

**AGENDA  
CARRBORO BOARD OF ALDERMEN  
TUESDAY, APRIL 26, 1994  
7:30 P.M., TOWN HALL BOARD ROOM**

Approximate Time\*

7:30 - 7:35     A. APPROVAL OF MINUTES OF PREVIOUS MEETING: April 19, 1994

7:35 - 7:45     B. RESOLUTIONS, PROCLAMATIONS AND CHARGES

7:45 - 7:55     C. REQUESTS FROM VISITORS AND SPEAKERS FROM THE FLOOR

D. PUBLIC HEARINGS

7:55 - 8:10     (1)     1994 Community Revitalization Grant  
P/5

This is a public hearing to receive public comments for inclusion in the 1994 Community Development Block Grant application.

E. OTHER MATTERS

8:10 - 8:40     (1)     Status Report on Town Commons Project and Options for  
P/10             Construction

The town staff will provide a brief status report on the Town Commons project and request permission to use a construction manager format versus a general contract format to construct the Town Commons.

8:40 - 8:55     (2)     Request for Four-Way Stop Sign/Spring Valley Road and  
P/5             Pathway Drive

The Board of Directors of Spring Valley Homeowners Association have requested that the town install a four-way stop sign at the intersection of Spring Valley Drive and Pathway Drive. The administration recommends that the Board adopt the attached ordinance amending the Town Code to add a four-way stop at the Pathway Drive/Spring Valley Drive intersection.

8:55 - 9:05     BREAK

9:05 - 9:15     (3)     Resolution Supporting Enactment of the Tax Fairness for  
P/5             Main Street Business Act of 1994

Mayor Kinnaird is requesting that the Board of Aldermen consider adopting the attached resolution supporting the enactment of the "Tax Fairness for Main Street Business

- 9:15 - 9:25  
P/5           (4)    **Discussion of Privatization of Services**
- Alderman Bryan will present information concerning privatization of services for the Board's review.
- 9:25 - 9:30  
NP           (5)    **Referral of Cable T.V. Franchise to Cable T.V. Committee**
- The Board will discuss renewal of the cable t.v. franchise with CVI and formally refer the franchise to the Cable T.V. Committee for consideration.
- 9:30 - 9:40  
P/5           (6)    **Discussion of Time Dollar Concept/Referral to Human Services Commission**
- At the request of Alderman Bryan, the Board of Aldermen placed this item on the 1994 Planning Retreat Action Agenda to briefly discuss the "Time Dollar" concept and refer the matter to the Human Services Commission for their consideration.
- 9:40 - 9:50  
P/5           (7)    **Adoption of 1994 Action Agenda**
- The Board of Aldermen is requested to adopt the attached resolution approving the 1994 Planning Retreat Action Agenda.
- 9:50 - 10:00   F. MATTERS BY MANAGER - Concrete Median on Jones Ferry Road
- 10:00 - 10:10   G. MATTERS BY TOWN ATTORNEY
- 10:10 - 10:20   H. MATTERS BY BOARD MEMBERS

\*The times listed on the agenda are intended only as general indications. Citizens are encouraged to arrive at 7:30 p.m. as the Board of Aldermen at times considers items out of the order listed on the agenda.

# BOARD OF ALDERMEN

ITEM NO. E(1)

## AGENDA ITEM ABSTRACT

MEETING DATE: April 26, 1994

**SUBJECT: Status Report on Town Commons Project**

<b>DEPARTMENT:</b> Administration	<b>PUBLIC HEARING:</b> YES ____ NO <u>x</u>
<b>ATTACHMENTS:</b> Memo from Town Attorney, Letter from Lucy Carol Davis	<b>FOR INFORMATION CONTACT:</b> James Harris

### PURPOSE

In 1989, the Mayor and Board of Alderman authorized by resolution fund raising for the construction of the Town Commons. The fund raising committee has raised \$247,000 for construction of the project. Two weeks ago the Mayor and Board of Aldermen requested an update on the project. This item will provide information on the status of the project.

### ANALYSIS

The Town has received all the funds appropriated from the State of North Carolina. At this time the Town has \$247,000 for the Project. This amount is not sufficient to complete the entire project. The Town Administration has been investigating means for stretching these dollars further and the fund raising committee has been talking to people about donations of material or labor.

The Town Administration has reviewed two options for addressing costs. The first was to discuss with the U.S. Army the possibility of doing a portion of the construction as a training exercise. They are currently reviewing this possibility but have not answered at this time.

A second option available would be for the Town to request proposals for a construction manager who would act as the Towns agent either subcontracting the work or working with volunteers. The construction manager approach removes the general contractor and his/her mark up. It also allows the Town to use with more flexibility donated materials or labor which brings the cost down.

Enclosed is a memorandum from The Town Attorney addressing the Town's use of a construction manager. Also enclosed is a letter from the architect on this project concerning the pros and cons of this approach. Currently the Town Administration is using this information to prepare a request for proposals that will allow the Town to take advantage of the benefits and reduce the affects of the drawbacks for the construction management approach. The Town Administration will ask for the Board's authorization to issue the request for proposal for a construction manager at the May 10, 1994 board meeting. Included in this presentation will be a cost comparison of both options for construction on a phase by phase basis and give some indication as to the potential savings and the possibility of contributions under both methods.

At this time the schedule for construction for the Town Commons is as follows:

Request for proposals for construction manager	4 WEEKS
Selection of construction manager	2 WEEKS
Bid process for sub contractors	4 WEEKS
Contract development and negotiation	2 WEEKS
Project construction	16 WEEKS

NOTE: This schedule is contingent upon the availability of volunteers and the U.S. Army.

#### ACTION REQUESTED

To receive the report



## MICHAEL B. BROUGH &amp; ASSOCIATES

## MEMORANDUM

TO: Bob Morgan

FROM: Michael B. Brough

DATE: January 20, 1994

RE: Construction Management Arrangement for the Town Commons

You have asked me to address the question of whether the town may use a construction manager, rather than a general contractor, to construct the town commons project. By a "construction manager," I understand you to mean that the town would select an individual who would act as a consultant to the town in selecting, supervising, and coordinating the work of the various subcontractors who would actually do the work. My conclusion is that there is nothing in the general statutes to prohibit this approach.

Section 143-128 requires the town to seek separate bids on at least the various major elements of a project (heating, plumbing, electrical work, etc.) when the total cost of the construction exceeds \$100,000.00. However, the statute does not appear to place any limits on the ability of the town to seek bids on a contract separately with respect to more than just the major elements of the work. In other words, I would anticipate that, under the approach discussed here, there would be a separate subcontract relating to each of the elements of the work contained in the budget breakdown that you provided me (perhaps 20 or more separate elements).

The possibility of entering into separate contracts with so many subcontractors raises other issues. In particular, I checked with Frayda Bluestein at the Institute of Government and confirmed with her that, under G.S. 143-129, the formal bid procedures only apply to contracts in excess of \$50,000.00, rather than to all contracts associated with a project that exceeds \$50,000.00. Since none of the elements that would be bid separately approaches \$50,000.00, the town would not be bound by the formal bid requirements with respect to any of the subcontracts. However, the informal bidding procedures would still apply. Furthermore, under G.S. 44A-26, performance and payment bonds are required for any contractor with a contract that exceeds \$15,000.00 in any project exceeding \$50,000.00. Based on the budget estimates, it would appear that only 2 or 3 subcontractors would be subject to this requirement.

Another statute that has come to my attention is G.S. 133-1.1, which deals with the required involvement of architects in construction projects of \$45,000.00 or more paid with public funds. That statute requires that an architect design the building to be constructed, which has already taken place. Subsection "b" of that section requires the architects to "conduct frequent and regular inspections or such inspections as required by contract," and further

Bob Morgan  
January 20, 1994  
Page Two

requires the architect to certify to the town that the contractor has fulfilled the obligations of the plans and specifications. This means to me that Lucy Davis' participation in the construction of the project cannot be totally eliminated and that the town would have to have her involved at least to the extent of inspecting the project several times during the course of construction and certifying that the project has been completed according to the plans.

Finally, recall that, pursuant to G.S. 143-128, the town adopted a resolution establishing a goal for participation by minority businesses in construction projects such as the one contemplated here. I do not have in my current files a copy of this resolution since it was adopted some time ago, but I suggest that you have Sarah find and send to me a copy and that you review it as well so that we can ensure that whatever we do is consistent with the commitment made in that resolution.

I have not yet reviewed the various contractual documents given to me by James Harris relating to the employment of the construction manager or the actual construction of the project. There apparently exists an AIA document B801, Standard Form of Agreement Between Owner and Construction Manager, but I do not have a copy of this document. Perhaps James Harris can obtain a copy from Tom O'Dwyer.

Please let me know if you have any questions and keep me advised of the schedule on this.

cc: James Harris

**LCDA**

Architects, Construction Managers &amp; Designers

**April 20, 1994****TO: James Harris  
Town of Carrboro****Dear James,**

I understand that you are considering using a Construction Manager to build The Town Commons Project, and I am writing to give you my opinion of the advantages and disadvantages that this process might have for the Town of Carrboro.

The Town Commons Project is somewhat unique for a municipal construction project. Its proposed use of volunteer labor and materials of unknown scope at this time combined with the tight budget and still somewhat uncertain funds for the project point to the consideration of an alternative method of managing the construction of the project. In addition, the Town's Public Works Department has resources which may be used for the construction, but it is my understanding that it is not entirely predictable to what extent these resources may be available when needed. The fact that the project is located right next the Town Hall might make the use of the Town's administrative resources accessible to the project as well. A traditional "low bid" situation would be unlikely to allow the Town to realize savings by using these various resources efficiently.

There is of course some significant risk involved in using a Construction Manager instead of bidding the work. Since the Town would be serving as its own contractor, the cost to the Town would not be guaranteed. This risk can be reduced by having the Construction Manager secure fixed bids on as many items as possible, but there are always a significant number of items in any construction project which can not be fixed in cost prior to performing the work. The Town would be depending upon the quality of the Construction Manager's cost estimate in predetermining construction costs, and it would be essential that the Town secure excellent job cost accounting in order to monitor actual costs in relation to the cost estimate as the work proceeds.

The Town would not have the typical guarantees of material and workmanship provided by a General Contractor, although the Construction Manager could secure such guarantees from subcontractors where appropriate.

In addition to the above risk, the success of the project would be highly dependent upon the motivation, skills, efficiency and experience of the particular individual chosen as the Construction Manager. It would be very critical to find the right person for the position.

Lucy Carol Davis Associates

976 AIRPORT ROAD • SUITE 200

CHAPEL HILL, NC 27514

PHONE 919 933-7775

FAX 919 933-9082

The use of a Construction Manager would provide the most flexible process for incorporating donated work into the project at maximum potential financial benefit to the town. With a traditional process, the addition and/or deletion of such items would be handled through a change order process, and the Town might not realize the maximum potential savings.

In addition, the Construction Manager would be working directly for the Town as its agent, and his or her incentive would be different than that of a General Contractor. In a traditional bidding situation, it would be difficult to consider such factors as the ability of the Contractor to work with volunteer labor or to schedule appropriate sitework items to make use of available labor from Public Works, for example. A General Contractor would have the latitude to supervise the work through whatever personnel he deemed most effective.

In a traditional building process, the Contractor's overhead and profit amount to a significant percentage of the cost of construction, perhaps as much as 17-22% of the construction costs. If the Town is prepared to work with a Construction Manager, a good portion of the profit could be saved, and given the proximity of the project to Town Hall, at least some of the overhead items typically figured by the General Contractor could be provided by the Town at little extra cost.

In working with a construction manager, the Town would have more direct control over the construction process, in scheduling the work and in adding and deleting items from the work as the budget allows.

Weighing the possible disadvantages and advantages, The Town Commons Project appears to be a good candidate for the use of a Construction Manager in terms of its many and varied potential benefits to the Town of Carrboro, if the Town is willing to accept the possible risks involved.

Yours truly,



Lucy Carol Davis, AIA



# TOWN OF CARRBORO

NORTH CAROLINA

## PROCLAMATION

WHEREAS, America's communities and families are scarred by increasing numbers of violent crimes; and

WHEREAS, the level of violence associated with criminal acts is increasing; and

WHEREAS, no community or family is untouched by incidents of crime or the fear of being victimized by crime; and

WHEREAS, reductions in crime and in the fear of crime will require enactment of meaningful national anti-crime legislation as well as work by local communities and state governments to develop and implement long-term solutions that deal with both the causes and effects of crime; and

WHEREAS, implementing short and long-term solutions to stop crime and violence in our cities and towns is NLC's top priority in 1994; and

WHEREAS, the critical nature of the problem demands an end to Congressional gridlock; and

WHEREAS, achieving an early partnership to reduce crime will require immediate action by the Congress.

NOW, THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO, urgently calls upon the Congress to enact anti-crime legislation immediately so that the resources and programs which such legislation will provide can be utilized on a timely basis to deal with this critical problem now.

BE IT FURTHER RESOLVED that such anti-crime legislation should include:

- A balanced approach that includes both enforcement and prevention programs.
- Direct block grant anti-crime funds to cities and towns with maximum flexibility allowed in the use of those funds.
- Creation of a federal anti-crime trust financed by dedicated revenues derived from licensing fees levied on weapons, ammunition and weapons dealers.

BE IT FURTHER RESOLVED that the Board of Aldermen of the Town of Carrboro dedicates itself to crime prevention and suppression and calls upon its citizens to assist in these efforts.

This 19th day of April, 1994.



*Sharon J. Kinnaird*  
Mayor

**BOARD OF ALDERMEN**  
**AGENDA ITEM ABSTRACT**

ITEM NO. D(1)

**MEETING DATE: April 26, 1994**

**SUBJECT:** Community Development Block Grant Public Hearing

<b>DEPARTMENT: MANAGER'S OFFICE</b>	<b>PUBLIC HEARING: YES <u>X</u> NO <u>  </u></b>						
<b>ATTACHMENTS:</b>	<b>FOR INFORMATION CONTACT:</b> <b>James Harris 968-7700</b>						
<b>THE FOLLOWING INFORMATION IS PROVIDED:</b> <table style="width: 100%;"><tr><td style="width: 33%;"><b>(x) Purpose</b></td><td style="width: 33%;"><b>(x) Action Requested</b></td><td style="width: 33%;"><b>(x) Analysis</b></td></tr><tr><td><b>(x) Summary</b></td><td><b>( ) Recommendation</b></td><td></td></tr></table>		<b>(x) Purpose</b>	<b>(x) Action Requested</b>	<b>(x) Analysis</b>	<b>(x) Summary</b>	<b>( ) Recommendation</b>	
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<b>(x) Summary</b>	<b>( ) Recommendation</b>						

**PURPOSE:**

This is a public hearing to receive public comments to be included in the CDBG application.

**SUMMARY:**

- A public hearing notice was published 4/15/94 requesting citizen input on the application.
- The Board should receive input and direct staff to include input in the application.

**ANALYSIS:**

In accordance with Section. 1002 of subchapter 19L of the North Carolina Community Development Block Grant Program the Town must receive public comments on the Community Development Application. One Public Hearing is held at the beginning of the application process and another hearing is held after the application is drafted but prior to submission.

The public hearing notice was published on Friday April 15, 1994. This publication met the requirement to publish at least 10 days prior to the hearing.

**ADMINISTRATION'S RECOMMENDATION:**

The Administration recommends that the Board accept the comments for inclusion in the application for Community Development Block Grant Funds.

**ACTION REQUESTED:**

It is requested that the Board accept the comments and direct staff to include appropriate input in the application for CDBG funds

**TOWN OF CARRBORO**

**LEAD-BASED PAINT RESOLUTION**

WHEREAS, the Town of Carrboro has applied for a Community Development Block Grant within the Town limits in order to make housing improvements; and,

WHEREAS, housing units constructed prior to 1978 may contain contents of lead-based paint; and,

WHEREAS, children under the age of 7 living in these homes may be affected by lead-based paint and lead-based paint poisoning; and,

WHEREAS, the State of North Carolina, Department of Commerce, Division of Community Assistance, has received additional federal funding towards the reduction, removal, and abatement of lead-based paint in homes where there are children under the age of 7; and,

WHEREAS, the Town of Carrboro intends to apply for additional funds towards the reduction, removal, and abatement of lead-based paint in such dwellings;

NOW, THEREFORE, LET IT BE RESOLVED, that the Board of Aldermen of the Town of Carrboro adopt as a formal resolution that refusal by occupants, owners, and/or tenants of any home which was constructed prior to 1978 and is suspected to contain lead-based paint would constitute the Town's refusal to rehabilitate such a dwelling with Community Development Block Grant Funds.

ADOPTED, this the \_\_\_\_\_ day of \_\_\_\_\_, 1994.

\_\_\_\_\_  
Eleanor G. Kinnaird, Mayor  
Town of Carrboro

\_\_\_\_\_  
James Harris, Community & Economic Development Director  
Town of Carrboro

(Seal)

## BOARD OF ALDERMEN

ITEM NO. E(2)

### AGENDA ITEM ABSTRACT

MEETING DATE: April 26, 1994

**SUBJECT: Four Way Stop Sign - Spring Valley Road and Pathway Drive**

DEPARTMENT: <b>PLANNING DEPARTMENT</b>	PUBLIC HEARING: YES ____ NO ____
ATTACHMENTS: Letter from Springvalley Homeowners Association. Map of Spring Valley Subdivision.	FOR INFORMATION CONTACT: <b>Kenneth Withrow, 968-7713</b>
THE FOLLOWING INFORMATION IS PROVIDED: ( x ) Background ( x ) Action Requested ( x ) Analysis ( ) Alternatives ( x ) Recommendation	

#### PURPOSE

The Board of Directors of Spring Valley Homeowners Association have requested that the Town of Carrboro install a four-way stop sign at the intersection of Spring Valley Drive and Pathway Drive. The Administration recommends that the Board adopt the ordinance amending the Carrboro Town Code designating "four-way" stop signs at the intersection of Spring Valley Drive and Pathway Drive.

#### SUMMARY

The Town has received a request from the Spring Valley Homeowners Association to install a four-way stop sign at the intersection of Spring Valley Drive and Pathway Drive.

The area of major concern to the residents is the sight distance from the top of hill on Pathway Drive to the intersection of Pathway Drive and Spring Valley Drive.

The sight distance from the peak of the Pathway Drive hill to the intersection of Pathway Drive and Spring Valley Drive is one hundred fifty feet.

The administration recommends that the Board endorse the installation of a four-way stop sign at the intersection of Pathway Drive and Spring Valley Drive.

#### ANALYSIS

The Board of Directors of the Spring Valley Homeowners Association requested that the Town of Carrboro install a four-way stop sign at the intersection of Spring Valley Drive and Pathway Drive. The major concern expressed by the residents of the area was the sight distance from the top of the hill on Pathway Drive to its intersection with Spring Valley Drive. The Homeowners Association indicated that, "the steep incline makes visibility very difficult ". The Town has also received requests from other citizens



who desire a four-way stop sign at the intersection due to the sight distance between Pathway Drive and Spring Valley Drive. The Transportation and Traffic Engineering Handbook, published by the Institute of Transportation Engineers, indicated that a minimum corner sight distance at intersections that have a design speed of twenty mph to 30 mph should be between two hundred feet and three hundred feet. The staff measured the distance between the top of the hill along Pathway Drive to the Pathway Drive/Spring Valley Drive and found it to be only one hundred fifty feet. The sight distance for vehicles traveling westward along Pathway Drive to the Pathway/Spring Valley Drive intersection is three hundred sixty feet. The site distances along Spring Valley Drive on both sides of its intersection with Pathway Drive were not measured since it is already a "stop" street. However, town staff traveled along Spring Valley Drive to its intersection with Pathway Drive; and found that the reaction time for vehicles exiting Spring Valley Drive to any traffic movements along Pathway Drive is very low. Vehicles traveling eastward along Pathway Drive to its intersection with Spring Valley Drive must be prepared to react quickly to any oncoming vehicles from Spring Valley Drive. A "stop" sign at the Pathway Drive/Spring Valley Drive intersection would serve as an effective safety device.

### RECOMMENDATION

The administration for the Town of Carrboro recommends that the Board of Aldermen adopt the ordinance amendment.

### ACTION REQUESTED

To adopt an ordinance amending the Carrboro Town code designating "four-way" intersections.

February 18, 1994

Mr. Kenneth Withrow  
Transportation Planner  
Town of Carrboro  
Town Hall, Main Street  
Carrboro, NC 27510

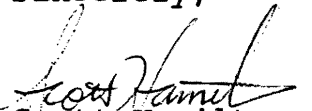
Dear Mr. Withrow:


The Board of Directors of Spring Valley Homeowners Association would like to request the Town of Carrboro to install a 4-way stop sign at the corner of Spring Valley and Pathway Drive. The steep incline makes visibility very difficult and a 4-way stop sign could prevent a serious accident.

It is the general consensus of the residents of Spring Valley that a 4-way stop sign would be beneficial to the neighborhood.

Thank you for your consideration of this request.

Sincerely,

  
Scott Hamilton  
President, SVHO

  
Michele Martin  
Treasurer, SVHO

# Springvalley Subdivision



PROPERTY LINES

□ Location of four-way intersection

Map prepared by Deborah Squires  
GIS generated  
January 11, 1994



0 200 400

The following ordinance was introduced by Alderman \_\_\_\_\_ and duly seconded by Alderman \_\_\_\_\_.

**AN ORDINANCE AMENDING THE CARRBORO TOWN CODE  
DESIGNATING 4 - WAY STOP SIGNS AT THE INTERSECTION OF SPRING  
VALLEY DRIVE & PATHWAY DRIVE.**

**THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO ORDAINS:**

**Section 1. Subsection 6-4(b) of the Carrboro Town Code is amended by adding the additional intersection as follows.**

Pathway Drive at Spring Valley Drive

**Section 2. All provisions of any town ordinance in conflict with this ordinance are repealed.**

**Section 3. This ordinance shall become effective upon adoption.**

The foregoing ordinance, having been submitted to a vote, received the following that was duly adopted this \_\_\_\_\_ day of \_\_\_\_\_, 1994

The following ordinance was introduced by Alderman Frances Shetley and duly seconded by Jay Bryan.

AN ORDINANCE AMENDING THE CARRBORO TOWN CODE  
DESIGNATING 4-WAY STOP SIGNS  
AT THE INTERSECTION OF SPRING VALLEY DRIVE AND PATHWAY DRIVE  
Ordinance No. 31/93-94

THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO ORDAINS:

Section 1. Subsection 6-4(b) of the Carrboro Town Code is amended by adding the additional intersection as follows:

Pathway Drive at Spring Valley Drive

Section 2. All provisions of any town ordinance in conflict with this ordinance are repealed.

Section 3. This ordinance shall become effective upon adoption.

The foregoing ordinance having been submitted to a vote, received the following vote and was duly adopted this 26th day of April, 1994:

Ayes: Michael Nelson, Randy Marshall, Hank Anderson, Eleanor Kinnaird, Frances Shetley, Jacquelyn Gist, Jay Bryan

Noes: None

Absent or Excused: None

## BOARD OF ALDERMEN

ITEM NO. E(3)

### AGENDA ITEM ABSTRACT

MEETING DATE: April 26, 1994

**SUBJECT: Resolution Supporting Enactment of the Tax Fairness for Main Street Business Act of 1994**

<b>DEPARTMENT:</b> n/a	<b>PUBLIC HEARING:</b> YES ____ NO <u>x</u>
<b>ATTACHMENTS:</b> Resolution, information from National League of Cities	<b>FOR INFORMATION CONTACT:</b> Mayor Kinnaird

#### PURPOSE

Mayor Kinnaird is requesting that the Board of Aldermen consider adopting the attached resolution which supports the enactment of the "Tax Fairness for Main Street Business Act of 1994".

#### SUMMARY

Mayor Kinnaird has prepared the attached resolution which supports the proposed bill entitled, "Tax Fairness for Main Street Business Act of 1994".

This proposed bill was prepared the National League of Cities in conjunction with retail groups and other groups representing state and local governments.

If adopted, the bill would permit state and local governments to collect sales taxes from out-of-state firms on purchases made by their residents.

According to the National League of Cities, enactment of the bill would increase the competitiveness of local business and should boost the overall economic conditions and job opportunities in local communities. In addition, the bill would enable local governments to collect much needed revenue and thus reduce the pressure to raise local tax rates.

The National League of Cities and the N.C. League of Municipalities support the proposed bill.

#### ACTION REQUESTED

To consider adopting the attached resolution supporting the enactment of the bill entitled, "Tax Fairness for Main Street Business Act of 1994."

The following resolution was introduced by Alderman \_\_\_\_\_ and duly seconded by Alderman \_\_\_\_\_.

A RESOLUTION SUPPORTING ENACTMENT OF  
TAX FAIRNESS FOR MAIN STREET BUSINESS ACT OF 1994  
Resolution No. 46/93-94

WHEREAS, our local retailers are suffering an unfair competitive burden because of a sales tax loophole which exempts out-of-state retailers, such as catalog sales and tele-marketing companies; and

WHEREAS, our local retailers who serve the local market must ~~pay~~ this tax; and

*Collect*  
WHEREAS, our local governments have to pay to landfill or recycle thousands of tons of discarded catalogs each year; and

WHEREAS, our local citizens pay for the inequity <sup>this</sup> by losing the benefits of the sales tax <sup>both</sup> ~~or~~ recycle the discarded catalogs; and

*As by paying the cost*  
WHEREAS, our local citizens also pay through higher taxes to landfill or recycle the discarded catalogs; and

WHEREAS, by using recent advances in computer technology, several states already collect sales taxes on out-of-state catalog and tele-marketing sales showing that it is not burdensome to the out-of-state companies; and

WHEREAS, this fairness in collecting sales taxes will relieve local taxpayers, including businesses; and

WHEREAS, the Federal Advisory Commission on Intergovernmental Relations estimates that \$650 million in additional local tax would have been generated if it had been in effect in 1992; and

WHEREAS, the "Tax Fairness for Main Street Business Act", introduced by Senator Dale Bumpers will allow state and local governments to collect sales taxes from out-of-state firms on purchases made by their residents; and

WHEREAS, out-of-state vendors use the facilities and resources of the states to which they send goods, including roads, landfills and recycling centers and bank and court systems.

NOW, THEREFORE, the Board of Aldermen of the Town of Carrboro supports the enactment of the "Tax Fairness for Main Street Business Act of 1994" for equitable tax collection and join our local businesses in seeking relief from their unfair competitive situation.

The foregoing resolution having been submitted to a vote, received the following vote and was duly adopted this \_\_\_\_ day of \_\_\_\_\_, 1994:

Ayes:

Noes:

Absent or Excused:



# NATIONAL LEAGUE OF CITIES

## 1994 HOT ISSUES

### TAXATION OF INTERSTATE SALES

*NLC supports legislation that would allow state and local governments to require out-of-state companies to collect and remit sales taxes on purchases made by persons in the state or local jurisdiction, and thereby restore to a level playing field the competition between local merchants and out-of-state retailers.*

#### Background

Currently, local retailers across the country are suffering an unfair competitive burden simply because of a sales tax loophole that allows out-of-state retailers, such as catalog sales, home-shopping networks, and telemarketing companies, to underprice local merchants by amounts up to 10 percent. This competitive edge in favor of out-of-state retailers is the result of the 1967 Supreme Court decision, *National Bellas-Hess v. Department of Revenue*, in which the Court ruled that state and local governments were not permitted to compel the collection of sales taxes when their residents made purchases from out-of-state retailers that have no legal presence in the taxing state. Legal presence includes a store or a warehouse in the taxing state. The distribution of catalogs and other advertising material in the taxing state was not sufficient.

However, in 1992, in *Quill Corporation v. North Dakota*, the Supreme Court concluded that the due process clause of the Constitution does not prohibit state and local governments from imposing personal jurisdiction and tax obligations on out-of-state retailers that solicit sales from its residents. Thus, this decision paved the way for Congressional action to correct the inequity caused by this sales tax loophole, and inspired NLC, together with retail groups and other groups representing state and local governments to draft the "Tax Fairness for Main Street Business Act of 1994." The bill will be introduced by Senator Dale Bumpers (D-ARK), Chairman of the Small Business Committee, in early February.

#### Affect on Local Communities

By permitting state and local governments to collect sales taxes from out-of state firms on purchases made by their residents, the "Tax Fairness for Main Street Business Act" seeks to allow "main street businesses" to compete with out-of-state retailers on a level playing field. In other words, local merchants would no longer be automatically underpriced simply because they were required to collect sales taxes, while out-of-state companies were not. With the enactment of the "Tax Fairness for Main Street Business Act of 1994", any difference in price would be the result of individual choices made by business owners, rather than a quirk in federal law.

The enactment of the "Tax Fairness for Main Street Business Act" would increase the competitiveness of local businesses and should, in turn, boost the overall economic conditions and job opportunities in our local communities. Moreover, the enactment of this legislation would enable local governments to collect much needed revenue and thus reduce the pressure to raise local tax rates imposed on taxpayers, including local businesses. According to estimates by the Federal Advisory Commission on Intergovernmental Relations, \$650 million in additional, annual local tax collection might have been generated in 1992 if Congress had acted earlier to remove the legal barriers to such tax collection.

#### NLC Policy

NLC policy supports the enactment of federal legislation to permit state and local governments to require out-of-state vendors to collect and remit sales taxes. Such federal legislation must protect the right of cities to receive the proceeds of their local taxes with the administration of such taxes remaining in state and local hands. No federal law on this subject should grant amnesty for past tax liabilities.



## Action

It would be extremely helpful if members could come to Washington to meet with their Congressional representatives with estimates of what the enactment of this legislation would mean to their local communities' budget, including increased direct tax collections for their cities, increased state revenue and how such increases might result in less pressure to cut state funding to cities, and an enhanced business climate for local merchants. Members should speak to their Finance Directors about preparing such information.

City officials must also immediately begin a campaign of letters and telephone calls to their Senators and Representatives urging co-sponsorship of the "Tax Fairness for Main Street Business Act of 1994." All correspondence with Congress should emphasize the need to enact this legislation to improve economic conditions and create job opportunities in local communities. When sending a letter to your Senator, please send a carbon copy to Senator Dale Bumpers' Office. When phoning or writing to your Representative, you may state that you are urging co-sponsorship of the "Tax Fairness for Main Street Business Act of 1994" which is going to be introduced ~~by Representative Jack Brooks (D-TX)~~ in the spring.

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*For more information Contact:*

*Barrie Tabin  
Senior Policy & Legislative Counsel  
Center for Policy & Federal Relations  
(202) 626-3020*

Estimated Revenue Potential on Untaxed Interstate Mail Order Sales, 1990-1992  
(in millions)

	State Mail Order Base 1990	Nexus-Adjusted Base 1990	Estimated Revenue Potential 1990	Estimated Revenue Potential 1991	Estimated Revenue Potential 1992
Alabama	\$861.5	\$775.9	\$30.8	\$32.6	\$34.6
Arizona	868.8	782.5	38.4	40.7	43.2
Arkansas	495.5	446.3	17.7	18.8	19.9
California	8,911.7	8,026.2	394.1	417.8	442.9
Colorado	888.2	800.0	23.6	25.0	26.5
Connecticut	1,217.2	1,096.3	81.4	86.3	91.5
District of Columbia	217.4	195.8	11.5	12.2	12.9
Florida	3,474.4	3,129.2	183.7	194.8	206.4
Georgia	1,603.8	1,444.5	57.3	60.7	64.4
Hawaii	315.9	284.5	11.3	12.0	12.7
Idaho	220.2	198.3	9.8	10.4	11.1
Illinois	3,367.1	3,032.5	189.5	200.9	213.0
Indiana	1,358.1	1,223.2	60.1	63.7	67.5
Iowa	685.1	617.0	24.2	25.7	27.2
Kansas	639.3	575.8	24.3	25.7	27.3
Kentucky	799.3	719.9	42.4	45.0	47.7
Louisiana	886.0	798.0	31.4	33.2	35.2
Maine	301.6	271.6	12.7	13.5	14.3
Maryland	1,514.4	1,364.0	66.7	70.7	75.0
Massachusetts	1,978.9	1,782.3	84.7	89.8	95.2
Michigan	2,480.3	2,233.9	83.6	88.6	93.9
Minnesota	1,204.3	1,084.7	58.6	62.1	65.8
Mississippi	479.8	432.1	25.7	27.3	28.9
Missouri	1,299.3	1,170.2	49.0	52.0	55.1
Nebraska	385.9	347.6	16.3	17.2	18.3
Nevada	331.8	298.8	16.9	17.9	19.0
New Jersey	2,801.0	2,522.7	159.0	168.5	178.6
New Mexico	308.8	278.1	13.9	14.7	15.6
New York	5,666.4	5,103.3	190.2	201.6	213.7
North Carolina	1,536.5	1,383.9	41.2	43.6	46.3
North Dakota	133.2	120.0	5.9	6.2	6.6
Ohio	2,738.8	2,466.7	115.4	122.3	129.6
Oklahoma	700.0	630.5	28.1	29.8	31.6
Pennsylvania	3,206.3	2,887.7	164.1	173.9	184.3
Rhode Island	273.1	246.0	16.3	17.3	18.3
South Carolina	755.2	680.2	33.7	35.8	37.9
South Dakota	143.5	129.3	5.1	5.4	5.8
Tennessee	1,206.5	1,009.3	55.1	58.4	61.9
Texas	4,058.7	3,655.4	213.7	226.5	240.1
Utah	344.2	310.0	15.4	16.3	17.3
Vermont	142.3	128.1	5.0	5.3	5.7
Virginia	1,786.9	1,609.4	53.2	56.4	59.8
Washington	1,314.7	1,184.1	69.8	74.0	78.4
West Virginia	356.4	321.0	19.1	20.2	21.5
Wisconsin	1,255.0	1,130.3	52.9	56.0	59.4
Wyoming	102.8	92.5	2.8	2.9	3.1
<b>TOTAL</b>	<b>65,530.3</b>	<b>59,019.6</b>	<b>2,905.5</b>	<b>3,079.9</b>	<b>3,264.7</b>

## Summary of

~~Information for Mayor James and Mayor Lashutka Re: "Tax Fairness for Main Street Business Act of 1994"~~ introduced by Sen. Dale Bumpers (D Ar

Currently, local retailers across the country are suffering an unfair competitive burden simply because of a sales tax loophole that allows out-of-state retailers, such as catalog sales and telemarketing companies, to underprice local merchants by amounts up to 10%. This competitive edge in favor of out-of-state retailers is the result of the 1967 Supreme Court decision, National Bellas-Hess v. Department of Revenue, in which the Court ruled that state and local governments were not permitted to compel the collection of sales taxes when their residents made purchases from out-of-state retailers that have no legal presence in the taxing state.

However, in 1992, in Quill Corporation v. North Dakota, the Supreme Court concluded that the due process clause of the Constitution does not prohibit state and local governments from imposing personal jurisdiction and tax obligations on out-of-state retailers that solicit sales from its residents. Thus, this decision paved the way for Congressional action to correct the inequity caused by this sales tax loophole, and inspired NLC, together with retail groups and other groups representing state and local governments to draft the "Tax Fairness for Main Street Business Act of 1994."

By permitting state and local governments to collect sales taxes from out-of state firms on purchases made by their residents, the "Tax Fairness for Main Street Business Act" seeks to allow "main street businesses" to compete with out-of-state retailers on a level playing field. In other words, local merchants would no longer be automatically underpriced simply because they were required to collect sales taxes, while out-of-state companies were not. With the enactment of the "Tax Fairness for Main Street Business Act of 1994", any difference in price will be the result of individual choices made by business owners, rather than a quirk in federal law.

The enactment of the "Tax Fairness for Main Street Business Act" will increase the competitiveness of local business and should, in turn, boost the overall economic conditions and job opportunities in our local communities. Moreover, the enactment of this legislation would enable local communities to collect much needed revenue and thus reduce the pressure to raise local tax rates imposed on taxpayers, including local businesses. According to estimates by the Federal Advisory Commission on Intergovernmental Relations, \$650 million in additional local tax collection might have been generated in 1992 if Congress had acted earlier to remove the legal barriers to such tax collection.

The arguments made by the mail order industry in their efforts to kill this legislation are largely without merit. First, local merchants and public officials do not want to deny profits to

out-of-state retailers, they simply want to bring them into compliance with the tax laws, and let everyone compete on a level playing field. Secondly, out-of-state vendors use the facilities and resources of the states to which they send goods, yet fail to pay taxes. These include local roads, landfills and recycling centers and bank and court systems. Thirdly, recent computer technology has reduced the cost and labor involved in the collection of sales taxes by out-of-state retailers. Finally, the legislation provides an exemption for small out-of-state retailers, with modest sales who might otherwise suffer from the legislation's enactment.

# BOARD OF ALDERMEN

ITEM NO. E(5)

## AGENDA ITEM ABSTRACT

MEETING DATE: April 26, 1994

**SUBJECT:** Referral of Cable T.V. Franchise to the Cable T.V. Committee

<b>DEPARTMENT:</b> Administration	<b>PUBLIC HEARING:</b> YES ____ NO <u>x</u>
<b>ATTACHMENTS:</b> CVI Franchise	<b>FOR INFORMATION CONTACT:</b> Robert Morgan, 968-7706

### PURPOSE

The Board of Aldermen placed a discussion of renewal of the cable t.v. franchise with CVI on its 1994 Planning Retreat Action Agenda. The Agenda Planning Committee scheduled this item for tonight's meeting. The Board will discuss renewal of the cable t.v. franchise with CVI and refer the franchise to the Cable T.V. Committee for consideration.

### SUMMARY

The town's franchise agreement with CVI is a 15-year franchise which is due to expire on November 13, 1999.

The Board has expressed its desire to begin discussions in preparation of the expiration of the franchise and placed an item on the 1994 Planning Retreat Action Agenda to formally refer the franchise agreement to the Cable T.V. Committee for consideration.

### ACTION REQUESTED

To formally refer the renewal of the cable t.v. franchise with CVI to the Cable T.V. Committee for its consideration.

The following ordinance was introduced by Alderman Hilliard Caldwell and seconded by Alderman John Boone.

AN ORDINANCE GRANTING A CABLE TELEVISION  
FRANCHISE TO ALERT CABLE T.V. OF NORTH CAROLINA, INC.

THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO ORDAINS:

Section 1. Franchise Granted. A non-exclusive franchise to operate a cable television service within the Town of Carrboro is hereby granted to Alert Cable T.V. of North Carolina, Inc. ("Grantee"). This franchise is granted pursuant to, in accordance with, and subject to all the provisions of Chapter 16 of the Carrboro Town Code (the "regulatory ordinance"), and all such provisions are incorporated herein by reference.

Section 2. Construction and Implementation Schedule. The "Initial Service Area," within the meaning of Section 16-25 of the regulatory ordinance, shall be the entire Town of Carrboro. Within nine months after the date Grantee files with the town clerk a written acceptance of this franchise, Grantee shall bring its CATV system into compliance with the terms and provisions of this ordinance other than those set forth in Section 3.

Section 3. Upgrade to 54 Channel Capacity. Not later than the end of the seventh year after Grantee files with the Town Clerk a written acceptance of this franchise, Grantee shall complete all work necessary to upgrade its entire system within the town to a 440 MHZ, 54 channel capacity. At the end of the fifth year following acceptance of this franchise, Grantee may petition the Board of Aldermen to be relieved of this obligation if it appears that the extent of available programming does not warrant the costs of expansion.

Section 4. System Design and General Programming. As provided in Section 16-27 of the regulatory ordinance, Grantee shall install and maintain a "state of the art" system and abide by all reasonable requests of the town to upgrade the system and make additional services and programming available. Without limiting the generality of the foregoing:

(a) Grantee shall upgrade its existing system throughout the town to a 300 MHZ, 35 channel capacity.

(b) Grantee shall provide the following programming as part of its "basic" service:

<u>Cable Channel</u>	<u>Identification</u>	<u>Point of Origin</u>	<u>Network or Source</u>
2	WFMY-TV2	Greensboro, N.C.	CBS
3	WRAL-TV5	Raleigh, N.C.	ABC.
4	Community Billboard		
5	C-Span/Govt'l Access		Satellite

6	WUNC-TV4	Chapel Hill, N.C.	PBS
7	Local Origination/ Public Access		
8	WRDG	Burlington, N.C.	IND
9	WGN-TV9	Chicago, Ill.	IND
10	WPTF-TV28	Raleigh, N.C.	NBC
11	CNN Headline News		Satellite
12	WLFL-TV22	Raleigh, N.C.	IND
13	WTVD-TV11	Durham, N.C.	CBS

(c) Grantee shall provide the following programming as part of its "expanded" service:

<u>Cable Channel</u>	<u>Identification</u>	<u>Source</u>
14	MTV (Music Television)	Satellite
15	USA Network	Satellite
16	Future	
17	Showtime	Satellite-PAY
18	Nickelodeon	Satellite
19	Pay channel to be selected by Grantee	Satellite-PAY
20	WTBS-TV17 Atlanta, GA	IND
21	Home Box Office	Satellite-PAY
22	The Movie Channel	Satellite-PAY
23	ESPN Sports Network	Satellite
24	CBN Christian Broadcasting Network	Satellite
25	The Weather Channel	Satellite
26	The Nashville Network	Satellite
27	Black Entertainment Network	Satellite
28	Financial News Network	Satellite
29	Satellite Programming Network-SPN	Satellite
30	Future	
31	CNN Cable News Network	Satellite
32	Educational Access	
33	WXII-TV12 Winston-Salem, N.C.	NBC Backup
34	Cable Health Network	Satellite
35	Future	

All stations in the expanded service category except for those designated as "PAY" stations shall be available for a lump sum monthly fee. Stereo service on the PAY channels shall be made available for an additional fee.

(d) Grantee may substitute comparable programming for that listed in subsections (b) and (c) if such programming is discontinued or otherwise becomes unavailable to Grantee. Other programming changes may be made by Grantee with approval of the Board of Aldermen without formal amendment to this franchise.

(e) Grantee shall provide notification to all subscribers of changes in channel selection or location in advance of such changes.

(f) Deluxe set-top converters shall be made available upon request to all subscribers. These converters shall be "state of the art" and shall have a lighted channel number display and an Infra-red remote control unit for channel control and on/off control.

(g) The carrier to noise ratio, measured at the point of entry to any customer's residence, shall be not less than 43 dB.

#### Section 5. Local Programming and Access.

(a) Grantee shall provide at its cost live coverage of all regularly scheduled Board of Aldermen meetings. Grantee shall provide on site at each such meeting the personnel and equipment necessary to ensure that the viewer receives a satisfactory audio and visual transmission of all proceedings before the Board.

(b) Grantee shall provide at its cost the necessary personnel, equipment, and air time to broadcast at least one hour each week of programming provided by the Town of Carrboro. Grantee shall also provide at its cost the necessary personnel, equipment and air time to broadcast such "special events" (e.g., a Carrboro candidates forum) as are designated by the Cable Television Committee established by Section 16-41 of the regulatory ordinance.

(c) Grantee shall at its cost provide the necessary personnel, equipment, and air time to broadcast the Community Billboard channel.

(d) Grantee shall provide a local origination studio, together with the necessary equipment and personnel, to enable members of the public to create and broadcast programming. These shall be provided in accordance with Grantee's Application for Extension of Franchise, dated December 15, 1984, except that the local origination studio equipment listed in Attachment A to this franchise shall be provided by Grantee in lieu of the equipment listed in the Application. Air time shall be provided free of charge to everyone except "for-profit" entities and declared political candidates. Fees shall be charged for equipment and labor supplied by Grantee in assisting persons in developing programming, except that no charge will be made for live studio cablecasts of five minutes or less by public access users.

(e) Grantee shall, at its cost, provide bi-directional capability from the site of the Carrboro Town Hall, the Carrboro Elementary School, and the Art School.

(f) Grantee shall make its local origination and public access channel programming available to Village Cable, Inc. of Chapel Hill at no charge as soon as Village makes its local origination and public access channel programming available to Grantee under Section 9 of the limited franchise granted by Carrboro to Village, dated September 27, 1983. In



addition, Grantee shall carry Village's local origination and public access programming as soon as Village makes it available, except that Grantee shall not be required to carry commercially sponsored programming.

Section 6. Rates. The maximum rates that Grantee may charge during the first two years after acceptance of this franchise are set forth below. Thereafter, rates may be modified only in accordance with the provisions of the regulatory ordinance.

	<u>Installation</u>	<u>Monthly</u>
Basic Service	\$17.25	\$10.00
Expanded Service	\$10.00	\$4.00
Expanded Service with Deluxe Converter Option	\$10.00	\$6.00

Section 6. Notification of Complaint Procedure. Within a reasonable time after the acceptance of this franchise, not to exceed three months, the Grantee shall notify all subscribers of its service responsibilities and complaint resolution procedures, as set forth in Section 16-28 of the Carrboro Town Code.

Section 7. Compliance With Franchise Proposal. Grantee's application for Extension of Franchise, dated December 5, 1983 is incorporated herein and Grantee shall be bound by all representations or commitments contained therein, except that to the extent there is conflict between the provisions of Grantee's proposal and the provisions of the regulatory ordinance or this franchise, or to the extent that the provisions of the regulatory ordinance or this franchise are more restrictive or demanding, the latter provisions shall control.

Section 8. Term of Franchise. The term of this franchise shall be fifteen years from the date of final approval of this franchise by the Carrboro Board of Aldermen.

Section 9. Use of System Consistent With Regulatory Ordinance. The CATV system and service herein franchised shall be used and operated solely and exclusively for the purposes expressly authorized by ordinance of the Town of Carrboro and no other purpose whatsoever.

Section 10. Effective Date. Subject to the provisions of Section 4 of the regulatory ordinance, this franchise ordinance shall become effective on the date on which Grantee files the acceptance, bond, and proofs of insurance required by the regulatory ordinance.

The foregoing ordinance was duly passed at two regular meetings of the Carrboro Board of Aldermen on October 23, 1984 and November 13, 1984.

ATTACHMENT A

EQUIPMENT NEEDED FOR A L.O. FACILITY

- (2) 3 TUBE COLOR CAMERAS FOR EFP 7 ENG USE
- (1) BANK OF B/W MONITORS
- (1) SEG SWITCHER
- (2) 2 TRIPODS/WITH HEADS & DOLLIES
- (2) COLOR MONITORS
- (1) PLAYBACK MACHINE (3/4)
- (1) RECORD MACHINE (3/4)
- (1) EDITOR FOR 3/4 MACHINES
- (1) AUDIO MIXER (WITH EIGHT INPUTS)
- (3) LAV. MICS
- (1) HAND HELD MIC/WITH MIC STAND
- (1) TBC
- (2) RACKS FOR MOUNTING EQUIPMENT
- (2) LIGHT KIT (8 LIGHTS)
- (1) PORTABLE VTR/WITH POWER CHARGER AND BATTERY
- (1) PORTABLE MONITOR/WITH BATTERY
- (1) CAMERA CABLE FOR VTR
- (2) CAMERA BATTERY
- (1) TEST CHART
- (6) BULBS FOR LIGHTS (3 1,000 WATTS & 3 650 WATTS) ASSORTED
- BNC CABLES (COPPER) WITH ADAPTERS
- (5) AUDIO CABLES
- (1) PORTA BRACE CASE FOR PORTABLE VTR
- (2) CAMERA CONTROL UNITS
- (4) HEADSETS

ACCEPTANCE OF FRANCHISE

Alert Cable T.V. of North Carolina, Inc. hereby accepts the foregoing franchise and agrees to conduct its operations as a grantee in accordance with the franchise and the regulatory ordinance set forth in Chapter 16 of the Carrboro Town Code.

This agreement is accepted and filed with the Carrboro Town Clerk this 13th day of December, 1984. Also filed herewith are the proofs of insurance, bond, and letter of credit required by Section 16-30 of the Carrboro Town Code, unless waived by the Board of Aldermen.

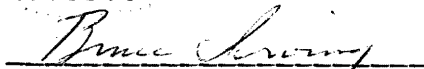
ALERT CABLE T.V.  
OF NORTH CAROLINA, INC.

By



Vice President  
James F. Brown

Attest:

  
Secretary  
Bruce Irving

NORTH-CAROLINA STATE OF FLORIDA  
DADE COUNTY

I, PATRICIA THOMAS, a Notary Public of said county, certify that J. Bruce Irving personally came before me and acknowledged that he (~~she~~) is Secretary of Alert Cable T.V., Inc. of North Carolina, a corporation; and that by authority given and as the act of the corporation the foregoing franchise was signed by the President of the corporation, sealed with its corporate seal, and attested by himself (herself) as its Secretary or Assistant Secretary.

Witness my hand and official seal, this the 13th day of December, 1984.

  
Notary Public

NOTARY PUBLIC STATE OF FLORIDA  
MY COMMISSION EXP JUNE 23, 1988

My Commission Expires \_\_\_\_\_

**BOARD OF ALDERMEN**

**ITEM NO. E(4)**

**AGENDA ITEM ABSTRACT**

**MEETING DATE: April 26, 1994**

**SUBJECT: Discussion of Privatization of Services**

<b>DEPARTMENT:</b> n/a	<b>PUBLIC HEARING:</b> YES ____ NO __x
<b>ATTACHMENTS:</b>	<b>FOR INFORMATION CONTACT:</b> Alderman Bryan

[This agenda item will be made available on Monday evening.]

## **PRIVATIZATION/COMPETITION POLICY**

**Approved October 25, 1993**

### **SERVICES CONTRACTING**

#### **Policy Statement for Services Contracting**

The City Council will evaluate whether an individual City service should be considered a "public" or "private" service. If the Council determines that a service is a public service (involving a Citywide standard of service, determined and administered by the City and paid for by a tax or governmental levy) the following policy shall apply:

In evaluating the most efficient and effective way to provide public services, the City shall use a competitive process in which private service providers are encouraged to compete with City departments for the opportunity to provide such services, and in which the option of delivering services through public employees and departments must be justified through the competitive bidding process. The City shall encourage the provision of public services through contracts with private service providers, wherever this offers the lowest cost, most effective method of service delivery consistent with service level standards and other adopted City policies.

#### **Goals for Services Contracting**

1. The City Council wishes to provide the highest quality services at the lowest cost, whether provided by City forces or by the private sector.
2. Current contracts for services will be reviewed to ensure that existing private service providers are being held accountable and are providing effective and efficient services as specified by individual contracts. This review may result in placing a service out for competitive bidding again, with the City also submitting a bid for doing the work.
3. The City Council will systematically assess current City services to determine the appropriate level of service to be provided, whether by City forces or by contract with the private sector.
4. The City Council will assess the relationship of a service being considered for competition with other Council priorities and policies. Council will use this assessment to determine whether the services will be subject to competitive bid and in what amount, and to determine any special provisions which may need to be included in specifications to address other Council priorities and policies.

5. Efforts should be made to minimize the impact on current City employees affected by competition. Each competition recommendation should include an assessment of the effect on employees and recommendations for handling any negative impact.
6. The City Council will make an assessment of how to best provide a "level playing field" for the City and all potential private service providers. This assessment will include defining the public values of City services and how those values will be addressed in the bid process and specifications.

## **ASSET MANAGEMENT**

### **Policy Statement for Asset Management**

In seeking to maximize the City's return from its current and future asset portfolio, the City will aggressively manage these assets. Maximizing the City's return will include pursuing alternative ownership/management strategies which optimize the benefits of private ownership (tax revenue streams, and eliminating public costs associated with ownership) while meeting the City's public policy objectives.

### **Goals for Asset Management**

1. The City will evaluate various levels of asset privatization for all new capital projects as it plans, builds, or acquires additional public facilities and assets.
2. The City will manage and maximize its existing portfolio of assets by (in order of priority):
  - Selling or donating non-buildable parcels (land that is too small to meet the minimum building code requirements for the zoning on that parcel)
  - "Packaging" and marketing existing property for sale
  - "Packaging" existing property for current or future "public purpose" use
  - Reviewing alternative ownership/management options
3. The City Council will balance the benefits of the sale of any of its assets with other Council policies and goals.

**PRIVATIZATION/COMPETITION ADVISORY COMMITTEE**  
**Approved November 22, 1993**

**Charge**

1. The Committee shall monitor the progress of the City in implementing services contracting and asset management, recommend services and assets to be considered for competition and privatization, and will advise on ways to improve current contracted services with service delivery problems.

The Committee will prepare an annual report to City Council.

2. The Committee shall assist and advise the City on issues in implementing the goals and processes adopted by City Council of:

- services contracting
- asset management

This may include review of requests for proposal, cost comparison methodologies, bid processes, etc.

3. The Committee shall be an advisor to both the City Council and the City Manager on matters regarding privatization and competition, in general. They will review the existing legal system for contracting and may develop and recommend local legislation to modify such systems.
4. The Committee shall be a resource regarding concerns about the fairness of any bidding processes. As a result, they may be asked to review bid proceedings and hear grievances from parties involved.

**Composition**

Proposed Size: Nine members

Appointments: Committee Chairman and one member appointed by the Mayor. Other members appointed by City Council.

Terms: Two-year staggered terms, each member being limited to two consecutive terms.

**Composition:**

The Mayor and City Council should appoint individuals who will maintain objectivity throughout implementation. Members must consider the interests of citizens, the business community and current City employees. The Committee should be comprised of individuals that will focus on internal (e.g., process, specifications, cost) as well as external (e.g., quality customer service, impact on City employees) issues.

The Committee should be comprised of individuals knowledgeable about management, accounting, human resources, marketing and customer service. Representative skills may include some or all of the following: work management and specifications, cost accounting, customer relations, performance measurement and analysis, employee relations, quality assurance, asset divestment, and procurement and bidding processes.



## RIGHTSIZING GOVERNMENT: LESSONS FROM AMERICA'S PUBLIC-SECTOR INNOVATORS

by  
William D. Eggers

### EXECUTIVE SUMMARY

State and local governments now face a series of unprecedented challenges: budget deficits, bloated workforces, decaying infrastructure, shrinking tax bases, citizen opposition to new taxes, and taxpayer-imposed tax and spending limitations.

A new breed of public-sector managers, inspired by the successful streamlining of American business are trying to meet these challenges—not by increasing taxes or government spending—but by fundamentally transforming government through a process called *rightsizing*.

Rightsizing means establishing clear priorities and asking questions that successful companies regularly ask, such as: If we were not doing this already, would we start? Is this activity central to our mission? If we were to design this organization from scratch, given what we now know about modern technology, what would it look like?

A roadmap to rightsizing government would include these six key strategies:

**Competition.** “Opening up city hall to the competitive process must be the fundamental aspect of change,” says Indianapolis Mayor Stephen Goldsmith. Since taking office in January 1992, Goldsmith has shifted over 50 government services into the marketplace by making city departments compete with private firms to deliver public services. Savings: \$28 million annually.

**Activity-Based-Costing (ABC).** Few governments know how much it costs to deliver most public services. Without such data, it is impossible to know if city costs are competitive with those in the marketplace or how scarce tax dollars could be best allocated to serve citizens.

By attaching explicit costs to individual activities, and measuring the costs versus the efficiency and effectiveness of service outputs, ABC systems can provide an important tool for controlling costs and increasing productivity in the public sector. ABC brings to light costs which previously were hidden allowing managers to determine where they need to get costs down. ABC systems also lead to more accurate cost comparisons between in-house and contracted services when governments bid out services.

**Entrepreneurial, Performance-Based Budgeting.** Government typically rewards managers for poor performance: if crime goes up, police departments receive more money; if student test scores go down, the schools are given more cash. Poor outcomes lead to more inputs, rather than an improved process.

A number of political leaders are changing these perverse incentives by overhauling the annual budget process. Milwaukee's new budget is “performance-based”: success is measured according to outcomes, not inputs. Managers submit five strategic objectives and are held accountable for achieving these outcomes. Rather than measuring the number of road crew workers, for example, the Road Maintenance Department is judged according to the smoothness of the streets.

For performance budgeting to work, mayors and governors must hold the line on spending by freezing or capping budget allocations to each department. Capping spending growth helps create a culture where managers see their purpose as maximizing their accomplishments with available resources rather than trying to grow their budgets.

**Focusing on Core Businesses.** Across the country, governments operate all kinds of enterprises and programs far removed from the central missions of government. Does the city of Dallas really need its own classical radio station? Should New York City be operating off-track betting parlors? In order to provide high quality basic public services, governments should concentrate on doing fewer things better.

Some noncore services—such as zoos, museums, fairs, remote parks, and some recreational programs—can be turned over to nonprofit organizations. Other city assets—such as airports, water systems, utilities and parking garages—can be sold to the highest bidder. All over the world, such enterprises are being privatized, allowing governments to turn physical capital into financial capital.

**Reengineering.** In the private sector, companies are saving millions of dollars and increasing productivity by radically rethinking and redesigning work processes. This practice, called reengineering, helped Union Carbide cut \$400 million out of its fixed costs in just three years.

If pursued aggressively, reengineering could lead to dramatic productivity gains in the public sector. For example, installing document-imaging technology—whether in the courthouse, police station or welfare office—can eliminate the need to store millions of paper files. Dallas expects to realize significant space savings and handle court document requests with 10 fewer employees a year through document imaging. Yearly savings: \$250,000.

**Reorganizing Work Structures.** Government's organizational structures, management systems, and job classifications also need to be reinvented. Rightsizing governments are tearing down rigid hierarchies and replacing them with flatter, leaner, and more flexible structures. They are organizing employees into self-managing work teams focused on their customers rather, and empowering them to make many decisions independently of department directors.

These rightsizing strategies and others are being employed by America's leading public-sector innovators to fundamentally transform government. They represent the cutting edge of government innovation, and hopefully, the future of state and local government.

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## INTRODUCTION

A series of unprecedented challenges—the fourth year of a recession-induced severe fiscal crisis; strong citizen opposition to tax increases; and growing unfunded federal mandates—are causing real pain for state and local governments.

By compelling governments to change, these challenges also provide opportunities. By forcing governments to streamline, the fiscal pressures can have a positive long-term impact on government finances, efficiency, and organization. The most stunning example has come from Philadelphia. Under the leadership of Mayor Edward Rendell, Philadelphia—once nearly bankrupt—has eliminated a \$208-million deficit without raising taxes. Says Joseph Torsella, Philadelphia's former Deputy Mayor for Policy and Planning:

*We are lucky we had such a terrible fiscal crisis in Philadelphia. It was an opportunity for the city. By making people understand that change was absolutely necessary and could no longer be avoided, in the long run, the crisis will be one of the best things that happened to Philadelphia.<sup>1</sup>*

Philadelphia is not the only government that has chosen to tighten its belt rather than increase taxes in the face of the fiscal crisis. Across the country, innovative governments are undertaking fundamental changes.<sup>2</sup>

- **Charlotte**, North Carolina now has fewer General Fund employees per capita than in 1970. Over 400 positions have been eliminated in the last three years, saving the city about \$8 million a year.
- Between 1988 and 1992, the city of **Corvallis**, Oregon reduced its budget 24 percent in real terms, allowing it to cut property taxes by 5.6 percent.
- In the first 21 months of his administration, **Massachusetts** Governor, William Weld decreased the number of state employees from 49,750 to 42,864, a 13.8 percent decrease.
- **Milwaukee** has cut property taxes each of the last five years and kept spending increases below the rate of inflation.
- In two years, **Indianapolis** has erased an \$18-million budget gap and at the same time launched a \$500-million capital improvement program. Instead of increasing taxes, Indianapolis has increased productivity: the number of budgeted city employees was cut from 5,140 in fiscal 1991 to 4,329 in fiscal 1994—with no service reductions.

How have these governments been able to do it? Though each has embraced change in its own way, they have all fundamentally altered their organization's structure, priorities, and service delivery. This reorientation of government is called "rightsizing."

### What is Rightsizing?

Rightsizing is a mission-driven process of continuous improvement. It requires government officials—with community input—to formulate a strategic vision for city hall or the state, including a plan for the future.<sup>3</sup> In rightsizing, public leaders establish clear priorities and ask questions that successful companies regularly ask, such as:

- If we were to design services anew, what would they look like?
- If we were not doing this already, would we start today?

<sup>1</sup> Interview with Joseph Torsella, June 7, 1993.

<sup>2</sup> Although most of the examples from this study are from cities, the rightsizing strategies outlined are also applicable to state government.

<sup>3</sup> Gerald Seals, "What is Rightsizing?," unpublished paper, Greenville County, South Carolina.

- If we were to recreate city hall or state government today, given what we now know and given modern technology, what would it look like?

Rightsizing governments focus funding on core functions, deliver these services more efficiently, abolish unnecessary work, and reduce or eliminate nonpriority programs.

### Rightsizing Versus Downsizing

Rightsizing is sometimes thought of as a polite term for downsizing. This is incorrect. Downsizing, usually coming in response to a fiscal crisis, tends to consist mostly of across-the-board spending cuts and employee reductions.

Downsizing in the public sector often amounts to little more than a short-term budget-balancing fix. As with a starvation diet, cutbacks are usually undone as soon as tax revenues begin flowing back into government coffers. Moreover, across-the-board spending cuts provide little guidance about what services government should deliver in the first place or how they should be delivered.

Rightsizing may include downsizing. For instance, to ensure that all agencies—including those usually exempt from efficiency improvements like police and fire—trim some fat from their budget, some governments make downsizing the first step in the rightsizing process.<sup>4</sup> However, to ensure lasting change in government, downsizing needs to be followed up with an aggressive rightsizing, restructuring program.

<sup>4</sup> Penelope Lemov, "Tailoring Local Government to the 1990s," *Governing*, July 1992, pp. 29–32.

A review of rightsizing programs around the country reveals dozens of rightsizing techniques.<sup>4</sup> Most of these techniques fall into six categories. These constitute a **Six-Plank Program for Rightsizing Government**:

- #1: Injecting Competition into Public Services
- #2: Activity-Based Costing of Government Activities
- #3: Entrepreneurial, Performance-Based Budgeting
- #4: Focusing on Core Businesses
- #5: Reengineering Government Processes
- #6: Restructuring the Organization of Government

Integrated into a comprehensive rightsizing program, these six strategies can provide public officials with a powerful set of tools to dramatically transform government by cutting costs, increasing efficiency, shrinking the workforce, and improving the quality of services.

### PLANK #1: Injecting Competition into Public Services

*Opening up city hall to the competitive process must be approached as the fundamental aspect of change in order for a city that is successful to stay successful.*

—Indianapolis Mayor Stephen Goldsmith<sup>5</sup>

<sup>4</sup> For a listing of 37 rightsizing strategies see, Frank Benest, "Rightsizing for Local Governments," Innovations Group, Tampa, FL, 1992.

<sup>5</sup> "Moving Municipal Services Into the Marketplace," speech to the Carnegie Council, New York City, November 20, 1992.

Introducing markets and competition into government wherever possible is the most important component of a rightsizing plan. Absent enduring competitive pressures, other elements of a rightsizing program are likely to fall prey to the powerful weight of bureaucratic inertia.

In the private sector, competition drives companies to cut costs and increase innovation in order to deliver the highest quality products at the lowest possible prices. The public sector—usually thought of as a monopoly service provider—is insulated from such competitive pressures. With no direct negative consequences for failing to achieve desired outcomes, the public sector lacks any strong incentives to institute the fundamental changes required to dramatically cut costs and increase efficiency. The result: a lack of innovation and continually rising public-sector costs.

By opening up public services to competition from private providers, public officials assure that taxpayers are getting the best value and best quality services for their money.

The evidence that competition in public services can spur lower delivery costs is overwhelming. A number of independent governmental and academic studies looking at the effect of competition on service delivery have found it to generate cost savings in the range of 20 percent to 50 percent.<sup>6</sup>

Table 1

**COST SAVINGS FROM COMPETITION**

City	Cost Savings
<u>Indianapolis</u>	
Printing	47%
Microfilm	61%
Chuck hole filling	25%
<u>Philadelphia</u>	
Water Dept: Billing	50%
Custodial: City Hall	33%
Street Maintenance	50%
<u>Chicago</u>	
Custodial Services	33%
Cable Casting	83%

Source: Reason Foundation

Savings of this magnitude are prompting public officials throughout the country to expose government to the light of competition through a variety of methods:

- Competition between in-house units and private providers;
- Competition limited to private providers; and
- Vouchers given to citizens to freely select producers in the marketplace.

#### A. Direct Public/Private Competition

For over a decade the **Phoenix** public works department, under the leadership of Department Director Ron Jensen, has required city units and private firms to compete to deliver a variety of public services. In 1978, garbage collection became the first service opened to competitive bidding. Initially, private trash haulers were able to win all of the contracts. It took the public works department several years before it became competitive with the private firms. During this time, a new accounting system was brought into track costs, new trucks were purchased to reduce crew size,

and a suggestion program offering up to \$2,000 for cost-saving ideas was implemented. By the early 1980s, municipal workers were regularly winning contracts—18 out of 51 contracts put out to bid. Competition has saved the city over \$25 million.<sup>7</sup>

<sup>6</sup> John Hilke, "Cost Savings from Privatization: A Compilation of Study Findings," Reason Foundation, *How-to Guide* No. 6, March 1993.

<sup>7</sup> David Graham, "Phoenix is Beacon of Trash Collection," *The Flint Journal*, April 25, 1993.

Currently, the most comprehensive competition program of any large city in America exists in **Indianapolis**. Since taking office in January 1992, the administration of Mayor Stephen Goldsmith has identified over 150 competition opportunities, and over 50 government services have already been shifted into the marketplace.<sup>8</sup>

Already, this competitive process is resulting in about \$38 million in annual cost savings to the city.<sup>9</sup> Savings have averaged 25 percent in the half-dozen cases when city units beat out private firms in the bidding process. Services opened up to competition include trash collection, printing, equipment maintenance, municipal golf courses, street repair, and wastewater treatment operation.

**Philadelphia.** Mayor Rendell is also aggressively pursuing a competitive process for delivering city services. Since October 1992, 13 services have been exposed to competition and another 16 services are in the pipeline. Competitive bidding is saving the city \$16.4 million annually. Dozens of other candidates have been identified, including the city's entire water operation and management information system. City officials expect the number of services put out to bid to climb past 100 by 1995.<sup>10</sup>

Cost savings from competitive bidding are averaging 40–50 percent.<sup>11</sup> Moreover, the threat of privatization is having a ripple effect across city government. To avert privatization, in-house units are discovering ways to save 20 to 30 percent from their previous costs. Says Mayor Rendell:

*The knowledge that your department can be bid out is an enormous motivating factor. Ironically, privatization is the most effective way we know to restore productivity and the taxpayer's faith in government.*<sup>12</sup>

**Support Services.** Internal support services that serve other government units, such as computer repair and copying, can also be exposed to market forces. Called "internal markets" in the private sector, this management technique requires every business unit within a corporation to operate as an independent firm, deciding whether to purchase input supplies from other departments of the corporation or from outside suppliers.<sup>13</sup>

The logic behind internal markets is that large private corporations have many of the same characteristics as bloated government bureaucracies. Says MIT professor emeritus Jay Forrester, "They have central planning, central ownership of capital, central allocation of resources, and lack of internal competition."<sup>14</sup> Proponents of internal markets believe the only way to get employees—in the public or private sector—to act like entrepreneurs is to expose them to the same competitive forces that drive real entrepreneurs in the marketplace.

In the public sector, the city of **Milwaukee** has introduced internal markets into some city services to push support service units to lower costs and become more competitive. The city's Internal Service Improvement Project (ISIP) allows city departments to purchase six different internal services from private firms, instead of city departments, if they can obtain a lower price and/or better quality.

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<sup>8</sup> Interview with Charles "Skip" Stitt, director of Enterprise Development, City of Indianapolis, October 4, 1993.

<sup>9</sup> Interview with Charles "Skip" Stitt, director of Enterprise Development, City of Indianapolis, September 30, 1993.

<sup>10</sup> Interview with Linda Morrison, city of Philadelphia, September 30, 1993.

<sup>11</sup> *Ibid.*

<sup>12</sup> Nancy Hass, "Philadelphia Freedom," *Financial World*, August 3, 1993, p. 36.

<sup>13</sup> Michael Rothschild, "Coming Soon: Internal Markets," *Forbes ASAP*, June 7, 1993, p. 19.

<sup>14</sup> *Ibid.*

Rather than setting rules and guidelines for improving the quality of their services, the ISIP program essentially says to city units, 'If you want to survive, you must become competitive.' The program, launched in 1992, has already produced results. Some departments are cutting costs and obtaining better quality services by contracting with outside vendors. This has spurred the internal units to make dramatic changes and operate efficiently. The building maintenance division, for instance, is doing customer surveys and beginning to come in with lower bids than private firms.

## **B. Making Competition Work**

In the long run, to be competitive with private firms, government units will have to be relieved of many regulations and bureaucratic procedures that decrease their productivity. For instance, a road maintenance crew in Indianapolis—now exposed to competition—complained that it took a week to get supplies from the city's purchasing department, while private firms can be confident of receiving necessary supplies the next day. Unless government units are given more autonomy when governments institute competition, they are being forced to operate in both worlds—the entrepreneurial and the bureaucratic.

In addition, workers and managers may be unprepared for a competitive environment. Training in structuring bids, writing business plans, developing unit costs, and putting the bid package together can give them the tools needed to make the transition to competition.<sup>15</sup>

At the same time, competition must have real consequences if it is to induce lasting change. If a government unit competes and loses in the bidding process to a private firm, it should be disbanded and the employees shifted to other work.<sup>16</sup>

## **C. Private-Sector Competition**

Instituting a systematic competitiveness program doesn't mean it will always be appropriate or worthwhile to let government units bid on every service. There may be a number of reasons why a public manager may want to limit competition to private-sector bidders for certain services:

- the service may require specialized expertise;
- there is adequate, sustainable competition in the private sector;
- for new or expanded services, city officials may not want to finance the large start-up costs necessary for new equipment and training personnel; or
- city officials may want to reduce liabilities and the size of the city payroll.

In addition, a mayor or governor may simply want government to get out of delivering certain services so resources and management attention can be focused elsewhere. Almost two years after launching his competition program, for instance, Indianapolis Mayor Goldsmith thinks that rather than letting city units compete for every service, a better approach may be to take the 20 percent of services farthest from city hall's core activities and competitively contract them out to the private sector and then let city units compete for the remaining 80 percent of services.<sup>17</sup>

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<sup>15</sup> John O'Leary and William D. Eggers, "Privatization and Public Employees: Guidelines for Fair Treatment," Reason Foundation Privatization Center *How-To Guide* No. 9, September 1993, p. 11.

<sup>16</sup> For an extensive review of strategies for implementing competition, see E.S. Savas, *Privatization: The Key to Better Government* (Chatham, N.J.: Chatham House Publishers, 1987), pp. 255-273.

<sup>17</sup> Answer to audience question in speech at Tahoe Summit on Privatization conference, Incline, Nevada, February 11, 1993.



## D. Vouchers

The most effective and appropriate way to inject competition into some public services—especially “soft services” like housing, job training, and health and social services—may be to issue vouchers to recipients so they can choose their own service providers. In addition to providing greater freedom of choice, vouchers bring consumer pressure to bear, creating incentives for consumers to shop around for services and for service providers to supply high-quality, low-cost services.

Vouchers have been used primarily by local governments for services to low-income residents such as day care, paratransit services, recreation services, cultural activities, drug treatment programs, housing, and job training.<sup>18</sup> Food stamps also represent a voucher system.

## PLANK #2: Activity-Based Costing (ABC)

*Activity-Based Costing is the first step in deciding which businesses the city wants to or should provide to the citizen and defining core, versus ancillary activities.<sup>19</sup>*

*—Bridget Anderson, KPMG Peat Marwick Management Consultant*

Few governments know how much it costs to fill a pothole, do a building inspection, or to clean out the sewers. In fact, most governments don't know how much it costs to deliver most public services.<sup>20</sup> Without such data, it is impossible for public officials to answer important managerial questions such as:

- Is this a good use of tax dollars?
- Are government costs competitive with those in the marketplace?
- How could scarce tax dollars be best allocated to serve our citizens?<sup>21</sup>

A number of years ago, some private companies began addressing their own problems involving the lack of good cost data by introducing new accounting systems to capture the true, “fully loaded” costs—direct, indirect and overhead—of delivering a product or service. Usually called “activity-based costing” (ABC) or “full-cost accounting,” such systems define input, output, and cost per unit data. They account for every hour of work, each piece of equipment, as well as all capital, facility, and overhead costs of an organization.<sup>22</sup>

According to Bridget Anderson, there are four main components of ABC systems:<sup>23</sup>

- *Activities.* Defining what tasks are performed by the organization.
- *Drivers.* The technique used to allocate activity costs to outputs.
- *Outputs.* The final results or outcomes.
- *Consumption.* The degree to which each activity should be allocated to each output.

<sup>18</sup> Savas, *Privatization*, p. 79.

<sup>19</sup> Bridget Anderson, “Performance Accountability System: Identifying Services and Costs,” Government Services Newsletter, KPMG Peat Marwick, Vol. 10, No. 3, May 1993.

<sup>20</sup> The primary exception is those services that are fully supported by user fees.

<sup>21</sup> Anderson, *Performance Accountability System*.

<sup>22</sup> Memo from Indianapolis Mayor Steven Goldsmith to Department Directors, January, 1993.

<sup>23</sup> *Ibid.*

By attaching explicit costs to individual activities, and measuring the costs versus the efficiency and effectiveness of service outputs, ABC systems have proven important tools for controlling costs and increasing productivity in the private sector. ABC brings to light costs which previously were hidden allowing managers to determine where they need to get costs down. (see figure below for a step-by-step approach to implementing ABC)

#### Five-Phase Approach to Activity-Based Costing

**Phase I — Define project objectives and establish department activities and outputs.**

This first phase focuses on a familiarization with department operations, personnel, and means of quantifying data. The most effective means of identifying activities and outputs, which serve as the foundation for the ABC model, are determined.

**Phase II — Collect and analyze appropriate cost and allocation methods.** In this phase, relevant cost information is collected. Then, appropriate cost drivers for the activities defined in phase I are developed and the most effective means of measuring departmental outputs are determined.

**Phase III — Collect the remaining current direct and indirect cost information.** The most probable activity cost pools are personnel costs, direct materials, vehicles and equipment, fixed asset and facility costs, and administrative overhead.

**Phase IV — Develop an ABC model.** Using the information in the first three phases, an ABC model is developed that is used to drive the activity cost pools to each output.

**Phase V — Summarize cost information and expand the departments' capabilities to include continuing use of the ABC model.** In order for the ABC model to be utilized most effectively, a training session is held to assist department personnel in understanding how to use the ABC model on an ongoing basis.

Source: KPMG Peat Marwick, *Government Services Newsletter*, May 1993, p. 9.

With a few exceptions, activity-based costing has not been widely utilized in the public sector.<sup>24</sup> This is beginning to change as governments discover several important uses for ABC. These are:

**A. ABC identifies all the services city hall provides and details what each service costs.**

Detailed cost information is crucial to providing government managers with the necessary information to be able to optimally allocate their limited set of resources. Once the full costs of performing a certain function are known, a government executive may decide that the costs of performing a certain function are greater than its value to the taxpayers and that the government should discontinue that activity.

After going through ABC, and having its full costs loaded on to its budget, Indianapolis' Advanced Wastewater Treatment Plant determined it no longer needed to operate a video conferencing center.

<sup>24</sup> Milwaukee is a notable exception. Since the early 1980s, the city has had in place a fairly sophisticated computerized costing system. Other cities that have utilized one form or another of full-cost accounting include Sunnyvale, Calif., Visalia, Calif., and Phoenix, Ariz.

## B. ABC leads to accurate public/private cost comparisons.

Without instituting ABC, opening up city services to competition may result in flawed comparisons of public and private delivery costs. By excluding indirect costs such as fringe benefits, facility costs, management/oversight, and utility and pension costs, cost comparisons tend to unfairly favor government delivery. A study of 68 cities found that cities on average underestimated their true costs of service delivery by 30 percent.<sup>25</sup> By adding up the full costs of government delivery, ABC systems eliminate this problem and put public units and private firms on equal footing when competing to deliver services.

## C. ABC can lead to cost savings.

By exposing the full costs of performing each function of city hall, ABC can assist managers with discovering and eradicating inefficiencies in their departments.

ABC can also reduce costs by stimulating healthy competition between government units. For example, if it is costing one city street crew much more to fill potholes than the other city crews, there is no way this can be concealed. The exposure creates powerful incentives to reduce costs.

By going through ABC, Indianapolis discovered that the cost for snow plowing in one district (\$117 per mile) was almost three times greater than in another district (\$38 per mile).<sup>26</sup> ABC helped the managers and workers determine that the higher cost district had an inefficient mix of supervisors and workers and had no control over its materials.

### Case Study: Activity-Based Costing Works in Indianapolis

Among big cities, Indianapolis has moved the furthest to institute activity-based costing across city departments. According to Mayor Goldsmith, by adopting activity-based costing, "all sorts of wonderful things occur. It is the door by which competition and privatization have been opened up."

The first service to undergo ABC was pothole repair in which a city department was competing for a contract. In order to bid on the service, the department had to determine how much it really cost to fill a pothole.

The Transportation Department crew and their union approached Mr. Goldsmith recognizing that overhead would drive up their costs. They complained, "there are 92 of us truck drivers and 32 supervisors above us. We can't compete if you are going to attribute their salaries into our costs of doing business." The crew asked the mayor to reduce the overhead burden. The Mayor acknowledged that the crew was right, and many of the 32 supervisors were laid off.

The crew also discovered they could fill potholes with four workers rather than eight and, one truck instead of two. The city crew eventually came in with a bid thousands of dollars under the closest private bidder, saving the city 25 percent from its previous costs.

Source: William D. Eggers, "City Lights: America's Boldest Mayors," *Policy Review*, Washington, D.C., Summer 1993.

<sup>25</sup> Savas, *Privatization*, p. 259.

<sup>26</sup> For more details, see upcoming Reason Foundation *How-to Guide*, "Developing Performance-Based Budgets for Government," by Mark Abramson, March 1994.

#### D. ABC assists government managers in setting appropriate levels of user fees.

The user fees governments charge citizens or other governments for various services often fail to correspond to the true cost of providing the service. The result: the general fund ends up subsidizing user fee-funded activities or vice versa. In Corvallis, Oregon, ABC exposed utility rates to be higher than operating costs, meaning utility users were subsidizing the city's general fund. The result: the city reduced its utility rates.<sup>27</sup>

### PLANK #3: Entrepreneurial, Performance-Based Budgeting

*The budgeting process must be used as a lever (to rightsize) government. It is the most important lever available to a mayor or city manager.*

—Anne Spray Brooker, Director of Administration, City of Milwaukee<sup>28</sup>

In the public sector, the budgeting process typically unintentionally rewards managers for decreasing productivity. If crime goes up, the police department gets more money. If test scores go down, the schools are given more cash. Poor outcomes lead to more inputs, rather than an improved process (this phenomenon is also sometimes present in the private sector).

Consider Westminster, California. The Police Department was proud when it came in \$400,000 under budget in 1992. But when the Fire Department ended up \$400,000 over budget, city officials reacted by taking funds away from the police department and giving it to the fire department. The Westminster Police Department learned that in government, efficient performance and high productivity often get penalized.<sup>29</sup>

One way governments are attempting to change these paradoxical incentives is by transforming their budgets. These new budgeting strategies go by names such as "expenditure control budgeting," "performance budgeting," "results-oriented budgeting," and "mission-driven budgeting." While differing in their details, the central objectives of each of these budgeting strategies are the same. These are:

- Central control of the growth of *total* spending;
- Decentralized control to department managers of the authority for *specific* spending; and
- Increased *accountability* for performance.<sup>30</sup>

Because the main emphasis is on getting department managers to act more entrepreneurially and measuring programs by their performance, as a shorthand, these budgeting strategies can be called "entrepreneurial, performance-based budgeting."<sup>31</sup>

Entrepreneurial, performance-based budgeting shifts the focus of the budgeting process from internal concerns—such as line items and inputs—to external considerations—customers and outputs. By measuring

<sup>27</sup> Interview with former City Manager, Gerald Seals, Corvallis, Oreg., September 23, 1993.

<sup>28</sup> Interview with Ann Spray Brooker, City of Milwaukee, August 10, 1993.

<sup>29</sup> John O'Leary and William D. Eggers, "Chopping Big Government," *Los Angeles Daily News*, September 12, 1993.

<sup>30</sup> Dan Cothran, "Entrepreneurial Budgeting: An Emerging Reform," *Public Administration Review*, September/October 1993, Vol. 53, No.5, pp.445-454.

<sup>31</sup> For a more detailed guide to implementing performance-based budgeting see the upcoming Reason Foundation *How-to Guide*, "Developing Performance-Based Budgets for Government," by Mark Abramson, March 1994.

efficiency and effectiveness and linking the money spent on services to actually achieving certain outcomes, this kind of budgeting is more accountable to the taxpayers. The concept of performance-based budgeting is not new—the idea goes back over 20 years. “What is new,” says Mark Abramson, a government budgeting expert who has assisted a number of cities in implementing performance budgeting, “is the emphasis on *managing* by results.”<sup>32</sup>

#### Cities with Entrepreneurial Budgeting Systems

Indianapolis, IN	Kingsburg, CA
Milwaukee, WI	Westminster, CO
Sunnyvale, CA	Chandler, AZ
Fairfield, CA	Visalia, CA

Entrepreneurial, performance-based budgeting also requires changes in the way public employees are compensated. Automatic, across-the-board pay increases and seniority-based salaries are replaced by compensation based primarily on performance—the *value* each employee creates.

**Sunnyvale, Calif.**, is the pioneer of entrepreneurial budgeting for performance. Since 1972, the city’s sophisticated budgeting system, called (PAMS), has rewarded managers according to how well they achieved desired outcomes, with their salaries raised or lowered based on measured performance.

With detailed information at their fingertips on the quantity, quality, and cost of each service they deliver, the Sunnyvale city council doesn’t even bother voting on line items.<sup>33</sup> The council tells each department what results it wants and the department returns to the council with detailed figures on how much achieving this outcome will cost. The council then, in essence, “buys” the level and quantity of service desired.

Sunnyvale’s successes with performance budgeting have been so dramatic that its budgeting system was highlighted in an August 1993 visit by President Clinton. Between 1985 and 1990 the average cost of delivering service dropped 20 percent; one year the city even rebated \$1 million in property taxes.<sup>34</sup> In a 1990 comparison with other cities of its size, Sunnyvale found that it accomplished most functions with 35 to 45 percent fewer employees and that Sunnyvale employees tended to be better paid. On a per-capita basis, Sunnyvale’s taxes were lower than any city in the survey.<sup>35</sup>

Another problem with traditional budgets is that, loaded with terms such as “subfunds” and “noncapitalizable equipment” and containing an abundance of meaningless data on inputs, they don’t really tell citizens how their tax dollars are being spent. To rectify this, in August 1993, **Indianapolis** introduced its own outcome-based, entrepreneurial budget.

The city’s budget is now called the “popular budget” because, for the first time in decades, people can actually understand what it contains. The popular budget contains each department’s goals, expenditures and desired outcomes, and the activities proposed to achieve these outcomes.<sup>36</sup> This information is designed to spur debate over both the city’s goals and whether each department’s proposed activities advance the city towards these goals. It also allows city councilmembers and citizens to make informed choices about tradeoffs. For example, should an

<sup>32</sup> Interview with Mark Abramson, November 22, 1993.

<sup>33</sup> David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (Reading, Massachusetts: Wesley Addison Publishing Company, Inc., 1992), p. 145.

<sup>34</sup> Financing Local Government, Vol. 5, No. 19, March 31, 1993, p. 1.

<sup>35</sup> Osborne and Gaebler, *Reinventing Government*, p. 145.

<sup>36</sup> 1994 Popular Budget, City of Indianapolis, August 1993.

extra \$100,000 be spent to get the streets cleaned twice a week or would the additional dollars be better spent on extra police foot patrols?<sup>37</sup>

### Case Study: Milwaukee Uses Budget to Transform Managerial Incentives

In the spring of 1993, Milwaukee became the first big city to adopt to an entrepreneurial, performance-based budget. Milwaukee's new budgeting system is based on the recognition that the annual budget should articulate the city's long-term, strategic goals.

The budgeting process begins with the mayor setting an overall expenditure limit (spending has been kept under the rate of inflation since Mayor John Norquist took office five years ago). Each department's allocation then reflects the mayor's priorities for the city. This central control of overall spending growth ends the annual budget game in which individual departments inflate their budget request and then contend they cannot possibly deliver basic services when their requests are cut by the budget office.

After receiving its fund allocation, each department is charged with developing a strategic plan that contains no more than five objectives. Managers are then given great freedom to put together a mix of activities to achieve these objectives. With increased autonomy, however, also comes increased accountability. Through a system of annual performance measures, Milwaukee department managers are held accountable for achieving the outcomes. Unlike other performance measuring systems—which tend to evaluate managers on the basis of internal management indicators like accounting inputs and workloads—Milwaukee's system measures actual impact on the community. The Road Maintenance department is held accountable for the smoothness of the streets, rather than the number of crews on the street.

By giving managers greater freedom to achieve pre-stated objectives, and by holding them accountable for results, Mayor Norquist is trying to create a culture where managers see their purpose as maximizing their accomplishments with available resources rather than trying to grow their budgets. Explains Department of Administration Director Anne Spray Brooker:

*We're trying to use market forces to generate improvement rather than set up a whole system of rules and regulations. By holding department managers accountable for outcomes we are generating pressures from the departments themselves to do away with inefficient city practices.*

Source: William D. Eggers, *Policy Review*, Summer 1993.

Public officials experienced with entrepreneurial, performance-based budgeting suggest a number of basic lessons to ensure its success:

**1. Freeze or strictly control budget allocations.** In order to force managers to cut costs and increase efficiency, government executives must hold the line on budget appropriations. When denied budget increases, managers may argue that services will have to be cut. However, when the recourse to more funding is gone, managers usually display creativity and imagination and find ways to get the job done. Writes Matthew Ridenour, the former Director of Management Services at Indianapolis:

*When budgets are frozen, managers may be inclined to refocus on core services and make tough decisions on how to deliver them efficiently. This strategy is almost risk-free in a government environment*

<sup>37</sup> Bridget Anderson, "A 'Popular' Budget Focuses on Management," KPMG Peat Marwick's Government Management Casebook, in *City & State* magazine, September 13, 1993, p. 7.

*since the less an organization is exposed to competition, the more capacity exists in the system to improve service while reducing cost.*<sup>38</sup>

**2. Performance budgets should incorporate long-term strategic plans.** A long-term strategic plan is especially important for new administrations moving toward performance budgeting because many managers will be unsure of the chief executive's new goals. By giving managers cues into the chief executive's long-term desired outcomes, a strategic plan frees up managers to try innovative approaches to realize these goals. Without this vision, middle managers will be very reluctant to diverge far from past practices.

**3. The same people should be involved in writing the strategic plan and budget.** Unless the same teams draw up the strategic plan and annual budget, the necessary linkage between the two may fail to materialize.<sup>39</sup>

**4. Don't let managers duck accountability.** Department managers inevitably will claim they can't be held accountable for achieving certain results because all outcome determinants are not under their control. While there will usually be some truth to these claims, department managers should still not be allowed to skirt responsibility. They must be forced to take ownership of the outcomes. "When they tell me they can't be held accountable," says Milwaukee's Ann Spray Brooker, "I say, you can certainly influence an outcome. If not, why are we spending \$800 million a year."<sup>40</sup>

#### **Corvallis, Oregon Borrows a Budget Innovation from Honda Motors**

The city of Corvallis, Oregon boosted its productivity and cut costs by taking a lesson from Honda Motors and making city hall compete with itself. From 1988 to 1992, under the direction of former City Manager Gerald Seals, the city had an unwritten rule that the budget submitted each year to city council would be less than the previous year's budget and even this amount would be underspent over the course of the year. The result: between 1988 and 1992, the city's budget dropped by over \$20 million (inflation-adjusted).

### **PLANK #4: Focusing on Core Businesses**

*The only time government ever kills programs is by refusing to feed them. This is policymaking by neglect. City officials need to go back to first cases, look at everything city hall does, and ask whether government has to do this at all.*<sup>41</sup>

—Ronald Henry, Director, Pennsylvania Intergovernmental Cooperation Association (PICA)

The fourth plank of a comprehensive rightsizing program is evaluating what government should do and not do in the first place. One of the most important features of entrepreneurial budgeting is that it compels public managers to focus financial resources on their core businesses. This forces managers to ask questions such as:

- Is this activity advancing me towards one of my desired outcomes?
- Does this fit in with my strategic plan?
- If not, should we even be doing this at all?

<sup>38</sup> Matthew Ridenour "Performance Accountability System: Services and Costs—Setting the Stage," Government Services Newsletter, KPMG Peat Marwick, Vol. 10, No. 3, May 1993.

<sup>39</sup> Brooker interview, August 10, 1993.

<sup>40</sup> *Ibid.*

<sup>41</sup> Interview with Ronald Henry, June 7, 1993.

Across the country, governments operate all kinds of enterprises and programs that may be far removed from the core missions of city hall or the state house. **Dallas** runs a classical radio station; **New York City** operates off-track betting parlors; **Denver** and numerous other cities manage botanical gardens; **Jacksonville**, Florida runs a canning plant; and dozens of cities own and operate zoos. Says Indianapolis Mayor Goldsmith, "It is great to privatize to create competition, but if government is not receiving any value from this at all, it ought to be just closed down and let the market operate on its own."

In order to adequately focus on government's core businesses, cities and states should consider getting out of ancillary activities that often serve mainly as distractions. One way to do this is through privatization. The three most common privatization techniques used by governments to divest the financing and delivery of a service or enterprise to the private sector are:

- Transfer to a nonprofit organization or neighborhood group;
- Transfer to the for-profit, competitive market through "commercialization"; and
- Sale or lease of assets.

#### A. Transfer to Nonprofit Organization or Neighborhood Group

Facing the prospect of imminent closure due to severe fiscal restraints, government officials are looking for alternatives to government management and funding of many non-core services and facilities. They are increasingly discovering that by turning some noncore services—such as zoos, museums, fairs, remote parks, and some recreational programs—over to nonprofit organizations, they are able to ensure that these institutions don't drain the budget. Consider a few recent examples:

- In July 1992, the city of **Pittsburgh** turned over the city Aviary to a group of concerned citizens.<sup>42</sup>
- In **Norfolk**, Virginia, on January 1, 1993, the nonprofit Norfolk Botanical Society took over the formerly city-owned botanical gardens. On the same day, the gardens received its first \$1 million private donation.<sup>43</sup>
- In 1992, **Milwaukee** turned over operation of the city's numerous farmers markets to the private sector.
- In July 1992, the Mint Museum in **Charlotte**, North Carolina was leased to the museum's private board of trustees.

When government-owned cultural institutions such as zoos and museums are transferred to private, nonprofit operators, the city or state usually continues to subsidize these entities. Charlotte's Mint Museum, for instance, will continue to receive \$1.1 million from the city annually. The difference is that the subsidy is usually lower than previously, and the annual amount is often frozen or decreasing in the future. This encourages the nonprofit operators to operate the cultural institutions more entrepreneurially in order to seek greater private support from patrons and donors, and to improve offerings to generate more user fees.

**Self-Help Approaches.** Local governments can also empower neighborhood residents, organizations, and churches to generate self-help programs to meet community needs. Community groups can be assisted in forming neighborhood crime watches, maintaining their neighborhoods, providing recreation programs for youths at local parks, and developing job training programs.

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<sup>42</sup> "Privatization Potpourri," *Privatization Watch*, February 1993, p. 5.

<sup>43</sup> Donna Lee Braunstein, "Botanical Gardens Flourish Under Private Management," *Privatization Watch*, March 1993, p. 3.



## B. Transfer to Competitive Market

Some public services can be transferred to the private for-profit sector without any continuing subsidies. Private firms recover their costs by charging fees on a subscription basis to resident users. This form of privatization is sometimes called “commercialization” or “service shedding.”

The public services most likely to provide the best opportunities for commercialization are solid-waste collection and disposal, meter maintenance and installation, vehicle towing and storage, recreation programs, and emergency medical services. Private delivery and financing of many of these services is already quite prevalent in the United States.

In a 1990 International City/County Management Association (ICMA) survey, for instance, 30 percent of government respondents reported that residents contract directly with private haulers for garbage collection in their municipalities.<sup>44</sup>

One factor that often induces cities to get out of the trash collecting business is the prospect of large capital investment in new equipment. In 1990, **Traverse City**, Michigan’s garbage trucks needed to be replaced. Rather than spend over \$250,000 for two new trucks, the city decided to get out of the waste business.<sup>45</sup> The city sold its two waste-packer machines and its list of 2,200 residential trash customers to West Michigan Disposal for \$224,000. By purchasing the list from the city, West Michigan Disposal gained an edge in attracting customers; however, city residents were allowed to contract with any of the many area waste haulers for trash collection.

Emergency and nonemergency ambulance services are also often provided without taxpayer subsidy. Most communities have at least one private ambulance service providing services without taxpayer support. About two dozen cities, including **Las Vegas** and **Fort Wayne**, Indiana, have full-service, state-of-the-art emergency medical services systems that are 100 percent user-funded.<sup>46</sup>

## C. Asset Sales: Mining the Public Balance Sheet

In the private sector, businesses periodically inventory their balance sheets and sell off unproductive divisions or assets. Under new leadership, these divisions often receive a new lease on life and become dynamic independent companies. This management practice is called “mining the balance sheet.”

Governments worldwide have followed the private-sector lead and are “mining the public balance sheets” by selling or leasing state-owned assets to the private sector. Over the last decade, \$328 billion in state-owned enterprises have been sold or turned over to private owners—\$69 billion in 1992 alone.<sup>47</sup> These assets have included many enterprises typically owned by states, cities or independent city authorities such as airports, water and wastewater

### Prioritizing Services

One way of arriving at a consensus about which services to cut or eliminate and/or which services to increase funding for is to prioritize services. Citizens, city councilmembers, and city employees are surveyed and asked to rank all city services according to their importance to the community. The goal is to arrive at a rough consensus about the most critical and least critical services the city provides. The surveys should also ask about the most appropriate levels of service given current fiscal realities. **San Antonio**, and **Wilmington** and **Charlotte**, North Carolina, and numerous other cities have developed weighted rating systems that rank services according to their value to the community.

<sup>44</sup> William D. Eggers, ed., *Privatization 1993: Seventh Annual Report on Privatization*, Reason Foundation, April 1993.

<sup>45</sup> “Traverse City Puts Innovation in Waste Contracting,” *The Michigan Privatization Report*, The Mackinac Center for Public Policy, No. 93-3, Summer 1993, p. 1.

<sup>46</sup> Interview with Brenda Staffen, American Ambulance Association, October 5, 1993.

<sup>47</sup> Eggers, *Privatization 1993*.

### Case Study: Rancho Palos Verdes, Calif. "Commercializes" Recreation Services

Whenever proposals surface for government to discontinue a service, citizens often assume the service will no longer be provided, period. Not so says David Riemer, the Chief of Staff to Milwaukee Mayor John Norquist, "the private sector, possibly now suppressed by the city, will usually spring to life to fill the gap."

This is what happened in the Southern California city of Rancho Palos Verdes when a budget shortfall in 1993 caused it to eliminate its recreation programs.

Fears that Rancho Palos Verdes residents would be left without any recreation programs were unfounded. Before getting out of the recreation business, the city did a survey of the surrounding area and discovered that private for-profit and nonprofit organizations were already providing—at reasonable prices—most of the recreation services the city was running.

After hearing the city would be dropping the recreation programs, many of the class instructors came to the city and said, "We will continue the programs if you will rent us your facilities."

The end result: many of the city recreation classes are still being offered. The only difference is they are being run privately and without subsidy from the city. In fact, the city is now making a small net profit from the facility rental.

Source: *Privatization Watch*, Reason Foundation, September 1993.

systems, ports, gas and electric utilities, parking structures, stadiums, convention centers, and waste-to-energy plants (see Table 2.)

The worldwide trend toward private ownership of formerly government enterprises is prompting governments throughout America to explore the possibility of selling or leasing assets to the private sector. For example:

- **Los Angeles** Mayor Richard Riordan has proposed leasing Los Angeles International airport to a private operator.
- **Philadelphia** is studying selling its water system.
- The state of **Michigan** plans to sell off the state liquor system and accident fund.
- The city of **Milwaukee** is getting out of the parking business by selling its parking structures.
- A **Charlotte** city task force has recommended the city examine the feasibility of selling the Coliseum and other city assets.
- Hundreds of city and county hospitals have been sold to nonprofit or for-profit organizations since the mid-1970s.

Table 2

#### SALABLE STATE AND MUNICIPAL ENTERPRISES

Enterprise Type	Estimated Number	Estimated Market Value (Billions \$)
Airports (Commercial)	87	29.0
Electric Utilities	2,010	16.7
Gas Utilities	800	2.0
Highways and Bridges	n/a	95.0
Parking Structures	37,500	6.6
Ports	45	11.4
Turnpikes	8	7.4
Water Systems	34,461	23.9
Wastewater Facilities	15,300	30.8
Waste-to-Energy Plants	77	4.0
<b>TOTAL ESTIMATED</b>		<b>\$226.8</b>

Source: Reason Foundation, "Mining the Government Balance Sheet," *Policy Insight*, No. 139, April 1992.

By selling or leasing state enterprises to private entities, governments can turn dormant physical capital into financial capital, which can be used for more pressing needs such as rebuilding decaying infrastructure, debt relief,

or tax relief. Governments also benefit financially by putting the asset on the tax rolls. Moreover, a substantial body of evidence—including a major eight-volume World Bank study—suggests that privatizing government assets can result in increased investment and improved efficiency and productivity.<sup>48</sup>

## PLANK #5: Reengineering Work Processes

*Don't Automate, Obliterate.*

—Michael Hammer, management consultant and author of *“Reengineering the Corporation: A Manifesto for Business Revolution”*

In the private sector, companies are saving millions of dollars and increasing productivity, performance, and service by leaps and bounds by rethinking and redesigning the way jobs are performed.<sup>49</sup> One way they are doing this is by “reengineering”: organizing work processes in radically different ways than they were done before.

When organizations reengineer, workloads are reduced by greatly cutting down on paper flow, procedures, and internal requirements.

Although it usually involves making better use of technology, reengineering is not the same as automation. “Automating existing processes with information technology is analogous to paving cowpaths. Automation simply provides more efficient ways of doing the wrong kinds of things,” write reengineering experts Michael Hammer and James Champy.<sup>50</sup>

Reengineering is also not merely streamlining existing processes and procedures. Rather than first asking how current processes can be improved, reengineering practitioners start over from scratch and ask what is the desired end result from the *customer's* perspective.

Reengineering is currently the foremost private-sector management trend. Union Carbide has used it to cut \$400 million out of its fixed costs in just three years, while Blue Cross of Washington and Alaska employed reengineering to increase labor productivity by one-fifth in only 15 months.<sup>51</sup>

Reengineering's promise of dramatic productivity gains is beginning to draw the attention of innovative public officials. Dozens of state and local government processes have been reengineered with impressive results over the last several years including: **Napa County**, California's welfare caseload system; **Oregon's** Department of General Services Request for Proposal process; and **Connecticut's** Department of Labor job training and unemployment compensation program.<sup>52</sup>

<sup>48</sup> Ahmed Galal, et al., World Bank Conference on the Welfare Consequences of Selling Public Enterprises (Washington, D.C.: Country Economics Department, Public Sector Management and Private Sector Development Division), June 1992.

<sup>49</sup> Michael Hammer and James Champy, *Reengineering the Corporation: A Manifesto for Business Revolution* (New York: Harper Collins Publishers, 1993), p. 32.

<sup>50</sup> *Ibid.*, p. 48.

<sup>51</sup> Thomas A. Stewart, “Reengineering: The Hot New Managing Tool,” *Fortune*, August 23, 1993, pp. 41–48.

<sup>52</sup> John Martin, “Reengineering Government,” *Governing*, March 1993, pp. 26–30.

Reengineering often involves purchasing new technology. So, in order to realize substantial future cost savings, government will often need to invest some upfront money in new technology. To fund its reengineering initiatives, **Philadelphia** has created a Productivity Bank. The bank is a revolving loan fund backed by \$20 million in city seed money.

Departments submit reengineering proposals to the bank's board. If the proposal is approved, the department must enter into a signed loan agreement with the board to pay back the bank in cost savings at a 2-1 ratio over a five-year period. The board includes the city budget director who makes sure the savings are taken out of the department's future allocations. By October 1993, the bank had made \$12 million worth of loans for 11 projects. In return for the loans, the city expects to realize \$42 million in cost savings and revenue enhancements over the next five years.<sup>53</sup>

Philadelphia still has a long way to go in restructuring. The city still hasn't achieved the kind of dramatic results typically associated with private-sector reengineering efforts. Most work process changes have been incremental. Nevertheless, once fully implemented, the reengineering projects, together with nearly 200 management and productivity reforms, should save the city over \$119 million annually according to Philadelphia officials and result in improved and more responsive services to taxpayers.<sup>54</sup>

#### Implementing Reengineering

1. Prepare and Disseminate the Case for Reengineering
2. Assemble Reengineering Teams and Select Reengineering Czar
3. Choose Processes to Reengineer
4. Understand Current Processes
5. Redesign Processes

Source: Derived from information in *Reengineering the Corporation*. See Footnote.

#### Reducing Inventory

A private-sector task force is helping the city of **Indianapolis** to identify opportunities for cost savings, service improvements, and new ways of organizing work processes. The Service, Efficiency, and Lower Taxes for Indianapolis Commission (SELTIC), composed of nine of the city's leading entrepreneurs and over 100 volunteers, has spent nearly two years combing through city operations.

One of SELTIC's early discoveries was that city hall was not managing its inventory very well. In the private sector, corporations must carefully manage their inventories because holding too many supplies involves high financing and storage costs. Government officials, on the other hand, rarely pay attention to their inventories. After touring the transportation department facilities, SELTIC commissioner Jean Wojtowicz was stunned by the supplies, used furniture, and equipment lying around. Says Wojtowicz, "The government mentality is: If we don't use it, we better hold onto it, we might need it next year. The problem with stockpiling all this stuff is that it takes up expensive real estate."

A SELTIC team put in place a system in which the city would begin holding periodic "garage sales" of furniture, equipment, and materials. Eventually the city plans on eliminating, through this process, over 40,000 square feet of current leased space, saving as much as half a million dollars in leasing costs.

Source: William D. Eggers, "Competitive Instinct: Indianapolis Mayor Stephen Goldsmith is serious about cutting back city hall," *Reason*, August/September 1993, p.24.

<sup>53</sup> Interview with Mike Nadol, assistant deputy mayor, City of Philadelphia, October 4, 1993.

<sup>54</sup> "Management and Productivity Initiatives Progress Report," City of Philadelphia, June 30, 1993.

Other government reengineering efforts include:

- **Internal Mail Delivery.** In most cities, each department, and sometimes many sub-departments, have their own unit to handle mail. By consolidating these mailrooms into one operation, city hall can realize around an 80 percent space savings.<sup>55</sup> Reengineering its internal mail delivery is saving **Indianapolis** about \$300,000 annually.<sup>56</sup>
- **Court document systems.** Installing document-imaging technology eliminates the need to store millions of paper files. The city of **Dallas** expects to realize significant space savings and handle court document requests with 10 fewer employees a year through document imaging, for a yearly savings of \$250,000.
- **Hand-held Computers.** In **Chicago's** Public Health department, field nurses previously had spent about half of each day filling out forms for different funding sources, tracking patients, and other paperwork tasks. In 1993, the department purchased hand-held computers for the nurses, similar to those used by Federal Express delivery people. By allowing the nurses to enter in codes on sight, the computers have permitted the nurses to spend much more of each day helping sick people rather than doing paperwork.<sup>57</sup>

### Outside Expertise.

Bringing in outside expertise is often critical for success in reengineering. Outsiders tend to be more objective, bring a new perspective to the process, and sometimes are more apt than insiders to insist on radical change.<sup>58</sup> Says Indianapolis SELTIC Commissioner Jean Wojtowicz, "I think if you are inside government you're too close to the forest. Sometimes you need someone from the outside to come in and take a fresh look. Private businesses sometimes need this also."<sup>59</sup>

All the expertise provided by outsiders is of little use unless their recommendations are implemented—and governments have a long history of ignoring private-sector reports on streamlining government. To ensure that reengineering recommendations are carried through and also to involve internal units in reengineering, it is important to create a reengineering team within government. To drive changes through the bureaucracy, Philadelphia, for example, has its Office of Management and Productivity Improvement; Indianapolis has an Office of Enterprise Development; and Seattle and Charlotte have innovations teams.

Because there will be a natural tendency to resist change, the team leader or reengineering "czar" should be someone with the mayor's or governor's trust who is capable of jolting the system into action. Only with energetic proponents within government and the strong backing of the chief executive is reengineering likely to result in dramatic improvements. Says David Pingree, who directed Philadelphia's Private Sector Task Force on Management and Productivity Improvement, "If we didn't have the very strong support of the mayor, we would have ended up generating lots of good government studies that ended up on shelves—unread and unused."<sup>60</sup>

<sup>55</sup> Interview with Charles Gibbons, Chairman of the Board, Tascor Corporation, September 7, 1992.

<sup>56</sup> Interview with SELTIC Commissioner Roy Nicholson, April 9, 1993.

<sup>57</sup> Interview with Carolyn Grisko, Director, Mayor's Fellowship program, City of Chicago, September 28, 1993.

<sup>58</sup> Hammer, p. 110.

<sup>59</sup> Eggers, "Competitive Instinct," *Reason*.

<sup>60</sup> Interview with David Pingree, April 1, 1993.

## PLANK #6: Reorganizing Work Structures

*Excessive layering may be the biggest problem of the slow-moving, rigid bureaucracy...extra layers of management mainly create distracting work for others to justify their own existence.*

—Tom Peters and Bob Waterman, *In Search of Excellence*<sup>61</sup>

Reengineering government cannot succeed in a vacuum. The organizational structures, management systems, and job classifications that now characterize most governments also have to be overhauled.

The present systems are archaic: elaborate controls and inflexible bureaucracies; thousands of job classifications; rigid hiring and firing procedures; layers and layers of middle management; stifling bureaucratic rules and regulations; and myriad procedures that virtually ensure that no employee, no matter how incompetent, will ever be fired. Government is like this because politicians and many taxpayers want a zero risk environment in the public sector. Zero risk, however, is impossible to achieve and has proven too costly—resulting in a lack of public-sector innovation and bloated bureaucracies. It has simply become too expensive to run government organizations the way they have been run. Reorganizing work structures is a business necessity.

Indianapolis Mayor Stephen Goldsmith believes job classifications, descriptions, and hiring forms should be eliminated—governments should foster an environment of “chaos.” “All city government really ought to be is a series of 100 projects around different clusters. We finish a project and we move on to the next one,” declares Goldsmith.<sup>62</sup>

### A. Flattening the Organization.

Management guru Tom Peters contends that no organization should have more than five layers of management.<sup>63</sup> After all, Peters reasons, the Catholic Church is able to oversee one of the largest organizations in the world, with over 800 million members, with just five levels.

The city of Charlotte has taken Peters’ advice to heart. Until recently, the city’s organizational chart was like that in most other city halls. The city had four employees who spent their time doing nothing but writing job classifications. And somehow, eight layers of management were needed just to oversee the maintenance of city streets.<sup>64</sup>

This is changing. By making the organization flatter and more flexible, Wendell White, Charlotte’s City Manager is trying to move city hall into the modern era. The city’s 24 departments have been merged into nine key businesses organized around city hall’s core activities, and at least one layer of management has been cut away in each department.<sup>65</sup>

Previously, there were at least five departments, for instance, charged with providing some form of neighborhood services such as neighborhood development and public housing. These departments have been combined into one key business, “neighborhood services.” This eliminated substantial duplication of overhead and overlapping

<sup>61</sup> Thomas Peters and Bob Waterman, Jr., *In Search of Excellence* (New York: WarnerBooks, 1982).

<sup>62</sup> Eggers, “Competitive Instinct,” *Reason*, p. 22.

<sup>63</sup> Tom Peters, *Thriving on Chaos: Handbook for the Management Revolution* (New York: Alfred A. Knopf, 1987).

<sup>64</sup> William D. Eggers, “Charlotte: The Good News,” *Carolina Journal*, Vol. 3, No. 1, August/September 1993, p. 21.

<sup>65</sup> Interview with Wendell White, City Manager, City of Charlotte, July 26, 1993.

responsibilities which often create intergovernmental turf battles. Charlotte's department director positions have been eliminated, and replaced by Key Business Executives who are being freed from a lot of red tape and bureaucratic micromanaging.

Another city that eliminated cumbersome management layers is **San Antonio**. In 1990, new city manager Andrew Briseno cut the number of assistant city managers from five to one, saving about \$600,000 a year in salaries for the managers and secretaries.<sup>66</sup> He then organized city hall around five different teams. The parks, recreation, art, library, and health departments, for example, while still remaining autonomous, are now part of the community service team. Many decisions that previously had to be approved by the city manager—such as pay raises and promotions—are now made by the department directors themselves (in some cases requiring approval from the team leader).

#### City of Charlotte: Results of Rightsizing

##### The Numbers:

- Innovations totaling over \$2.8 million.
- No department has more than 5 layers of management.
- Eliminated 272 positions.
- Public Safety now makes up 53% of all positions.
- Annualized savings exceed \$8 million.
- No layoffs.

Source: Pamela Syfert, Deputy City Manager, City of Charlotte

Government executives often discover when they flatten hierarchies and trim the size of the workforce that most of the excess employment in government is in middle management not in the front-line workers.

Many middle managers exist only as umpires, enforcing countless rules and regulations that impede creativity. Reducing the number of middle managers—both in the public and private sector is important not only because they are often superfluous, but because they can also prove to be the biggest barriers to organizational change. Through delay, sabotage, or inaction, organizational reform can be impeded. Reducing the number of middle managers need not mean mass layoffs, however. Middle management can often be reduced through attrition, early retirement plans, or transfers to other work. As part of its rightsizing program, the city of Corvallis, Oregon returned many of its middle managers to the front lines as lead workers.<sup>67</sup>

After the number of managers are trimmed, those left need to be transformed from protectors of the status quo to risk-taking architects of change. To do so, they need to be given much greater freedom to flexibly manage their employees and departments. In most governments, this means work rules and, in some cases, city charters, will have to be reformed, meaning city executives will also have to get the public to "buy-in," allowing managers greater freedom.

#### B. Work Rules.

Myriad job classifications and work rules in the public sector severely constrain the ability of managers to manage creatively and flexibly. Work rules, job classifications, and regulations sustain antiquated positions and inefficient work processes for years.

This needs to end. In the rapidly changing marketplace within which local governments now operate, public-sector jobs and employees need to be constantly evolving.

<sup>66</sup> Interview with George Noe, Director of Management Services, City of San Antonio, September 8, 1993.

<sup>67</sup> Benest, "Rightsizing for Local Governments," p. 87.

The first step to reforming productivity-killing work rules is to survey middle managers about their constraints. Some of the questions Philadelphia Mayor Rendell asked all managers upon taking office included:

- What are the constraints that make your job harder to perform?
- What part of the union contract now impedes your operations?
- What isn't working in your department, and what changes are needed to make it work better?<sup>68</sup>

#### Aims for Work Rule and Charter Reforms

- Simplify Procedures and Job Classifications
- Redesign Jobs
- Improve Time Management
- Ease Procurement Regulations
- Give Managers Greater Flexibility

Source: Reason Foundation

The survey resulted in a report containing hundreds of examples of work rules—many outlandish, some simply unnecessary. A major public campaign highlighting these examples helped the mayor garner popular support for work rule changes. As importantly, however, the manager survey helped to garner cooperation in reform from many middle managers. No mayor had ever systematically asked the managers these kinds of questions before. By asking them what obstacles prevented them from efficient performance and following through on eliminating many of the problems, Rendell was able to get many managers to buy-in to his rightsizing program and inspire them to be agents of change.

#### Philadelphia Before Reform: Work Rules Handcuff Managers

Up until Mayor Rendell won some concessions in the fall of 1992, Philadelphia had some of the most costly, unproductive work rules of any city in the country. Firing employees was almost impossible; there were over 3000 job classifications; and employees could not be compelled to work overtime or perform any work under their job classification. Other examples included:

- Three city employees were required to change a light bulb at the airport: a mechanic to take off the light cover; an electrician to change the bulb; and a janitor to sweep up the dust.
- Requirements in the department of Public Works required sludge to first be shoveled from the water pipes to trucks, then unloaded onto the ground, and then scooped into another dumptruck. The effect was that it took 10 people just to move sludge from a water pipe to a sanitation truck.
- Employees at the Department of Human Services declined to use computers in their jobs because using a computer was not in their job classification.

Source: Eggers, *Policy Review*, Summer 1993.

### C. Independent Businesses.

Another way to empower managers and workers is by turning departments into independent businesses. For city managers to run government's core functions more in the manner of innovative, cost-cutting private managers, and less like bureaucrats, they need to be given more freedom.

For instance, they could be given responsibility for the following: all personnel decisions including salary and bonuses; acquiring all goods and services approved in the budget; and choosing between outside vendors and

<sup>68</sup> Interview with Joseph Torsella, former deputy mayor of Policy & Planning, City of Philadelphia, June 7, 1993.



internal government units for support services such as fleet maintenance and computer services. Some of these reforms may require changes in state law or in a city's charter.

This is not to suggest that there should be no controls on public managers. With taxpayer money involved, the public sector has to be more vigilant than private companies in guarding against graft and other improprieties. However, a better balance needs to be struck between control and flexibility.

#### **D. Empowering Line Workers.**

Empowering line workers is also essential to the rightsizing process. The ratio of managers to staff should be significantly reduced. Rightsizing governments let self-managed work teams make decisions previously made somewhere up the bureaucratic hierarchy.

Organizing work by self-managed teams can increase employee morale and raise productivity. "By putting people in teams, even in government, you are able to empower workers and drum out the laggards who are bringing everyone else down," says Charles Gibbons, the former CEO of Tascor, one of the country's leading companies specializing in outsourced services.<sup>69</sup>

Charlotte has gotten employees involved in finding savings and driving the process of change by creating innovations teams which solicit cost savings ideas from employees. In some departments, these teams are authorized to implement the cost-cutting ideas without the department director's approval. Working with the employees, the innovations teams have come up with \$2.8 million in savings.

### **SUCCESSFULLY MANAGING THE TRANSITION TO RIGHTSIZING**

*In implementing the rightsizing process, local government officials can easily destroy organizational morale and productivity. To maintain organizational effectiveness, those in charge of the rightsizing process must exert firm, yet humane and creative leadership.<sup>70</sup>*

*—Frank Benest, City Manager, Brea, Calif.*

Government executives must be careful not to demoralize the organization's employees as they precede through rightsizing.

Even when rightsized, public employees will be state government's or city hall's most important asset. Low workforce morale negatively affects public service delivery and could negate many of the gains from rightsizing.

#### **A. Visionary Leadership: The Key to Managing Change.**

Effectively communicating both the need for change and the nature of change is important for successful rightsizing. This must start with the person at the top of the organization.

The chief executive has to create a sense of urgency. This means being able to clearly explain to employees and taxpayers the changes in the marketplace that are driving the need for change. Each employee—or at the very least, all managers—must have an understanding and appreciation for what is to be accomplished and why. The fundamental changes that rightsizing involves will be resisted by many public managers and workers. The chief

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<sup>69</sup> Interview with Charles Gibbons, Chairman of the Board, Tascor, September 7, 1992.

<sup>70</sup> Benest, "Rightsizing for Local Governments."

executive must get “buy-in” from public employees and taxpayers by infusing citizens and employees with hope about the city or state’s future and by articulating a strategic vision for the organization. This message should be repeated frequently in five-minute stump speeches, brown bag luncheons, or informal roundtable discussions.

Without this kind of determined, visionary leadership, fundamental rightsizing is unlikely to succeed. Opponents of change within government will, silently but surely, kill parts of the rightsizing agenda through inaction, delay, and obstruction. It is also important for the chief executive to demonstrate strong support for the department directors and task forces that are trying to bring about change.

#### Techniques for Obtaining Employee Buy-In

1. Have top city officials hold regular brown bag lunches with managers and line employees.
2. Begin a rightsizing newsletter and hotline communicating upcoming changes and airing employee concerns.
3. Provide rewards for excellence and celebrate successes.
4. Create a talent bank for temporarily displaced employees.
5. Train employees in new skills and cross-train them to perform various functions.

Source: City of Charlotte, City of Indianapolis, and Reason Foundation

Moreover, if layoffs are necessary, government executives should get these over with right away. Delaying layoffs is inadvisable because of the uncertainty it creates among employees. It is preferable to do lay-offs upfront and then, if possible, promise that all future workforce reductions will occur through attrition.

Governments can use numerous strategies to ease the rightsizing process for employees and help to keep lines of communication open. Charlotte—which has an extensive rightsizing program (see Figure 1)—employs numerous strategies to ease the transition to rightsizing. The city has adopted a no-layoff policy so employees will not be reluctant to bring cost-savings ideas into the open for fear that increased efficiency will result in job loss. Moreover, those people transferred to a lower job classification due to rightsizing are not subject to pay reductions for the first year, and all employees receive training in self-managing work teams and handling change.<sup>71</sup>

#### B. Reward Successes.

To maintain and increase morale in government and to get public employees to act as facilitators of change, government executives must reward and celebrate employee successes.

Each month, Mayor Goldsmith presents the “Golden Garbage” award to the Indianapolis city employee who finds the most egregious examples of government waste. The winning employee gets a toy plastic truck glued to a piece of wood and lots of press coverage for drawing attention to the waste. The first award went to an employee who found a garbage truck that broke down so often and was so expensive to repair that it cost the city \$39 for every mile it operated.<sup>72</sup>

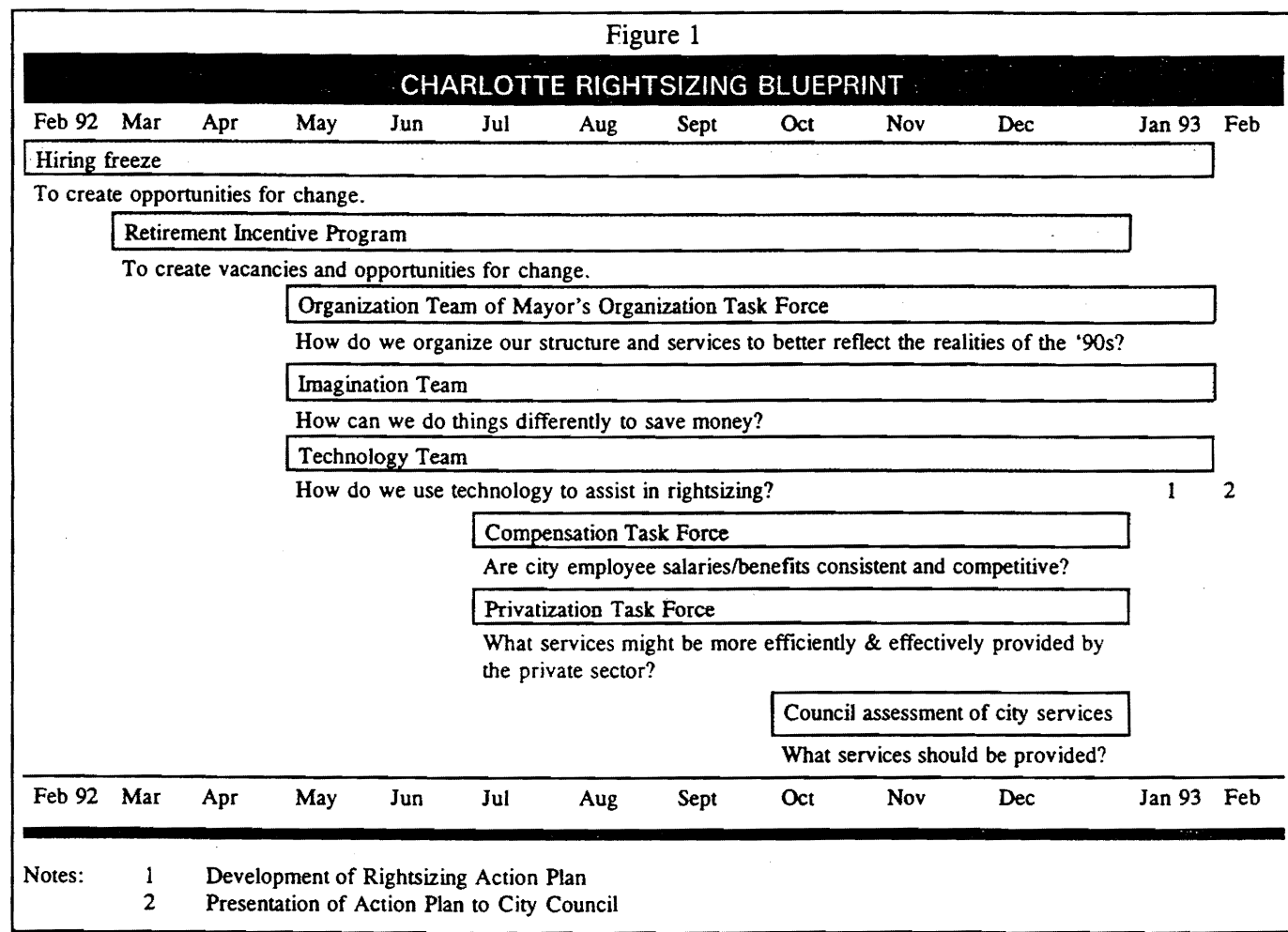
Governments may also want to consider sharing part of the savings generated by employee cost saving ideas with the employees. In Charlotte, the Department of Transportation gives gift certificates to employees who present cost-savings ideas to the department’s Innovations Team. Phoenix also pays employees for cost savings ideas.

Lastly, managers can be encouraged to streamline department operations by allowing them to retain part of any unused budgeted funds and utilize them for capital projects or other long-term improvement projects.

<sup>71</sup> “Rightsizing Update,” presented to the Charlotte City Council, City of Charlotte, March 1, 1993.

<sup>72</sup> Eggers, “Competitive Instinct,” *Reason*.

Figure 1



## CONCLUSION

Faced with intense global competition and rapidly changing technology, American businesses have radically transformed the way they do business over the past dozen years.

Corporate hierarchies, layers of middle management, and bureaucratic rules and regulations have given way to self-managed work teams and environments of "chaos" that stimulate innovation. Unproductive divisions have been sold off, decision-making decentralized, overhead slashed, and non-core services farmed out to other companies. Over a decade after this war on bureaucracy began, American businesses are now prepared for the challenges of the 21st century.

Facing continuing fiscal stress and the negative economic and political consequences of more tax increases, state and local governments must declare their own "war on bureaucracy." For most governments, instituting a comprehensive rightsizing program will mean a host of dramatic changes from past practices.

For most public-sector employees, rightsizing—whether viewed as painful or revitalizing—will require a complete change in psychology. For the first time, they will be asked to refocus nearly all their attention and energy on government's customers: the taxpayer. "It is their responsibility to focus their complete energy on shifting resources towards activities that produce meaningful outcomes for citizens," contends Matthew Ridenour, formerly

of the city of Indianapolis. "If they cannot link a dollar of cost to more than a dollar's worth of outcome, they must not spend the dollar."<sup>73</sup>

As the 21st Century draws nearer, city and state governments throughout America would be wise to closely examine the rightsizing strategies now being employed by some of America's leading public innovators.

### **ABOUT THE AUTHOR**

William D. Eggers is Director of the Reason Foundation's Privatization Center, a national clearinghouse on state and local privatization and government innovations. He has worked closely with dozens of cities and states on rightsizing and privatization. He is the former Policy Analyst for East European and Russian Economic Affairs at The Heritage Foundation in Washington, D.C. where he coordinated workshops on privatization for senior government officials of Russia, Latvia, and Lithuania.

### **ACKNOWLEDGEMENTS**

The author would like to thank Frank Benest, City Manager, Brea, Calif., Dr. E.S. Savas of Baruch College at the City University of New York, and John O'Leary and Lynn Scarlett from the Reason Foundation for helpful comments on this study. Reason Researcher Donna Braunstein assisted with compiling information for the study.

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<sup>73</sup> Ridenour, *Performance Accountability*.

## BOARD OF ALDERMEN

ITEM NO. E(6)

### AGENDA ITEM ABSTRACT

MEETING DATE: April 26, 1994

**SUBJECT:** Discussion of Time Dollar Concept and Referral to Human Services Commission

<b>DEPARTMENT:</b> n/a	<b>PUBLIC HEARING:</b> YES ____ NO <u>x</u>
<b>ATTACHMENTS:</b> Article entitled, "The Time Dollar"	<b>FOR INFORMATION CONTACT:</b> Alderman Bryan

#### PURPOSE

At the request of Alderman Bryan, the Board of Aldermen placed this item on its 1994 Planning Retreat Action Agenda to briefly discuss the "Time Dollar" concept and refer the matter to the Human Services Commission for their consideration.

#### SUMMARY

Alderman Bryan presented an article entitled, "The Time Dollar" to the Board of Aldermen at the 1994 Planning Retreat.

The Board of Aldermen placed this matter on the 1994 Planning Retreat Action with the request that the Board refer it to the Human Services Commission for consideration.

The Agenda Planning Committee scheduled this matter for consideration at tonight's meeting.

#### ACTION REQUESTED

To refer this matter to the Human Services Commission for their consideration.

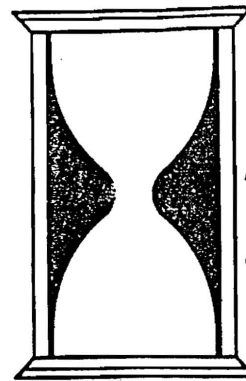


*Law professor Edgar S Cahn has developed a workable plan for people to turn their time into wealth and help turn strangers into friends in their communities. It is called Time Dollars. Time Dollars, or service credits, are the basis of this exciting new barter model being used by people of all ages in an increasing number of communities nationwide. Time Dollars could produce millions of hours of mutual services and sweep the nation to higher levels of care, compassion and enjoyment—without any imperious bureaucracies.*

— Ralph Nader

For additional copies of this brochure, send \$1.00 plus a self-addressed, stamped business envelope, to *Time Dollar*, P.O. Box 19405, Washington, DC 20036

*The Time Dollar*, © 1990 Edgar S. Cahn  
with the assistance of Samantha Sparks.  
Brochure design by Kathy Cashel.



# The TIME DOLLAR

By Edgar S. Cahn

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# Service Credits

According to best estimates, when one counts the number of people who have lived to be over sixty since the beginning of recorded history, slightly over half of them are alive *right now*. This is the greatest reserve of knowledge, experience and untapped energy in the history of the world.

A new social tool already at work in several commu-

wealth of a nation is its people and their willingness to help themselves by helping others. The Time Dollar converts that wealth into a currency with real purchasing power.

At the heart of the concept is the conviction that a different kind of world is possible: a world where caring for others and self-interest coincide; a world where strangers can come together to help each other and in doing so, become neighbors.

Older people hold the key to making that world — because building it will require no more nor less than the capacity to think and feel, and help others. In our post-industrial society, brain power is more important than muscle power. The elders of our society lack muscle power, physical agility and dexterity — but for cumulative wisdom based upon seeing repetitious patterns of human folly and human courage, they represent a national treasure and a triumph of the species over brute force and the vicissitudes of nature.

We see all about us a world where people prize liberty and democracy more than life itself. Yet, we live in a

society where we are too busy to make democracy work for ourselves. Our elders may be the only ones among us with the personal time necessary to discharge the full responsibilities of citizenship. They are a resource at hand.

Those who are sixty now have lived through more than a half century of change — change that has accelerated at an unprecedented rate for as long as they have been alive. Surely a person who has lived through at least one World War, the Cold War, manned space flight, the discovery of the genetic Rosetta stone and a host of other miracles is ready to make some contribution to the deliberative process needed to shape the future.

Service credits enable us to harness people's energy, talent, and wisdom to meet social needs. And to do so in a way that neither threatens nor competes with the mainstream economy that goes its own way with its own

*Though you have shelters and institutions,  
Precarious lodgings while the rent is paid,  
Subsiding basements where the rat breeds  
Or sanitary dwellings with numbered doors  
Or a house a little better than your neighbor's;  
When the Stranger says: "What is the meaning of this city?  
Do you huddle close together because you love each other?"  
What will you answer? "We all dwell together  
To make money from each other"? or "This is a community"?*

T.S. Eliot, Choruses From the Rock

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nities is tapping into this reserve. The tool is service credits. Service credits represent a whole new approach to self-reliance and community building.

The Time Dollar is a currency based on time; one hour of service earns one credit — a service credit. The currency isn't issued by the government and its supply is not controlled by the Federal Reserve. The only limitation is that of time itself: the willingness of people to earn spending power for themselves by helping others.

In theory, the concept has no limits. Anyone might earn service credits; anyone might spend them. But the reality is that service credits began by involving the elderly because they were the most obvious, abundant resource with which to address one critical social need: the needs of the elderly. But let us be clear from the outset: the concept is not just about the elderly; it is about *people* — young, old, everyone. For the real

wisdom and its own folly. Service credits are simply a tool, designed to mobilize a resource by combining the mechanisms of the marketplace and altruistic impulses into a single system. They are a tool with infinite potential. Older people can lead the way. The Time Dollar provides a mechanism, a way of mobilizing and distributing resources to meet needs, address injustice, take on new challenges, and solve new problems.

We begin small: with one hour, one deed, one step in the journey of a thousand steps.

If you are a service credit volunteer, you earn credits, guaranteed by a local hospital agency or community organization, each time you help someone. You can use these credits to get help for yourself, or you can save them up until you're in need. You can also donate your credits to a relative or friend or to a general fund that helps people unable to earn credits themselves. Unlike the traditional approach of volunteers, the service credit system recognizes that many people who may need help can also help others, in different ways.

Reverend James Gaston is one example. For fifteen years, he was pastor of a Baptist church in Washington, D.C. People knew him as someone they could turn to twenty-four hours a day, for guidance, comfort, or just talk. When Gaston, a diabetic, lost his right leg to an infection, he had to retire. For a long time, friends say, he became almost a recluse, refusing to leave his apartment. The service credit program in his community has helped Gaston adjust to the deep changes in his life. When he's able to, he conducts a prayer service for fellow tenants. He earns credits for his time, and spends them getting his meals prepared by another volunteer.

In several experiments throughout the country, mutual self-help systems utilizing service credit volunteers are proving to be a cost-effective way to provide basic, long-term care. The volunteers' value is measured not in

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*At 75, Flaud Vaughn has been a service credit volunteer for seven years. "I call people a couple of times a month and visit them or run errands for them. I drove one lady to her bank and another to her doctor." Her arthritis and cancer of the back don't seem to have slowed her down a bit. "From the neck down, the body has gotten old, but from the neck up, it's pretty good. I tell my kids that if I didn't know how old I was, I'd think I was 35. I'm like my grandmother — she grew old, but never grew up." Vaughn's only regret is that she didn't start earning credits sooner. "My husband, Malo, was dying for two years. If I'd have had those hours then, I could've called somebody and said, "I've got to get out for an hour or I'm going to go crazy."*

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*We want the economy to give a reward and an incentive for decency that is as automatic as the market's reward for selfishness.*

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money, but in time — the time of people whom the market economy views as a liability, not an asset. Service credits reward and celebrate the performance of tasks that the market system treats as low-wage, low-status jobs — tasks which nevertheless are integral to the well-being of all society.

In 1987, Congress recognized the potential of the service credit concept by authorizing pilot projects under the Older Americans Act. Seven states have done the same. But legislative approval is not necessary — in fact, it can be counter-productive. For its part, the Internal Revenue Service has ruled that service credits are tax-exempt because they advance essentially charitable purposes and are not commercial barter transactions.



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There are now over 3,000 service credit volunteers at work in this country, in nine states and the District of Columbia. They are providing about 15,000 hours of service a month. Most of them are people over 60, but some are younger, even high school students.

For the past three years, six experiments with service

credits have been funded by the Robert Wood Johnson Foundation, the country's largest philanthropic organization involved in improving health care. The experiments are underway in San Francisco, Washington, D.C., Dorchester, Mass., St. Louis, Brooklyn, and Miami Beach. Even after the foundation grants run out, each

site plans to continue its service credit program. Four states — Connecticut, Missouri, Michigan and New Jersey — are also running service credit projects, using public funds. The success of these programs has attracted the attention of experts in health care and gerontology.

Each program is slightly different.

In some cases, service credit volunteers are tapping into needs that might otherwise never be recognized, let alone met. One volunteer in an Oklahoma City program recalls her first assignment, providing respite care for an elderly couple, the husband 81, the wife 74 with Alzheimer's:

She turned to me and asked me, "Are you my mother?" I was shook and moved by that, at first I didn't know quite how to respond. Then I said, "No. But I'm your friend. And you can count on me to be here and we can have long talks together." All of a sudden, she brightened up, a mischievous gleam in her eye and a youthful intensity in her voice. "Can we talk girl-talk? That old codger doesn't know how to talk girl-talk."

As the examples show, people become service credit volunteers for different reasons, and benefit in different ways. But they have similarities as well. They all like to help others, and believe that their help can make a difference. And they like knowing that the work they do as service credit

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*Money has no geographic loyalty. It goes wherever there is the highest return. Service credits are tied to a locality, a neighborhood, a community. They build a sense of community and neighborhood.*

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*Americans have bartered ever since the Pilgrims and Indians traded tools, guns and beads for corn and furs. Now several communities are experimenting with the barter of services to help the elderly.*

The New York Times, editorial

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*Almeta Mcleod says being a service credit volunteer is "like having an insurance policy." Mcleod hasn't needed help yet, but she likes knowing that when she does, she will be able to get it. For Delores Galloway, being a service credit volunteer means knowing someone will be there to feed her fan-tailed fish when heart disease sends her into the hospital again. But for her and her neighbors, service credits mean something more as well. "It's made us more of a family."*

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volunteers will enable them to get help if and when they need it themselves.

What do credits provide that ordinary volunteers don't?

In many ways, service credit volunteers are like traditional volunteers. But service credit volunteers in some ways seem to be more effective. For one thing, their attrition rate is lower than that of other volunteers, perhaps because earning service credits instills a greater sense of commitment. Also, people who would refuse anything that smacked of "charity" are often willing to accept help from a service credit volunteer, because more often than not, they can give something back in return.

"People always tell you to call if ever you need help," says one Washington, D.C. service credit volunteer. "But then they'll be busy, or you just don't feel right disturbing them. I don't like to ask anybody for anything. But when I broke my hip and had to go to the hospital, I called and got someone to drive me home with the credits I had earned. I don't like to spend them much, though. It's like a last resort."

Resistance to accepting "charity" reflects more than stubborn pride. It reflects a basic need: the need to be needed, to give to others, to be valued. This need, rarely recognized by our traditional systems of caring for the elderly, shines through with amazing clarity when service credit volunteers are at work.

What do service credit volunteers do?

Service credit volunteers do all kinds of things for other people, from typing poetry for a woman with multiple sclerosis, to defrosting a fridge, to teaching braille. Most tasks fall into three broad categories:

*Seventy-year-old Ella Amaker and 73-year-old Leona Downs need each other. Mrs. Amaker, a retired government worker, does household chores for Mrs. Downs, who can move about only by leaning on a walker. Mrs. Downs, a widow who says she is allergic to nursing homes, is able to drive a car and proudly says she 'helps a lot of folks worse off than I am.' Her battered eight-year-old sedan is available when Mrs. Amaker has to make a trip to the doctor. Neither woman pays the other for her help. Both are participants in the Service Credit Volunteer System, that lets the elderly 'purchase' needed assistance by exchanging services.*

The New York Times, February 23, 1987

*For the sixth grade students of a St. Louis public school, service credits mean spooky stories — the kind you just have to hear all the way to the end. The students are part of a service credit exchange with elderly storytellers. In return for the stories they love to hear, the students help out with yard work and odd jobs. And they write stories of their own to give to their new old friends.*

*The idea was so simple, obviously something had to be wrong with it. If it was so simple, why hadn't somebody come up with it years ago?*

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*The message society gives to old people these days is, "your function is to die, preferably as quietly and cheaply as possible."*

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*'What goes around comes around,' Kilby, 65, told [Marilyn] Quayle. 'I've been on both sides of the fence. I've been a giver and a taker. ... You don't feel like you're infringing on anybody. You help somebody; they help you.'*

The Washington Post, December 12, 1989

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☐ At-home personal care, such as personal grooming, meal preparation, letter writing and reading, feeding, and respite care for family members.

☐ Household chores, such as light housekeeping, heavy cleaning, lawn maintenance, home repairs, laundry, gardening.

☐ Service outside the house, such as transportation, shopping, escorting to the doctor.

Most of the programs now underway have added a fourth kind of service: volunteer administrative work to help keep the system running. Although one or two paid staff seem to be necessary in order to run service credit exchanges efficiently, volunteers can recruit, handle mailings, and organize periodic lunches, award ceremonies and other social functions. Because of the potential of liability involved, service credit volunteers generally are not appropriate for tasks such as bathing or lifting recipients, dispensing medicines, and other jobs which are normally done by a licensed professional.

In some places, people are using service credits in exciting ways:

☐ In Brooklyn, service credits are part of an innovative health insurance package that combines long-term care with the acute and preventive health services traditionally available from health maintenance organizations (HMOs). Volunteers redeem 100 credits for one free quarterly insurance premium per year.

☐ Also in Brooklyn, service credit volunteers have begun New York City's only peer counseling service for the elderly.

☐ In Miami, service credit volunteers earn credits for being trained by the local legal services program to recognize legal problems and for providing informal advocacy when the elderly have to deal with government bureaucracies.

☐ In return for the volunteers' outreach help, the legal service program will run specialized clinics and workshops for any group of elderly people on particular legal problems. Priority handling will be given to those legal problems which are identified by service credit volunteers but which require the skills of an attorney.

☐ In Washington, D.C., high school students are using service credits to satisfy a community service requirement for graduation.

Introducing service credit volunteers into your community will require commitment, enthusiasm and hard work. The concept of service credits is simple, and the driving force behind a successful program is essentially the people involved. Nevertheless, considerable planning and administrative work are needed to get a new project off the ground. The process needn't be bureaucratic. But it does need to ensure that service credit volunteers will be a reliable, respected and effective resource.

# Starting a Service Credit Program

Starting a service credit program in many ways is like starting a business. You will need to decide what services you want to offer, who will provide them, who your customers will be, and how you will reach them. You will need to develop a strategy to recruit your volunteers. And you will need a marketing strategy to attract organizations and institutions which may need your services for their clients or members.

The only thing you won't have to worry about is finding money to pay your "workers": they earn service credits instead. But you will have to worry about mundane things like rent, phone bills, and the cost of whatever core administrative staff is needed to manage the enterprise.

## I. Establishing a Base

You will need to find an organizational base for at least three reasons: logistical, constituency-oriented and philosophical.

**Logistical:** Service credit programs recruit volunteers, receive requests for service, match volunteers and recipients, keep track of hours, provide some form of quality control. All of this requires logistical support. Organizations normally have certain built-in capacities: phones, office space, staff, recognition, and record-keeping ability. They can usually provide support with little or no additional cost.

**Constituency-Oriented:** Organizations normally are built around a mission; they have a client base, a membership, and a constituency that can be tapped. Congregations have elderly members; senior centers serve meals and provide services to the elderly; senior housing complexes have a built-in "captive" pool of volunteers and recipients; hospitals discharge elderly patients who are in need of a variety of non-medical support services. Securing an organizational base greatly facilitates the job of recruiting volunteers and generating requests for service.

**Philosophical:** Service credits are more than a service delivery system; they are a vehicle for recreating a sense of community. They tend to have names like Friend-to-Friend or Member-to-Member. They are a conscious effort to deal with the reality that no matter how many years we may have lived in one place or how close we live to one another, we often live as strangers. In

choosing an organizational base, you are attempting to strengthen a local institution by increasing the rewards and benefits of being associated with that institution. Strengthening those ties means strengthening the institution, the network that surrounds the institution and the ways in which people can relate to each other through that institution — be it a religious congregation, a veterans organization, a senior center, a community college, a community-oriented public school, a membership club or a block association. Service credit programs endeavor to rebuild community. They tend to spin off efforts and activities for which people do not earn service credits, like crime watch programs, food banks and informal neighbor-watching-out-for-neighbor systems.

## *Choosing the Organizational Base: Some Options and Considerations*

### 1. Starting with one organization or a coalition?

Most of the service credit programs now operating started by finding one organization with the interest, capability and energy to make a program work.

In one community, however, the organizers decided to create a consortium in order to involve organizations from diverse ethnic groups, with sufficient geographic spread to offer county-wide coverage. The coalition method was slower getting off the ground — but has proven to be more successful at pulling in other organizations because no one group "owned" the program.

Which route should you take? The choice is not mutually exclusive:

Follow whatever strategy will tap the greatest energy fastest. The depth of commitment and excitement from the leadership or from a particularly energetic staff member can make all the difference in launching a successful program. Enthusiasm and energy are major considerations.

But:

Do what you can to keep the door open for others. And involve enough other groups in the planning

that they can come into the program at any time they are ready or resources permit. A successful program generates imitation; other organizations want to join — or set up their own program.

## 2. What organizations might be sponsors?

Organizations now sponsoring volunteers include a non-profit community hospital, a health maintenance organization, a community college, a senior centers network, and a state social service agency. It is important to appreciate that they are involved in a way that advances their own institutional mission. Sometimes the incentives are intangible; sometimes they are very tangible indeed.

☐ Community-oriented non-profit hospitals have been sponsors because they want to say to their patients: we care about you after you leave the hospital. That is "good business" in the sense that it fills hospital beds. It also means that it will be possible to discharge patients who don't need hospital-level care — yet must have some support system when they return home. That can help cost-containment efforts that in turn affect hospital reimbursement and finances.

☐ Churches and synagogues are becoming involved because they believe in the idea; helping others is God's work. But they also understand that membership will grow and membership loyalty will increase if membership means more than simply weekly worship services.

Some organizations need volunteers simply to fulfill their mission. Hospice reimbursement from Medicare depends upon enlisting volunteers. But other organizations that provide service often have to demonstrate that they are cost-effective. Their ability to mobilize volunteers to generate service becomes extremely important in making applications for charitable dollars, foundation grants and government grants.

Whatever their particular reasons for sponsoring a service credit project, organizations of all kinds find that doing so enhances their role in the community, as they are seen actively working to make citizens' lives more enjoyable, comfortable and rewarding. So consider all possible membership organizations: retiree associations, veterans associations, condominium and tenants

associations, unions, fraternal organizations.

## II. Start-Up Costs

Don't be frightened. You are launching a program that has demonstrated the capacity to generate large volumes of service for less than \$1.50 per hour of delivered service. That figure includes all administrative costs. So you have the most cost-effective strategy going; you pay your workers with "time dollars." Your core administrative costs are no more than those associated with well-run volunteer programs — and the attrition rate is far less. Equally important, reports indicate that service credits attract new volunteers, increase the level of contribution of present volunteers, and bring former volunteers back into the fold. But that doesn't mean you can do it without any seed money to get the program going. Once you have that, there are other strategies that can be used to expand the program.

The cost of operating a service credit program ranges from \$12,000 per year in some locations to over \$120,000 in others. In theory, it could be done for nothing. But experience indicates that you need:

- ☐ a coordinator (preferably full time)(paid or unpaid)
- ☐ secretarial help (to answer phones, keep track of hours)
- ☐ a phone, desk, supplies
- ☐ xeroxing (brochures, fliers, forms, notices)
- ☐ space
- ☐ volunteer insurance (\$1.35 per volunteer per year)
- ☐ a computer (depending on the scale of the program)
- ☐ a place to meet, train or socialize on occasion

If you can get all of that contributed, great. Otherwise, you need to raise money.

The budget for each of the six projects funded by the Robert Wood Johnson Programs is in the \$50,000 to \$66,000 range per year and includes:

a director/manager/supervisor	\$30,000
a half-time assistant (who can do everything) 50 percent x \$23,000	11,500
secretary/bookkeeper/receptionist (half-time) 50 percent x \$18,000	9,000

phone (and answering machine)	
monthly bill \$35	420
volunteer insurance \$1.35 x 500	675
local transportation, parking	240
xerox, refreshments, supplies	1,200
space (contributed)	-
furniture (contributed)	-
special events, awards, certificates	1,000
printing	1,200
computer (IBM AT & printer)	2,000

Some of these costs can be cut. Some programs are coordinated by part-time personnel, one or two are coordinated by graduate social work or nursing students doing a dissertation or field project. Several are headed by people who thought they had "retired" and are challenged by the opportunity to make a difference. In Miami, VISTA volunteers have played a major role in enabling the program to expand to 28 sites. The Retired Senior Volunteer Program (RSVP), which is funded by the federal government, will pay the insurance and transportation costs for volunteers over 60, but not any core costs.

The least expensive route is to try to piggy-back the program onto another program that utilizes volunteers (a meals program, hospital discharge program, a case management program, a respite care program, a senior peer counseling program, a church volunteer program). Many of those have a core staff that could absorb some of the costs and discharge many of the functions necessary.

But the bottom line is that, particularly at the outset, the program seems to need one human "spark plug" whose enthusiasm is contagious.

### *Expansion Strategies*

Once there is a core program operating out of one base, it takes less and less to expand to additional geographic areas. Programs recruit volunteers who serve as "team leaders" or site coordinators for "satellite" service credit programs operating out of a church or senior center or senior housing project. And the team leader can be "paid" with service credits.

The Older Volunteers Act as amended in 1987

expressly authorizes the Commissioner of the Administration on Aging to fund service credit projects in collaboration with ACTION (the agency that funds VISTA volunteers). One project has been able to secure VISTA volunteers to do the coordination at outlying sites. VISTA volunteers have been a major factor in that program's capacity to generate a volume of service that has far outstripped other programs and to gain authentic involvement of multiple organizations.

One new strategy for expansion has been proposed that seems particularly promising (though it is still untested). Named after the Walk-a-thon, a strategy that generates money based on the number of miles walked, the "Serve-a-thon strategy" seeks to get local sponsors (public or private) to commit funds based on the number of hours of service actually delivered. Example: 100 volunteers averaging only four hours a week for 52 weeks would generate 20,800 hours of service. If a local or state government, a foundation or the United Way would agree to put up a matching grant of \$1.00 for each hour of service delivered, each hour would generate \$2.00 of revenue for the sponsoring organization. And a relatively small number of volunteers would not only provide service but generate the revenue necessary to cover administrative costs. This is best used as a strategy for expansion, not for the core operation — because it takes time and an initial investment to build up to the volume of service that would be needed to generate adequate income using the Serve-a-thon strategy.

Getting a program started seems to require an initial investment of energy to get the idea understood and accepted, and to recruit and deploy the first group of volunteers. After that, the idea of an hour for an hour is simple enough that word of mouth is highly effective.

### **III. Recruiting Core Staff**

The best programs seem to have found people with a kind of contagious warmth and enthusiasm that makes others feel welcome and appreciated. They are people excited by the idea, by its potential and by the belief that people, not money, are the real wealth of this society. They do not need to be professionals; they do need to be people who are self-starters, who are not easily discouraged, who have lots of energy and whose smile



of approval feels like a ray of sunshine. They do not need to be extroverts: they can be low-key and very modest.

### *Record Keeping*

People with this kind of "people touch" tend not to want to devote their time to keeping the records. They are fantastic at making presentations, at recruiting, at responding to phone calls, and at hand-tooling assignments that match just the right volunteer with the right recipient of service. It is best to make full use of those talents — and assume that somehow, someone else is going to have to make sure that the hours get recorded and the volunteers get their monthly or quarterly bank statements.

The computer is not as essential — at least at the beginning of the program — as many people first thought. Records do have to be kept. And volunteers have to be matched. But it turns out that there are two ways to create a BIG program:

BIG = BIG

or

SMALL + SMALL + SMALL = BIG

Service credit programs are not intended to create an impersonal monolithic army of volunteers to be "matched" by the volunteer version of a computer dating service. The program directors who are most effective care a great deal about how they match people up, how they get along — and how they bond as friends.

Computer programs can match people by zip code, task, availability, skill, experience — but not by intangibles. They are helpful sometimes in narrowing the list of candidates — but particularly when programs are starting off, that is less critical than the personal touch. Eventually, computer programs will assume a more important role as the numbers get more massive and as people start spending more credits than they do at first. But at least initially, lack of a computer is not fatal.

There are three basic kinds of record keeping involved:

- ☐ **Bank records:** a credit and debit system that records credits earned, credits spent, and credits given away.

- ☐ **A Volunteer Matching Program** searches the pool of volunteers to find someone available nearby, willing to do needed tasks and, where applicable or important, able to negotiate steps or speak a language other than English or drive at night or able to tolerate being in the same room with a smoker.

- ☐ **A Quality Control System** that provides follow-up, checks to see if things are going all right, answers questions, and deals with complaints.

Time Dollar System, a user-friendly software program that performs these functions, is now available. Matches volunteers and recipients • Issues monthly bank statements • Generates reports • Requires no computer literacy • Easy to customize • Contains English and Spanish screens • Runs on any IBM-compatible computer

### **ORDER THE COMPLEAT TIME DOLLAR KIT**

How-to-do-it Manual	\$15
Grantsmanship Manual	\$15
Systems and Procedures Manual	\$10
Video for Group Presentations	\$12
Time Dollar System (software package)	\$45

The cost of the kit is \$97. Each item in the kit can be purchased separately. For more information, or to order any of these materials, write to *Time Dollar*, P.O. Box 19405, Washington, DC 20036. Or call (202) 387-8030.

Also available: *Time Dollars* by Edgar Cahn and Jonathan Rowe. The definitive book on service credits, published by Rodale Press, \$19.95.

#### IV. The Big Program Design Decisions

You must decide:

- ☐ Whom you are going to serve
- ☐ Who is going to provide the service
- ☐ What services you are going to provide

*A word of caution:* start with a limited range of services that you are relatively sure you can deliver. That way people come to know the program, rely on it and can identify it with a particular need.

Don't try to run an all-purpose, social service barter system to provide every conceivable kind of service and meet every conceivable kind of need. It won't work. You can't mount fifteen new lines of service simultaneously with any credibility.

No matter what services you choose to offer, you must make sure there is a *guaranteed* source of demand. People do not ask for help automatically. That takes time. So make sure that there is a need that volunteers can fill immediately. Two examples: senior centers that provide home-delivered meals know the desperate need of the homebound for companionship and can send volunteers as friendly visitors. Hospitals likewise discharge patients regularly who need supplementary support services that insurance does not cover. Before you recruit your first volunteers, identify a source of need that enables you to make immediate use of those volunteers. The old adage is true of volunteers: use them or lose them!

Below is a list that was assembled by several groups meeting over a period of months. They asked themselves two questions:

- ☐ what did people need?
- ☐ what kinds of services would people want to buy with service credits they had earned?

They came up with three categories of services:

- ☐ services for the elderly
- ☐ services for the young
- ☐ educational services for volunteers of all ages

It was understood that it would take several years before all of those services could actually become available. That has proven to be true but it was useful to make projections because then people could see how, over time, their service credits would become

more useful. For the first two years, only services to the elderly have been operational.

Only now, in the third year, is child care on a limited scale becoming available. And educational services (with the exception of adult literacy) still are not operational.

Intergenerational exchanges are clearly the next frontier for service credits. Many elderly don't want to work with their peers; they want to be passing on their love and their memories and their traditions to the young. The need for affordable child day care, particularly with a component that stimulates child development, is critical — and growing. The synergy is there. It is bound to happen. And if the past is any indication, now that the first model is operational, the rate of expansion and replication is likely to be exponential. It is likely to be the elderly who rescue the family — and the future for us all.

#### V. Whom to Serve With What Services

Service credit programs started with respite care and the elderly for a very simple reason. Only 20 percent of those over 75 are disabled. There are many "well" elderly — but the numbers of frail elderly are increasing steadily. Nursing home costs are projected to rise. Families provide about 85 percent of long-term care but the aging of America has put unprecedented stress on family care-givers at a time when the "traditional" family is becoming a rare breed.

Funding sources viewed service credits as an experimental strategy to address long-term-care needs. Then, the elderly themselves took service credits and began to demonstrate just how flexible the strategy is.

Now that the strategy has passed its first "test" of viability, it is time to expand its reach and explore its potential.

A building block strategy makes sense. Some have proposed that the next "building block" involve child care needs:

- ☐ child day care, particularly for single-headed households
- ☐ latchkey programs
- ☐ care for sick children of working parents



Others have proposed serving teen mothers and people with disabilities. Still others have urged the use of service credits to provide companionship and help to AIDS victims.

Two long-term projections include:

- ☐ Extensive home repair utilizing a tiered mortgage:  
Tier 1. a loan of money to be paid back over ten years for the cost of materials (and possibly a skilled journeyman)  
Tier 2. a service credit loan to cover the less-skilled manual labor involved to be paid back over a multi-year period
- ☐ A student loan program with multiple steps:  
Bronze: earn eligibility for a special, low-cost loan  
Silver: earn suspension of interest payments during schooling

Gold: earn "loan forgiveness" options for portions of loan

Platinum: pay off loans in segments by putting the education and training to work, thereby making more highly skilled labor available for service credits.

## VI. How to Recruit

Service credit volunteers are the best recruiters of other service credit volunteers — because they know how much they get out of the program and what it means to them and what it has done to their lives.

In recruiting, programs found out the hard way not to stress how valuable the credits would be if you got ill. People do not want to think of getting ill. They want to be appreciated and they want to give to others, and they want some kind of benefit in return. They want to build networks and they want to cease being afraid of

### Services To The Elderly

Respite Care  
Companionship  
Homemaker Services  
Gardening  
Shopping  
Letter Writing  
Excursions  
Religious Visitations  
Post-Hospital Discharge  
Telephone Assurance  
Reading  
Translation  
Light Housekeeping and Chores  
Meal Preparation  
Home Repairs/ Handyman  
Escort  
Transportation  
Pet care  
Typing/secretarial  
Advocacy on Government Benefits  
Adult Day Care

### Services to Children

Pre-School Day Care  
After-School Day Care  
Baby Sitting  
Sick Baby Day Care for  
Working Parents  
Child Development  
School Support Services:  
Classroom Aide  
Cafeteria Aide  
Tutor  
Monitor  
Teacher's Aide  
Library Aide

### Educational Services

Literacy/English  
Literacy/Spanish  
Citizenship  
Arts & Crafts  
Entitlements/Rights  
Exercise Classes  
First Aid  
Sewing Classes  
Teen Pregnancy  
Parenting Classes  
Entrepreneurial/Management  
Establishing a Day Care Business  
Certificate Programs  
Special Courses  
Avocational  
Continuing Education  
Weekend Institutes

strangers. They want to be less alone — and they want to know that they have something to offer that others value and need. And they want to be part of the wave of the future: to set an example for all America.

Those inducements, coupled with human interest stories and personal testimonials, are most effective.

### *Getting People to Report Their Hours*

Most programs find people are reluctant to report their hours because it is a nuisance or because it seems to imply self-interest. The *cure*: tell people that if they don't report their hours *they are being selfish!* (That will get their attention). When they ask why, tell them that if they don't record their hours, they can't give them away to someone else. That seems to work: it gives people an altruistic motive for reporting their hours.

### *Timelines and Realistic Expectations*

Getting started does take longer than you probably expect.

Recruiting the first dozen volunteers is the most difficult; it gets much easier after that.

The learning curve seems to get shorter as the idea gets better known and more accepted. The first programs took more than a year to get the first volunteers actually providing help. Later programs took a shorter period. And now it is realistic to think in terms of a three-month lead time — once the basic resources become available.

## **VII. Valuing Credits**

Sooner or later, someone is going to suggest paying more credits for some jobs than others, particularly harder jobs or more stressful jobs.

Theoretically, it is possible. But in practice, people like the idea that one hour equals one hour and that everyone is really being "underpaid" by market standards — because part of the real pay is the sense of personal fulfillment and group approval. One of the unique strengths of the service credit strategy is that it

does not accept the value hierarchy of the market economy: you can ask a retired professional to help prepare meals or do light housework in return for service credits; they wouldn't dream of doing it for the prevailing wage because that would be "degrading" or beneath them.

Keeping the one-for-one value seems to work.

### *Guaranteeing the Credits*

At this point, only the State of Missouri guarantees the credits by saying that if a volunteer is not there to redeem them, the state will go out on the open market to purchase the service for you.

Some service credit legislation provides that the integrity of service credits will be backed by state-funded services rather than dollars. In practice, that would mean that service credit volunteers would get preferential access to certain state funded programs — vis-a-vis people of equal need. People with greater and more urgent need would be given preference over service credit volunteers with lesser needs.

In practice, service credit volunteers don't seem terribly worried about a "guarantee." They ask: Why should service credits be the only certain thing in an uncertain world?

And they are counting on the sponsoring organization to keep the program going — knowing that as long as new volunteers enter the program, there will be somebody there for them if and when the time comes that they need to spend their credits.

At least service credits are not subject to inflation: an hour will continue to equal an hour for the foreseeable future.

Right now, the only guarantee is the good faith and stability of the sponsoring organization, backed up by affiliate organizations.

It would be fairly simple to put together some volunteer reserves to be called up in the event that there was a shortage of service credit volunteers. And commitments to provide a "reserve corps" in an emergency could doubtless be secured from commercial home health care providers as a good-will gesture.

## VIII. Sustaining Volunteers' Enthusiasm

Maintaining the initial enthusiasm of volunteers is a major responsibility of the sponsoring organization. Service credits seem to provide a kind of automatic, continuing reinforcement. Just watching them mount up seems to give an additional sense of achievement. Some other ways in which volunteers' commitment are reinforced include:

- ☐ prompt assignment after initial recruitment. Programs with the lowest attrition rate assign new volunteers to tasks within 48 hours.
- ☐ regular communication and socializing among volunteers. A newsletter keeps volunteers informed and introduces new members; monthly potluck meals are a chance to meet friends and make new ones.
- ☐ awards for the largest number of credits earned and spent.
- ☐ seminars and training sessions in relevant issues such as the process of aging, health tips and basic medical skills.

## IX. Training

All the programs provide some kind of basic orientation and some formal do's and don'ts on subjects like confidentiality and ethics. But that is where similarities end.

There is a real difference among programs in experience and in philosophy. Some programs provide a great deal of training; most have found that the training turns off many volunteers so they "candy-coat" it through in-service training as part of regular social events and gatherings. Supervision, team assignments and back-up protect the service recipient as effectively as training. The training comes on-the-job.

Other programs insist on training — but that is because they want service credits to provide a new opportunity for life-long learning and for the acquisition of new skills. All programs seem enthusiastic about providing special sessions on subjects of interest to

volunteers — such as sessions on financial planning, entitlements, insurance, etc.

The principal conclusion one can draw is: Don't be doctrinaire about the need for training. If people like it, if it builds morale and a sense of team, great. If it turns people off and they tend to drop out, cut the training and get them involved, preferably teamed up with a more experienced volunteer at first.

Some basic recommendations

1. **Commit yourself.** Start with yourself or an organization you can "deliver". Make a personal commitment of your time or your own organizational base.
2. **Appeal to altruism.** Greed is "out"; altruism is "in". Identify a need or problem that people share. People give of their time because they have a need to be needed by others and to do something that society regards as valuable.
3. **Appeal to self-interest** as well as altruism (individual or institutional). If you or your organization are not going to be helped by the program, you may not make a genuine commitment or, if you do, you may not be able to sustain it.
4. **Involve others in the planning** and make sure everyone has some assignment and takes some responsibility. People who are involved in the planning are much more likely to make a commitment when it comes to implementation.
5. **Don't insist on having things your way**, even if you "know" you are right. If you can tell people the different ways in which a particular issue has been resolved, in other programs, people will be more open to your arguments for choosing a particular approach.
6. **Ask for help** from people who are running service credit programs. Every program has found some approaches that work particularly well for them. Every program has made some mistakes, had some failures. They are all willing and anxious to share both types of experience.

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# Questions and Answers

**1. What is a service credit?**

It is a credit that you earn for one hour of service to others. You can use the credit to buy one hour of service for yourself, your family, or your organization.

**2. My friend earned a service credit fixing a leaky faucet for an elderly neighbor. Can she purchase only home repair help for herself?**

No. She can use her credit to purchase any of the services offered by the organization where she earned her credit. Just like monetary currency, credits are good for "purchasing" a range of services.

**3. Will my service credits guarantee me that I can get help whenever I need it?**

No. You should call in advance for service, according to the short waiting period for assistance established by your service credit sponsor.

**4. I earned two credits driving someone to the doctor. Can I give my credit to my grandmother, who needs help fixing meals?**

Yes. Service credits can be donated to whomever you want, provided they live in the area served by the program.

**5. For how long are my credits good?**

It depends upon the time limit set by your organization.

**6. What about liability? What if a service provider is injured on the job? What if the service provider injures the person being helped?**

A special insurance program for volunteers has been in operation for 15 years run by CEMA (Corporate Insurance Management). The annual premiums are phenomenally low: \$1.35 per year (personal liability \$50, accident insurance: \$.85) buys \$1 million in coverage for injury to the volunteer or the recipient. An additional \$3 buys excess automobile coverage for volunteers using their cars. The carrier is INA (Insurance Company of North America).

**7. Who gets the first services? What do they pay with? How about the people who are now on long waiting lines to get government-funded services?**

At the outset, no one will have earned service credits. So no one can pay for service received with service credits. Initially, the highest priority is being given to those persons most in need, particularly where immediate service can help avoid imminent institutionalization. As a second priority, service might be given by extending a "line of credit" to people who need service but are judged to be a "good credit risk" based on the number of family members, friends or members of their congregation willing to cosign on a "note." This would not displace anyone on a waiting list. It would make services available on a priority basis to those who help to generate a supply of service for others.

**8. What kind of bureaucracy will be needed to operate this program?**

Most volunteer programs require a coordinator. Service credits are no different. Some are paid full-time; some are paid part-time; some are paid in service credits. A program normally takes one full-time person to get it off the ground, recruit, train, match, monitor and make community presentations, and one-half time person to deal with the bookkeeping. As programs move to more sites, a team captain or volunteer usually ends up coordinating the efforts at that site. Miami is a good example: it uses one full-time person, one half-time person and a dozen VISTA volunteers earning \$400 a month. The volume of service generated means that it costs less than \$1.50 to deliver each hour of service when you figure in all the administrative costs. Do you know any other program that actually delivers an hour of service to a person's home for that cost? That's quite a bargain.

**9. What guarantee is there that my service credits will be worth anything if I don't want to spend them for several years?**

Right now, the only guarantee in most programs is a good-faith commitment by the sponsoring organization that it will honor the credits. As long as the program stays in operation, it takes just a thin stream of new volunteers to make sure that all credits are honored —because

# Resources

those who have earned credits would get first priority. Missouri guarantees the credits with a commitment to purchase the service on the market if no volunteer is available. In Florida, the guarantee will take the form of giving a preference to service credit volunteers whose need is equal to other applicants; those with greater need would get preference over service credit volunteers; it's a little like a veterans preference — but it only comes into play between applicants who are otherwise equally deserving.

## 10. Does a guarantee by a state of the worth of service credits mean that a vast contingent liability might build up if credits are unspent?

The best guarantee is to secure enough volunteers and "pledges" of volunteer reserves on call so that backup is always available.

## 11. What about taxes? Isn't this just like barter? Won't the elderly be taxed for service credits earned?

Service credits are tax exempt. The IRS defines barter as a commercial exchange, part of the market economy. Service credit exchanges are part of the non-market economy — an extension of what families and neighbors have always done. The tax code isn't meant to apply to those transactions.

If the government ever should decide to tax service credits, the tax should be payable in service credits. Then the government could use those credits to provide services to the totally disabled or mentally incompetent or people too frail or ill to earn credits.

## 12. Doesn't this give politicians just the excuse they need to cut funds for social services?

What gives the elderly the greatest chance of resisting those cutbacks? If you were negotiating on behalf of the elderly, whom would you rather represent? A constituency perceived as non-productive or a constituency producing a large volume of services that otherwise would have to be paid for with taxpayer dollars?

That's what service credits do: they turn a constituency of takers into a constituency of producers — organized and articulate producers whom politicians will heed.

Below is a list of names and places to contact for further information about service credit programs.

*Dr. Edgar S. Gahn*  
D.C. School of Law  
719 13th St. N.W.  
Washington, D.C. 20005  
(202) 727-5269

1545 18th St. N.W.  
Washington, D.C. 20009  
(202) 483-0549

*Mark Meiners, Director*  
*Hunter McKay, Deputy Director*  
Service Credit Banking Projects  
Office for Technical Assistance and  
Direction  
Room 2304, PERH Building,  
University of Maryland  
College Park, MD 20742-2611  
(301) 405-2532

*Service credit programs now  
operating:*

**California**  
*Janeane Randolph*  
Volunteer Interchange Pro-  
gram (VIP)  
30th Street Senior Services  
Pacific Presbyterian Medical Center  
225 30th Street  
San Francisco, CA 94131  
(415) 550-2260

**Connecticut**  
*Betty Barab*  
*Janna Devery*  
Project Independence  
74 West Main Street  
Norwich, CT 06360  
(203) 886-0677

**Florida**  
*Anna Miyares*  
Director, Time Dollar Inc.  
of Greater Miami  
P.O. Box 415157  
Miami Beach, FL 33141-5157  
(305) 866-5758

**Massachusetts**  
*Louado Bryan*  
Director, VITA  
Kit Clark Senior House  
1500 Dorchester Avenue  
Dorchester, MA 02122  
(617) 825-5000

**Michigan**  
*Eric Berry*  
Office of Services to the  
Aging  
P.O. Box 30026  
Lansing, MI 48909  
(517) 373-9028

**Missouri**  
*Richard Gram*  
*Betty Marver*  
Time Dollar Exchange  
Grace Hill Neighborhood Services, Inc.  
2600 Hadley Street  
St. Louis, MO 63106  
(314) 241-2200

*Norma Hasselman*  
*Joanne Polowy*  
State of Missouri Older Volunteer  
Service Bank  
933 Leslie Blvd.  
Jefferson City, MO 65101  
(314) 751-3082

**New York**  
*Dr. Terrie Raphael, Director*  
*Masbi Blech, Manager of*  
Volunteer Programs  
Member-to-Member  
Elderplan, Inc.  
1276 50th Street  
Brooklyn, NY 11219  
(718) 438-1593

**Oklahoma**  
*Rita Utman*  
Life, Inc.  
3200 NW 48 St., Suite 100  
Oklahoma City, OK 73112  
(405) 236-0277

**Texas**  
*Pat MacMaster*  
Director, SAVE  
Family Service of San Antonio  
230 Perelda Street  
San Antonio, TX 78210  
(512) 226-3391

**Washington, DC**  
*Zeffertine Wheeler*  
Coordinator, Pastoral Care  
Greater Southeast Center for  
the Aging  
1380 Southern Avenue, SE  
Washington, DC 20032  
(202) 563-8100 x 51

# BOARD OF ALDERMEN

ITEM NO. E(7)

## AGENDA ITEM ABSTRACT

MEETING DATE: April 26, 1994

**SUBJECT:** Adoption of 1994 Planning Retreat Action Agenda

<b>DEPARTMENT:</b> Administration	<b>PUBLIC HEARING:</b> YES ____ NO <u>x</u>
<b>ATTACHMENTS:</b> 1994 Planning Retreat Action Agenda, Resolution, Project Worksheets	<b>FOR INFORMATION CONTACT:</b> Robert Morgan, 968-7706

### PURPOSE

On February 13-14, 1994, the Mayor and Board of Alderman held their Annual Planning Retreat and concluded with an Action Agenda for 1994. The Town Administration prepares worksheets for each item on the Action Agenda and recommends a completion date based on the Board's priority and the availability of Town resources. The Mayor and Board of Aldermen will adopt the action agenda by resolution.

### ANALYSIS

The Mayor and Board of Alderman and the town staff have conducted eleven annual planning retreats. These retreats set the agenda for the up coming year and have been an essential tool for focusing the Town resources to accomplish specific goals.

This years retreat took place one month later than usual. At the retreat the Town Manager ask for additional time to prepare the new worksheets for the action agenda since many of the items would be assigned to the Planning Department which was short personnel. The Administration appreciated this extra time, however as requested the action agenda has been the guide for setting the quarterly calendar.

The primary purpose of tonight approval is to review projects to affirm that the project objective is as intended by the Mayor and Board of Alderman. Unfinished items from previous retreats are also included.

### RECOMMENDATION

The Town Administration recommends that the Board approve the 1994 Action Agenda.

### ACTION REQUESTED

To adopt a resolution adopting the 1994 Planning Retreat Action Agenda

The following resolution was introduced by Alderman \_\_\_\_\_ and duly seconded by Alderman \_\_\_\_\_.

A RESOLUTION ADOPTING THE 1994 PLANNING RETREAT ACTION AGENDA  
Resolution No. 49/93-94

WHEREAS, the Town of Carrboro has found it productive and effective to set an annual action agenda; and

WHEREAS, the town staff has used this annual action agenda to establish priorities for departmental annual work plans; and

WHEREAS, the elected officials of the town met on February 13 and 14, 1994 to review their progress on the 1993 Action Agenda and to establish a 1994 Action Agenda.

NOW, THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO RESOLVES:

Section 1. The attached list entitled, "1994 Planning Retreat Action Agenda" will be the established priorities of the town staff and Board of Aldermen for 1994.

Section 2. The Town Manager will direct the town resources to accomplish these priorities.

Section 3. This action agenda may be amended by the Mayor and Board of Aldermen as priorities need to be changed or added.

Section 4. This resolution shall become effective upon adoption.

The foregoing resolution having been submitted to a vote, received the following vote and was duly adopted this \_\_\_\_ day of \_\_\_\_\_, 1994:

Ayes:

Noes:

Absent or Excused:

**TOWN OF CARRBORO  
1994 PLANNING RETREAT ACTION AGENDA**

DESCRIPTION OF PROJECT	BOARD RANKING	PROPOSED DEADLINE
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**BOARD OF ALDERMAN**

- |  |    |          |
|--|----|----------|
| 1. Resolution of support for library   | Q1 | complete |
| 2. Referral of cable t.v. franchise to<br>Cable t.v. Committee   | Q1 |          |
| 3. Discussion of Time Dollar concept<br>and determine whether to send to<br>Human Services Commission for review | Q1 |          |
| 4. Worksession on citizen involvement  | Q2 |          |
| a. establishment of a citizen<br>environmental review<br>commission  |    |          |
| b. neighborhood councils   |    |          |
| c. citizen input on crime  |    |          |
| d. establishment of citizen  |    |          |
| e. advisory committee for<br>public works and public<br>safety   |    |          |
| 5. Domestic Partner Issues   | Q2 |          |
| a. registration by domestic<br>partner   |    |          |
| b. extending benefits to<br>domestic partners  |    |          |
| c. adding domestic partners<br>to the financial disclosures  |    |          |
| 6. Starting quarterly worksessions   | Q2 |          |
| 7. Community Dispute Resolution  | Q2 |          |
| a. recommendations of Leadership<br>Committee of Task Force on<br>Violent Crime and Drug Abuse                   |    |          |
| b. dispute resolution training in<br>troubled neighborhoods  |    |          |
| c. youth coordinator   |    |          |



8. Quarterly Worksessions	Q2	
9. Assembly of Government Meeting on Equity: recreation, library and fire service	Q2	
10. Issues involving the Board meeting process	Q3	
11. No t.v. day	Q3	
12. Funding and space needs for library	Q4	Q2

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**ADMINISTRATION**

13. Citizen's newsletter	93 AA	May 94
14. Memorandum of Understanding with OWASA	90 AA	May 94
15. Employee Incentive and Award Program	93 AA	Sept. 94
16. Housing stipend for town employees	Q2	Complete
17. Increasing fund balance	Q2	May 94
18. Extending benefits to domestic partners	Q2	May 94
19. Midway strategies	Q2	June 94
20. Space needs/ recreation and municipal services complex	Q2	Q3
21. Funding for Town Hall space expansion projects	Q2	Q3
22. Review of N.C. Community Trust Principals and how they apply to CHAS	Q3	Sept. 94
24. Unfunded mandates	Q3	Sept. 94
25. Purchasing policy / minority and female	Q2	June 94

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**FIRE**

26. Review evacuation plans for problems at Shearon Harris	92 AA	Sept. 94
27. Presentation of Fire Department Issues	Q2	May 94

**PLANNING**

28.	Energy efficient construction	93 AA	June 94
29.	Capital Improvement Plan	93 AA	June 94
30.	Meet with UNC regarding traffic problems	93 AA	Sept.94
31.	Pine, Oak, High and Cheek Streets/ Traffic	92 AA	Ongoing
32.	Entranceway beautification and protection	92 AA	Sept.94
33.	Address changes for northern Carrboro	92 AA	Dec. 94
34.	Townwide design guidelines	92 AA	March95
35.	Review table of permissible uses	-	On Hold
36.	Park and ride lot	93 AA	Sept.94
37.	Chapel Hill/ Carrboro Annexation Boundary Agreement	93 AA	Oct. 94
38.	Subdivision standards review	93 AA	<i>Sept</i> <del>Nov.</del> 94
39.	Small area planning	93 AA	Jan. 95
40.	Report on townwide traffic controls and neighborhood protection	93 AA	Ongoing
41.	Report on bikepath projects	93 AA	Ongoing
42.	Hillsborough Road and Old Fayetteville Road Improvements	93 AA	Ongoing
43.	Traffic plans/Quail Roost Drive	Q1	Complete
44.	Youth transportation issues	Q2	Complete
45.	Review of AIS/open space infill issues	Q2	May 94
	a. review of AIS zoning and open space		
	b. infill densities		
46.	Options for protecting and preserving Bolin Creek Corridor	Q2	June 94

47. Pedestrian program	Q4	Nov. 94
a. sidewalk connections/Bypass and Hillsborough		
b. sidewalk issues		
c. pedestrian overpass on 54 Bypass		
d. crosswalk on N. Greensboro St.		
48. Annexation of doughnut holes	Q3	Dec. 94
49. Sewer service in joint planning area and rural buffer	Q4	Dec. 94
50. Historic preservation revolving loan fund	Q4	Dec. 94
51. Day care centers allowed in all residential zones	Q4	Jan. 95
52. Affordable housing	Q6	March 95
53. Neighborhood preservation district	Q3	Dec. 95 <sup>4</sup>
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<u>POLICE</u>		
54. Discussion of Community Policing	Q3	Ongoing
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<u>PUBLIC WORKS</u>		
55. Public works space needs	Q2	Dec. 94
56. Waste Reduction	Q3	June 95
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<u>RECREATION</u>		
57. Discussion of a structure for Carrboro day	93 AA	TBD
58. Recreation and parks capital and program needs	Q2	Nov. 94

**TOWN OF CARRBORO  
1994 PLANNING RETREAT ACTION AGENDA**

DESCRIPTION OF PROJECT	ASSIGNED/ BOARD RANKING	PROPOSED DEADLINE
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**BOARD OF ALDERMAN**

- |  |    |          |
|--|----|----------|
| 1. Resolution of support for library   | Q1 | complete |
| 2. Referral of cable t.v. franchise to<br>Cable t.v. Committee   | Q1 |          |
| 3. Discussion of Time Dollar concept<br>and determine whether to send to<br>Human Services Commission for review | Q1 |          |
| 4. Worksession on citizen involvement  | Q2 |          |
| a. establishment of a citizen<br>environmental review<br>commission  |    |          |
| b. neighborhood councils   |    |          |
| c. citizen input on crime  |    |          |
| d. establishment of citizen  |    |          |
| e. advisory committee for<br>public works and public<br>safety   |    |          |
| 5. Domestic Partner Issues   | Q2 |          |
| a. registration by domestic<br>partner   |    |          |
| b. extending benefits to<br>domestic partners  |    |          |
| c. adding domestic partners<br>to the financial disclosures  |    |          |
| 6. Starting quarterly worksessions   | Q2 |          |
| 7. Community Dispute Resolution  | Q2 |          |
| a. recommendations of Leadership<br>Committee of Task Force on<br>Violent Crime and Drug Abuse                   |    |          |
| b. dispute resolution training in<br>troubled neighborhoods  |    |          |
| c. youth coordinator   |    |          |

8. Quarterly Worksessions	Q2	
9. Assembly of Government Meeting on Equity: recreation, library and fire service	Q2	
10. Issues involving the Board meeting process	Q3	
11. No t.v. day	Q3	
12. Funding and space needs for library	Q4	Q2

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**ADMINISTRATION**

13. Citizen's newsletter	93 AA	May 94
14. Memorandum of Understanding with OWASA	90 AA	May 94
15. Employee Incentive and Award Program	93 AA	Sept. 94
16. Housing stipend for town employees	Q2	Complete
17. Increasing fund balance	Q2	May 94
18. Extending benefits to domestic partners	Q2	May 94
19. Midway strategies	Q2	June 94
20. Space needs/ recreation and municipal services complex	Q2	Q3
21. Funding for Town Hall space expansion projects	Q2	Q3
22. Review of N.C. Community Trust Principals and how they apply to CHAS	Q3	Sept. 94
24. Unfunded mandates	Q3	Sept. 94
25. Purchasing policy / minority and female	Q2	June 94

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**FIRE**

26. Review evacuation plans for problems at Shearon Harris	92 AA	Sept. 94
27. Presentation of Fire Department Issues	Q2	May 94

**PLANNING**

28.	Energy efficient construction	93 AA	June 94
29.	Capital Improvement Plan	93 AA	June 94
30.	Meet with UNC regarding traffic problems	93 AA	Sept.94
31.	Pine, Oak, High and Cheek Streets/ Traffic	92 AA	Ongoing
32.	Entranceway beautification and protection	92 AA	Sept.94
33.	Address changes for northern Carrboro	92 AA	Dec. 94
34.	Townwide design guidelines	92 AA	March 95
35.	Review table of permissible uses	-	On Hold
36.	Park and ride lot	93 AA	Sept.94
37.	Chapel Hill/ Carrboro Annexation Boundary Agreement	93 AA	Oct. 94
38.	Subdivision standards review	93 AA	Sept. 94
39.	Small area planning	93 AA	Jan. 95
40.	Report on townwide traffic controls and neighborhood protection	93 AA	Ongoing
41.	Report on bikepath projects	93 AA	Ongoing
42.	Hillsborough Road and Old Fayetteville Road Improvements	93 AA	Ongoing
43.	Traffic plans/Quail Roost Drive	Q1	Complete
44.	Youth transportation issues	Q2	Complete
45.	Review of AIS/open space infill issues	Q2	May 94
	a. review of AIS zoning and open space		
	b. infill densities		
46.	Options for protecting and preserving Bolin Creek Corridor	Q2	June 94

47. Pedestrian program	Q4	Nov. 94
a. sidewalk connections/Bypass and Hillsborough		
b. sidewalk issues		
c. pedestrian overpass on 54 Bypass		
d. crosswalk on N. Greensboro St.		
48. Annexation of doughnut holes	Q3	Dec. 94
49. Sewer service in joint planning area and rural buffer	Q4	Dec. 94
50. Historic preservation revolving loan fund	Q4	Dec. 94
51. Day care centers allowed in all residential zones	Q4	Jan. 95
52. Affordable housing	Q6	March 95
53. Neighborhood preservation district	Q3	Dec. 94
54. Conditional Zoning	4/26/94	Sept. 94
55. Conceptual Plan Review and CUP Process	4/26/94	May, 1994

**POLICE**

56. Discussion of Community Policing	Q3	Ongoing
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**PUBLIC WORKS**

57. Public works space needs	Q2	Dec. 94
58. Waste Reduction	Q3	June 95

**RECREATION**

59. Discussion of a structure for Carrboro day	93 AA	TBD
60. Recreation and parks capital and program needs	Q2	Nov. 94

**PROJECT WORKSHEET****PROJECT:** Citizen's Newsletter**ASSIGNED BY:** 1993 Retreat**WHEN:** January, 11, 1993**ASSIGNED TO:** Administration**OBJECTIVE:** To discuss a citizen newsletter or other options to communicate with town citizens.**PROJECT LEADER:** Deywon Arant, Administrative Assistant to Town Manager**PROJECT STAFF:** Deywon Arant, Administrative Assistant to Town Manager**WORK PLAN:**

May 17th                      Proposal included in Town Manager's proposed budget for FY'94-95.

**PROJECT BEGINS:** February, 1993**PROJECT DEADLINE:** May, 1994



**PROJECT WORKSHEET****PROJECT:** Memorandum of Understanding with OWASA**ASSIGNED BY:** 1990 Retreat**WHEN:** January, 1992**ASSIGNED TO:** Administration

**OBJECTIVE:** To reach an understanding with OWASA on the manner in which it or developers carry out water and sewer projects within the town's jurisdiction.

**PROJECT LEADER:** Robert Morgan, Town Manager

**PROJECT STAFF:** Mike Brough, Town Attorney; Roy Williford, Planning and Economic Development Director; Chris Peterson, Public Works Director

**WORK PLAN:**

May 17th Present proposal to Mayor and Board of Aldermen.

**PROJECT BEGINS:** 1992**PROJECT DEADLINE:** May, 1994

**PROJECT WORKSHEET****PROJECT:** Employees Incentive and Award Program**ASSIGNED BY:** 1993 Retreat**WHEN:** January 11, 1993**ASSIGNED TO:** Administration

**OBJECTIVE:** To establish an employee incentive and award program for employee suggestions for cost savings.

**PROJECT LEADER:** Robert Morgan, Town Manager

**PROJECT STAFF:** Mike Brough, Town Attorney; Larry Gibson, Assistant Town Manager; Desiree Smith, Personnel Administrator; Department Heads; Employee Committee

**WORK PLAN:** Report presented to the Mayor and Board of Aldermen with the recommendation of not to proceed. The Board requested the Town Manager to propose other alternatives. Town Manager and Employee Committee are considering other alternatives. A revised report to be presented to the Board of Aldermen in September, 1994.

**PROJECT BEGINS:** April, 1993**PROJECT DEADLINE:** September, 1994

**PROJECT WORKSHEET**

<b>Project:</b> Report on Increasing Fund Balance	
<b>Assigned By:</b>	<b>When:</b> Retreat, February 1994
<b>Assigned To:</b> Larry Gibson	
<b>Objective:</b> The objective of this project is to prepare a report discussing appropriate levels of undesignated fund balance.	
<b>Project Leader:</b> Larry Gibson	
<b>Project Staff:</b> Bob Morgan, Town Manager	
<b>Work Plan:</b> [Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.] The steps required to complete this project are as follows: (1) seek recommendations or policy advice from the Institute of Government and the N.C. Local Government Commission; (This step has been completed. These agencies have co-authored an article summarizing their recommendations vis-a-vis fund balance.); and (2) share the abovementioned article with the Board, and schedule discussion of fund balance for May or early June during budget deliberations.	
PROJECT BEGINS: MARCH 1994	PROJECT DEADLINE: MAY 1994

PROJECT WORKSHEET

<b>Project:</b> Extending Benefits to Domestic Partners	
<b>Assigned By:</b> Board of Aldermen <b>When:</b> Retreat, February 1994	
<b>Assigned To:</b> Larry Gibson	
<b>Objective:</b> The objective of this item is to review the issues (including costs) surrounding the extension of health insurance benefits to domestic partners.	
<b>Project Leader:</b> Larry Gibson	
<b>Project Staff:</b> Larry Gibson, Assistant Town Manager Desiree Smith, Personnel Administrator Mike Brough, Town Attorney	
<b>Work Plan:</b> [Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.] The steps required to complete this project are as follows: (1) work with Desiree Smith, Personnel Administrator to contact Blue Cross/Blue Shield and Kaiser Permanente and indicate our interest in extending health insurance benefits to domestic partners and obtain estimates of costs; (this step has been completed) (2) work with Mike Brough, Town Attorney, to prepare for Board's discussion of registration of domestic partners as well as extension of benefits. The latter hinges upon establishing a mechanism for registration. Both items are scheduled for Board discussion on May 10; and (3) proceed in accordance with action taken by Board on May 10, so as to address issue before open enrollment in June.	
PROJECT BEGINS: MARCH 1994	PROJECT DEADLINE: MAY 1994

**PROJECT WORKSHEET****PROJECT: Midway Development Strategies****ASSIGNED BY: Board of Aldermen****WHEN:****ASSIGNED TO: Community and Economic Development Officer**

**OBJECTIVE:** After meeting with property and business owners and ascertaining their issue, develop strategies to improve the Economic development climate in the Midway business district, make recommendations for improving sidewalks, parking in the area.

**PROJECT LEADER: James Harris Community & Economic Development Officer**

**PROJECT STAFF: N/A**

**WORK PLAN:** (Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.)

1. Hold public meeting with property and business owners with Downtown Development Commission. (One day)
2. Compile and evaluate input from business community. (One week)
3. Decide what department should address the problems identified. (One day)
4. Report to board any issue with desired action requiring board action.

**PROJECT BEGINS: 4/1/94****PROJECT DEADLINE: 6/1994**

## PROJECT WORKSHEET

<b>PROJECT:</b> Space needs	
<b>ASSIGNED BY:</b> Board of Aldermen	<b>WHEN:</b> November 16, 1993
<b>ASSIGNED TO:</b> Community and Economic Development Officer	
<b>OBJECTIVE:</b> To determine the space needs of the Municipal Services Complex to include, Recreation, Fire and Police Dept., and Administrative Services through the year 2010.	
<b>PROJECT LEADER:</b> James Harris, Community and Economic Development Officer	
<b>PROJECT STAFF:</b> Frances Shetly, Eleanor Kinnaird, Chris Peterson, Ben Callahan, Roger Thorne.	
<b>WORK PLAN:</b> (Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.) <ol style="list-style-type: none"> <li>1. Prepair RFP for architectural services (Harris and Thorne)</li> <li>2. Receive proposals for services. (Harris)</li> <li>3. Assemble Board of Aldermen proposal review committee to review proposals and make a recommendation to the board for hiring architect. (March 14, 1994). Hire architect to perform study. (Harris)</li> <li>4. Have final four architects response. (3-24-94)</li> <li>5. Request additional information from Architect to facilitate to Board of Aldermen. (Harris)</li> <li>6. Meet with review committee to discuss final recommendation to Board. (Harris)</li> <li>7. Take recommended architectural firm to the Board. (4-26-94)</li> <li>8. Negotiations 4-21-94.</li> <li>9. Take negotiated bid back to Board of Aldermen 5-10-94</li> <li>10. Study 5-21-94.</li> <li>11. Recommendations 6-28-94.</li> </ol>	
<b>PROJECT BEGINS:</b> January 1993	<b>PROJECT DEADLINE:</b> April 26, 1994

**PROJECT WORKSHEET**

<b>Project:</b> Funding for Town Hall space expansion projects	
<b>Assigned By:</b>	<b>When:</b> Retreat, February 1994
<b>Assigned To:</b> Larry Gibson	
<b>Objective:</b> The objective of this project is to explore options for financing Town Hall space expansion projects- bond issue, installment purchase contract, certificates of participation, etc...	
<b>Project Leader:</b> Larry Gibson	
<b>Project Staff:</b> Larry Gibson James Harris	
<b>Work Plan:</b> [Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.] The steps to complete this project are as follows: <ol style="list-style-type: none"> <li>(1) work with James Harris and architects hired to perform space needs study to determine rough estimate of cost of expansion project;</li> <li>(2) discuss project with various financing institutions, exploring the options (i.e. bond issue, installment or lease-purchase financing, certificates of participation, etc...)</li> <li>(3) prepare summary of financing options to be presented in conjunction with the recommendations prepared after completion of the space needs study or at the time the FY 1994-95 budget is presented to the Board, whichever occurs first.</li> </ol>	

### PROJECT WORKSHEET

**PROJECT:** Review of N.C. Community Trust Principals and how they apply to Chas.

**ASSIGNED BY:** Board of Aldermen      **WHEN:** Annual Report

**ASSIGNED TO:** Community and Economic Development Officer

**OBJECTIVE:** To determine the relationship of the N.C. Community Trust Principals to the Comprehensive Housing Affordability Strategy.

**PROJECT LEADER:** James Harris, Community Economic Development Officer

**PROJECT STAFF:** N/A

**WORK PLAN:** (Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.)

Dr. Rohe is a housing expert on faculty at the planning school. He is knowledgeable about Land Trust. He has expressed an interest in using this topic as a student project.

Oct 1994 - Meet with Professor Bill Rohe to define the project.

Nov 1994 - Present the project to staff and interested parties for input.

Jan 1994 - Meet with students and issue project expectations.

Mar 1995 - Receive completed study and develop recommendation for Board consideration.

**PROJECT BEGINS:** Oct. 1994

**PROJECT DEADLINE:** March 1995



PROJECT WORKSHEET

<b>Project:</b> Report on Unfunded Mandates	
<b>Assigned By:</b>	<b>When:</b> Retreat, February 1994
<b>Assigned To:</b> Larry Gibson	
<b>Objective:</b> The objective of this item is to prepare a report addressing the impact of unfunded federal and state mandates, identifying each mandate and its costs to the Carrboro organization (to the greatest extent possible).	
<b>Project Leader:</b> Larry Gibson	
<b>Project Staff:</b> Department Heads Tim Romocki, Accounting Officer	
<b>Work Plan:</b> [Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.] The steps required to complete this item are as follows: <ol style="list-style-type: none"> <li>(1) use National League of Cities form to identify unfunded mandates as they have occurred in Carrboro;</li> <li>(2) work with department heads to fully delineate the impact of such mandates as stormwater run-off, ADA, blood-borne pathogens, etc... on town operations; and</li> <li>(3) work with Tim Romocki, Accounting Officer, in quantifying costs.</li> </ol>	
<b>PROJECT BEGINS:</b> JULY 1994	<b>PROJECT DEADLINE:</b> MARCH 1995

**PROJECT WORKSHEET**

<b>Project:</b> Minority/Female Participation in Town Purchases and Contracts	
<b>Assigned By:</b>	<b>When:</b> Retreat, February 1994
<b>Assigned To:</b> Larry Gibson	
<b>Objective:</b> The purpose of this item is to prepare a report for the Board addressing the Town's commitment to minority/female participation in town purchases and contracts, outlining specific strategies, policies and procedures.	
<b>Project Leader:</b> Roger Thorne, Purchasing Officer	
<b>Project Staff:</b>	
<b>Work Plan:</b> [Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.] The steps required to complete this project are as follows: (1) work with Roger Thorne, Purchasing Officer, to review current policies and procedures; (2) survey area localities to identify their methods for improving female/minority participation; and (3) draft report for Board agenda sometime in late May or early June.	
PROJECT BEGINS: May, 1994	PROJECT DEADLINE: June, 1994

**PROJECT WORKSHEET****PROJECT: Evacuation Plan for Problems at Shearon Harris****ASSIGNED BY:** 92 Action Agenda**WHEN:** January 11, 1994**ASSIGNED TO:** Fire Department

**OBJECTIVE:** To review evacuation plans for Carrboro and Orange County in response to problems at Shearon Harris Nuclear Facility.

**PROJECT LEADER:** Rodney Murray, Fire Chief**PROJECT STAFF:** Nick Watters, Director of Orange County Emergency Management**WORK PLAN:**

**Background:** This project was originally begun by Robert Swiger with a report given to the Board. The Board requested additional information from Orange County Emergency Management and the State Office of Public Safety.

The new Fire Chief will need to familiarize himself with the project, work with the County and state agencies and prepare a report for the Board.

**PROJECT BEGINS:**

January, 1992

**PROJECT DEADLINE:**

September, 1994

**PROJECT WORKSHEET****PROJECT:** Fire Department Issues**ASSIGNED BY:** 94 Board Retreat**WHEN:** February, 1994**ASSIGNED TO:** Fire Department

**OBJECTIVE:** To keep the Town Manager and Board of Aldermen abreast of important issues that are facing the Fire Department.

**PROJECT LEADER:** Rodney Murray, Fire Chief**PROJECT STAFF:** Command staff of the Fire Department.**WORK PLAN:**

April 11, 1994	Meet with command staff to discuss issues
April 15, 1994	Prepare and give draft to the Manager
April 18, 1994	Discuss proposal with the Manager
April 27, 1994	Give agenda item to Town Clerk
May 10, 1994	Present issues to the Board of Aldermen

**PROJECT BEGINS:** April, 1994**PROJECT DEADLINE:** May, 1994

**PROJECT WORKSHEET****PROJECT:** ENERGY EFFICIENT CONSTRUCTION**ASSIGNED BY:** 1993 RETREAT**WHEN:** January 11, 1993**ASSIGNED TO:** PLANNING DEPARTMENT**OBJECTIVE:** To describe energy efficient construction methods and devise a means for encouraging the use of energy efficient construction methods for residential and commercial buildings.**PROJECT LEADER:** MICHAEL CANOVA, CHIEF BUILDING INSPECTOR**PROJECT STAFF:** Mike Canova, Chief Building Inspector**WORK PLAN:**

June 01, 1993    Begin research and analysis.  
May 01, 1994    Final draft due.  
May 04, 1994    Preliminary agenda abstract due to town clerk.  
May 10, 1994    Final agenda abstract due to town clerk.  
May 17, 1994    Report to Board of Aldermen.

**PROJECT BEGINS:**  
June 1993**PROJECT DEADLINE:**  
June 1994

**PROJECT WORKSHEET****PROJECT:** CAPITAL IMPROVEMENT PLAN**ASSIGNED BY:** 1993 RETREAT**WHEN:** January 11, 1993**ASSIGNED TO:** PLANNING DEPARTMENT**OBJECTIVE:** To update the Town's 10-Year Capital Improvements Planning Guide and the Town's five-year capital improvements budget.**PROJECT LEADER:** LARRY GIBSON, ASSISTANT TOWN MANAGER**PROJECT STAFF:** Larry Gibson, Assistant Town Manager  
Roy Williford, Planning Director**WORK PLAN:**

May 03, 1993	Submit forms to department heads.
June 01, 1993	Department heads return forms.
April 1994	Staff review of CIP draft.
June 1994	Ten-Year CIP draft review by Aldermen

**PROJECT BEGINS:**  
May 1993**PROJECT DEADLINE:**  
June 1994

**PROJECT WORKSHEET****PROJECT:** MEET WITH UNC REGARDING TRAFFIC PROBLEMS**ASSIGNED BY:** RETREAT      **WHEN:** JANUARY 11, 1993**ASSIGNED TO:** PLANNING DEPARTMENT**OBJECTIVE:** To encourage UNC and hospital employees to use the bypass to travel to and from campus and the hospital rather than going through town.**PROJECT LEADER:** KENNETH WITHROW, TRANSPORTATION PLANNER**PROJECT STAFF:** Kenneth Withrow, Transportation Planner**WORK PLAN:**

**JULY** Prepare information on the origin and destination of UNC and hospital employees, patrons, and students.

**SEPTEMBER** (1) Present a report to the Aldermen regarding the origin and destination of UNC and hospital traffic with a recommendation on encouraging UNC and hospital traffic to use the bypass.  
(2) Arrange a meeting with UNC officials and Aldermen.

**PROJECT BEGINS:**  
October 1993**PROJECT DEADLINE:**  
September 1994

**PROJECT WORKSHEET****PROJECT:** PINE, OAK, HIGH, and CHEEK STREETS - TRAFFIC**ASSIGNED BY:** 1992 ACTION AGENDA **WHEN:** January 1993**ASSIGNED TO:** PLANNING DEPARTMENT**OBJECTIVE:** To review ways to reduce cut-through traffic and high speed traffic on Pine, Oak, High, and Cheek Streets.**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR**PROJECT STAFF:** Kenneth Withrow, Transportation Planner**WORK PLAN:**

Project has been combined with Townwide Traffic Controls and Neighborhood Protection.

**PROJECT BEGINS:**  
April 1993**PROJECT DEADLINE:**  
Ongoing



### **PROJECT WORKSHEET**

**PROJECT:** ENTRANCEWAY BEAUTIFICATION AND PROTECTION

**ASSIGNED BY:** 1992 ACTION AGENDA      **WHEN:** JANUARY 1992

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:** To define the Town's entranceways and propose enhancement and protection methods.

**BACKGROUND:**

Report on entranceway beautification and protection was submitted to the Board of Aldermen on April 20, 1993 and referred to the Appearance Commission to recommend an agenda on how to proceed with each of the areas contained in the plan.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** Roy Williford, Planning Director  
Wayne King, Zoning Development Specialist  
Chris Gerry, Building/Trades Supervisor

**WORK PLAN:**

Apr. 18, 1994 Appearance Commission review.  
May 16, 1994 Appearance Commission review.  
May 25, 1994 Preliminary abstract to town clerk.  
May 31, 1994 Final abstract to town clerk.  
June 07, 1994 Report to Aldermen.

**PROJECT BEGAN:**  
December 1992

**PROJECT DEADLINE:**  
SEPTEMBER 1994

### PROJECT WORKSHEET

**PROJECT:** ADDRESS CHANGES FOR NORTHERN CARRBORO

**ASSIGNED BY:** 1992 ACTION AGENDA      **WHEN:** January 1992  
                          1994 ACTION AGENDA                      February 1994

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:** To change addresses in Northern Carrboro from "Chapel Hill" to a "Carrboro" address.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** Roy Williford, Planning Director  
                          Deborah Squires, Planning Technician

**WORK PLAN:**

October 01, 1994 - November 01, 1994	Staff to work with Orange County and the U.S. Postal Service on documentation required for changing addresses in northern Carrboro.
November 10, 1994	Complete a report and resolution for Board of Aldermen and send preliminary abstract to clerk.
November 16, 1994	Final abstract to clerk.
November 23, 1994	Aldermen adopt resolution for submission to appropriate authorities.

**PROJECT BEGAN:**  
 October 1993

**PROJECT DEADLINE:**  
 DECEMBER 1994

### PROJECT WORKSHEET

**PROJECT:** TOWNWIDE DESIGN GUIDELINES

**ASSIGNED BY:** 1992 ACTION AGENDA

**WHEN:** January 1992

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:** Develop townwide design guidelines for Carrboro.

**BACKGROUND:**

A draft of the Townwide Design Guidelines was presented to the Board of Aldermen on June 22, 1993. The Board of Aldermen referred the Guidelines to a sub-committee of the Board which consists of Jay Bryan, Jacquelyn Gist, and Frances Shetley.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** Roy Williford, Planning Director  
Kenneth Withrow, Transportation Planner  
Lisa Bloom-Pruitt, Senior Planner

**WORK PLAN:**

*The Board of Aldermen to complete their review of town street width and right-of-way width standards by the end of the third quarter.*

Oct. 04, 1994	Sub-committee's initial review of <u>Townwide Design Guidelines</u> .
Nov. 08, 1994	Sub-committee's second review.
Dec. 06, 1994	Final review by the sub-committee.
Jan. 04, 1995	Preliminary abstract to town clerk.
Jan. 10, 1995	Final abstract due.
Jan. 17, 1995	Worksession by Board of Aldermen on <u>Townwide Design Guidelines</u> with request for further direction.

**PROJECT BEGINS:**  
August 1992

**PROJECT DEADLINE:**  
MARCH 1995

**PROJECT WORKSHEET****PROJECT:** REVIEW TABLE OF PERMISSIBLE USES**ASSIGNED BY:** ALDERMEN      **WHEN:** NOVEMBER 24, 1992**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:** In response to a request by the Board of Aldermen to review the Table of Permissible Uses the staff will prepare a report on the process for review. The objective of this item is to determine what if any changes need to be made.

**BACKGROUND:**

Review of Table of Permissible Uses worksession held on March 23, 1993, April 14, 1993, October 26, 1993 and January 04, 1994. The Board referred to the Community Building Committee on conflict resolution principles, a public forum/hearing is to be scheduled to receive citizen input and language of the public hearing notice will be developed by the Agenda Planning Committee.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR**PROJECT STAFF:** LISA BLOOM-PRUITT, Senior Planner**WORK PLAN:**

*Report from the Community Building Committee to be scheduled by the Agenda Planning Committee.*

**PROJECT BEGAN:**  
February 1993**PROJECT DEADLINE:**  
N/A

### **PROJECT WORKSHEET**

**PROJECT:** PARK AND RIDE LOT

**ASSIGNED BY:** 1993 RETREAT

**WHEN:** January, 1993

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:** To provide a report to the Board of Aldermen on the status of the Carrboro Plaza Park & Ride Lot as to the new park/ride lot configuration that will be created at the Carrboro Plaza.

**PROJECT LEADER:** KENNETH WITHROW, TRANSPORTATION PLANNER

**PROJECT STAFF:** Kenneth Withrow, Transportation Planner

**WORK PLAN:**

June 06, 1994	Coordinate with owners of Carrboro Plaza preparations are made to design a new park/ride lot at the plaza.
July 01, 1994	Coordinate with staff and owners concerning park/ride lot plans.
Aug 04, 1994	Prepare a report for the TAB.
Aug 18, 1994	Report to the TAB for review and recommendation
Aug 25, 1994	Preliminary agenda abstract due to town clerk.
Sept 07, 1994	Final agenda abstract due to town clerk.
Sept 12, 1994	Report to Board of Aldermen.

**PROJECT BEGINS:**  
January 1993

**PROJECT DEADLINE:**  
September 1994

## PROJECT WORKSHEET

**PROJECT: CHAPEL HILL/CARRBORO ANNEXATION BOUNDARY AGREEMENT**

<b>ASSIGNED BY:</b>	1990 ACTION AGENDA	<b>WHEN:</b>	January 1990
	1993 ACTION AGENDA		January 1993

**ASSIGNED TO: PLANNING DEPARTMENT**

**OBJECTIVE:** Work with the Town of Chapel Hill to establish an Annexation Boundary Agreement along Smith Level Road and in the Northern ETJ and Transition areas.

**BACKGROUND:**

The Board of Aldermen held a public hearing on a proposed Annexation Boundary Agreement and Rezoning of properties added to Carrboro's proposed jurisdiction on September 21, 1993. Action was proposed on this matter but was postponed in order to re-negotiate a modification to the proposed boundary along Smith Level Road with the Town of Chapel Hill.

**PROJECT LEADER: ROY M. WILLIFORD, PLANNING DIRECTOR**

**PROJECT STAFF:** Roy Williford, Planning Director  
Lisa Bloom-Pruitt, Senior Planner

**WORK PLAN:**

Aug. 31, 1994	Annexation Work Group-final recommendation.
Sep. 29, 1994	Annexation Work Group approves final report.
Oct. 05, 1994	Preliminary abstract to town clerk.
Oct. 11, 1994	Final abstract to town clerk.
Oct. 18, 1994	Aldermen receive report and annexation agreement resolution and set public hearing for rezoning.
Oct. 26, 1994	Post property and send notice.
Oct. 27, 1994	Send Planning Board agenda.
Nov. 02, 1994	Notice to newspaper. Preliminary agenda due to town clerk.
Nov. 03, 1994	Planning Board to review rezoning.
Nov. 08, 1994	Final abstract due to town clerk.
Nov. 15, 1994	Aldermen hold public hearing and adopt rezoning and annexation agreement concurrently with Chapel Hill.

**PROJECT BEGAN:**  
March 1992

**PROJECT DEADLINE:**  
NOVEMBER 1994

**PROJECT WORKSHEET**

**PROJECT:** SUBDIVISION STANDARDS REVIEW

**ASSIGNED BY:** 1993 ACTION AGENDA

**WHEN:** January, 1993

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:** To review the Town's standards for required street right-of-way, street widths, curb and gutter, sidewalks, and bikelanes.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** Roy Williford, Planning Director  
Kenneth Withrow, Transportation Planner

**WORK PLAN:**

May 04, 1994	Staff to begin review of Town right-of-way (ROW) standards.
June 02, 1994	Staff to report findings to TAB.
June 28, 1994	Worksession with Board of Aldermen.
Aug. 04, 1994	Review by the Planning Board.
Aug. 09, 1994	Request to set a public hearing.
Aug. 23, 1994	Public hearing to amend right-of-way requirements.
Sept 27, 1994	Staff to report findings and TAB recommendation to the Board.

Board to include as part of the Townwide Design Guidelines.

**PROJECT BEGINS:**  
August 1992

**PROJECT DEADLINE:**  
September 1994

### PROJECT WORKSHEET

**PROJECT:** SMALL AREA PLANNING

**ASSIGNED BY:** 1993 RETREAT

**WHEN:** January 11, 1993

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:** To develop a small area plan to guide the growth and development of Carrboro's northern transition area.

**PROJECT LEADER:** LISA BLOOM-PRUITT, SENIOR PLANNER

**PROJECT STAFF:** Lisa Bloom-Pruitt, Senior Planner

**WORK PLAN:**

April 1994	-Reports from "Concerns by Consensus" Subcommittees: Definition of Vistas Diverse Housing Types Commercial Development on a Community Scale
May 1994	-Report from Orange County Economic Development Staff -Reports from "Concerns by Consensus" Subcommittees: Efficient Provision of Municipal Services Adequate Provision of Transportation
June 1994	-Formulation of Goals and Objectives -Request to Develop 3 Scenarios
July 1994	-(no meeting -staff to prepare scenarios)
August 1994	-Presentation and Review of scenarios
September 1994	-Open House for public to review scenarios
October 1994	-Selection of Final Growth Management Scenario
November 1994	-Presentation and Review of Draft Small Area Plan with suggested Implementation Techniques
December 1994	-Review of Final Draft of the Small Area Plan
January 1995	-Presentation of the Small Area Plan to the Board of Alderman

**PROJECT BEGINS:**  
1992

**PROJECT DEADLINE:**  
January 1995



### **PROJECT WORKSHEET**

**PROJECT:** REPORT ON TOWNWIDE TRAFFIC CONTROLS AND NEIGHBORHOOD PROTECTION

**ASSIGNED BY:** 1993 ACTION AGENDA

**WHEN:** January, 1993

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:** To have the TAB report on townwide traffic controls and neighborhood protection.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** Kenneth Withrow, Transportation Planner

**WORK PLAN:**

Nov. 23, 1993	Alderman to receive report from staff.
Jan. 22, 1994	Staff to send grant application to the State.
Mar/May, 1994	Staff to work in cooperation with the Insurance Institute and NC Highway Safety Research Center to determine traffic control study.
July 01, 1994	Staff begins Phase I of the traffic calming project.
Feb, 1995	Staff reports results of Phase I to the Board.
Feb-May, 1995	Staff begins implementation of Phase II of the traffic calming project.
Jun, 1995	Planning and Public Works coordinate Phase II project analysis.
March, 1996	Staff conducts project evaluation of Phase II.
Apr, 1996	Staff presents final report to the TAB.
May, 1996	Staff presents final report and TAB recommendation to the Board.

**PROJECT BEGINS:**  
January 1993

**PROJECT DEADLINE:**  
Ongoing

**PROJECT WORKSHEET****PROJECT:** REPORT ON BIKEPATH PROJECTS**ASSIGNED BY:** 1993 ACTION AGENDA**WHEN:** January 1993**ASSIGNED TO:** PLANNING DEPARTMENT**OBJECTIVE:** To provide status reports to the Board of Aldermen on the various bikeway projects being undertaken by the Town.**PROJECT LEADER:** KENNETH WITHROW, TRANSPORTATION PLANNER**PROJECT STAFF:** Kenneth Withrow, Transportation Planner**WORK PLAN:**

The staff will submit periodic report to the Aldermen on the status of bikeway projects on the following date(s):

May, 1994	Staff will give presentation to the Board as to the letting of contracts and completion dates for construction of the PTA Bikepath and the Estes Drive/Elm Street Bikepath.
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**PROJECT BEGINS:**  
January, 1993**PROJECT DEADLINE:**  
On-Going

**PROJECT WORKSHEET**

**PROJECT:** HILLSBOROUGH ROAD AND OLD FAYETTEVILLE ROAD  
IMPROVEMENTS

**ASSIGNED BY:** 1993 RETREAT **WHEN:** January, 1993

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:** To have NCDOT improve Hillsborough Road from Lorraine Street to Old Fayetteville Road and along Old Fayetteville Road to tie in with improvements made as part of the Middle School. Improvements should include a 36' cross section with sidewalks and bikelanes.

**PROJECT LEADER:** KENNETH WITHROW, TRANSPORTATION PLANNER

**PROJECT STAFF:** Kenneth Withrow, Transportation Planner

**WORK PLAN:**

Ongoing work that is a part of the TIP process.

**PROJECT BEGINS:**  
January 1993

**PROJECT DEADLINE:**  
Ongoing

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**PROJECT WORKSHEET**

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**PROJECT:** REVIEW OF AIS/OPEN SPACE INFIL ISSUES

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**ASSIGNED BY:** 1993 RETREAT  
1994 RETREAT

**WHEN:** January 11, 1993  
February 14, 1994

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**ASSIGNED TO:** PLANNING DEPARTMENT

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**OBJECTIVE:** To discuss open space zoning alternatives and consider changes to Carrboro's Land Use Ordinance.

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**BACKGROUND:**

Discussion of open space zoning was initiated by the 1993 Action Agenda. Report made on June 22, 1993 and worksessions were held on January 04, and 25, 1994. AIS and infill issues were introduced as part of the Bel Arbor CUP process.

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**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

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**PROJECT STAFF:** LISA BLOOM-PRIUTT, Senior Planner

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**WORK PLAN:**

April 20, 1994 =	Town Attorney to prepare a draft ordinance amendment increasing the open space provision to 50% and planning staff to prepare a report on AIS and infill issues.
May 04, 1994 =	Preliminary abstract to town clerk.
May 10, 1994 =	Final abstract to town clerk.
May 17, 1994 =	Worksession on 50% open space requirement and AIS infill issues.

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**PROJECT BEGAN:**  
February 1993

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**PROJECT DEADLINE:**  
MAY 30, 1994

**PROJECT WORKSHEET**

**PROJECT:** OPTIONS FOR PROTECTING AND PRESERVING BOLIN CREEK CORRIDOR

**ASSIGNED BY:** 1994 ACTION AGENDA      **WHEN:** February 1994

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:**

To explore options for protecting and preserving the Bolin Creek corridor.

**PROJECT LEADER:** LISA BLOOM-PRUITT, SENIOR PLANNER

**PROJECT STAFF:** LISA BLOOM-PRUITT, SENIOR PLANNER

**WORK PLAN:**

Apr. 06, 1995 -

May 05, 1995 Define the Bolin Creek Corridor. Explore the availability and cost of outside resources for analyzing existing stream basin conditions, protecting future buildout conditions, and proposing corridor mitigation and/or protection measures. Schedule a stream walk with Bolin Creek Streamwatch and the Sierra Club

May 25, 1994 Preliminary agenda to town clerk.

May 31, 1994 Final agenda to town clerk.

June 7, 1994 Worksession to review report and give further direction to staff.

**PROJECT BEGINS:**  
FEBRUARY 1994

**PROJECT DEADLINE:**  
JUNE 1994

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**PROJECT WORKSHEET**


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**PROJECT: PEDESTRIAN PLAN**


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**ASSIGNED BY: 1993 RETREAT**
**WHEN: JANUARY, 1993**


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**ASSIGNED TO: PLANNING DEPARTMENT**


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**OBJECTIVE:** To make revisions to the current Carrboro Sidewalk Plan to reflect townwide.

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**PROJECT LEADER:** CHRIS PETERSON, PUBLIC WORKS DIRECTOR

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**PROJECT STAFF:** Roy Williford, Planning Director  
Chris Peterson, Public Works Director  
Kenneth Withrow, Transportation Planner

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**WORK PLAN:**

Apr 21, 1994	TAB will begin process of revising the current Sidewalk Plan. The Sidewalk Plan will address townwide needs as well as the following specific needs:
	a) sidewalk connections/Bypass and Hillsborough Road
	b) sidewalk issues
	c) pedestrian overpass on 54 Bypass
	d) crosswalk on North Greensboro Street
June 16, 1994	TAB review of sidewalk construction program
July 11, 1994	The public works and planning departments will work together to devise a sidewalk construction program as part of the sidewalk plan.
Oct 06, 1994	Staff and TAB will create final draft of the Sidewalk Plan.
Nov 22, 1994	The staff will present final draft to the Board of Aldermen.

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**PROJECT BEGINS:**  
April 1994

**PROJECT DEADLINE:**  
November 1994

### **PROJECT WORKSHEET**

**PROJECT:** ANNEXATION OF "DOUGHNUT HOLES"

**ASSIGNED BY:** 1994 ACTION AGENDA **WHEN:** FEBRUARY 1994

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:**

To review a report on the annexation of "doughnut holes" and consider a request to the North Carolina General Assembly for a re-definition of Carrboro corporate boundary.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** Roy M. Williford, Planning Director

**WORK PLAN:**

July 20, 1994 -

Aug. 03, 1994 Review and update a report on annexation which was reviewed by the Board of Aldermen on May 28, 1991.

Aug. 09, 1994 Preliminary abstract due to town clerk.

Aug. 16, 1994 Final abstract due to town clerk.

Aug. 23, 1994 Worksession by Board of Aldermen to consider report and request to General Assembly for a re-definition of Carrboro's corporate boundary.

**PROJECT BEGINS:**  
JUNE 1994

**PROJECT DEADLINE:**  
SEPTEMBER 1994

**PROJECT WORKSHEET**

**PROJECT:** SEWER SERVICE IN JOINT PLANNING AREA (RURAL BUFFER)

**ASSIGNED BY:** 1994 ACTION AGENDA      **WHEN:** FEBRUARY 1994

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:**

To review existing policies associated with extending sewer service into or through the Joint Planning Area (rural buffer) including the University Lake Watershed.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** Roy M. Williford, Planning Director  
Lisa Bloom-Pruitt, Senior Planner

**WORK PLAN:**

10/01/94 -

10/26/94 Prepare report summarizing existing joint planning, OWASA, and Carrboro policies and/or regulations associated with sewer extension into or through the rural buffer.

10/26/94 Preliminary abstract due to town clerk.

11/01/94 Final abstract due to town clerk.

11/08/94 Worksession by Board of Aldermen to review report and provide further direction.

**PROJECT BEGINS:**  
OCTOBER 1994

**PROJECT DEADLINE:**  
DECEMBER 1994



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**PROJECT WORKSHEET**

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**PROJECT:** HISTORIC PRESERVATION REVOLVING LOAN FUND

**ASSIGNED BY:** 1994 ACTION AGENDA      **WHEN:** FEBRUARY 1994

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:**

To establish a Historic Preservation Revolving Loan Fund.

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**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** LISA BLOOM-PRUITT, Senior Planner  
JAMES HARRIS, Com. & Econom. Devel. Officer

**WORK PLAN:**

09/01/94 -

09/21/94 Formulate a proposal for establishing an Historic Preservation Revolving Loan Fund

09/28/94 Preliminary abstract due to town clerk

10/04/94 Final abstract due to town clerk

10/11/94 Aldermen discuss revolving loan fund in a worksession

10/12/94 -

11/09/94 Staff prepares final proposal

11/09/94 Preliminary abstract due to town clerk

11/15/94 Final abstract due to town clerk

11/22/94 Aldermen vote on establishment of an Historic Preservation Revolving Loan Fund

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**PROJECT BEGINS:**  
SEPTEMBER 1994

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**PROJECT DEADLINE:**  
DECEMBER 1994

**PROJECT WORKSHEET**

**PROJECT:** DAY CARE CENTERS ALLOWED IN ALL RESIDENTIAL ZONES

**ASSIGNED BY:** 1994 ACTION AGENDA **WHEN:** FEBRUARY 1994

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:**

To report on current Land Use Ordinance restrictions governing the establishment of day care centers in all residential zones.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** LISA BLOOM-PRUITT, Senior Planner

**WORK PLAN:**

10/03/94 -

10/25/94 Staff prepares report on allowing day care centers in all residential zoning districts. This report will at least discuss categories of day care defined by the State, current Land Use Ordinance definitions and restrictions, and proposed categories of day care operations and proposed permitting requirements (zoning permit, special use permit, conditional use permit).

11/09/94 Review and comments by Board of Adjustments

11/23/94 Preliminary abstract due to town clerk

11/29/94 Final abstract due to town clerk

12/06/94 Worksession by Board of Aldermen

**PROJECT BEGINS:**  
OCTOBER 1994

**PROJECT DEADLINE:**  
JANUARY 1995

### **PROJECT WORKSHEET**

**PROJECT:** AFFORDABLE HOUSING STRATEGY

**ASSIGNED BY:** BOARD OF ALDERMEN      **WHEN:** March 01, 1994

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:**

To explore and propose methodologies available to the Town of Carrboro whereby a point system could be applied for the donation of property by developers specifically targeted for low-cost housing.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR  
MICHAEL B. BROUGH, TOWN ATTORNEY

**PROJECT STAFF:** LISA BLOOM-PRUITT, SENIOR PLANNER  
JAMES HARRIS, Com. & Econ. Devel. Officer

**WORK PLAN:**

12/01/94 -  
01/31/95

Define low-cost housing, research available incentives to encourage developers to build and/or incorporate low-cost housing in proposed development, describe developmental impediments to low-cost housing, and recommend methodologies available to the Town whereby a point system could be applied for the donation of property by developers specifically targeted for low-cost housing.

Feb. 03, 1995 Planning Board to review report.  
Feb. 15, 1995 Preliminary agenda to town clerk.  
Feb. 21, 1995 Final agenda to town clerk.  
Feb. 28, 1995 Board of Aldermen worksession to review report and to give staff further direction

**PROJECT BEGINS:**  
MARCH 1994

**PROJECT DEADLINE:**  
MARCH 1995

### **PROJECT WORKSHEET**

**PROJECT:** NEIGHBORHOOD PRESERVATION DISTRICT

**ASSIGNED BY:** 1994 ACTION AGENDA **WHEN:** FEBRUARY 1994

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:**

To consider the implementation of a neighborhood preservation district.

**BACKGROUND:**

The Board of Aldermen voted on establishing a neighborhood preservation overlay zoning district on February 09, 1993. The motion to establish the district failed. It was suggested by a member of the Board, that the 90-day waiting period for demolition be retained and that the other permit waiting periods be changed to 30 to 60 days. It was also suggested that a proposal be made by members voting against the establishment of a neighborhood preservation district. The Aldermen voting against the district volunteered to make an alternative proposal at some future date.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** LISA BLOOM-PRUITT, Senior Planner

**WORK PLAN:**

09/01/94 -

- 09/21/94 Review and update the Neighborhood Preservation District Proposal.
- 09/28/94 Preliminary abstract due to town clerk.
- 10/04/94 Final abstract due to town clerk.
- 10/11/94 Aldermen hold worksession and set public hearing, refer to Planning Board and Neighborhood Preservation District Commission.
- 10/17/94 Neighborhood Preservation District Commission to review ordinance.
- 11/03/94 Planning Board to review Neighborhood Preservation Overlay Zoning District
- 11/09/94 Preliminary abstract due to town clerk.
- 11/11/94 Advertise public hearing, mail notices, & post property
- 11/15/94 Final abstract due to town clerk.
- 11/22/94 Public Hearing: Establishment of a Neighborhood Preservation Overlay Zoning District

**PROJECT BEGINS:**  
SEPTEMBER 1994

**PROJECT DEADLINE:**  
DECEMBER 1994

**PROJECT WORKSHEET****PROJECT:** CONDITIONAL ZONING**ASSIGNED BY:** Board of Aldermen    **WHEN:** April 26, 1994**ASSIGNED TO:** PLANNING DEPARTMENT**OBJECTIVE:** To explore the possibility of establishing a conditional zoning process**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR  
MICHAEL B. BROUGH, TOWN ATTORNEY**PROJECT STAFF:** Lisa Bloom-Pruitt, Senior Planner  
Michael B. Brough, Town Attorney**WORK PLAN:**

06/07/94 Attorney - present conditional zoning techniques during  
worksession with Board of Aldermen to select a  
conditional zoning technique.

08/16/94 Attorney - draft and present ordinance amendment.  
Aldermen - review proposed ordinance amendment and set  
a public hearing for September 13, 1994.

09/01/94 Planning Board review.

09/13/94 Public hearing and adoption of ordinance.

**PROJECT BEGINS:**  
June 1994**PROJECT DEADLINE:**  
September 1994

**PROJECT WORKSHEET**

**PROJECT:** CONCEPTUAL PLAN REVIEW AND CONDITIONAL USE PERMIT  
PROCESS

**ASSIGNED BY:** Board of Aldermen **WHEN:** April 1994

**ASSIGNED TO:** PLANNING DEPARTMENT

**OBJECTIVE:**

To provide the Board of Aldermen with a review of the conditional use permit, construction plan, and compliance process and to explore a conceptual plan review process.

**PROJECT LEADER:** ROY M. WILLIFORD, PLANNING DIRECTOR

**PROJECT STAFF:** Keith Lankford, Zoning Administrator

**WORK PLAN:**

05/02/94 -

05/10/94 Prepare report.

05/11/94 Preliminary abstract to town clerk.

05/17/94 Final agenda to town clerk.

05/24/94 Aldermen receive report.

**PROJECT BEGINS:**

APRIL 1994

**PROJECT DEADLINE:**

MAY 1994

**PROJECT WORKSHEET**

**PROJECT:** Further Discussion of Community Policing

**ASSIGNED BY:** Board of Aldermen      **WHEN:** 1994 Retreat

**ASSIGNED TO:** Police Department

**OBJECTIVE:** To provide the Board of Aldermen with further information about community oriented policing and how the Police Department plans to implement it within Carrboro.

**PROJECT LEADER:** Chief Callahan

**PROJECT STAFF:** Chief Callahan, Capt. Hutchison, et al

**WORK PLAN:**

Present to the Board of Aldermen more information concerning community oriented policing, both the positive and the negative aspects of the program. [Chief Callahan] [July or August, 1994]

Visit other towns which have implemented COP and observe their programs. [Chief Callahan, Capt. Hutchison, et al] [July, 1994]

Continue to gather written information concerning COP and how it is being implemented within the U.S. and North Carolina [Chief Callahan]

Approval of positions to be assigned as CPO's [July 1, 1994]

Departmental education concerning COP [July 1, 1994] (ongoing)

Begin selection process for COP's [July, 1994 - August, 1994]

Begin hiring process for new officers to replace CPO's - [July - August, 1994]

Board of Aldermen to approve the Police Department's plan for implementation of the COP within Carrboro. [Chief Callahan] [August, 1994]

Board of Aldermen to select area(s) in which COP will be implemented [August, 1994]

Begin community education about community oriented policy (neighborhood meetings, surveys, media contacts) [September, 1994] (ongoing)

Set up neighborhood advisory board(s) which will assist in implementation of COP in selected neighborhood(s) [September, 1994]

Begin training of officers selected as COP's [September - December, 1994]

Locate and select facilities which would be used as COP "storefronts" in area(s) selected for COP [September - October, 1994]

Work out details for gaining use of facilities [October - December, 1994]

Fix up facilities selected [October - December, 1994]

Work on scheduling, allocation of other department resources, etc. which will be part of COP [September - December, 1994]

Develop instrument(s) for monitoring effectiveness of COP [September - December, 1994]

New recruits complete training [December, 1994]

Assign CPO's to area(s) designated for implementation of COP [January, 1995]

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PROJECT BEGINS: July 1, 1994

PROJECT DEADLINE: On-Going



**PROJECT WORKSHEET****PROJECT:** Space Study - Public Works Department**ASSIGNED BY:** 1994-95 Action Agenda**WHEN:** February, 1994**ASSIGNED TO:** Public Works Department**OBJECTIVE:** To determine the space needs of the Public Works Department.**PROJECT LEADER:** Chris Peterson, Public Works Director**PROJECT STAFF:** Terry Campbell, Administrative Assistant  
James Harris, Community and Economic Development Officer**WORK PLAN:** Contact the NCSU Design School to determine their interest in doing a preliminary space needs study of Public Works.

Set time table based on discussion with NCSU.

**PROJECT BEGINS:** May 1, 1994**PROJECT DEADLINE:** December, 1994

PROJECT WORKSHEET

<b>Project:</b>	<b>Waste Reduction</b>	
<b>Assigned By:</b>	<b>1994-95 Action Agenda</b>	<b>When: February 1994</b>
<b>Assigned To:</b>	<b>Public Works Department</b>	
<b>Objective:</b>	<p><b>Inform the Board of Aldermen of future waste reduction alternatives</b></p> <p><b>The Landfill Owners' Group (LOG) is presently negotiating a contract for an integrated solid waste study to be performed by a private contractor</b></p>	
<b>Project Leader:</b>	<b>Chris Peterson, Director of Public Works</b>	
<b>Project Staff:</b>	<p><b>Terry Campbell, Administrative Asst. - Public Works Department</b></p> <p><b>Town of Chapel Hill - Public Works Department's Staff</b></p> <p><b>Weston Inc. - Private Consulting Firm</b></p>	
<b>Work Plan:</b>	<p><b>(Identify steps to complete project, time requires for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.)</b></p> <p><b>The integrated solid waste study initiated by the LOG should address source reduction alternatives. The tentative start date for this study is July 1994 with a completion date of eight (8) to ten (10) months following the start date.</b></p> <p><b>The LOG and staff will periodically review and discuss the findings of the study.</b></p> <p><b>The completed integrated solid waste study will outline possible waste reduction alternatives.</b></p> <p><b>The study should be ready for review by the Board of Aldermen in Quarter 6.</b></p> <p><b>The Town of Chapel Hill's staff and Chris Peterson, Director of Public Works, will coordinate the presentation of the study's findings to the Board of Aldermen</b></p>	
<b>Project Begins:</b>	<b>June 1994</b>	<b>Project Deadline: June 1995</b>

PROJECT WORKSHEET

<b>Project:</b> Discussion of a structure for Carrboro Day	
<b>Assigned By:</b> Retreat	<b>When:</b> January 11, 1993
<b>Assigned To:</b> Recreation and Parks Department	
<b>Objective:</b> To provide for discussion of developing a structure for a new special event unique to Carrboro which allows the the opportunity of involvement by the many diverse groups that form the community. The structure should provide a vehicle for improving community spirit and cohesiveness.	
<b>Project Leader:</b> Richard E. Kinney, Recreation and Parks Dir.	
<b>Project Staff:</b> Richard Kinney, Recreation and Parks Director Carol Rosemond, Recreation Supervisor Jody Jameson, Recreation Specialist	
<b>Work Plan:</b> [Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.]	
May 93	This item is due to go before the Board for discussion on May 10, 1994. The Board has included the program ideas and costs for a number of programs designed to promote community cohesiveness in their decision package for budget discussion. A presentation explaining the work of the assigned subcommittee and further explanation of the ideas formulated will take place at the meeting on May 10th. The funding of some or all of the activities will take place during the deliberations on the FY 1994-95 Annual Budget.
<b>Project Begins:</b> On-going	<b>Project Deadline:</b> TBD

**PROJECT WORK SHEET**

<b>Project:</b> Recreation and Parks Capital/Program Needs															
<b>Assigned By:</b> Retreat	<b>When:</b> February 1994														
<b>Assigned To:</b> Recreation and Parks Department															
<p><b>Objective:</b> To study recreation and park needs and provide in a documented fashion a master plan for the future development of all elements of the public park system (which includes, but may not be limited to, parks, greenways and open space). This will include past retreat projects pertaining to master planning. The project will encompass not only needs of a capital nature but those in regards to program requirements, demands and facility needs.</p>															
<b>Project Leader:</b> Richard E. Kinney, Recreation and Parks Dir.															
<p><b>Project Staff:</b> Richard Kinney, Recreation and Parks Director  Carol Rosemond, Recreation Supervisor  Dennis Joines, Recreation Supervisor  Cynthia Leach, Program Support Assistant II  Planning Staff as required</p>															
<p><b>Work Plan:</b> [Identify steps to complete project, time required for step and person responsible for step. Identify all advisory boards and internal staff reviews needed.]</p> <p>Consultant, Woolpert, has been hired and is working on a Comprehensive recreation and parks master plan. The Park Plan Management Group (PPMG) is leading this process.</p> <table> <tr> <td>April</td> <td>94 Review of Demographic Information and Physical Factors, Analysis of Existing Recreation Programs and Park Facilities, and Community Needs Assessment completed and prepared for review by PPMG</td> </tr> <tr> <td>May</td> <td>94 Draft of Master Plan Proposals and Recommendations to be presented to PPMG</td> </tr> <tr> <td>June</td> <td>94 Woolpert will conduct a town-wide workshop to obtain further input into the final proposals</td> </tr> <tr> <td>June</td> <td>94 An action plan to implement the revised proposals will be developed and reviewed</td> </tr> <tr> <td>July</td> <td>94 PPMG will review plan proposals and action plan to finalize the version to be recommended</td> </tr> <tr> <td>September</td> <td>94 Consultant and PPMG present master plan to the Board of Aldermen and determine process for final approval</td> </tr> <tr> <td>October</td> <td>94 Board of Aldermen final approval process</td> </tr> </table> <p>Final version of the plan to consist of action plan to meet the program and park needs; a priority schedule for construction, renovations, and land acquisition (with cost estimates including future staffing); recommendations for funding with proposals for use of payment in lieu funds (includes recommendations on development process of proposed north-central neighborhood park); supporting maps, graphs, and charts; and executive summary and presentation to the Board of Aldermen.</p>		April	94 Review of Demographic Information and Physical Factors, Analysis of Existing Recreation Programs and Park Facilities, and Community Needs Assessment completed and prepared for review by PPMG	May	94 Draft of Master Plan Proposals and Recommendations to be presented to PPMG	June	94 Woolpert will conduct a town-wide workshop to obtain further input into the final proposals	June	94 An action plan to implement the revised proposals will be developed and reviewed	July	94 PPMG will review plan proposals and action plan to finalize the version to be recommended	September	94 Consultant and PPMG present master plan to the Board of Aldermen and determine process for final approval	October	94 Board of Aldermen final approval process
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September	94 Consultant and PPMG present master plan to the Board of Aldermen and determine process for final approval														
October	94 Board of Aldermen final approval process														
<b>Project Begins:</b> Ongoing	<b>Project Deadline:</b> November 94														

