

ADJOURNED MEETING CITY COUNCIL
May 9, 2019

The City Council of the City of Albemarle met in an adjourned session on Thursday, May 9, 2019, at 5:30 p.m. at City Hall in the City Hall Executive Conference Room. Mayor Michael presided and the following Councilmembers were present, to wit: Mayor Pro Tem Martha Sue Hall, Chris Bramlett, Shirley Lowder, Martha Hughes, Dexter Townsend and Chris Whitley. Absent, Councilmember Bill Aldridge.

The City Council held a Fiscal Year 2019/2020 Budget Work Session.

Mayor Michael called the meeting to order.

The City Council received a handout concerning the City's Debt Service Schedule ending June 30, 2019 and had received an email from Fire Chief Oke concerning the ladder truck and other departmental vehicles.

The City Manager stated that he would like to continue from Tuesday's budget work session and cover the Public Utilities Water and 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 a 6.6% proposed across the board water and sewer rate increase for FY 2019-20. Lost 10.8% of all revenue with reduction in consumption by a large user. In addition to a rate increase, budget includes stop-gap measures that significantly reduce expenditures, cutting of requests, and frozen positions.

In Water and Sewer Revenues:
Fund Balance appropriation \$483,333 - \$49,000 for NCDOT relocation of water line associated with Bethany Road bridge

project, \$434,333 for NCDOT payment #2 for relocation of water and sewer infrastructure associated with NC 24/27 widening to river.

Wholesale Water Sales an amount of \$2,318,600 is the CKA based on minimum of 2MGD and is inside commercial rate plus 5%.

Industrial Water sales - -\$80,000 – Made a complete change and usage is down.

Sewer Sales Industrial - -\$656,700 – Made a complete change and usage is down.

Water Treatment Sales - **-\$128,000** –Businesses bring us waste – septic tank service, had included Landfill haul leachate to the system. Reduced due to force main and revenues show 61-3714-451303

In Water and Sewer Administration,

Showing increase because allocation is now 50% with electric.

Previously, electric had been carrying a larger percentage.

All other Professional and Consultants in the amount of \$3,800 – Share cost for pre-employment drug test, background check, EAP, random drug and alcohol testing, and electronic MSDS forms

Vehicle Leasing - \$13,500 – Share fleet leasing for meter technician 4 vehicles.

Service Maintenance Contract - \$29,140 – Harris North Star customer information system and E-billing

All Other Contracts, Grant Subsidies - \$21,520 – amount paid to Cube Hydro for loss power as a result of withdrawal.

Principal \$70,000 **and Interest** \$6,020 – Share of City Hall

Payment in Lieu of Taxes - \$332,115

In Water & Sewer Shared salaries of \$298,000 – Share of Administration, HR, Finance, Warehouse, Garage and Governing Body. Includes 50% of cost for evening utility services at Police Station established in 15/16.

Other Professional Services and Consultants of \$38,200 – Branding, Marketing, Engineering, Keller Associates, First Tryon

Service Maintenance Contracts of \$24,445 – Kronos, Munis, Remit Plus

Transfer for Economic Development of \$46,460 – Support Economic Development.

Transfer for Information Systems \$98,575 – Support Fleet Maintenance Budget

Transfer for Information Systems \$306,210 – Support IS operation budget

In the Water Plants Division as follows:

Other Supplies and Materials - \$40,500

Electricity \$500,000 – Albemarle, Duke Power and Union bills for plants and pumps

Equipment Repairs and Maintenance of \$65,000 for replacement of pump #3 and regular maintenance

Contract labor and service of \$106,000 for Synagro –Dispose of Alum Sludge and Asplundh remove growth off reservoirs, and lab services, Other Equipment \$10,000 for zero turn mower.

Lease Purchase Principal of \$886,980 and **Lease Purchase Interest** of \$11,470 –US Highway 52 WTP \$552,240 and current EQ Basin \$155,000 & Old Whitney Pump Station \$180,000

Cut roadway lights at Tuckertown. Many are non-functioning and will swap to LED \$15,500

Cut – 4 wheel drive vehicle

Cut \$203,500 to replace SCADA System at TTWTP. Monitors chemical feeds, tanks, raw water station

In Sewer Plants Division as follows:

Salaries - \$626,400, Equipment Repairs and Maintenance \$88,000 -To replace 4 actuators.

Contract Labor and Services of \$95,000 – Rocky River Wastewater for hauling of sludge and laboratory testing

Rent Equipment - \$48,000 – Rental pump a A-station until Phase I Electric Rehab complete

Lease Purchase Principal - \$293,100 and Interest of \$95,450 for Headworks payments and WWTP Phase I plant renovations of \$388,550
Position frozen in this division

In Water and Sewer Systems as follows:

Salaries - \$810,000 **Engineering of** \$12,500- to Design manual and Design for upgrade Forest Avenue line to loop it for water quality
Other Supplies and Materials of \$140,000 for AMR replacement, vent piping of several manholes to help with overflow an I&I, and other routine stock items

Small Tools and Equipment - \$5,500 – Tamping Machine

Sewer Improvements - \$87,000 – Mill Street sewer replacement and Pee Dee Avenue Slip Lining \$87,000; Both lines are deteriorating and potentially collapsing. Largest system sewer concerns excluding collector/trunk lines addressed through Inflow and Infiltration Project loans

Lease Purchase Principle of \$489,4500 **Lease Purchase Interest**

\$223,670 - FY19/20 nothing new, current CKA, I&I Phase I, Sewer Jet - \$713,120, for I&I, Phase I and Sewer Jet, and current CKA \$713,120

Transfer to Capital - \$434,333 –Second installment of water and sewer relocation costs to NCDOT for relocation associated with NC 24/27 widening to river

Cut to Water & Sewer Systems: 3 positions frozen, Designing Phase 4 I&I – Vickers Store Road area to Headworks at WWTP - \$35,000

Cut \$100,000 to \$25,000 AMR replacement

Cut 4 wheel drive vehicles \$23,000, Cut replacing 1999 ROW mowing tractor - \$60,000

WS Customer Service \$64,200 Salaries and Wages
Shared salaries for 3 employees

Electric Fund

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

No rate increase in last 5 years, 4% rate reduction in FY 18/19, and 1.6% decrease in 15/16. Rate study still in process.

Rent Poles - \$60,000

Interfund Transfer - \$25,000 – Payment from General Fund for street lights

Principal Interfund Loan \$91,130 and interest \$5,530 for Niven Center

Share Expense

Salaries and Wages of \$422,970 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 \$21,125 Branding, and Marketing and share of audit.

Allocation for Economic Development – \$65,040

Allocation for Fleet Maintenance \$98,575

Allocation for Info Systems - \$306,210

Administration Expense

Software \$3,500 – New meter reading software

Vehicle Lease - \$13,500 – trying out vehicle leases for 4 meter technician vehicles

Service Maintenance and Contract of \$147,520 for Blackboard Connect, Portion of CIS Harris North Star, and MCare mobile software which is new.

Dues and Subscriptions \$31,300 – ElectriCities membership, ULOCO

Principal and Interest of \$140,000 Principal and \$12,050 Electric Fund share of City Hall debt of \$152,050.

Electric Systems / Operations:

Engineering \$30,000 – Control House design for Lee-Lynn \$25,000

Transformers \$200,000 **Poles** \$135,000 – Both routine inventory

Wholesale Power Purchase of \$ 24,200,000 – Purchase of electricity from the Power Agency, largest single expense line item in budget

Contract labor and Service of \$1,200,000 for Asplundh for electric right of way tree trimming, Lee Electric for work on higher voltage, transmission and construction. 4 employees and 2 vehicles. City crews work more on distribution and service side. Temporarily adding a crew to install 15,000 feet of underground electric in newest phase of Grandview Subdivision.

Motor Vehicles \$365,000 – \$65,000 to replace service truck with 138,000 miles and \$300,000 to replace 1994 bucket truck with 150,000 miles.

Other Equipment \$175,000 – Equipment for Lee-Lynn control house \$175,000

Other Equipment \$100,000 - \$80,000 SCADA Master Control and Computer, software and hardware update and Reclosure \$20,000

Building Improvements \$100,000 – Control House structure for Lee-Lynn Substation

Savings Account Reserves \$729,765

Payment in Lieu of Taxes \$978,720

Customer Service

Salaries and Wages - \$64,200 – Shared with Water & Sewer for 3 employees

Public Works Landfill – Revenues

Solid Waste Fee (Tax) of \$123,000 – State \$2 per ton tax.

Closure/Post-Closure Fee of \$61,580 to remain at \$1.00 per ton

Disposal Fee of \$2,638,000 of revenue for tipping fees – Will be a \$1.00 per ton increase MSW and C&D fees at \$41.00/ton.

Public Works Landfill – Expenditures

Overtime \$8,000, **Engineering** \$100,000

All Other Profession Services and Consultants of \$14,250 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 \$19,400,

Contract Labor and Services of \$150,000 – US Tire \$70,000, Survey for waste space, annual state requirement \$10,000, yard waste grinding \$60,000, and Leachate Line filming –TV the lines \$10,000

Service Maintenance Contracts \$53,000 – Carolina CAT maintenance contract, Munis, Kronos, WasteWorks, Blackboard Connect, Fire Extinguisher Inspections, Porta-John costs, Scale house Security Monitoring, Automated Fencing Inspection and maintenance.

Other Equipment \$301,000

Motor Vehicles \$30,000 – To replace landfill Superintendent's vehicle

Other Equipment \$301,000 for used backhoe \$120,000, 4X4 Utility Vehicle \$14,000, Bush hog \$17,000, and used dozer \$150,000

Lease Purchase Principle \$280,000 **Interest** \$44,625

Solid Waste Disposal Fee of \$123,000 for state levied tax of \$2.00 per ton we are required to charge customers and remit to the State

Lease Purchase Principal of \$280,000 and **Interest** \$44,625 for the leachate force main

Savings Account Reserves \$150,000

Transfer to Capital Project of \$50,000 for planned capital project for gravity line and need a little more to cover eventual cost, paying cash from project fund.

Transfer to Capital \$61,500 for payment to closure/post-closure reserve

Allocation for Economic Development \$18,585, Allocation for Fleet Maintenance \$78,860, and Allocation for Info Systems \$52,800

Payment in Lieu of Taxes \$38,960 continued practice since FY 15/16

In the Public Housing, Conventional

Dwelling Rent \$500,400 – rental income from tenants

PH Subsidy \$630,000 with no major federal changes known at this time

Small Tools and Equipment \$10,240 – Replace another washer & dryer at EH, routine extinguisher and hood extinguisher replacement, and tires for vehicles.

Extraordinary Maintenance \$16,200 - \$15,000 site repairs, scraping, and erosion control and repair

PH Recreation/Publications \$22,500 – Senior Christmas dinner, back to school supplies, resident’s appreciation day, newsletter, boy scouts, girl scouts, co-sponsor events at EE Waddell Center

Housing Contract Cost \$138,000 – Office cleaning, apartment reconditioning, landfill expenses, uniforms, exterminator, contracted repairs, US Inspections for review of property, etc.

Transfer for Info Systems \$52,800 – Share of Info Systems costs

Public Housing – Section 8

Revenue of \$1,350,000 and Payment \$ 1,352,240 - Housing Voucher Revenue and Section 8 Voucher Assistance Payment

The City Manager reviewed the Self-Insurance Fund concerning investment earnings, City contribution, Employee contribution, Retiree contribution, and COBRA contribution.

Upon a motion by Councilmember Bramlett, seconded by Councilmember Whitley, 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 Hall, seconded by Councilmember Bramlett, 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.

City Council had a discussion of the City’s sign ordinance due to concerns/complaints. Councilmember Lowder asked that Council take a look at the ordinance to determine if changes are needed. The Mayor said that Council can address policy changes but need to allow staff to enforce the ordinances as written.

Upon a motion by Councilmember Lowder, seconded by Councilmember Hughes, and unanimously carried, the City Council asked that staff bring current sign ordinance before them for review.

Mayor Michael stated that the City Manager will email the ordinance to Council for review.

Upon a motion by Councilmember Townsend, seconded by Councilmember Lowder, the meeting was adjourned.