



# City of CHARLOTTE

## MEMORANDUM

TO: Mayor Lewis and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: City Manager's Report

DATE: August 5, 2016

**Major Street Fund Cash Flow v.2.** As requested by Council member Bahmer, I have prepared an alternative cash flow scenario that reorders street reconstruction projects. You will find this scenario below. The primary change is to move State Street into the first year of construction projects, Lincoln Street into year two and E. Lovett Street into year five. As you can see, this results in a negative cash position at the end of year two. In order to keep this negative position as small as possible, it is necessary to eliminate street rehabilitation projects from the first two years work schedule. This might have undesirable consequences for preserving streets that are in fair to good condition. There are other possible scenarios that can be considered. Ultimately, Council will need to choose the order of streets that it feels achieves the appropriate balance between addressing street reconstruction needs and fiscal responsibility. The final decision for 2017 projects will need to be made by early fall.

**Street Projects.** We expect to present Council at its next meeting with a list of streets proposed for mill-and-resurface type projects totaling \$250,000. We will also be preparing a request for qualifications for engineering services related to street reconstruction and rehabilitation projects. It has been a while since we have gone through that process and feel it is time to do so. Work is progressing well on North Sheldon Street with the contractor on schedule to complete by the end of August.

**Recycling Center.** I attended the most recent CARA meeting to discuss the future of recycling in the community. There are concerns from CARA members regarding the size of the projected deficit and the formula for allocating that deficit among member units of government. Proposals are currently being solicited from waste haulers to operate the center in place of the City. I expect further discussions to take place over the next couple of months regarding a renegotiation of the formula for member contributions.

**O-I Facility.** We received a communication this week from the company that has been in litigation with Owens-Illinois over the purchase and clean-up of the Packard Road facility. It appears that an agreement has been reached to transfer ownership. This should allow for other actions intended to lead to new business

activity at the site. Given the manner in which Owens-Illinois has acted in the past, however, it could still be some time before all the loose ends are tied up.

**City Hall Updates.** The north stairwell project is nearly complete as are security enhancements in the first floor office area. We have received bids for budgeted window replacements and expect to have a recommendation on this at the August 22 Council meeting.

**108/110 E. Lawrence.** The closing on this property was delayed a couple of weeks and is now scheduled for August 10.

**Camp Frances Open House.** The Camp Frances board has planned an open house at the facility for Saturday, August 27 from 5:00 p.m. to 8:00 p.m. There will be hot dogs and s'mores and an opportunity to join in a sing-along. Mark your calendars.

## MAJOR STREET FUND CASH FLOW v.2

<b>Cash-on-Hand 6/30/17</b>			<b>\$1,200,000</b>
	2017-18 Revenues:		
	Act 51	\$534,000	
	County Millage	310,000	
	Interfund Loan	800,000	
	Total Revenues		1,644,000
	2017-18 Expenditures:		
	Routine Maint.	(350,000)	
	State Street (2017)	(2,000,000)	
	Total Expenditures		(2,350,000)
<b>Cash-on-Hand 6/30/18</b>			<b>\$494,000</b>
	2018-19 Revenues:		
	Act 51	570,000	
	County Millage	310,000	
	Total Revenues		880,000
	2018-19 Expenditures:		
	Routine Maint.	(350,000)	
	Lincoln Street (2018)	(970,000)	
	Interfund Loan Repay.	(100,000)	
	Total Expenditures		(1,420,000)
<b>Cash-on-Hand 6/30/19</b>			<b>(\$46,000)</b>
	2019-20 Revenues:		
	Act 51	612,000	
	County Millage	310,000	
	TIP – W. Lovett	375,000	
	Total Revenues		1,297,000
	2019-20 Expenditures:		
	Routine Maint.	(350,000)	
	W. Lovett (2019)	(585,000)	
	Rehab. Projects	(250,000)	
	Total Expenditures		(1,185,000)
<b>Cash-on-Hand 6/30/20</b>			<b>\$66,000</b>
	2020-21 Revenues:		
	Act 51	677,000	
	County Millage	310,000	
	Total Revenues		987,000
	2020-21 Expenditures:		
	Routine Maint.	(350,000)	
	Rehab. Projects	(250,000)	
	Interfund Loan Repay.	(100,000)	
	Total Expenditures		(700,000)
<b>Cash-on-Hand 6/30/21</b>			<b>\$353,000</b>

**MAJOR STREET FUND CASH FLOW v.2 (cont.)**

<b>Cash-on-Hand 6/30/21</b>			<b>\$353,000</b>
	2021-22 Revenues:		
	Act 51	\$677,000	
	County Millage	310,000	
	Total Revenues		987,000
	2021-22 Expenditures:		
	Routine Maint.	(350,000)	
	E. Lovett St. (2021)	(340,000)	
	Rehab. Projects	(250,000)	
	Interfund Loan Repay.	(100,000)	
	Total Expenditures		(1,040,000)
<b>Cash-on-Hand 6/30/22</b>			<b>\$300,000</b>
	2022-23 Revenues:		
	Act 51	677,000	
	County Millage	310,000	
	TIP—W. Harris	375,000	
	Total Revenues		1,362,000
	2018-19 Expenditures:		
	Routine Maint.	(350,000)	
	W. Harris (2022)	(580,000)	
	Rehab. Projects	(250,000)	
	Interfund Loan Repay.	(100,000)	
	Total Expenditures		(1,280,000)
<b>Cash-on-Hand 6/30/23</b>			<b>\$382,000</b>