

REGULAR MEETING CITY COUNCIL

November 18, 2013

The City Council of the City of Albemarle met in a regular session on Monday, November 18, 2013, at 6:00 p.m. in the City Hall. Mayor Elbert L. "Whit" Whitley presided, and the following Councilmembers were present to-wit: Troy E. Alexander, Martha Sue Hall, Judy U. Holcomb, Ronnie Michael, Jack F. Neel, Dexter Townsend, and T. Ed Underwood. Absent, none.

Mayor Whitley called the meeting to order.

Upon a motion by Councilmember Townsend, seconded by Councilmember Underwood and unanimously carried, the minutes of the November 4 regular session minutes were approved as submitted.

Mr., Durham Lewis, Lewis and Lewis Certified Public Accountants came before City Council as an announced delegation to present the FY 2012-2013 Albemarle ABC System Audit.

Mr. Lewis came before Council and stated that the City was given an Unqualified opinion which is the highest opinion given. Mr. Lewis referred to the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, and notes to the financial Statements. Also, Mr. Lewis covered the Reconciliation of Budget to Actual Statement.

Mr. Lewis answered any questions that Council had.

Mayor Whitley and Councilmember Michael thanked General Manager Karen Cranford and ABC Board Chairman John McIntyre for all their hard work.

Mr. Rex Todd, the Landmark Group came before Council as an announced delegation to present a plan for redevelopment of the former Central School property.

Mr. Todd gave a PowerPoint presentation concerning the Landmark Group requesting that the City provide a \$25,000 non-fundable deposit to the Stanly County Board of Education toward the purchase of the former Central School. The Landmark Group's proposal will be to rehabilitate the property using rehabilitation tax credits (RTC) and low income housing tax credits (LIHTC). This will create a mixed-use campus with 55 units of affordable housing for those 55+ and an auditorium the City can lease out for different City functions.

Mr. Todd stated that on November 5, 2013 the Stanly County Board of Education received three offers and informed him that if the Landmark Group wants to amend their full-price of \$150,000 offer to purchase they would need to include a non-refundable \$25,000 deposit with a 20 minute presentation to be arranged. He further stated that the \$25,000 is far beyond the normal security deposits/earnest money that tax credit development can afford and is not feasible. He asks if the City would front the purchase agreement costs and if the Landmark Group wins a tax credit award from NCHFA in August 2014, Landmark will buy the building from the City of Albemarle. If no tax credit award is won, the City will have committed to buying the property and pay the remaining \$125,000 to complete the purchase.

Upon questioning, it was determined that if the Landmark Group is able to buy back Central School from the City, the City will still be indebted for:

- 1) \$450,000 Development Loan
- 2) \$1,000 Auditorium monthly lease payments
- 3) Tax credits
- 4) Waiving tap fees for the Landmark Group

Mayor Whitley stated that this is the first time that Council is viewing this information and it would be very hard to make a decision tonight especially with so many Councilmembers leaving their seat on December 2 and new members coming aboard.

Councilmember Holcomb stated that we will be discussing a grant that the City received for revitalization that was borrowed by Lillian Mills and has not been paid back at this point which could be used for this purpose.

Mr. Todd stated that he has until January 24 but will be going before the Stanly County Board of Education by Tuesday, December 3. He stated that he can come back in December and present this again to the new board members and let the Board Chairman, Mr. Poole know that the City is seriously entertaining this offer.

Councilmember Michael invited new members to come forward with any comments they may have.

Mr. Benton Dry, Mr. Chris Whitley, and Ms. Martha E. Hughes came forward and gave brief comments and stated that there is no problem placing this on the Monday, December 2 agenda for further discussion.

Ms. Hughes stated that she would like to personally see and talk with the City of Gastonia and other locations that Landmark has developed and stated that they may give some insight on what to consider and how to proceed if we decide to purchase Central School.

Upon a motion by Councilmember Hall, seconded by Councilmember Underwood, and unanimously carried, the City Council approved placing this item back on the agenda for Monday, December 2 for discussion by the new City Council and to also send a letter to Stanly County Board of Education Chairman, Melvin Poole stating that this was presented to City Council at its meeting on Monday, November 18 and the City is interested in restoring Central School but would like for the City's new board members to make the final decision.

Ms. Victoria Sites, ADDC Communications Manager was scheduled to come before Council to request the use of Don Montgomery Park for fireworks on Saturday, December 7 in association with Albemarle Downtown Christmas celebration. They have decided to not have fireworks and the request for approval is no longer needed.

The Reverend Bishop Richardson came before City Council to speak to Mayor Whitley and the Councilmembers leaving their seat after December 2. He stated that he had enjoyed working with all of them throughout the past years and considers all of them to be good friends.

Bishop Richardson stated that Mayor Whitley has visited his church many times and he appreciates the work Mayor Whitley has done for the City. He stated to the new Mayor, that he had enjoyed working with him as the former Police Chief and as Councilmember and it will continue as Mr. Michael becomes the new mayor.

Mayor Whitley noted that the monthly administrative reports were in the agenda package.

The Mayor and City Council considered an appointment concerning a vacancy on the Parks & Recreation Advisory Board. This appointment represents the Central Elementary School on the Board.

Upon a motion by Councilmember Neel, seconded by Councilmember Underwood, and unanimously carried, the City Council appointed Ellen Wilson Talbert to fill the unexpired term on the Parks and Recreation Advisory Board until July, 2015.

The Mayor and City Council decided to hold over until the December 16, 2013 meeting an appointment concerning a vacancy on the Greenway Commission. It was noted that Laura Wheeler has resigned from the Greenway Commission because her husband has accepted a job in another part of the state and they have had to move as a result of this.

The Mayor and City Council discussed a loan agreement with Lillian Mills Partners. Councilmember Holcomb requested that this item be placed on the agenda for discussion. It was noted that the City received a grant from the state and the City was able to lend \$800,000 to the Lillian Mills partners to help with the redevelopment of this abandoned mill. The agreement stated that repayment would begin when sufficient occupancy rates occurred, estimated to be around January 2006. When the time came for the loan repayments to begin, the Lillian Mills partners requested an extension in 2009 that loan payments be deferred until on or about March 2015 at which time they stated that full payment of the loan including accrued interest would be made.

At its meeting on September 8, 2009 the Council unanimously agreed that the loan be deferred until or about March 2015 at which time full payment of the loan, including accrued interest would be made (based on anticipated start date above total repayment would be \$883,265). The Mayor has spoken with the partners in the past year and they indicated at that time that they were not certain they were going to be able to comply with this agreement.

Councilmember Townsend stated that he read in the attachments provided to Council that Lillian Mills may not be able to make their March 2015 repayment in full including interest in the amount of \$883,265.

Mayor Whitley stated that some of the members of the Lillian Mill group including Sherrill Smith, J.T. Russell and Stephen Chambers are to meet with the City on this but the meeting has not occurred yet. This information is primarily intended for the new Councilmembers coming aboard to let them know that this is still outstanding. The City Manager will be meeting with the new members on this and other issues at hand.

The Mayor and City Council discussed a proposed addition of restroom facilities at the Optimist Park. The Albemarle Youth League, a parents auxiliary that supports Dixie Baseball and Softball programs offered by Parks and Recreation, is proposing adding two restrooms to the Optimist Park youth fields. These would replace the outdated restrooms adjacent to the fields at Montgomery Park, and would be built with donated supplies and volunteer labor.

Director of Parks and Recreation Toby Thorpe stated that Chris Moon, AYL President could not be present this evening. Mr. Thorpe gave information to Council concerning the addition of two restrooms at the Optimist Park youth fields. Also, he stated that Mr. Moon is a contractor and will be doing the work with pledges and donations. He stated that staff may help with the installation but no City money will be used.

Upon a motion by Councilmember Holcomb, seconded by Councilmember Neel, and unanimously carried, the City Council approved the addition of two restrooms at the Optimist Park youth fields and that staff helping with the installation but no City money will be used.

The Mayor and City Council considered authorizing the use of the old Rock Creek Park office building for Fire Department training burn. The City Manager stated that we have previously discussed with City Council the concept of removing this building and replacing it in the future with a picnic shelter, which we do not have at Rock Creek Park. This building is no longer needed, and is in very poor condition and we do not have the funds to maintain it and continue utilities. The Fire Department has determined it has training value and can arrange to use it for a training burn through Stanly Community College.

Upon a motion by Councilmember Townsend, seconded by Councilmember Michael, and unanimously carried, the City Council approved the use of the old the Rock Creek Park office building for a Fire Department training burn.

The Mayor and City Council considered a settlement agreement for the 2012/2013 Electronic Gaming Business License Holders. Several of the internet gambling businesses have agreed to the proposed settlement, and have signed the agreement and are still waiting to hear from some of the others.

Assistant City Manager Michael Ferris came before City Council and stated that he had received six agreements at this time with four pending. Of the four, one letter was undeliverable, one we had no response to, one expressed concern over signing the agreement, one was for the Quik Chek store and they requested a copy of the agreement for their corporate attorney to review.

Mr. Ferris stated that as the four agreements are finalized; he will bring them before Council.

Upon a motion by Councilmember Holcomb, seconded by Councilmember Underwood, and unanimously carried, the City Council approved the six settlement agreements for the 2012/2013 Electronic Gaming Business License Holders and to bring the remaining four before Council as they are finalized.

The Mayor and City Council considered an approval of financing bids for Sewer Jet Vac Truck. Bids were previously taken and awarded by City Council on the Sewer Jet Vac truck for Public Utilities. Council approved the purchase and there is money in the budget for debt service. We recommend

Uwharrie Bank be awarded the financing contract based on the lowest stated interest rate and ask that the enclosed resolution be passed.

Upon a motion by Councilmember Hall, seconded by Councilmember Alexander, and unanimously carried, the City Council approved the low bidder, Uwharrie Bank with a 1.55% interest rate and a 59 month term and also the resolution approving the financing terms.

The Mayor and City Council reviewed information concerning a public input meeting for the Morehead Park Master Plan on Monday, November 25 at 6:30 pm at the Niven Center. Parks and Recreation Director Toby Thorpe noted that when Morehead Park was built in the late 1970's, no plan for future improvements or development of park amenities was formulated. This type of master plan is imperative in order to compete for NC Parks and Recreation Trust Fund grants. The public input meeting will gather opinions to help the AP&R staff put together such a plan.

The Mayor and City Council were reminded of the Stanly County Council of Governments meeting held in Richfield on Tuesday, November 26 at 6:30 pm at Mt Zion Lutheran Church located at 111 East Church Street. We have arranged to use the Public Housing van for any board members interested in carpooling and will meet in the City Hall parking lot at 6:00 pm.

The Mayor and City Council were reminded that City offices will be closed on Thursday and Friday, November 28 and 29 in observance of the Thanksgiving holiday.

Upon a motion by Councilmember Michael, seconded by Councilmember Hall, and unanimously carried, the City Council approved an application process be used for the vacant Councilmember seat in District 3 as used for the other board and commission vacancies for residents that are in District 3, registered Democrat, and are interested. The unexpired term will need to be filled until November 2015. Also, posting a news release, and placing this vacancy on the radio and in the local newspaper.

Councilmember Holcomb stated that she attended the Veterans Day Parade and it was a very good parade but the attendance was low.

Councilmember Townsend stated that he and Ms. Hall attended the National League of Cities Congress of Cities in Seattle, WA and it was very informative. He learned valuable and beneficial information and he will have a report later.

Councilmember Hall stated that she also enjoyed the NLC conference and will have a report later also.

Councilmember Hall stated that there will be a RPO TAC meeting on Thursday, November 21 at Stanly Community College/Locust campus.

The City Manager stated that the next meeting on December 2 is the organizational meeting and he asked that Councilmembers Holcomb, Neel and Underwood leave their laptops here tonight to be wiped clear by IS for the new Councilmembers.

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