



City of CHARLOTTE

MEMORANDUM

TO: Mayor Lewis and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: City Manager Report

DATE: December 23, 2015

Embezzlement Insurance Claim. Finance Director Christine Mossner, City Clerk Ginger Terpstra and I met with a representative of the company handling claims for the MML insurance pool to begin the process of making a claim against our policy for unrecovered losses related to the embezzlement case involving the former deputy treasurer. We expect payment in the next couple of weeks for the amount of restitution ordered by the Circuit Court less offsets for customer checks reissued for those she had destroyed and for the reduction in pension expense about which the City Attorney had previously reported. City attorney and forensic audit costs are not insured losses under our policy.

Holiday Office Closings. City offices will be closed on Thursday, December 31 and Friday, January 1. You should be aware that holiday and after-hours numbers for the DPW are published in the phone directory and on our website for residents who might need their services during such times.

Armory Boiler Water Use. During the December 14 City Council meeting, Councilman Mitchell asked about information he had received that the Armory boiler is using 1000 gallons of water per week. I was aware that a problem with water usage had been discovered upon boiler start-up this fall but was not aware that it was a continuing problem. In fact, there is no current problem with water usage. Upon start-up water usage of 150 gallons per day was quickly detected and addressed. Water usage now is less than 60 gallons per day. This usage is a normal situation attributable to a chemical feed and "back-wash" system that maintains total dissolved solids and sulfates at correct levels in the system. A DPW staff member is regularly monitoring the boiler system to insure that it continues to operate as designed. Water usage for the quarter ended 12/4/15 was 4400 gallons; this includes water used to refill the boiler which is drained at the end of the heating system. This compares to 3900 gallons and 4800 gallons for the same quarters in 2014 and 2013 respectively when the building was still under State ownership.