

REGULAR MEETING CITY COUNCIL

December 18, 2017

The City Council of the City of Albemarle met in a regular session on Monday, December 18, 2017, at 7:00 p.m. in the Council Chambers of City Hall. Mayor G. R. Michael presided, and the following Councilmembers were present, to-wit: Bill Aldridge, Chris Bramlett, Benton Dry II, Martha Sue Hall, Martha E. Hughes, Dexter Townsend and Chris Whitley. Absent, None. **Clerk’s Note:** Mayor Pro Tem Martha Sue Hall arrived at 7:30 p.m. during New Business Item 2.

Mayor Michael called the meeting to order at 7:00 p.m. and gave invocation.

APPROVAL OF MINUTES

Councilmember Aldridge made a motion to approve the November 20, 2017 Regular Session; November 20, 2017 Closed Session; November 27, 2017 Adjourned Session Minutes; and November 27, 2017 Closed Session Minutes; seconded by Councilmember Bramlett which carried by unanimous vote.

ANNOUNCED DELEGATIONS

1) Audit Presentation for FY 2016-2017

John Kapelar, Potter and Company Certified Public Accountants Representative, thanked staff for efforts during the audit process. He stated the City has received an unmodified opinion for FY 2016-2017 which is the highest financial opinion. He discussed page 35 General Fund \$13.6M with a positive variance in revenues of over \$175,000+. General Fund Fund Balance was utilized. Same percentage General Fund Undesignated Fund Balance at \$4.3M 60% unassigned Fund Balance is comparable from last year.

Enterprise funds were discussed for Electric Fund, Water and Sewer Fund, Landfill Fund, and Public Housing Fund.

Performance of the City’s collection rate was 5.9M collected (97.3% collection rate).

There was discussion of unassigned fund balance versus assigned fund balance amounts.

2) Presentation on Construction Progress - US 52 Water Treatment Facility

Adam Kiker, LKC Engineering Representative, gave an update on the US 52 Water Treatment Facility project. Substantial completion was effective on September 22, 2017. He displayed before and after photos of several components of the project. He discussed the painting of the elevated water tank at the treatment plant and displayed photos of the new logo.

Councilmember Bramlett inquired on the life expectancy of the new equipment.

Mr. Kiker stated a normal recommended life expectancy would be 20 years on most equipment.

There was discussion of the loan length being 20 years.

3) Consider a Resolution to Allow the Albemarle ABC System to Establish Capital Reserve Fund

Karen Cranford, Alcoholic Beverage Commission Stanly County General Manager, stated the [Stanly County] ABC Board is interested in establishing a capital reserve fund with anticipations to use for grow capital and reduce probability of future debt. The target amount would be \$160,000 and would be used for storefront glass replacement and/or extension of shipment area. There would be a \$40,000 per year goal for the capital reserve fund with the continued guarantee of \$20,000 per year designated to the City. [Operations] are close to reaching maximum working capital targets and all remaining revenue profits will still be distributed to the City.

Mayor Michael stated he believes this is a smart decision in efforts to plan for the future so additional borrowings would not be needed in the future.

Councilmember Whitley on the age of the current building,

Ms. Cranford stated the current building was constructed in 2005.

Councilmember Bramlett inquired if there were thoughts of a second site within Albemarle.

Mayor Michael stated there have been discussions, but they do not believe it is in the best interest at current.

Councilmember Aldridge made a motion to approve the resolution as presented below; seconded by Councilmember Dry which carried by unanimous consent.

Councilmember Bramlett inquired if a second site has been considered.

RESOLUTION 17-31

CITY COUNCIL OF THE CITY OF ALBEMARLE, NORTH CAROLINA APPROVAL OF THE ALBEMARLE ABC BOARD'S REQUEST TO SET ASIDE, WHEN AVAILABLE, A CERTAIN AMOUNT OF GROSS RECEIPTS FOR A CAPITAL RESERVE FUND

WHEREAS, the Albemarle ABC Board (the "Board") has engaged in a long-term planning process with the goal of finding the best way to support future operation needs and goals of the Board while assuring a reliable stream of revenue to the City of Albemarle (the "City"); and

WHEREAS, during the Board's meeting on October 2, 2017, the Board identified the need to begin funding for future capital needs and requirements; and

WHEREAS, with the identification of this need in mind, the Board concluded that the establishment of a Capital Reserve Fund would grow capital and reduce the reliance on debt financing to meet future capital improvement requirements; and

WHEREAS, when distributing revenue, the Board must comply with the statutory guidance found in Section 18B-805 of the North Carolina General Statutes; and

WHEREAS, pursuant to this statutory guidance, the Board must first pay all operational costs and make specified tax, alcohol treatment, and law enforcement distributions before setting aside, within limits set by the North Carolina ABC Commission, a working capital cash fund and distribute the remaining revenue to the City; and

WHEREAS, in pertinent part, Section 18B-805(d) of the North Carolina General Statutes provides as follows: "With the approval of the appointing authority for the Board, the local Board may also set aside a portion of the remaining gross receipts as a fund for specific capital improvements;" and

WHEREAS, based upon its analysis of sales histories and expected revenues, the Board has concluded that it can direct a portion of revenues into a proposed Capital Reserve Fund without reducing the monthly distribution of twenty thousand dollars (\$20,000) per month that the Board currently makes to the City; and

WHEREAS, the Board, by means of a letter signed by the Board's Chair and dated October 2, 2017, has requested approval from the Albemarle City Council to set aside up to forty thousand dollars (\$40,000) per year from gross receipts to fund the Capital Reserve Fund; and

WHEREAS, in the above-referenced letter of October 2, 2017, the commitment was made that, if in any year the Board's net revenue is not sufficient to both fund the Capital Reserve Fund and continue the current level of monthly distributions to the City, the monthly distributions to the City would be preserved as a higher priority than contributing to the Capital Reserve Fund;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Albemarle, North Carolina that, so long as the Board's net revenue is sufficient to continue the current level of monthly distributions of twenty thousand dollars (\$20,000) per month to the City, approval is hereby granted to the Albemarle ABC Board to set aside a maximum of forty thousand dollars (\$40,000) per year from gross receipts to fund the Capital Reserve Fund; and

BE IT FURTHER RESOLVED that the approval granted by this Resolution is effective as of January 1, 2018, and shall not expire unless and until another Resolution is adopted by the Albemarle City Council to revoke the approval granted herein.

This Resolution was adopted in open session of a regular meeting of the Albemarle City Council held on the 18th day of December, 2017.

Gerald R. "Ronnie" Michael, Mayor
City of Albemarle, North Carolina

ATTEST:

E. Paulette Bowers, City Clerk
City of Albemarle, North Carolina

4) Request for a Text Amendment

Kevin Robinson, Planning Director, stated there is an applicant who is interested in establishing a hookah lounge and current ordinance does not currently allow. He is seeking policy guidance before moving forward on a text amount.

Mitchell Raven, 415 Edgemont Street, discussed hookah lounge bar within Albemarle to target 18-21 year olds. He discussed his personal experience in hookah bars within other areas of the State. He inquired if Council would be interested in allowing this type of facility in Albemarle. He discussed the philosophy of hookah lounges which consist of natural herbs which can be smoked in a social setting. He discussed the desire to open a lounge within [Olive Place].

There was discussion of the closest hookah lounge being in Charlotte and the potential for staff to research other sites.

Mayor Michael discussed the need for the Chief of Police and Fire Chief to conduct further research in other municipalities.

Councilmember Townsend stated staff could assess regulations in other areas. He wants to assure consistency within other municipalities.

Councilmember Whitley clarified hookah smoking is essentially smoking flavored tobacco through a water pipe.

There was discussions of the age requirement being 18 for the hookah lounge.

There was discussion of the cost of the tobacco for proposed patrons.

Mayor Michael stated he would like further research and then take the item to the Planning Board for recommendation. He advised staff to go through the normal procedures for a potential text amendment.

Councilmember Hughes stated she would like to research on similar sized municipalities as well.

NEW BUSINESS

1) Consider Change Order No. 1 to Construction Contract No. 2 for the Elevated Water Tank Coating at the US 52 Water Treatment Plant

Mr. Kiker discussed the need for change orders for Contract No. 2 being for manway access and the tank vent at the top of the tank which were discovered in the painting process in the amount of \$6,700 increase. This is the only and last increase to this contract.

Councilmember Hughes made a motion to approve the Change Order as presented; seconded by Councilmember Townsend

2) Consider Change Order No. 5 to Construction Contract No. 1 for the US 52 Water Treatment Facility Rehabilitation Project

Mr. Kiker stated the proposed change order is a collection of 14 different items that have been tracked over the last year that have been discussed with Council previously. The total adjustment amount is \$145,787.56.

Clerk's Note: Mayor Pro Tem Hall arrived at 7:30 p.m.

Mayor Michael stated the memo highlights all items and most items have already come to Council.

Councilmember Hughes discussed her surprise to see only two sides of the window seals proposed to be replaced in the initial scope instead all sides. She also inquired if City staff could be used to conduct some of the paving work.

Mayor Michael advised approval of the change order and then asphalt could be discussed.

Councilmember Dry made a motion to approve the change order as presented; seconded by Councilmember Aldridge which carried by unanimous consent.

Mayor Michael discussed the need to pave the rest of the roads outside the fence along US 52. He inquired if the work could be performed in-house if it can be considered an allowable expense and money would be left in the contract.

Mike Leonas, Public Utilities Director, stated asphalt will likely not be allowed within the loan; paving would be considered aesthetic and does not provide value to plant.

Mayor Michael inquired if staff could ask that question to the funding agency.

Mr. Leonas stated he will ask.

Councilmember Whitley confirmed the contingency remaining was currently \$188,000. He also inquired on the status of the elevator.

Mr. Kiker stated the funding agency has stated this will be an allowed expense and they are currently working on procurement.

Mayor Michael stated he believes it may be better to complete the current contract and go out for informal bids to conduct the elevator work separately to take the third-party profit out of the project.

Mayor Pro Tem Hall clarified the \$188,000 contingency should cover the cost of the elevator work.

There was discussion of Council’s desire to have a tour upon completion of the project.

3) 2017-18 Pavement Management Plan

Mayor Michael stated individual streets are listed within the agenda recommended from the City’s consultant.

Councilmember Bramlett made a motion to approve the 2017-2018 Pavement Management Plan as presented to include the following streets below; seconded by Councilmember Dry which carried by unanimous consent.

Treatment	Street Name	Begin Location	End Location
Micro S	KNOLLWOOD	US 52 NORTH	GOODMAN DR
Micro S	KNOLLWOOD	GOODMAN DR	CARTER DR
Micro S	KNOLLWOOD	GOODMAN DR	WAVERLY ST
Micro S	KNOLLWOOD	PECAN AV	WAVERLY ST
Micro S	FLORAL	HOLT RD	CLOVER FORK CR
Micro S	LYNWAY	US 52 NORTH	ROTARY DR
Micro S	GRAY	ALMOND ST	JOHNSON ST
Micro S	GRAY	JOHNSON ST	BLANCHE ST
Micro S	SILVERS	DEAD END	SILVERS LN
Micro S	SILVERS	SILVERS LN	MURDOCK LN
Micro S	ROTARY	LYNWAY DR	NORTH EAST CONNECTOR
Micro S	BUNN	FREEMAN AV	MONTGOMERY AV
Micro S	MONZA	DICK ST	CATALINA DR
Micro S	MONZA	CATALINA DR	IMPALA DR

Micro S	IMPALA	MILTON DR	DRIFTWOOD LN
Micro S	HILL	SECOND ST	ROSS DR
Micro S	FIFTH	GREEN ST	DR MARTIN LUTHER KING JR DR
Micro S	FIFTH	DEAD END	GREEN ST
Micro S	ROSS	HILL AV	ELLENWOOD CT & ELLENWOOD DR
Micro S	LINCOLN	GLENDALE AV	END PVMT
Micro S	THOMAS	FLAKE ST	TE White Sr Dr
Micro S	EASTOVER	COGGINS AV	LEONARD AV
Micro S	LEONARD	AMHURST ST	INGER ST & LENNOX ST
Micro S	LEONARD	EASTOVER AV	AMHURST ST
Micro S	AMHURST	GROVES AV	CROWELL AV
Micro S	MORNINGSIDE	MAIN ST & BERRY AV	AMHURST ST
Micro S	LIBERTY	WILLIAMS AV	ARLINGTON AV
Micro S	BROOKWOOD	HOLLY AV	CEDAR AV
Micro S	FOREST	WHITE OAK AV	HICKORY AV
Micro S	LOWDER	CLEVELAND AV	SECOND AV
Micro S	LOWDER	CHERRY ST	JEFFERSON AV
Micro S	LOWDER	CHURCH ST	BARBEE LN
Micro S	LISK	CAGLE ST	DEAD END
Micro S	CRESTVIEW	HEMLOCK DR	COLLINS DR
Micro S	CRESTVIEW	DEAD END	HEMLOCK DR
Micro S	WALNUT	LAUREL ST	DEAD END
Micro S	PINE	REID ST	PENNINGTON RD
Micro S	PINE	COLUMBUS ST	LONG ST
Micro S	PINE	LONG ST	HILL ST
Micro S	POPLAR	HILL ST	MONROE ST
Micro S	POPLAR	LONG ST	HILL ST
Micro S	POPLAR	AUSTIN ST	LOVE ST
Micro S	HILL	GREENWOOD ST	PINE ST
Micro S	HILL	POPLAR ST	WALNUT ST
Micro S	HILL	EFIRD ST	WOOD ST
Micro S	LONG	ELM ST	DEAD END
Micro S	LONG	PINE ST	ELM ST
Micro S	GREENWOOD	LONG ST	HILL ST
Micro S	MILL	CHURCH ST	CONCORD (N.C. 73) RD
Micro S	ELM	COLUMBUS ST	LONG ST
Micro S	COLUMBUS	GREENWOOD ST	PINE ST
Micro S	CORBIN	LONG ST	LOVE ST
Micro S	OAKWOOD	AUSTIN ST	LOVE ST
Micro S	LOVE	LOWDER ST	WEST MAIN ST
Micro S	LOVE	LOWDER ST	BOST ST

Micro S	GURLEY	STOKER TR	ELMWOOD AV
Micro S	GURLEY	ELMWOOD AV	HIGHLAND AV
Micro S	PARKER	STOKER TR	LEFLER ST & ELMWOOD AV
Micro S	ROGERS	FURR ST	POPLAR ST
Micro S	SPRUCE	SALISBURY AV	MASON ST
FDR	CRESTVIEW	MEADOWROCK DR	VALLEYVIEW DR
FDR	CRESTVIEW	CRESTVIEW DR	MEADOWROCK DR

4) Consideration of Agreement Between City of Albemarle Parks & Recreation Department and Stanly Community College

Michael Ferris, City Manager, stated Stanly Community College will be providing equipment and services to conduct classes at Niven Center and E.E. Waddell Center.

Councilmember Townsend made a motion to approve the agreement as presented; seconded by Councilmember Aldridge which carried by unanimous consent.

5) Introduction of City's New Main Street Manager

Mark Donham, Economic Development Director, gave a brief history of the new Main Street Manager, Joy Almond, and her education and experience with the Albemarle Downtown Development Commission and the Main Street Program within the City of Albemarle.

Ms. Almond thanked Council for the opportunity to continue to serve the public as the new Main Street Manager; she is excited about working with local business owners and property owners.

Mayor Michael stated Ms. Almond has taken the changes within the last year extremely well; he commended her efforts within the most recent downtown events.

6) Consider Approval of Write-offs for Public Housing Tenant Accounts

Mayor Michael stated write-offs are within the agenda.

Mayor Pro Tem Hall stated this amount resemble that of past write-offs.

Mr. Ferris stated there are still efforts made to collect past-due debts even though it is written off at this level.

Councilmember Townsend made a motion to approve the write-offs as presented; seconded by Mayor Pro Tem Hall.

7) Quarterly Business Update

Kevin Robinson, Planning Director, discussed recent new businesses opening which consisted of an increase in approximately eight (8) jobs. He discussed relocations of Welcome Finance and Shoe Show.

There was discussion of several new businesses currently in remodel/up fitting.

There was discussion of the desire to have a running total of businesses for the year.

There was discussion of capturing businesses leaving as well.

Mr. Robinson stated it is hard to track exiting businesses and he will continue to look into this option.

8) Planning Board Vacancy

Mayor Michael stated there is one position that needs to be filled. He encouraged interested persons to apply for this vacancy if interested.

Nasser Rahimzadeh, Senior Planner, stated Keith Wolf (former Planning Director) is interested in applying for this board vacancy.

9) Consider Approval of the 2017/2018 Budget Preparation Schedule

There was discussion of details of the 2017/2018 Budget Preparation Schedule. After detailed discussion, the following schedule was decided to work best for majority of Council:

<u>Procedure</u>	<u>Date</u>
Capital Items and Program Needs Analysis	January 1 – March 16
City Council Strategic Planning Session	January 9, @ 5:00 p.m.
Staff Budget Retreat	Jan. 25 & 26
City Council Budget Work Sessions	Feb. 6 & 8 @ 5:30 p.m.
Staff Budget Work Session	February 19
Submission of FY 2015 – 2016 Final Budget Estimates	March 2
Submission of Budget Requests to City Manager	March 9
Budget Requests Review Conferences	March 12-March 23
Prepare Recommended Budget	March 26 – April 29
Presentation of Recommended Budget and Budget Message to Mayor and City Council	May 7

Final Budget Work Sessions May 15 & 16 @ 5:30 p.m.

Public Hearing on Budget/First Reading on Budget Ordinance May 21

Final Budget Approval June 4

Councilmember Dry made a motion to approve the schedule as presented above; seconded by Mayor Pro Hall which carried by unanimous consent.

10) Consider Attendance at the Centralina COG Creative Solutions for Thriving Communities Conference

Mayor Pro Tem Hall stated this event is an all-day event and is in the spring but they are trying to get headcounts for the event.

Mr. Ferris stated he will put it on a future agenda as a reminder for Council.

COUNCILMEMBER REPORTS

Mayor Michael reminded Council tomorrow is Albemarle Middle School's Christmas Around the World Presentation at 8:45 a.m.

Mayor Michael inquired when the next water and sewer study will be completed.

Mr. Leonas stated it will go out during the third week in January with a three-four month time frame to complete.

Mr. Ferris gave an update of the E.E. Waddell Gymnasium flooring project. He commended staff for their efforts in overseeing this project.

Mayor Pro Tem Hall thanked staff for the luncheon hosted on December 13th. She also discussed a follow up on an issue with lighting at Rock Creek Park Tennis Court. She stated she wished there was a process within the City that could expedite lighting issues more promptly at Rock Creek Park tennis courts.

Mayor Michael stated the lights at the tennis courts are on a timer at Rock Creek Park.

Councilmember Dry discussed key projects within difference City departments and commended staff for their efforts in leading projects.

Mayor Michael discussed the Central School Auditorium project coming to an end; the audio system will be coming to completion. He encouraged citizens to sponsor at a seat at Central School Auditorium.

Mayor Pro Tem Hall made a motion to adjourn the meeting at 8:05 p.m.; seconded by Councilmember Hughes which carried by unanimous consent.

Respectfully Submitted,

Christina Alphin, Deputy City Clerk/Assistant City Manager