

ADJOURNED MEETING CITY COUNCIL
May 3, 2016

The City Council of the City of Albemarle met in an adjourned session on Tuesday, May 3, 2016, at 6:00 p.m. in the City Hall Conference Room. Mayor G. R. Michael presided and the following Councilmembers were present, to wit: Bill Aldridge, Chris Bramlett, Benton Dry, Martha Sue Hall, Martha E. Hughes, Dexter Townsend and Chris Whitley. Absent, none.

The City Council held a Fiscal Year 2016/2017 Budget Work Session.

Mayor Michael called the meeting to order.

The City Manager thanked Mayor and Council for the faith and trust placed in him to develop a budget to meet the needs of City residents, taxpayers, and the business community. Also, he thanked Finance Director Colleen Conroy for her assistance in the development of the budget who was present this evening to help answer any questions that Council had.

The City Manager distributed a list of the items he would like to highlight in the proposed Fiscal Year 2016-2017 City of Albemarle Budget. He indicated that he would review these line items, but could address any questions the Mayor and City Council may have concerning the overall budget proposal.

The City Manager reviewed the proposed general fund revenues. He did state there is no proposed increase in property taxes. Mr. Ferris said we have seen an increase in the City's total property valuation from 992,000,000 last year to 1,011,000,000 this year. The ad valorem tax rate will remain at \$.59 per \$100 of valuation. He also noted that in FY 16-17, the City anticipates a share of the revenue from the State's expanded

sales tax application estimated at approximately \$150,000 from this additional revenue for Albemarle to be used for economic development.

Mr. Ferris stated that one of the most challenging issues in preparing the proposed budget is considering an increase of up to 32% to keep the same level of health insurance coverage for employees and retirees.

Mr. Ferris stated the budget proposes no increase in the motor vehicle registration fee, fire inspection fees, plan review fees, household solid waste collection fee or the household solid waste disposal fee, no increase in planning and zoning fees, no electric fee increase or business license fees.

Mr. Ferris explained that throughout the entire budget the salary and wages line items reflects the 1% cost of living adjustment for all employees to begin July, 2016. It is also proposed to provide a 1.5% increase in lieu of any merit pay in July 2016 while staff evaluates methods for compensation.

Next, the Administration Department items and the \$36,400 budgeted for professional services such as the branding implementation and Streetscape implementation in FY 2016-17 and appropriations to other government units totaling \$ 3,250. This portion of the budget also includes the second and final payment of \$225,000 for the City's contribution to the Central School redevelopment project.

In the Economic Development Department, the proposed budget includes funding for professional services of \$39,000, software of \$900, and industry incentives of \$1,500. With the City assuming the p-personnel and daily operations for downtown development, these activities are budgeted as a subset of the Economic Development budget. Overall the City's expenditures for downtown development activities will remain very similar to the current fiscal year as the City will keep the revenues generate from the municipal service district tax.

In the Human Resource Department, the proposed budget includes funding for a post-employment benefits study, pre-employment drug and alcohol testing, pre-tax medical and child care plan, employee

assistance program, and performance evaluation with a recommended proposal cost of \$12,100.

In the Finance Department, recommended \$16,450 for General Fund portion of the audit and a Financial Analyst (\$5,000), other services for a total amount of \$101,600, and service maintenance and contracts recommended at \$23,675.

In the Information Systems Department, the cost of many of the budgeted items are splits among the City's various funds, professional services (\$26,300), software (\$12,900), Small Tools and Equipment (10,250), data processing equipment (\$19,200) and maintenance contracts (9,225), and lease purchase principle and interest (\$9,900) for a total of \$ 87,775.

Mr. Ferris stated that the Engineering Department has merged with the Planning and Development Services Department.

In the Police Department total salaries and benefits of \$2,450,000, separation allowance \$142,000, Health Insurance \$598,200, and Motor Fuels and Lubricants \$ 60,000, Small Tools and Equipment \$30,000 and Firearms \$16,000, budget for three new police vehicles \$75,000. The budget includes paying the full cost of a patrol position originally funded through the Governor's Highway Safety Program as the grant has expired.

For the School Resource Officer Program (SRO) salaries of \$90,000 with the County still paying 50% of the entire budget.

In the Fire Department total salaries of \$1,835,500 temporary and Part-Time salaries \$40,000, lease purchase (\$184,200) and interest (\$8,000), and principal \$111,500 and interest \$9,000 for interfund loan for Station #1.

In the Department of Public Works, no comments for the Central Warehouse and in the Central Garage funds have been cut for a new maintenance facility from the budget request.

In the Department of Public Works, Administration, Solid Waste Disposal payment to the landfill of \$347,000 for residential solid waste collection. Interfund and transfer payment to street lighting \$25,000.

In the Department of Public Works, Streets and Highways total salaries of \$116,000, Professional Services \$18,700, Asphalt \$50,000, and Other Equipment \$55,000.

Albemarle Downtown Services, \$68,800 Salaries for two employees with a total budget of \$115,600.

In Planning and Development Services, Salaries \$265,150, Profession Services \$7,000, and Electricity \$59,650 share of the City Hall cost, and Demolition Expenses of \$46,000.

In the Parks and Recreation Department, for Salaries of Toby Thorpe and Cindy Burris (\$290,325) all under Recreation, Rent of Facilities \$12,000, Motor Vehicles \$31,100 for a bus to replace a van, Interest for Niven Center project \$11,500, and Interfund Transfer of \$130,500. The City Manager noted that if the City is able to save money on proposed healthcare costs City-wide, he would like to add back into the Parks & recreation budget \$20,000 for a replacement truck.

In the Powell Bill Fund, an estimated Revenue of \$523,800, Investment Earnings (\$200), Fund Balance Appropriation \$83,500, NC DOT Street Sweeping Reimbursement \$8,500, all totaling \$616,000, Asphalt Expense 200,000, Lease Principal (\$42,600) & Interest (\$3,000).

The City Manager stated that he will cover the Public Utilities water, sewer, and electric, Public Housing and the Landfill on Tuesday, May 10, 2016.

Upon a motion by Councilmember Dry, seconded by Councilmember Hughes, the City Council adjourned to Tuesday, May 10 at 6:00 p.m. in the City Hall for the final budget work session.