

ADJOURNED MEETING CITY COUNCIL
May 9, 2013

The City Council of the City of Albemarle met in an adjourned session on Thursday, May 9, 2013, at 5:30 p.m. in the City Hall Management Conference Room. Mayor Elbert L. "Whit" Whitley presided and the following Councilmembers were present, to wit: Mayor Pro Tem Troy E. Alexander, Martha Sue Hall, Judy Holcomb, G.R. Michael, Jack F. Neel, Dexter Townsend and T. Ed Underwood. Absent, none.

Also present: City Manager Raymond I. Allen, Assistant City Manager Michael J. Ferris, City Clerk E. Paulette Bowers, Human Resource Director Robert Whitley.

The City Council held a Fiscal Year 2013/2014 Budget Work Session.

Mayor Whitley called the meeting to order.

The City Manager stated that he had received an email from Lee Allen with Remax Town & Country with a question of water availability on Henson Street which they had rezoned to R-8 Multi-Family. He handed out to Council a copy of the email and a map depicting the area in question. They are hoping to build senior/retirement housing behind Wal-Mart. The City Manager said that Interim Public Utilities Director Judy Redwine had had some concerns with issuing such a letter since the subject property is not located in the City limits. Mr. Lee Allen is saying that the project coordinator will apply for this annexation because they will want fire protection and City services available to their tenants.

The City Manager stated that this project appears to be backwards. Normally property is annexed first and then zoned and permitted for development. Mr. Lee Allen stated that his project group would be willing to write a letter stating their intentions to apply for annexation, but they would like to first have a letter from the City that the water and sewer are available.

It was the consensus of City Council to go ahead and have the City send the water and sewer availability letter concerning this senior housing project.

The City Manager handed out to Council a sheet with questions Council had raised at the previous work session on Tuesday, May 9, along with their answers. Mr. Allen went over each question and answer and answered any further questions from Council.

Human Resource Director Robert Whitley came before Council to answer questions brought up at the work session on Tuesday, May 7 concerning the final cost increase on the City's hospitalization insurance. He stated what type of insurance the City has with Blue Cross Blue Shield and it does not include a program that Council had inquired about. The Silver Sneakers program that Council had inquired about at Tuesday's budget work session is provided through Medicare supplement insurance only.

Mr. Whitley handed out to Council a comparison sheet of current and renewal premiums for Blue Cross and Blue Shield's (BCBS) PPO plan for July 1, 2013. The renewal plan is identical to our current plan with a 7.65% increase in premium rates.

The City will continue benefits with the BCBS PPO plan with a rate increase of 7.65%.

Human Resource Director Robert Whitley left the meeting at this time.

The City Manager stated that he would like to continue from Tuesday's budget work session and finish covering the line items of each remaining departments. The next items to cover today are starting with Public Utilities, water and sewer revenues.

The City Manager stated that there will be proposed retained earning appropriated in the amount of \$643,000 to cover the one time gap between the payment of debt service for water/sewer projects which include WWTP project,

US 52 WTP equalization basin project, and the CKA water line project. Mr. Allen also stated that he is proposing a 5% increase in water and sewer rates per month starting July, 2013. No increase in tap fees or assessment rates.

In Public Utilities Administration there are shared costs of economic development, HR costs, and IT costs in the amount of \$61,150 and water sewer share (20%) of the City Hall debt service in the amount of \$79,000.

In the Public Utility WS, shared cost is the fund share of IS software costs (\$33,500), IS equipment costs (\$7,500).

WS share of adding an automatic door opener which is shared with electric into City Hall rear doors to aid the elderly and handicapped. This is an estimated cost of \$10,000 to be split between Electric (65%-\$6,500) and WS (35%-\$3,500).

WS Fund share of IS contracts (\$24,000) and WS maintenance contracts. WS Fund share of Information Systems cost and \$216,000 to install SCADA system to connect all treatment plants and water tanks.

In the Water Treatment Plant, Plants Division, there is \$150,000 to design a deep water Tuckertown raw water intake; \$50,000 for an alum sludge study at the TTWTP and US 52 WTP; \$5,000 to design a mixer for the West Oakwood water tank.

Water Treatment Plant chemical costs in the amount of \$335,000 this year, installation of a mixer at West Oakwood water tank in the amount of \$65,000, sediment basin repairs at TWTP for \$100,000, principle payments for Old Whitney pump station renovation and US 52 WTP Equalization Basin in the amount of \$326,050, and loan interest payments for Old Whitney pump station renovation and US 52 WTP Equalization Basin.

In the sewer treatment plant removal of SBS tank and placing of above ground tank in the amount of \$198,000 and principle and interest cost for WWTP construction loan from State of NC totaling \$269,500.

In the WS Systems for water and sewer line materials including inflow and infiltration improvements and repairs the amount of \$152,000

Allowance of maintenance on generators and sewer lift station, etc. in the amount of \$101,600.

Portable trash pump (\$16,600), portable generator(\$40,000), and boring rig (\$28,000).

Principle payments for CKA waterline (\$262,500) and interest (130,000) plus water sewer jet vac truck (\$69,500) and water sewer jet vac (\$11,500).

The Electric Fund includes an anticipated 4.5% customer rate increase to offset a 5% wholesale rate increase the City will receive.

Principle and interest payments from General Fund for interfund loan for FS#1/East Community Police Building in the amount of \$477,900.

Appropriate \$365,100 from retained earnings.

In the Shared Expense departments, sharing the cost of debt service and the electric door opener in the amount of \$60,650.

Electric Share of IS software costs \$31,200, IS share of equipment costs \$20,350, IS share of contracts and maintenance contracts \$58,700, and share of IS costs \$11,150.

In Electric administration costs includes electric share of automatic door opener \$19,300, principle and interest payments for electric fund share of the City Hall project in the amount of \$186,250.

In Electric operations funds for system study (\$60,000) and digital mapping of electric system in the amount of \$48,000, purchase of transformers,

(\$250,000), electric system materials for maintenance and repair and materials to be used in capital projects including 14.4kv regulator controls, Old Parker Road-Mann Road tie line, etc. in the amount of \$750,000.

Wholesale purchase of power in the amount of \$29,000,000 which reflects a 5% increase effective July 1, 2013.

Asplundh tree trimming and Lee Electric contract for electric system capital projects in the amount of \$859,000.

Replacing meter test units and computers (\$40,000), replacing trencher with mini excavator (\$85,000), and purchase underground utility locator (\$125,000).

Reimburse general fund for overhead and services in the amount of \$275,00.

In the solid waste disposal fund revenue a \$2 per ton increase in MSW disposal fee and a \$1 decrease in C&D disposal fee. No fund balance appropriated.

In the solid waste disposal fund expense a SW share of IS software (\$9,700), share of IS equipment (\$11,700), share of IS data processing equipment (\$8,400), share of IS maintenance contracts.

Tire recycling contract (\$70,000), wood waste (\$40,000), rock crushing in borrow area (\$60,000), and \$10,000 other contracts.

The purchase of a used truck for water truck (\$65,000), purchase tractor for leaf mulch composting (\$50,000), state tax on solid waste (\$96,000).

Lease purchase payments for articulating dump truck, bulldozer and excavator (\$258,500), interfund loan repayment to Electric fund (\$169,500) principle and interest.

Reimbursement to general fund for overhead and services (\$50,000) and transfer to closure/post closure fund same as last year.

In the Public Housing, Conventional budget, \$292,380 reserves to be appropriated, a 5% share of City cost toward IS expenses in the amount of \$2,150.

In Public Housing, Section 8, \$108,200 reserves to be appropriated and to replace a Section 8 vehicle with a used vehicle in the amount of \$20,000.

The City Manager stated that there was no mistake in the Planning and Community Development budget as previously reported in the Tuesday, May 7 adjourned meeting.

Mr. Allen answered any questions that Council had.

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