

ADJOURNED MEETING CITY COUNCIL  
February 11, 2019

The City Council of the City of Albemarle met in an adjourned session on Monday, February 11, 2019, at 5:30 p.m. in the Raymond I. Allen Community Room of City Hall. Mayor Ronnie Michael presided and the following Councilmembers were present, to wit: Mayor Pro Tem Martha Sue Hall and Councilmembers Bill Aldridge, Chris Bramlett, Shirley Lowder, Martha E. Hughes, Dexter Townsend and Chris Whitley. Absent, none.

-----

The Mayor and the City Council met with the City's financial advisors, First Tryon and held a Strategic Planning Session in the Raymond I. Allen Room of City Hall.

-----

City Manager Michael Ferris brought the meeting to order at 5:33 pm.

-----

Michael Ferris introduced Mr. Tyler Traudt, Director at First Advisors. Tyler gave a presentation of the capital planning financial model which. The model has the ability to forecast the impact of funding proposed capital projects over a near-term and a long-term time period. Mr. Traudt stated that models assumes flat revenues and flat expenditures

Mr. Tyler updated Council on the General Fund projects agreed upon during FY17 and FY18 including the 5 cents tax increase that was approved in June 2018.

Albemarle Corporate Center (Phase I Land Purchase)	1,875,000
Development of Albemarle Corporate Center (Phase II)	5,500,000
New Police Facility	3,900,000
Replace Ladder 11	1,600,000
SCBA Upgrade	300,000
Other current year appropriations (2018)	71,901
Central Auditorium	155,000

IT equipment	273,000
--------------	---------

Mr. Traudt showed the model with the tax rate for capital projects only. Model considered zero growth. He then showed model for annual debt services requirements and explained that in year 2020-2023 an increase in revenues would be needed to fund debt service payments. Mr. Traudt reviewed that when City Council committed to the plan of implementation for these General Fund priorities, funding these activities was shown to require an additional approximately 3-cent property tax increase over the next two fiscal years. He also demonstrated that with the City's current financial position and reserves, these projects can be implemented on the original schedule with no property tax increase but instead utilize existing cash reserves.

Councilmember Hall asked for the target rate for unassigned fund balance. Mr. Traudt stated that the target is 20% and in 2018 unassigned fund balance is at 28%.

Traudt reviewed peer municipalities explained how they determine peers. Peers are determined by population and Moody's rating.

Councilmember Hall questioned needs in future years and competing priorities. Group discussed other capital projects that were turned off in the model and the funding of projects as pay as you go or financing.

For water and sewer projects Mr. Traudt explained that in year 2021 expenses are more than revenue and Council would need to consider using fund balance or adjusting payment structure to delay principal payments.

Council expressed the desire to have Mr. Traudt back more often to provide an update of the capital planning financial model

The Mayor and Council thanked Mr. Traudt for the presentation.

-----

Colleen Conroy, Finance Director, provided a financial update, including: cash and investments and current liabilities, revenue projections, property valuation, transfers to the general fund, retained earnings, and the debt service schedule.

-----

The Mayor reviewed the list of Council budget priorities previously determined by the Council and provided a status update on each priority.

-----

### **Council Comments and Interests**

The Mayor asked staff about the streetscape plan and Councilmember Hughes asked that banners near the Pfeiffer Health Services campus consist of split banners with both City of Albemarle banners and Pfeiffer banners hung on electric poles.

Councilmember Lowder asked about Wiscassett Park. Mayor Michael stated that this item is on hold due to funding. The city has committed \$3 million to the project and the total needed is \$9 million.

Councilmember Hall mentioned receiving an inquiry about the status post Hurricane Florence repairs at the ball park at Don Montgomery. Parks and Recreation Director Lisa Kiser informed Council on the status of repairs and where Albemarle High School and the American Legion planned to play while the ball parks are being repaired and that they were informed of this well in advance of the upcoming season.

Councilmember Hughes requested that Council budget priorities be revisited. The Mayor asked Council for their top 5 properties for discussion at the Thursday, February 14 Council budget work session.

-----

Upon a motion by Councilmember Hughes, seconded by Councilmember Townsend, and unanimously carried, the meeting was adjourned until Tuesday, February 12, 2019 for the Council budget work session in City Hall at 5:30 pm.