

ADJOURNED MEETING CITY COUNCIL
May 7, 2013

The City Council of the City of Albemarle met in an adjourned session on Thursday, May 7, 2015, at 6:00 p.m. at City Hall in the Executive Conference Room. Mayor Michael presided and the following Councilmembers were present, to wit: Mayor Pro Tem Troy E. Alexander, Bill Aldridge, Benton Dry, Martha Sue Hall, Martha Hughes, Dexter Townsend and Chris Whitley. Absent, none.

The City Council held a Fiscal Year 2015/2016 Budget Work Session.

Mayor Michael called the meeting to order.

Mayor Michael spoke to Council concerning interfund loans from the Electric Fund which are authorized (usually) short term loans for Police, Landfill, etc., from one fund to another. When monies come back in they have been used to help to balance the budget rather than replenish the fund balance. We are trying to get the Electric Fund Balance back up after so many expenditures out of that fund.

The City Manager stated that he would like to continue from Wednesday's budget work session and cover the Public Utilities water, sewer, electric, and Public Housing, and Landfill revenues. Mr. Ferris gave handouts to Council of the different line items to be covered this evening and a sheet from Public Utilities Director Michael Leonas showing combined water and sewer rate comparisons to the City of Albemarle rates for Council review.

The City Manager stated there will be no fund balance appropriated in the Water and Sewer Fund.

Mr. Ferris stated there is a proposed 4% increase per month starting July, 2015, but City rates are still below the state-wide average for similar sized systems. In FY 2016/2017 the City will have additional debt coming online that will almost double the current Water and Sewer debt.

In Water and Sewer Revenues:

Commercial Water Sales to Cities an amount of \$2,246,000 which includes all other governments and association rates (except CKA). PNSWA.

Wholesale water Sales an amount of \$1,477,000 is CKA based on minimum of 2MGD and is inside commercial rate plus 4% ad based on 11 months of sales.

Interfund transfer an amount of \$67,000 which was for alum sludge removal in 14/15 and should be removed as revenue in 15/16.

Interfund principal and interest, \$48,050 principal and \$5,500 interest is repayment for Fire Station #1 and East and North Police substation construction.

In Water and Sewer Administration,

Rate study and capital needs analysis in the amount of \$40,000.

Councilmember Dry came into the meeting at this time.

In Water and Sewer Administration:

Service maintenance and contract of \$12,000, other contracts.

All Other Contracts, Grant Subsidies of \$20,000

Lease Purchase Principal and Interest of \$89,000 principle -0 interest

Principle and interest of share of City Hall of \$70,000 principle and \$ 12,700 interest

Payment in Lieu of Taxes of \$242,900 established in place of transfer eliminated in 51-7120-598010.

The City Manager noted that transfers to the General Fund have been eliminated, and a payment in lieu of taxes has been established. The PILOT is similar to the taxes levied on other utility providers in the City and is therefore a figure the City can substantiate.

In the Water Treatment Plants as follows:

Engineering cost of \$24,000 for Arc Flash Study of electrical panels at US 52 Plant and TTWTP

Equipment repairs and maintenance of \$344,000 repair of basin at TTWTP leaking at joints and replace vac track system

Contract labor and service of \$78,680 Synagro and Asplundh

Motor vehicles of \$30,000 for a 1988 1-ton with 101,000 miles

Other equipment of \$250,000 for security cameras at TTWTP, ultrasonic algae control, SCADA upgrade at TTWTP

Towers, Tanks and Wells of \$100,000 for stripping towers at TTWTP refurbish

Lease Purchase and Principle and Equipment of \$312,400 principle and \$36,900 interest.

In Sewer Plants as follows:

Engineering of \$17,000 for Arc Flash of Plants Panels.

Software of \$40,000 for software to track, schedule and record maintenance as well as inventory of materials

Contract Labor and Services of \$185,000 for laboratory testing and the hauling of sludge to Rocky River Wastewater Plant.

Motor Vehicles of \$14,800 for 1997 Truck to replace 1988 1-ton Truck

Lease Purchase Principle and Interest of \$57,600 for Phase 1 WWTP Renovations.

In Water and Sewer Systems as follows:

Engineering of \$5,000 for survey of raw water line from Old Whitney to US 52 Plant to locate property lines, adjoining owners, and air valves along line to US 52WTP

Other Supplies and Materials of \$270,500 for AMR replacement for efficiency and accuracy in meter reading, liner materials for manholes to prevent I&I and continue this initiative to save costs in Plants Division.

Motor Vehicles of \$120,000 to replace pickup and 2-ton dump truck

Other Equipment of \$153,000 to replace camera unit, Boring Rig to bore under streets for w&S line installations.

Distribution Lines of \$30,000 for Mills Street 6-inch water line replacement.

Lease Purchase Principal and Interest of \$582,100 principle and \$303,700 interest and to include CKA principal and interest totaling

\$525,400. Revenues are budgeted at \$1,477,000 and represent 11 months at minimum take or pay of 2 MGD.

The City Manager reviewed the Electric Fund Budget proposal. The budget is based on a 2% wholesale rate reduction, translating into a 1.6% customer retail reduction effective in October 2015. The City Manager is proposing not to adopt the electric rates rate schedule until we know on the debt restructuring outcome of NCMPA#1.

Electric Fund as follows:

Sales to Water and Sewer - \$705,400

Principle and interest Interfund Loan of \$337,400 principle and \$34,100 interest for Niven Center, Public Safety, and Landfill

Fund Balance Appropriated of \$145,000 amount in 14/15 is Central Avenue. Substation and ½ of Leonard Avenue upgrades. 2015-16 amount is the other 50% of the upgrades in Leonard Avenue area.

Share Expense

Salaries and Wages of \$516,950

Overtime of \$9,800

All Other Profession of \$43,450 for IS Shared, Retail Strategies, Branding, and Marketing.

Service Maintenance of \$78,350 for Kronos, Munis, IS Contracts

Admin Expense

Service Maintenance and Contract of \$51,340 for Blackboard connect, Portion of CIS Harris North Star

Principle and Interest of \$140,000 Principle and of \$23,300 for interest of Electric Fund share of City Hall debt.

Systems / Operations:

Engineering of \$28,000 for portion of ARC flash study on electrical panels **Transformers** of \$315,300 for transformers needed for Love Street 4kv conversion project, Shops at Olive Place/Leonard Avenue area expansion, and general inventory increases.

Poles of \$70,000 for increase stock/pole replacement from inspections program

Wholesale Power Purchase of \$27,900,500

Contract labor and Service of \$1,034,960 for Asplundh for tree trimming, Lee Electric for contracted system work and pole inspection last done in 2001.

Motor Vehicles of \$60,000 to replace service truck

Savings Account Reserves of \$369,340 to reserve

Interfund Transfer of \$145,000 for system expansion in Leonard Ave area.
Reimburse GF of \$300,000 same as 2014-15
Payment in Lieu of Taxes of \$690,000 same as 2014-15

Customer Service

Service Maintenance and Contracts of \$9,800 to identify verification of new utility sign-ups, maintenance on bill stuffer machine, and meter reading devices and software maintenance.

Landfill – Revenues

42,000 tons a year MSW; 8,000 C&D – Total 50,000 tons per year

Solid Waste Fee (Tax) of \$100,000 – State has \$2 per ton tax.

Propose at \$1 per ton tax for closure post-closure with estimated revenue of \$50,000

Disposal Fee of \$2,076,000

Landfill – Expenditures

All Other Profession Services and Consultants of \$109,400 for shared IT costs, share of performance evaluation system, audit costs, sewer fees associated with leachate disposal, and lab testing. Also, site plan study for new Landfill Office and Employee Facility costing \$40,000

Solid Waste Disposal Fee of \$100,000 for state levied tax we collect of \$2 per ton remitted to the State.

The City Manager reported the transfer to the General Fund has been

eliminated and a payment in lieu of taxes established.

In the Public Housing,

Conventional budget, \$438,000 - less turnover and higher projection so estimate is up in budget.

Public Housing Subsidy of \$672,000 – no major federal changes anticipated.

Software of \$38,000 for shared software costs and new PH management software.

In Public Housing, **Section 8**, 1,200,000 housing voucher revenue and Section 8 Voucher Assistance Payment

Councilmember Michael stated that on Wednesday, May 6 at the adjourned session, Councilmember Hall moved that the Mayor's term be amended to a 4 year term from a 2 year term. Councilmember Dry seconded the motion. This item was tabled until Thursday, May 7 at 6 pm for further discussion and vote. The Mayor reiterated the pro and con comments from the evening before.

The City Council continued discussion of this issue which was concerning Representative Justin Burr's house bill 527, to provide that regular municipal elections in the municipalities of Stanly County shall be held in even-numbered years beginning in 2015, except that the Mayor elected in 2015 shall serve a term of five years, but successor's shall serve a term of four years. It was noted that Albemarle is one of only eight cities that still hold partisan elections.

Councilmember Hall moved to amend the term of the Mayor from a two year term to a four year term. Councilmember Townsend seconded the motion. Voting for the motion were Councilmembers Alexander, Aldridge, Dry, Hall, Hughes, and Whitley. Voting against the motion was Councilmember Townsend. The motion carried.

(Resolution 15-14. To amend the term of the Mayor from a two year term to a four year term.)

The Mayor asked for Council input concerning the Beach Blast event May 2. He also stated that the ADDC is reevaluating their goals and priorities. The ADDBA is sponsoring the Beach Blast with ADDC helping only.

The Mayor and City Council discussed whether they would like to contribute monies toward this event and to give input to things they would like to see included in the day's events such as a 5k run and a band/dance for an all day event.

Upon a motion by Councilmember Hall, seconded by Councilmember Dry, and unanimously carried, the City Council agreed to earmark \$4,000 toward the Beach Blast event held each year to include a one day event which includes a 5k run and a band allowing the City Manager to make adjustments to the proposed budget to appropriate the \$4,000.

Mayor Michael stated that the ADDC's next meeting is this coming Monday, May 11 at 12 noon.

The City Manager stated that the budget ordinance public hearing and first reading will be Monday, June 1. He reviewed with Council the ordinances and amended rate schedules that will come before Council on June 15 for their approval.

The City Manager also stated that Human Resources Director Robert Whitley will email to Council any personnel policy changes for Council review.

Council discussed each employee receiving a copy of the employee manual and signing off annually that they have it and have read it.

Mayor Michael and Council continued discussion of the Wiscasset Ball Park Project from the Wednesday, May 6 adjourned session and if they would like to commit an amount toward the fundraising campaign.

Upon a motion by Councilmember Dry, seconded by Councilmember Hall, and unanimously carried, the City Council approved committing \$3,000,000 toward the fundraising campaign of the Wiscasset Ball Park Project.

Mayor Michael stated that concerning the sidewalk projects for Leonard Avenue and US Hwy 52/1st Street, we only have 2 signatures pending. One signature of A.L. Lowder on the US Hwy 52/1st Street sidewalk project and one signature of Paul and Cassie Kluttz on the Leonard Avenue sidewalk project. We need to give the City Manager the authority to sign these contracts and proceed with the sidewalk projects on the condition that the two pending signatures are agreed to at an amount below the ceiling dollar amount previously set by Council.

Upon a motion by Councilmember Hall, seconded by Councilmember Hughes, and unanimously carried, the City Council approved giving authority to the City Manager to sign these contracts and proceed with the sidewalk projects on the condition that the two pending signatures are agreed to at a dollar amount under the ceiling amount previously set by City Council.

Leonard Avenue Sidewalk Project

Proj. #	Name	Tax Record	Amount
1	South Central Oil Co, Inc.	7072	\$1,154.00
4	Jody B Cook	23291	Donation \$ 1.00
5	Ted Russell	20329	Donation \$ 1.00
23	Timothy B Wilson	6110	\$287.00
24	Blue Jay Investments., LLC.	6281	\$1,280.00
25	Bliss, LLC	19144	Donation \$ 1.00
26	Geoequity Properties, Inc.	31820	0
27	Best Locations, LLC	32959	0

30	Paul Kluttz	14134	Pending
31	Samuel Burris, Jr.	3670	\$100.00
32	Samuel Burris, Jr.	3671	\$2,900.00
33	Daryl C Ellis	22462	Donation \$ 1.00
34	Rickey D Butler Heirs	9618	\$473.00
35	Frederick H Leppard	8065	Donation \$ 1.00
36	Mack Martin Co LLC	4612	\$388.00
37	S&D Construction Co LLC	16529	\$352.00
38	Stanly County Habitat for Humanity	16526	Donation \$ 1.00
39	Kimberly Davis	38157	\$247.00
40	Mae Ruth Howell	12308	\$306.00
41	Wallace & Wallace Properties LLC	15138	\$276.00
42	Frank T McCoy	4294	\$220.00
43	Mattie P Price	16926	\$338.00
44	John W Lilly	14944	\$298.00
45	Elizabeth W Burnett Heirs	3336	\$260.00
46	Sherman H Smith	22619	\$50.00
47	Treece Construction Co Inc	12228	\$40.00
50	Kent E Newport	26764	\$495.00

**US Business 52
South/1st Street Proje**

Proj. #	Name	Tax Record	Amount
4	Michael J Moyle	21489	\$3,022.00
9	William H Poplin	19936	\$90.00
12	Darrell & Peggy Comer	13426	\$190.00
13	A&A Auto	1	\$27.00
14	Pate Supply LLC	23465	Donation \$ 1.00
15	Carolina Oil Co of Albemarle	26170	Donation \$1.00
16	Quality Timber Management, Inc	1362	\$169.00
17	Quality Timber Management, Inc	1363	\$10.00
18	Caine, Inc	8305	\$103.00
19	Terry Harward	22926	\$1,270.00
20	Kailash Kumar Patel	21503	\$1,677.00
21	Gary D Smith	16919	\$979.00
22	Hearne Memorial Cemetary Inc	28479	\$685.00
23	Stanly County Christian Ministry	26381	\$328.00
24	Stanly County Christian Ministry	18475	\$2,450.00

25	JRL Living Trust	15816	\$997.00
26	AL Lowder Inc	2949	PENDING
27	Merle W Britt	24317	Donation \$1.00
28	Merle W Britt	24314	Donation \$1.00
30	Merle W Britt	24315	Prescriptive Easement
31	Chor Lor	2831	Prescriptive Easement

The City Manager stated that the ElectriCities Regional meeting will be held at the Great Wolf Lodge in Concord on Tuesday, May 12 at 6 pm. We will be taking the van leaving City Hall at 5:00 pm for anyone interested in riding.

Upon a motion by Councilmember Alexander, seconded by Councilmember Hughes, the meeting was adjourned.