

ADJOURNED MEETING CITY COUNCIL
May 16, 2018

The City Council of the City of Albemarle met in an adjourned session on Wednesday, May 16, 2018, at 5:30 p.m. at City Hall in the Executive Conference Room. Mayor Michael presided and the following Councilmembers were present, to wit: Mayor Pro Tem Martha Sue Hall, Bill Aldridge, Chris Bramlett, Benton Dry, Martha Hughes, Dexter Townsend and Chris Whitley. Absent, none.

The City Council held a Fiscal Year 2018/2019 Budget Work Session.

Mayor Michael called the meeting to order.

Mayor Michael reviewed (cash) fund balances from last evening concerning water and sewer, electric, landfill, public housing conventional and section 8, and self-insurance.

The City Manager reviewed property tax levies and collections concerning Councilmember Bramlett's question last evening. The City Manager noted that based on his conversation with the Stanly County Tax Administrator, the revaluation year was 2013 and the first revaluation in 8 years. Also, 2014 collections were down. Collections in 2013 went from \$314m to 304 m and in 2014 they went from 304 m to 285 m. In 2016-17, the hospital came off and that's why we had no gain that year.

Chief Oke came before Council to state that the building on Bethany Road that houses the County EMS is up for sale and there is a serious buyer for this building. He was asking about the possibility of moving the EMS equipment and personnel to Station One. This at a later date can formally be brought before City Council for consideration with an agreement between the City and the County.

The City Manager stated that he would like to continue from Tuesday's budget work session and cover the Public Utilities water, sewer, and electric, Public Works Landfill, and Public Housing. Mr. Ferris gave handouts to Council of the different line items to be covered this evening.

Mr. Ferris stated there is no proposed water rate increase for FY 2018-19 and the City rates are still below the state-wide average for similar sized systems.

In Water and Sewer Revenues:

Commercial Water Sales to Cities an amount of \$2,240,000 Which includes all other governments and association rates (except CKA) – Stanly County, Oakboro, and PNSWA.

Wholesale water Sales an amount of \$2,175,000 is CKA based on Minimum of 2MGD and is inside commercial rate plus 5%.

Interfund principal and interest, \$51,000 principal and \$2,650 Interest is repayment for Fire Station #1 and East and North Police Substation construction.

In Water and Sewer Administration,

All other Professional and Consultants in the amount of \$8,800 2017-18 Water and Sewer Rate Study and capital needs analysis – to amend the W&S budget proposal or do a budget amendment in 2018-19.

Service Maintenance Contracts of \$25,300, All Other Contracts, Grant Subsidies \$25,000, **Principal and interest of share of City Hall** of \$70,000 principal and \$7,680 interest

Payment in Lieu of Taxes of \$336,895 established in place of transfer eliminated.

Councilmember Dry came into the meeting at this time.

In Water & Sewer Shared salaries of \$334,775, **Other Professional Services and Consultants** of \$18,850, Building Repair & Maintenance \$9,825, **Service Maintenance Contracts** of \$19,925, Motor Vehicles \$24,500, **Transfer for Economic Development** of \$47,195, **Transfer for Information Systems** \$340,020.

In the Water Plants Division as follows:

Electricity \$568,400 for Albemarle, Duke Power, and Union bills for plants and pumps, Building Repairs & Maintenance \$5,000, **Equipment Repairs and Maintenance** of \$53,000 for replacement of lab cabinets, routine maintenance, SCADA repairs, aerator replacement.

Contract labor and service of \$214,500 for Synagro and Asplundh and lab services, Motor Vehicles \$ 30,000, Other Equipment \$31,600.

Lease Purchase Principal of \$864,480 and Lease Purchase Interest of \$22,900

Cut TTWTP clean and epoxy floors and floor repairs, remove existing damaged floors, \$168,000 for Moss Springs Road Water Pump Station Rehab and Cut \$40,000 for reroof another section of TTWTP from the budget, Design new Equipment and Maintenance shed at WWTP.

In Sewer Plants Division as follows:

Engineering of \$3,000, **Equipment Repairs and Maintenance \$80,000** -to replace media in filters #3, #4, #5 - \$60,000 and misc.

Contract Labor and Services of \$165,000

Other Equipment \$10,000 - Construction of a 60X40 maintenance building - \$179,000 – will provide storage boom truck, service truck, flatbeds, vehicles, inventory for repairs and maintenance.

Lease Purchase Principal (\$302,260) **and Interest of** (\$104,940) for Headworks payments of \$213,000 and WWTP Phase I plant renovations of \$191,000

Cut - Design of new Equipment and Maintenance shed at WWTP and construction of a 60X40 maintenance building - \$330,000

In Water and Sewer Systems as follows:

Engineering of \$34,500- fee for pre-design for NC 24- 27 widening \$22,000 and estimate of water line relocation and design standards and specifications manual, **Other Supplies and Materials of \$207,560** for AMR replacement for efficiency and accuracy in meter reading, vent piping of several manholes to help with overflow, and make several manholes airtight to help I&I.

Other Equipment of \$17,000, Building Structure Improvements \$19,500

Lease Purchase Principle of \$550,050, Lease Purchase Interest of (\$228,900) for I&I, Sewer Jet, and current CKA \$490,890

Cut to Water & Sewer Systems: \$30,000 to open Storage Shed for equipment.

WS Customer Service \$61,500 Salaries and Wages

Utility Customer Service previously was charted to Electric. Salary and benefits now shared with Water & Sewer.

The City Manager reviewed the Electric Fund Budget proposal of a 4% decrease where there was no increase in FY 16/17 or 17/18 and a decrease of 1.6% in 15/16.

Electric Fund

Sales -\$10,290,000/\$5,315,000/\$10,281,000/\$1,900,000

Rent Poles \$50,000 - TWC, Windstream, AT&T, TW Telecom

Interfund Transfer - \$25,000

Principal Interfund Loan of \$193,200 and interest \$15,110

for Niven Center, Public Safety.

No Fund Balance Appropriated.

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Share Expense

Salaries and Wages of \$412,000 includes 50 % of cost of keeping APD Headquarters open in evenings for utility services and share of Admin, HR, Finance, etc....salaries.

All Other Profession of \$21,325 Branding, and Marketing and share of audit.

Service Maintenance of \$60,350 for Kronos, Munis, IS Contracts, and Pitney Bowes Postage Machine.
Transfer for Economic Development in the amount of \$61,350
Transfer for Info Systems in the amount of \$340,020

Admin Expense

All Other Professional Services of \$35,500 – Cost of service and rate study for electric - \$33,000 and share of First Tryon - \$2,500, Software \$11,225

Service Maintenance and Contract of \$109,720 for Blackboard Connect, Portion of CIS Harris North Star and ULOCO

Dues and Subscriptions \$31,300, Motor Vehicles \$24,500

Principal and Interest of \$140,000 Principal and \$15,350 Electric Fund share of City Hall debt of \$155,350.

Electric Systems / Operations:

Wholesale Power Purchase of \$ 24,791,000

Poles of \$95,000 for pole replacement from inspections program

Electricity - \$17,850

Contract labor and Service of \$950,000 for Asplundh for tree trimming, Lee Electric for contracted system work and pole inspection with Sawyer Services. Overall, line item is reduced by \$77,000 to reflect trend on actual usage

Other Equipment of \$ 80,000 for Lee Lynn control

Cut – SCADA Master Control and Computer, Software and Hardware update - \$60,000

Building Improvements \$25,000

Savings Account Reserves of \$1,000,000

Payment in Lieu of Taxes of \$862,000

Customer Service

Salaries and Wages - \$61,500 – now shared with Water & Sewer, previously 100% electric cost.

Public Works Landfill – Revenues

Solid Waste Fee (Tax) of \$126,000 – State \$2 per ton tax.

Closure/Post-closure Fee of \$63,000 to remain at \$1.00 per ton

Disposal Fee of \$2,550,000 of revenue for tipping fees
Scrap Tire Fee \$80,000, **White Good Fee** \$20,000
Fund Balance \$172,893

Public Works Landfill – Expenditures

Overtime \$572,100, **Engineering** \$100,000, **All Other Profession Services and Consultants** of \$13,500 for shared performance evaluation system, audit costs, and lab testing.

Electronic Management Expense of \$20,000 which used to be free through ERI at Badin.

Electricity \$19,200,

Contract Labor and Services of \$165,000,

Service Maintenance Contracts \$51,775, **Other Equipment** \$470,000

Cut Used Dozer - \$150,000

Solid Waste Disposal Fee of \$126,000 for state levied tax of \$2.00 per ton we are required to charge customers and remit to the State

Lease Purchase Principal of \$269,225 and **Interest** \$71,285

Savings Account Reserves \$150,000

Transfer Capital Reserve of \$110,000, **Interfund Transfer Capital Reserve** of \$63,000

Transfer for Economic Development and Info Systems \$18,878

Payment in Lieu of Taxes - \$40,305

In the Public Housing, Conventional

Dwelling Rent \$500,400,

PH Subsidy\$684,000,

Software \$1,200

Small Tools and Equipment \$10,240,

Extraordinary Maintenance \$11,200

PH Recreation/Publications \$21,600

Labor \$124,000

Housing Contract Cost \$126,000

Motor Vehicles \$45,000

Transfer for Info Systems \$58,626

Public Housing – Section 8

Revenue of \$1,342,200 and **Payment** \$ 1,333,200 - Housing Voucher Revenue and Section 8 Voucher Assistance Payment

The Mayor asked that Planning and Development Services Director Kevin Robinson look at residential properties in the City with unpaid taxes that are delinquent and the City puts a lien on and get back to Council on these properties.

Upon a motion by Councilmember Bramlett, seconded by Councilmember Aldridge, and unanimously carried, the Mayor and City Council adjourned to a Closed Session Pursuant to NCGS 160A-318.11(a) (6) – Personnel.

Upon a motion by Councilmember Hughes, seconded by Councilmember Dry, and unanimously carried, the Mayor and City Council reconvened to open session. Mayor Michael announced that a closed session was held pursuant to NCGS 160A-318.11(a) 6) – Personnel and there was nothing to report at this time.

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