



October 15, 2010

TO: Mayor and Members of Council
FROM: Rashad M. Young, City Manager 
SUBJECT: Items for Your Information

Contact Center Feedback

Attached is the weekly report generated by our Contact Center for the week of 10/4/10 – 10/10/10.

October 19, 2010 City Council Meeting Presentation

Attached is the Update on Internet Management PowerPoint Presentation from Sandy Neerman, Director of the Greensboro Public Libraries, which will be presented at the October 12, 2010, City Council Meeting.

Zoning Commission Meeting Results

Attached are the results of the October 11, 2010 Zoning Commission Meeting.

Final Year-End Results for the Water Resources Fund

Attached is a memorandum from Rick Lusk, Director of Finance and Administrative Services, dated October 14, 2010, providing an update on the proposed use of the MCI settlement, as well as the final year-end results for the Water Resources Fund as of June 30, 2010.

First Quarter Building Inspections' Permits

Attached is an update from Butch Simmons, Director of Engineering & Inspections, comparing Building Inspections' permitting activity from the 1st quarter of the current Fiscal Year to the 1st quarter of Fiscal Year 2009-2010.

**Public Affairs Department
Contact Center Weekly Report
Week of 10/4/10 - 10/10/10**

Contact Center

5486 calls answered this week

Top 5 calls by area

Water Resources

Balance Inquiry – 1344
New Signup – 194
Bill Extension – 188
General Info – 174
Const. & Maint. – 159

Field Operations

Bulk Guidelines – 97
No Service/Garbage – 63
Dead Animal Pickup – 59
No Service/Yard Waste – 45
General Info – 37

All others

Police/Watch Operations – 320
Landfill/Transfer/HHW – 127
Courts/Sheriff – 78
Police Records - 48
Privilege License - 44

Comments

We received a total of 6 comments this week:

Executive – 1 comment:

- Are you serious about a tax increase? The city leaders are not good stewards with the money they get now and you all want more? Example: An aquatic center to pour money in. Charlotte's center eats over a million dollars a year and so Greensboro just had to have one. This is a time when people like me have to make decisions on lifestyle based on the income they have coming in and you all just want to take more from the public to put into pet projects that will not benefit the public as a whole. I have to do without if my check book is empty. Sounds like yours is empty so you all should do without. I will encourage all I come in contact with, to vote no!

Field Operations – 1 comment:

- Anonymous caller via voicemail says "Thank you for changing the lid on the recycle bins at the drop site to make it so much easier to lift, had called to complain and just wanted to say: Thank you, Thank you, Thank you."

Hot News – 3 comments:

- Caller new to area asked friends who told her to check with the city, because sometimes cities will elect to alter the normal course of Halloween so that it didn't conflict with anyone's religion.
- What time is trick or treat? It is different up north, the city does dictate trick or treat hours.
- You wonder why people don't come here you need to follow in Burlington's footsteps make it Halloween on Saturday. You don't care about children here in school. If you did you wouldn't allow it on Sunday. People are moving from Greensboro cause you commissioners an council men and women don't give a damn and I am working to spread the word don't come here unless you want ignorant people on boards and be bored as it's Greensborng.

Parks and Recreation – 1 comment:

- Complaint from concerned citizen about the Farmers Market and how it now has too many farmers making open comments about people coming there to buy their produce and trying to find out where else they shop. A lot of dirty politics going on at the Farmers Market and someone from the city needs to control the mouths of the vendors at this market each time. Customer will

not return there to buy anything else and has been a customer since 1979. Did not want to leave a name or number. Just sick of how the city is not attending to the Farmers Market.

Overall

Calls about the changes to the water bills slightly increased last week as customers began to react to these changes. Calls about dead animals and bulk collection also increased. Otherwise, call volume was steady through the end of the week.



GREENSBORO PUBLIC LIBRARY UPDATE ON INTERNET MANAGEMENT

October 19, 2010

Background/Council Directive

On August 17th, the Greensboro Public Library recommended two (2) options for consideration of Council. These can be summarized as follows:

1. To employ filtering software across-the-board on all users
2. Offer to library patrons age-tiered access to library computers, whereby minors would default to filtered computers, but adults would be allowed the freedom to choose filtered or unfiltered access

Filtering Option 1

Install a filter to filter all computer locations and all computer users.

How it works:

- Blocks entire groups of websites
- Blocks certain web addresses (black lists)
- Allows certain web addresses (white lists)
- Blocks through use of specific key words, known images, questionable file names and Internet applications

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Filtering Option 2

Implement a filter along with the existing computer management program to filter Internet access for all children and those adults who choose a filtered search.

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Option 2: How it Works

Tiered access:

- Children age 17 and under will default to filtered access.
- Adults 18 and over may choose filtered or unfiltered access.

Computer zoning:

- All computers in children's areas will be filtered.
- In new or remodeled facilities, computer screens will be placed for easier monitoring by staff.

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Council Directive

On August 17th, City Council directed the Library Department to:

1. Provide a monthly internet usage report
2. Provide a monthly list of incident reports for all branches.

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Internet Usage Statistics 9 am 8/19/2010 - 9 pm 9/19/2010

- Number of overall web hits : 58,789,329
- Number hits on the porn category: 40,581
(.07%) seven hundredths of one percent
- Number of computer users: 42,188

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Updated on 10/05/10

Greensboro Public Library August 19 - September 19, 2010 Library Incident Report by Category

Incidents by Category	Central Library	Benjamin Branch	Glenwood Branch	Hemphill Branch	Kathleen Edwards Family Branch	McGirt-Horton Branch	Vance-Chavis Branch	Total no. of Incidents	Total no. of Bans
Assault	0	0	0	0	0	0	0	0	0
Alcohol	0	0	0	0	0	0	0	0	0
Communicating Threat	1	0	0	0	0	0	0	1	1
Computer Misuse	0	0	0	0	0	0	0	0	0
Customer Complaint	0	0	0	0	0	0	0	0	0
Disorderly Conduct	5	0	0	3	1	0	4	13*	5
Drug Paraphernalia	0	0	0	0	0	0	0	0	0
Eating	1	0	0	0	0	0	0	1	1
Fire	1	0	0	0	0	0	0	1	0
Indecent Behavior	0	0	0	0	0	0	0	0	0
Littering	0	0	0	0	0	0	0	0	0
Loitering	0	0	0	0	0	0	0	0	0
Medical	0	0	0	0	0	0	0	0	0
Missing Persons*	2	0	0	0	0	0	0	1	0
Panhandling	0	0	0	0	0	0	0	0	0
Pornography	1	0	0	0	0	0	0	1	1
Sleeping	5	0	0	0	0	0	0	5*	4
Smoking	0	0	0	0	0	0	0	0	0
Theft	4	0	1	0	0	0	0	5*	0
Trespassing	1	0	0	0	0	0	0	1	0
Unattended Child	0	0	0	0	0	0	0	0	0
Vandalism	2	0	0	0	0	0	1	3	1
Weapons	0	0	0	0	0	0	2	2	0
Warrant	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Grand Total	23	0	1	3	1	0	7	34	13

Other - Parking issues and customer inquiry about their ban release date

*Parent informed Lankford officer about a missing child from the home. (Did not count under total # of incidents.)

Note: This report reflects the total number of incidents listed in the Lankford Security Log located at Central Library.

Total # of incidents: Total number of incidents changed from 31 to 34 due to a formula error.

*Incorrect calculation was submitted in the October 1, 2010 IFYI

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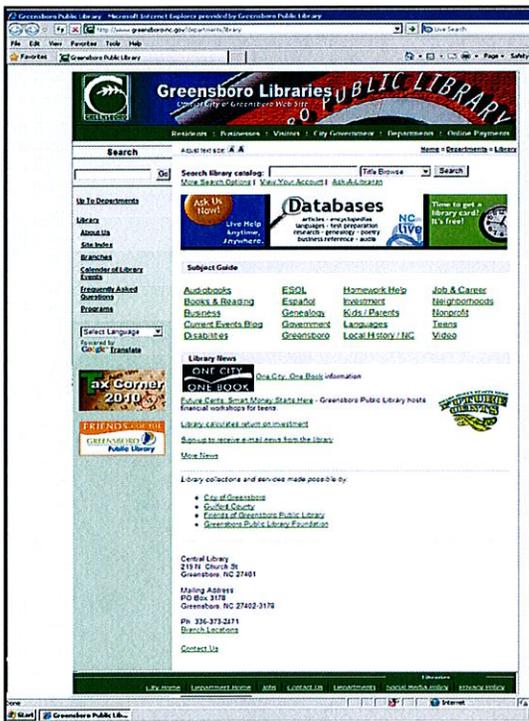
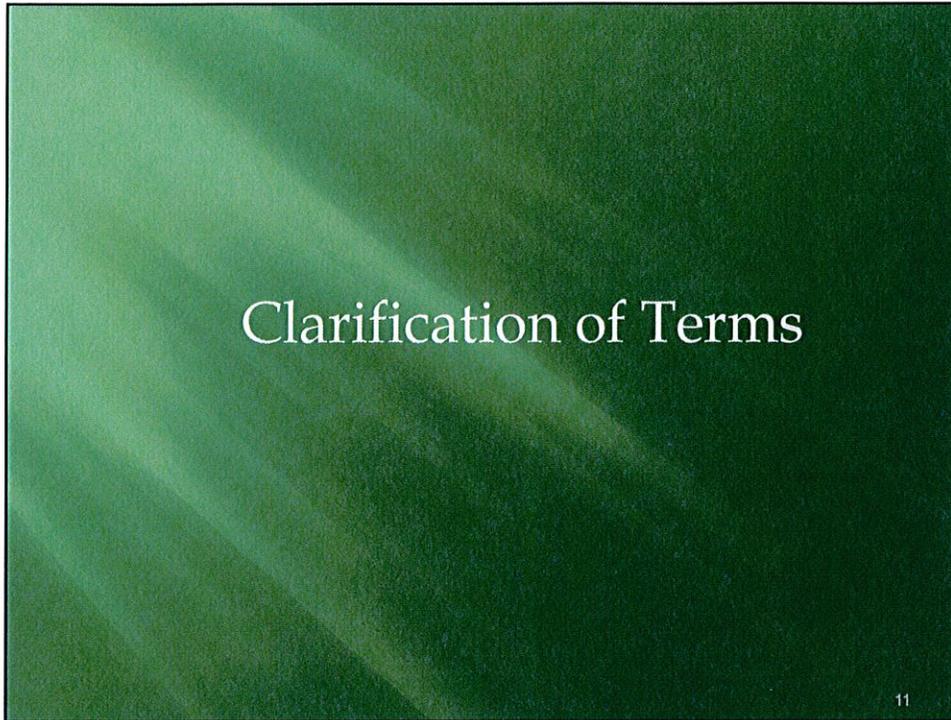
WiFi Management

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Current WiFi Management

As of October 11, the Library bandwidth shaper, Cymphonix, was set up to handle WiFi traffic in the same way as the Library's public desktop computers.

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Web Pages, Web Hits and Categories

The screen shot pictured is of the Greensboro Public Library front page which is considered a single *web page*.

This page registers in Cymphonix as *36 web hits*. Web hits count whether or not the web page ever displays.

These 36 web hits are from 6 different Cymphonix *categories*.



Web Hits

To better illustrate what a *web hit* is, items circled in red make up some of the 36 *web hits* counted on this 1 *web page*.

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Re-Cap of Internet Management Options

1. To employ filtering software across-the-board on all users
2. Offer to library patrons age-tiered access to library computers, whereby minors would default to filtered computers, but adults would be allowed the freedom to choose filtered or unfiltered access

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ZONING COMMISSION RESULTS

MEETING OF OCTOBER 11, 2010

AGENDA ITEM	REQUEST/LOCATION	PROPOSED USE <small>* (Not binding if not stated as a condition)</small>	ACTION/VOTE	STAFF REC	STATUS	SPEAKERS
Z-10-09-005	CD-R-5 to CD-PI	Elementary school	Continued	Approval	Continued to the December 13, 2010 Zoning Commission Meeting	1 for; 0 opposed
	North of Stewart Mill Road, south of Millstream Road, east of AT&T Drive and west of Creek Road					
	Guilford County Board of Education for Atlas NC I SPE, LLC		8 to 0			
Z-10-10-001	County LI to City CD-LI	A child day care center, elementary and secondary; office uses and medical facilities; government facilities; and a place of religious assembly.	Favorable Recommendation	Approval	November 9, 2010 City Council Meeting	1 for; 0 opposed
	A portion of 500 Kivett Dairy Road					
	Joe Bostic		8 to 0			
Z-10-10-002	County CU-HB and County HB to City CD-C-H	All uses allowed in the C-H zoning district except Agricultural uses.	Continued	Approval	Continued to the December 13, 2010 Zoning Commission Meeting	1 for; 0 opposed
	4501 Old Burlington Road					
	Murphy Oil USA, Inc. for Mid-State Petroleum, Inc		8 to 0			

To view agenda with zoning conditions and maps, please visit our web site at:

<http://www.greensboro-nc.gov/departments/Planning/boards/zoning/>

If you have any questions about these results, please contact Rawls Howard or Frederick Boateng (373-2144)



October 14, 2010

TO: Rashad Young, City Manager
FROM: Rick Lusk, Finance Director
SUBJECT: Proposed Use of MCI Settlement Payment and Final Year-End Results for the Water Resources Fund as of June 30, 2010

At the September 28, 2010, briefing on preliminary fiscal year FY 09-10 results, the City Council requested information on the proposed use of funds received in the MCI lawsuit and how this might affect water and sewer rates. Below is a recommendation on the use of the funds and final year-end results for the Water Resources Fund as of June 30, 2010 (unaudited).

Proposed Use of MCI Settlement Payment

In September 2010, the City received a payment of \$16,311,982 in settlement of the MCI vs. City of Greensboro lawsuit. It is proposed that these funds be used to (1) retire all revenue bonds that are eligible for early redemption in the current fiscal year, totaling \$5,040,000, and (2) that the balance of \$11,271,982 be used to fund a portion of the Osborne Wastewater Treatment Plant incinerator that is being replaced at a cost of \$20,965,455. The retirement of \$5,040,000 in outstanding bonds eligible for early redemption will result in a reduction of debt service costs equal to \$1,850,000 annually for the three-year period FY 11-12 through FY 13-14. Furthermore, it is proposed that the \$27 million revenue bond issue needed this fiscal year to finance the incinerator and other capital projects be eliminated by using the \$11,271,982 noted above and other funds available for appropriation in the Water Resources Operating and Capital Reserve Funds, thereby avoiding an increase in future debt service costs.

Water Resources Fund Year-End Results

Fiscal Year Ended June 30, 2010

The FY 09-10 Water Resources Operating Fund amended budget was \$89.1 million. Actual revenues were \$86.3 million or 96.9% of budget and actual expenses and transfers were \$82.6 million or 92.8% of budget, resulting in net revenue of \$3.68 million before recognition of capital contributions of \$3.3 million from developer contributed infrastructure. Compared to the prior year, net revenue of \$2.7 million was recorded at June 30, 2009.

Although revenues were 3.1% below budget, expenses were 7.2% lower than budget even though water purchases from other cities were \$1.2 million higher than the previous year (\$3.7

million vs. \$2.5 million). The lower levels of actual expenses across most operating divisions were further skewed by higher encumbrances at June 30, 2010 than in the previous year (\$2.3 million at June 30, 2010 vs. \$1.0 million at June 30, 2009). The goods and/or services represented by those outstanding purchase orders will be expensed in FY 10-11.

The Water Resources Capital Reserve Fund had actual revenues of \$755,412 from interest earnings and other revenue. This fund is combined with the Operating Fund for financial reporting purposes, resulting in total net revenue of \$4.44 million.

(The preliminary estimate of net revenue as of June 30, 2010, of \$5.5 million, reported on September 28, 2010, was overstated by \$1.07 million. Subsequent staff financial statement review, in preparation for auditor review of the City's financial statements, resulted in an adjustment of that amount in the reconciliation between the modified accrual (budgetary non-GAAP) and the full accrual (GAAP) enterprise fund financial statements – both are included in the CAFR. No further adjustments are expected. The City's external auditors began their final field work on October 11, 2010, and will complete their work, including review of the City's financial statements, over the next several weeks.)

Unrestricted Cash Available for Appropriation – below is a summary of the past two fiscal years and an estimate for the current fiscal year with the recommended use of the MCI settlement and other available balances to retire outstanding debt and fund the Osborne Wastewater Treatment Plant incinerator replacement at \$20,965,455, the balance of the Mitchell Water Plant clearwell replacement at \$1,731,090 (total est. cost \$2,786,200) and start-up costs for the Peach Orchard force main and outfall upgrade at \$942,000 (total est. cost \$4,608,000):

<i>Unrestricted Cash Available for Appropriation</i>	June 30, 2009	June 30, 2010	June 30, 2011
Operating Fund (with MCI pmt.)	\$23,232,934	\$25,357,069	\$47,619,013 (est.)
- less debt redemption			(5,040,000)
- less incinerator replacement			<u>(16,596,000)</u>
Adjusted Cash – Operating Fund			<u>\$25,983,013 (est.)</u>
Capital Reserve Fund	<u>3,989,232</u>	<u>9,395,362*</u>	9,924,362
- less incinerator/other cap. proj.			<u>(7,042,565)</u>
Adjusted Cash – Cap. Reserve Fund			<u>2,287,797</u>
Total Unrestricted Cash	\$27,222,166	\$34,752,431	\$28,270,810 (est.)

*Includes transfer of \$4,650,718 from the Operating Fund in FY 09-10 for future capital projects.

Projected Fiscal Year Ended June 30, 2011

The Water Resources Operating Fund adopted budget is \$91.0 million. Actual revenues, which include a 6% rate increase and appropriated fund balance of \$3.3 million, are projected to meet budget. Actual expenses and transfers are projected to equal at least 98% of budget. Water purchases are projected to increase to \$3.8 million including purchases from the Water Authority for the nine months ending June 30, 2011.

Projected Fiscal Year Ended June 30, 2012

The Water Resources Operating Fund is projected to generate revenues of \$93.9 million. Based on projected expense trends including adjustment to projected future debt service costs from actions recommended above, no increase in water and sewer rates is currently projected in FY 11-12. Water purchases are expected to increase to \$4.35 million in FY 11-12, but will decline beginning FY 14-15 when water purchase agreements with other cities are renewed on the basis of emergency use only.

Capital Improvement Program (CIP)

The Water Resources 10-year CIP of \$400.6 million includes \$246.5 million in PAYGO funding and \$154.1 million in revenue bonds. This represents an annual average of \$40 million in major capital project construction and repair. The larger projects associated with the Osborne Wastewater Treatment Plant include the \$21 million incinerator replacement, currently under construction, and the \$64 million biological nutrient removal project scheduled FY 11-12 through FY 15-16.

Capital projects of \$246.5 million would be funded from annual water & sewer revenues (PAYGO) and capital projects of \$154.1 million would be financed by revenue bond issues in FY 12-13 (\$38.4 million); FY 13-14 (\$46.2 million); FY 14-15 (\$44.0 million); and, FY 15-16 (\$25.5 million).

Key Financial Ratios

The City's revenue bond ratings by Standard & Poor's, Fitch Ratings and Moody's Investors Service are currently AAA/AAA/Aa1, respectively, following the 2010 ratings recalibration by Fitch and Moody's of U.S. public finance ratings to their global rating scale. With the subsequent change in ratings of many state and local government entities, the medians of key financial ratios also changed for each rating category.

Moody's uses (9) key financial ratios, with the two primary ratios being Total Annual Senior Lien Debt Service Coverage (net revenues divided by parity debt service expense) and Unrestricted Reserves as a Percentage of O&M (unrestricted cash and investments divided by operating & maintenance expense).

The attached chart compares Greensboro to the Moody's medians for the past three years, before and after the ratings recalibration, and also compares Greensboro to Charlotte, Raleigh, Winston-

Salem and Durham. In the financial management of the Water Resources operation we have focused on maintaining our current bond rating by achieving ratios at or near the medians for our current bond rating (Aa1). Note that while some units have coverage ratios below the median of their rating category that this is offset by significantly higher unrestricted reserves.

Water & Sewer Rates

With the 6% water & sewer rate increase this fiscal year we expect to fall below the medians of the key financial ratios noted above for FY 10-11, with debt service coverage ratio projected at 1.96 (median = 2.34) and unrestricted reserves of 55.5% (median = 95.4%). If the 6% water & sewer rate increase was eliminated effective January 1, 2011, then the projected ratios would drop to 1.84 and 50.6%, respectively.

Based on the above recommendations to use the MCI settlement and other available funds to retire debt and fund capital projects in FY 10-11, we are able to reduce debt service costs in FY 11-12 on existing debt and we can avoid an increase in new debt service costs in FY 12-13 by not incurring \$27 million in debt this fiscal year (debt repayment would have begun in FY 12-13). With the 6% water & sewer rate increase this fiscal year and the reduced debt service costs and lower projected trend in future operating costs, we project that we can maintain adequate ratios with no increase in water and sewer rates in FY 11-12.

We also believe that taking the proposed actions combined with lower projected operating expenses could eliminate or minimize water & sewer rate increases until FY 14-15 when we would start paying new debt service expense on the revenue bonds proposed to be issued FY 12-13 through FY 15-16.

RL

Attachment

cc: Bob Morgan, Deputy City Manager

City of Greensboro
Inspection Department
Fiscal Year 2009/2010 and 2010/2011
1st Qtr. Permits Comparison

	2009/2010	2010/2011
Building Permits	903	1,211
Driveway Permits	140	128
Electrical Permits	1,328	1,434
Mechanical Permits	1,230	1,335
Plumbing Permits	759	719
Total Permits	4,360	4,827
Total Building Construction Value	\$50,002,464	\$57,005,317

