2. Invest in technology which facilitates reducing layers of management, working in teams, and accomplishing work with fewer employees.

Office automation refers to the way "work gets done" within the organization. The City’s office automation network provides for the transmission of correspondences electronically among and across the City, is used to coordinate calendars and schedules, and provides for the City’s standard word processing function. The "official" office automation platform has been the "AS-400."

The "AS-400" has been used primarily by clerical employees and the functions are limited to those described above. Over the past few years, the City has invested in personal computers tied to local area networks. There now exists four local area networks, one in the CMGC, one at Old City Hall, one at CMUD, and one at the Airport.

The personal computers linked to a LAN not only provide improved office automation capabilities but provide the ability to use other business applications required in the day-to-day activities of the City. Personal computers are being used by professional staff, managers, and clerical employees.

During the past year, the Communications and Information Systems Department and a City-wide Technology Team have evaluated options to eliminate the redundancy of these parallel networks, and position the City to meet future Rightsizing and technology goals. Part of the evaluation process included input from technology consultants. These consultants support the City’s recommendation to move to LAN-based office automation. Attached is a presentation outline of the decision making process.
February 24, 1993

Bid Item C for Agenda of March 1, 1993

I. Item: Computer Workstations  
   User Dept.: CIS

II. Recommendation: By Purchasing Director and CIS Director that the low bid, Gateway 2000, North Sioux City, S.D., in the amount of $131,070.00, be accepted for award of Contract on a unit price basis.

III. Bid Summary:

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gateway 2000</td>
<td>N. Sioux City, N.D.</td>
<td>$131,070.00</td>
</tr>
<tr>
<td>Compu Add</td>
<td>Charlotte, N. C.</td>
<td>149,315.00</td>
</tr>
<tr>
<td>Copley System</td>
<td>Charlotte, N. C.</td>
<td>162,520.00</td>
</tr>
<tr>
<td>Dell Computer</td>
<td>Austin, Texas</td>
<td>189,255.00</td>
</tr>
<tr>
<td>Sears Business Center</td>
<td>Charlotte, N. C.</td>
<td>190,800.00</td>
</tr>
<tr>
<td>Cedalion Systems, Inc.</td>
<td>Charlotte, N. C.</td>
<td>198,936.45</td>
</tr>
<tr>
<td>Carolina Comp Stores</td>
<td>Charlotte, N. C.</td>
<td>254,755.00</td>
</tr>
</tbody>
</table>

IV. Invitation to bid sent to 71 companies.

V. Advertising On: 8/26/92  
   Bids Read: 9/15/92

   A pre-bid conference was held on September 1, 1992.

VI. Justification: This proposed purchase is for furnishing microcomputers which will replace the AS/400 Workstations during the conversion to Word Processing on the LAN.

VII. Source of Funding: No commitment of funds are needed until actual purchase orders are issued. Establish annual contract on a unit price basis.
February 24, 1993

OTHER DATA:

VIII. M/WBE Status (if applicable): Six (6) of the vendors on the bid list are M/WBE's. However, no bids were received from either of them.

IX. Consequences if Action is Deferred: Will not be able to convert the City to a simple Word Processing/E-Mail System. Other departments will not be able to purchase additional microcomputers as needed.

X. Other Information: This request is for an annual contract with option to renew for an additional year at the same unit price bid, or decrease in bid should market prices change.

For further information on this item please contact Marian Lyon ext. 5669.

Approved by: ____________________________
Assistant City Manager
Presentation Outline

- Decision Making Process
- Current Situation
- Problems and Expectations
- Recommendations
DECISION MAKING PROCESS

Recommendation to City Council (3/93)

Proposal to City Manager (12/92)

Consultant Input (11/92)

Customer Survey (9/92)

Rightsizing Technology Team Input (7/92 - 11/92)

Preliminary Study (11/92 - 2/92)

CIS Strategic Plng Comm (6/92 - 8/92)

User Task Force Input (1/92 - 5/92)
CURRENT SITUATION
AS/400 Overview

Number of Systems 4
Number of Customers 348
Number of Terminals 142

Uses:

OfficeVision/400 is the Official Office Automation Software For the City of Charlotte

Word Processing
Electronic Mail
Calendaring
Local Area Networks (LAN) Overview

Number of Systems  45
Number of Customers  565
Number of Microcomputers  355

Uses:

Access to the Mainframe is Available to LAN Attached Microcomputers

The LAN is An Unofficial Office Automation Platform For the City of Charlotte

WordPerfect and WordPerfect Office
FoxPro
Lotus 1-2-3
Harvard Graphics
AutoCAD
Desktop Publishing
AS/400 and LAN
We Now Have Redundancy

IBM AS/400

Word Processing
Electronic Mail
Calendaring

LAN

Word Processing
Database
Spreadsheet
Graphics
Electronic Mail
Calendaring
AS/400 and LAN
Originally Different Customers

IBM 5520
Clerical Staff

IBM AS/400
Clerical Staff

Stand-Alone PC
Professional Staff

LAN
Professional Staff
Clerical Staff
Problems Resulting From Parallel Systems

Since AS400 is the Primary Office Platform, Info Must Be Sent Through the Clerical Staff

Users Demand/Want the "Easy-to-Use" Desktop Tools Available on the LAN

Functions and Communication Links are Redundant (e.g., Word Processing, Calendaring, Electronic Mail, etc.,)
New Expectations From Office Automation

Eliminate Vacant Clerical Positions

Decrease Layers of Management by Providing New Paths of Communication

Create an Environment for Decentralized Decision Making By Providing Information at the Service Provider Level

Facilitate Decision Making With Access to All Information Through One Tool - the Local Area Network.
RECOMMENDATION

Move Office Automation To the LAN

Timeframe: July 1, 1993
Move Office Automation To the LAN

Benefits:

- Eliminate Vacant Clerical Positions
- Staff Communication Can Be Done More Directly
- No Redundancy in Office Automation Systems Which Decreases Costs
- Increased Access to "Easy-To-Use" Desktop Tools
- Foundation Built for Future Technology Innovations

Drawbacks:

- The Cost to Add a Local PC (for Office Automation Functions Only) is More Than the Cost to Add a Local AS/400 Terminal
- Remote Communications Costs are Higher
- Start-Up (i.e., One-Time) Costs
Consultant Recommendations

Concurred With CIS' Recommendation Based on Two Issues:

1. Office Automation is Only Effective When Applied Uniformly Across an Organization

2. Local Area Network Technology is the Most Appropriate Platform for Deployment of Office Automation

Consultants:

Tom Cox, Cox & Co.
John Coster, Gerry Woltman; Cedallion
Paige Reeder, Sharon Bowser; IBM
Lynn Phifer, Tom Walsh, Joel Weinbach; The Computer Group
Recommend elimination of 272.5 positions from the City's Table of Organization.

Budget and Evaluation

Background:
In February of 1992, the City Manager presented the Blueprint for Rightsizing to City council. That plan included the commitment to reduce 200 positions from the General Fund and from those funds that receive General Fund support. In addition, Council increased the rightsizing requirement by 50 positions in order to add 50 Police Officers in addition to the 50 recommended by the Manager.

City departments have submitted rightsizing plans to identify the 272.5 positions and to identify alternative service delivery plans to minimize the impact of the position reductions. In addition, the Manager's Reorganization has been defined to the extent that consolidated administrative functions for the new key businesses can be reduced. With this information now available, the City Manager has developed his final recommendations on the reduction of these 272.5 positions. The positions to be eliminated are distributed as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Reductions</th>
</tr>
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<tbody>
<tr>
<td>General</td>
<td>252.25</td>
</tr>
<tr>
<td>Water and Sewer</td>
<td>11.25</td>
</tr>
<tr>
<td>Airport</td>
<td>1</td>
</tr>
<tr>
<td>Community Development</td>
<td>7</td>
</tr>
<tr>
<td>Employment and Training</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>272.5</td>
</tr>
</tbody>
</table>

Request:
Council is requested to approve the Manager's recommendation to eliminate 272.5 positions from the City's Table of organization.
Recommendation to transfer $5.1 million from General Fund, Community Development and Employment and Training Operating Budgets to satisfy the FY93 Rightsizing Obligation.

Budget and Evaluation

Background:
The FY93 Manager's Recommended operating budget included a $4.2 million rightsizing offset. The recommendation was to eliminate 200 positions prior to June 30, 1993. Because it was unknown at the time of the budget presentation where the 200 positions were funded, a rightsizing "offset" was placed in General Fund Non-Departmentals to help balance the budget through Rightsizing pending this action.

In the Budget deliberation process, Council increased the rightsizing offset from $4.2 million to $5 million to offset partially the addition of 50 police officers above and beyond the 50 officers included in the Manager's Recommended Budget.

Through freezing salary savings in departmental budgets plus by projecting salary savings beyond March 1, $5.1 is now projected to be available from departmental budgets.

Request:
Council is requested to approve the ordinance implementing the FY93 budget decision that sets aside $5.1 million in salary savings to balance the budget.
COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Reports from the Mayor's Task Forces on Organization, Compensation and Productivity

KEY POINTS (Issues, Cost, Change in Policy):

In conjunction with the City's Rightsizing efforts, the Mayor appointed three Task Forces to review three related issues: Organizational Structure; Employee Compensation; and Privatization.

At the Workshop, the Chairman of each Task Force, will give a brief oral report to City Council. Council has scheduled a discussion of these reports for March 29, 1993.

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED:

No decision or direction requested at this time. Council has set a workshop for March 29, 1993 for an in-depth discussion of the Task Force Reports with the members of each Task Force.

ATTACHMENTS:

The Task Forces will provide Council copies of their reports at the Workshop.
<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>Mayer</td>
<td>absent</td>
</tr>
<tr>
<td>Campbell</td>
<td></td>
</tr>
<tr>
<td>Godfelter</td>
<td>absent</td>
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<tr>
<td>Hammond</td>
<td></td>
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<tr>
<td>McCurry</td>
<td></td>
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<td>Majeed</td>
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<tr>
<td>Morgan</td>
<td></td>
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<tr>
<td>Martin</td>
<td></td>
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<tr>
<td>Patterson</td>
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<tr>
<td>Reid</td>
<td></td>
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<tr>
<td>Scarborough</td>
<td></td>
</tr>
<tr>
<td>Wheeler</td>
<td></td>
</tr>
</tbody>
</table>

5:15

Hammond
Martin / Wheeler

App. Minutes
Hammond
Martin

White - Started in Fall of 1990 with warning from R. Martin then fell told that tax revenues, this Spring of '91 State kept some of our revenues to balance their budget.
Did not think recovery would be so optimistic.
Now we are here for report on right-sizing.
The main leadership role for right-sizing has been Pam, with Dave Cook + his staff + all Dept. Heads.

Pam Sigfrid - Overview of what we'll go over tonight.

Deb Borgdorff
- Property Tax is the tax which Council can control.
- New growth in '90's is nothing (eratic) compared to '70's.
- "Baby boomers" have moved through the economy & set up homes, not buying as much any more & so sales tax is down.

- Debt Service up
- Fixed assets have doubled
- Revenues are flat
McCroy
Borgdorf
McCroy
Borgdorf
Alexander
Borgdorf
McCroy
Borgdorf
White
Reid
Borgdorf
Reid
Borgdorf
Vic Alexander - Double AAA Rating from Moody’s & Standard & Poor’s for 17 years.

Hemond
Alexander
White
Hemond
Alexander - Seditious 8% of workforce today
Local 1 have doubled with the shift in Federal Policy.
(1) Kept general operations flat

(2)

Superf - 1 year ago
- Can't cut workforce continue to do work same way
- Blueprint for change taken to workforce

Morgan
Superf  Apr  Side 2 6:10

Julie Burch - Reduction of 250
McCory
Superf
Reid
Superf
Reid
Superf
Reid

Alexander
Superf
Wheeler
Alexander
Superf
White
Reid
Patterson
Reid
Alexander
White
Patterson
White
Syfert
Henderson
Julie
McCrosy
Burch
Syfert
White
Scarborough
Syfert
Mangan
White
Mangan
White
Burch
White
Burch
Martin
Burch
Hannan
Alexander
$20,000 first year
McCory
Steger
McCory
Martin
Steger
Martin
Steger
Martin
Majeed
Scarborough
Reid
Steger
Alexander
Reid
Alexander
Reid
Saffert
Steger
Mangum
Saffert
McCory
J. Bisch
McCrory
Burch
Martin
Syfert
Burch
Borgdorff
Hammond
Saunders
Hammond
White
McCrory
Alexander
Hammond
Borgdorff
McCrory
Syfert
Martin
Hammond
Borgdorff
Steiger - Redefining external priorities
Martin
Steiger
Burch
Patterson
<table>
<thead>
<tr>
<th>First Name</th>
<th>Last Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burt</td>
<td></td>
</tr>
<tr>
<td>Jeff</td>
<td>White</td>
</tr>
<tr>
<td>Patterson</td>
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<td>Wheeler</td>
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<td>Martin</td>
<td>White</td>
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<td>Jeff</td>
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<td>McCory</td>
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<tr>
<td>Jeff</td>
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<td>White</td>
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<td>Scarborough</td>
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<td>Hammond</td>
<td>White</td>
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<tr>
<td>Hammond</td>
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<tr>
<td>Dave Cook</td>
<td></td>
</tr>
<tr>
<td>Reid</td>
<td></td>
</tr>
<tr>
<td>Dave Cook</td>
<td>4/24</td>
</tr>
</tbody>
</table>

Dave Cook - 4/24 includes
Martin
Cooke
Martin
Cooke
Pattison
Cooke
Hammond
Cooke
Sjefst
White - Where do we go from here?
Hammond-
Scarborough / Pett
App LAN
Reed
White
Hammond
Morgan
McCorry
Hammond
McCorry
Sjefst
McCorry
Morgan
Martin
White
Martin
Cooke
Syfert
Hammond Vote: Even
Scarborough
Patterson/ Wheeler: Excuse Sean

No - McCrary
Patterson/Wheeler: App elimination of 272.5 positions

Leid
Syfert
Reid
White
Leid
Of White
Hammond
Reid
White
Hammond
Majeed
Hammond
Patterson
Reid
Patterson
White
Tape 2, Side 2

White
Martin

White
T. S. 

White
Campbell
White

D. Hammond
Campbell
Reid

McCrosky
Reid

McCrosky
Patterson

McCrosky

D. Reid

Martin
Patterson

White

No Martin
Patt: Wheeler App 8/1

No Martin

Martin - Supported Wendell but wanted to hear reports first

Mayor's Task Force

1. Organization
   - John Corenti

2. Key Businesses - 6

3. Empowerment, Trust, Delegation
   - Bus: Heads authority to obtain goods+
service to operate
   - 4 levels from bottom to City

McCrosby
John Corenti
McCrosby
John Corenti
McCrosby
Corenti
Martin
Corenti
Martin
Corenti
Martin
Patterson
Corenti
Patterson
Corenti
Majerdi
Hammond
Majerdi
Corenti
Reid
Corenti
Reid
Corenti
Hammond
White
Patterson - Meet once a month
White
Hammond - Ask staff to give us an reality check on council - what can do
Corenti what can't do
Martin
Corenti
Hammond
McCory
Patterson
Hay
McCory / Patterson / Chart
Changes
No - Reid / Wheeler
Hammond -
Compensation - Get to it on
3/29

Super
Bobby Lowery - Working since
July
April 3, Side 1
Landscaping & Tree Maint. 8:25
Competein

Hammond
Martin
Lowery
Martin
Mangun
Lowery
Hammond
Mangun
Lowery
Hammond
Wheeler - Rock Hill to Charlotte
due line started today.

Hammond
Margum
Wheeler

Margum / Mar
Area. 
App. Exec.
Session

Margum / Martin Adjourn
8:35