

REGULAR MEETING CITY COUNCIL

May 4, 2020

The City Council of the City of Albemarle met in a regular session on Monday, May 4, 2020 at 7:00 p.m. via electronic meeting. A physical quorum of members was present in the Council Chambers of City Hall, as well as the Mayor and the City Manager. Mayor Ronnie Michael presided, and the following Councilmembers were present, to-wit: Mayor Pro Tempore Martha Sue Hall, Bill Aldridge; Chris Bramlett; Martha E. Hughes; Dexter Townsend; and Chris Whitley. Joining the meeting by phone was Shirley E. Lowder.

Mayor Michael called the meeting to order.

The Mayor gave the invocation.

Upon a motion by Councilmember Hall, seconded by Councilmember Townsend, unanimously carried, the minutes of the April 20, 2020 regular meeting as submitted were approved.

PUBLIC HEARING

Incentive Resolution for Project Bella

The City of Albemarle is holding a public hearing to consider providing an economic incentive to assist a local industry expansion in Albemarle. This expansion includes a new addition valued at \$1,400,000 to their existing building, new equipment valued at \$1,500,000, and creating 15 new jobs. The City of Albemarle is considering incentivizing the business venture with a grant of 60% of the expansion cost totaling \$50,957, to be paid out over a five year period from the City's General Fund.

Over the five year period, the City can receive a net increase in revenue of \$33,971 due to receiving an estimated \$84,957 in new property taxes. Should the grant be approved, the incentives will be budgeted for the years they will be paid out.

The Mayor called for the public hearing to be opened via phone. There was no public input.

Economic Development Director Mark Donham presented the incentive proposal to Council via phone. Project Bella has operated here for many years and has successfully made and sold

their products in the US and internationally. The company uses advanced technology and their highly skilled workers to create customized products for their customers. He thanked the project partners Stanly County Economic Development Commission and Stanly Community College.

Upon a motion by Councilmember Aldridge, seconded by Councilmember Hall, unanimously carried, the public hearing was closed. There was no discussion of the item by Council.

Upon a motion by Councilmember Bramlett, seconded by Councilmember Hall, unanimously carried, Council approved the Project Bella incentive resolution.

(Resolution 20-04 – To Approve Incentives for Project Bella)

AGENDA ADJUSTMENTS

The Mayor requested that the following agenda adjustment be made:

1. Move the “Consider Approval of the EE Waddell HVAC Build Design Contract” item from the Consent Agenda to under New Business.

Upon a motion by Councilmember Hall, seconded by Councilmember Townsend, unanimously carried, Council approved the agenda adjustment.

MUNICIPAL CALENDAR

Mayor Michael and Councilmembers received the municipal calendar prior to the meeting. The Mayor asked if any Council members had any questions or comments. Clarification on whether some of the scheduled events were cancelled or are going to be held was requested. The scheduled May Planning and Zoning Board meeting has been cancelled, as there was no business for the Board to discuss. The Historic Resources Commission will use a combination of in-person and electronic meeting methods for their May 11, 2020 meeting, and the ADDC Board will meet the same day via Zoom. The May 26th date for the quarterly Stanly County COG meeting has been cancelled, with a late August re-scheduled date to be confirmed. The City of Albemarle would host the re-scheduled meeting.

A question was raised about the agenda for the May 11th HRC meeting. Will an update on the burned-down King property be raised at that meeting? A follow up question was asked – has a decision been made yet about that property? Per the agenda emailed to Council that item will not be considered at the May 11th HRC meeting. A Planning/Development Services staff member will update Council on that property.

Council agreed that the May 11, 2020 and May 14, 2020 Council FY20-21 budget sessions would be cancelled as they will provide input remotely to the City Manager. The Council considered whether to keep the May 18, 2020 regular meeting date considering that a June 1, 2020 regular meeting is scheduled for the public hearing on, and Council consideration of the FY 20-21 budget. The Council agreed to keep the May 18th date in case there is pressing business to consider. If there is not, that meeting would be cancelled. A request was made for Council to review its summer meeting schedule at the June 1st meeting.

Councilmember Lowder entered the meeting via phone.

Both this month's COG and Rocky River RPO TAC meetings will be held via Zoom.

CONSENT AGENDA

The Mayor asked if Council wanted to move any remaining items on the consent agenda down to New Business. Mayor Pro Tempore Hall requested that the first item "Consider Approval of Contract with Chambers Engineering for the Albemarle Business Center" be moved to New Business.

Consider Approval of the Capital Improvement Plan

On October 21, 2019, Council was presented with a printed draft of the 2021-2025 Capital Improvement Plan (CIP). During Council's Fall Strategic Budget Planning Session on November 19, 2019, First Tryon presented the financial model which included discussion of Capital Projects in General and Enterprise Funds. For the 2021-2025 CIP, staff anticipates the need for approximately \$94.71M in capital costs over the next five years.

The CIP is not a guarantee of funding for certain programs or capital needs, but rather a planning tool to help anticipate and plan for the City's capital needs over a five-year span. All projects and needs will be re-analyzed with the adoption of each annual budget, and may be adjusted as priorities change and with the availability of revenue. CIP's are generally needed when seeking funding sources as outside agencies like to see appropriate financial planning and growth management tools, and a well drafted CIP displays the City's ability to effectively forecast and successfully plan.

Staff seeks Council's final approval of the proposed CIP. Once approved, Council will receive a bound copy of the approved CIP.

Consider Adoption of the Update to the Cabarrus, Stanly, Union Regional Hazard Mitigation Plan

The adoption of a Hazard Mitigation Plan is a requirement of the State and Federal Governments in order to receive assistance from either following a declared disaster. The City participates in a regional planning process for the plan and an update is required. At one time the City had its own plan, but by participating in the regional planning process hazards that are a threat to all jurisdictions have been identified, and there has been the benefit of the knowledge and expertise of those involved in this regional endeavor. A resolution was provided to the Mayor and Council for their consideration.

(Resolution 20-05 – Adoption of Update to the Cabarrus, Stanly, Union Regional Hazard Mitigation Plan)

Consider Ordinance and Resolution to Allow NC Municipal Power Agency #1 to provide Monthly Electronic Billing

Members of the NC Municipal Power Agency #1 have always received their monthly wholesale power bill by email and US mail. Moving forward NCMPA1 desires to only send the monthly wholesale power bill electronically through email. To do this NCMPA1 is requesting a Waiver Agreement from each Participant that waives the US mail requirement outlined in the Project and Supplemental Power Sales Agreements. This item was discussed at the NCMPA#1 Rate Committee meeting on March 19 and the NCMPA1 Board of Commissioners meeting on April 21. The City Manager is the City's representative on both. The Electricities Board of Directors approved at its meeting on April 24, 2020.

On behalf of the NC Municipal Power Agency #1, staff is asking that City Council consider approving the attached documents:

1. Waiver Agreement
2. Ordinance for Waiver Agreement
3. Clerk's Certificate for Waiver Agreement

(Ordinance 20-13 – To Allow the NC Municipal Power Agency #1 to Provide Monthly Billing Electronically)

Upon a motion by Councilmember Hall, seconded by Councilmember Hughes, unanimously carried, Council approved the following:

- 2021-2025 City of Albemarle Capital Improvement Plan (CIP);
- Adopting the update to the Cabarrus, Stanly, Union Regional Hazard Mitigation Plan via Resolution 20-05; and
- Ordinance 20-13 along with the Waiver Agreement and Clerk's Certificate of Waiver Agreement to allow the NC Municipal Power Agency #1 to provide monthly billing electronically.

NEW BUSINESS

Consider Approval of Contract with Chambers Engineering for the Albemarle Business Center

City Council has previously provided its approval to move forward with engineered development options for the Albemarle Business Center. The original process was going to have the price included in the larger construction bid package Chambers Engineering would develop. Since we are not certain when the bid package will be developed and released, the work that has been authorized for the engineering options needs to be separated out (from the bid package development) so it can be paid, which is the reason for the contract under consideration. Funds are within the current project budget for this expense.

Upon a motion by Councilmember Hall, seconded by Councilmember Whitley, unanimously carried, Council approved the contract with Chambers Engineering for the Albemarle Business Center.

Consider Approval of the EE Waddell HVAC Design Build Contract

E.E. Waddell Community Center Gymnasium was approved for a new HVAC unit during the budget process for FY20. Through an informal bid process, Miles McClellan Construction Company was awarded the preliminary design-build agreement for the EE Waddell Community Center Gymnasium. To date, \$21,600 has been spent on this work, which includes: engineered plans, permits, and bid preparation.

The recommendation is to move forward with Miles McClellan as the design-build firm for completion of this project. Council is being asked to approve the attached design-build contract so that Miles McClellan can move forward with hiring the subcontractors to install the unit.

A question was raised about a discrepancy in a contractor name on the internal memo provided to Council. Is the contractor name LKN Mechanical or LNK Mechanical? Staff confirmed one of the bidding contractor's names is LKN Mechanical.

A question was posed to City Attorney Britt Burch as to the origination of the contract in front of Council. Ms. Burch replied that the contract is a standard form that has been customized through verbal and written negotiations with the proposed contractor to be hired.

Upon a motion by Councilmember Townsend, seconded by Councilmember Hughes, unanimously carried, Council approved the EE Waddell Community Center Gymnasium HVAC design build contract with Miles McClellan.

Presentation of the Proposed FY20/21 City of Albemarle Budget

City Manager Michael J. Ferris distributed the proposed FY20/21 budget to Council in meeting and presented his comments and highlights of the budget in a presentation. The public hearing and Council consideration of the budget is expected to occur at the June 1, 2020 regular meeting.

Highlights of the presentation included:

- Providing examples of accomplishments that the City of Albemarle has been able to note in spite of a tight budget during the current FY19-20, including:
 - A successful audit and approval from the Government Finance Officer Association of our second ever Certified Annual Financial Report;
 - The completion of the new Police Headquarters building and hiring a City Attorney for the first time in the City's history;
 - Installation of the HVAC system in the gymnasium and lot repaving for the E.E. Waddell Community Center;

- In Enterprise Funds, the City was again a winner of the Public Power Award of Excellence;
- In Water and Sewer operations completion of the Phase 2 inflow and infiltration work and first phase electric rehabilitation work at the wastewater treatment plant, as well as undertaking a cost of service study, and paying the second of three installments to the NCDOT for the relocation of water and sewer infrastructure as part of the NC 24/27 widening project; and
- Despite the instability and dynamics creating revenue losses during the COVID-19 pandemic, the City is finishing the fiscal year in a financially stable position.
- Summarizing aspects of the proposed FY20-21 budget, including:
 - General Fund: Maintaining the City tax rate at 64 cents per \$100 of assessed value;
 - Solid Waste and Disposal fees have been adjusted to continue to be self-supportive;
 - Increase in City vehicle tax from \$5.00 to \$10.00 annually;
 - Examples of major initiatives in the General Fund include:
 - New roof for Fire Station #1;
 - Renovations to bathroom in Fire Station #2;
 - Increase of \$25,000 for street maintenance and repair;
 - 1 FT position in the Planning and Development Services Department to devote to code enforcement for residential and new non-residential commercial maintenance codes. As a result the City can cut its 1 day-a-week contract for code enforcement services.
 - Replacement of the roof at the E.E. Waddell Community Services Center;
 - Major sidewalk rehabilitation projects in conjunction with the Pfeiffer construction project, as well as sidewalk improvements on South Street upcoming;
 - Powell Bill – A major source of revenue for our streets maintenance and repair program. Our current funding levels are in line with what the city was funded during FY2010-11.
 - Water and Sewer Fund – A 6% water increase and 8% sewer increase in order to pay for existing debt for current and future capital projects, routine capital needs, services maintenance, and compliance. No plan for water and/or sewer tap fee increases.
 - Electric Fund – No rate increase is proposed. This would be the sixth consecutive year for no rate increases and actually in the last five years a rate decrease. This includes the 1st phase of a cost of service implementation study to move fees towards a stabilizing of revenues by placing a greater reliance on the recovery of fixed costs to operate services. There is no increase to the average residential customer.
 - Landfill Fund: No tipping fee increase is proposed. The closure/post-closure cost will remain at \$1/ton.
 - Personnel: There is a small cost of living adjustment (COLA) pay out to all City personnel proposed in order to keep positions competitive. There will be a 10% increase in the City's cost to continue to fully fund health insurance for all employees to keep pace with increasing costs for such plans.

The City Manager closed his remarks by stating that copies of the budget will be available to the media, the public via the City's website, with the City Clerk, and when it opens at the Stanly County Library. He thanked Council for their work during budget sessions throughout the year,

and Finance Director Colleen Conroy, Assistant Finance Director Jacob Weavil and the Assistant City Manager Nyki Hardy for their help in preparing the proposed budget.

The Mayor asked Council if they wanted to consider a motion to set the public hearing for the proposed FY 20-21 budget for June 1, 2020 at 7pm in Council Chambers. Upon a motion by Councilmember Bramlett, seconded by Councilmember Aldridge, unanimously carried, Council approved setting the budget public hearing for June 1, 2020 at 7pm in Council Chambers.

Council had a few questions to pose to the City Manager about the budget. They are as follows, with the respective responses:

- Where is the City now on the County's valuation calendar? This upcoming budget year would be the last year under current County valuation rates.
- For the City vehicle tax, is this a tax that most municipalities have? Although there was no one present who could provide at that time an estimate of the number of municipalities that use that tax, the Mayor stated that for municipalities that do require that tax, the City of Albemarle's tax is much lower. The Mayor Pro Tempore requested that staff provide a comparative analysis of this tax among municipalities the size of the City of Albemarle along with background budget information to be provided to Council.
- Is there a City personnel compensation study to be conducted in FY20-21 as discussed in Council budget workshops? Yes. Later in the new fiscal year a compensation study will be conducted in order to provide as up-to-date information as possible to Council.
- What was the COLA for FY19-20 and when was it applied? The COLA for the current fiscal year is 2% and it was applied in July 2019.
- Is there a PIO (Public Information Officer) position in this budget? No.
- For compensation studies, is the City using absolute salary rates, or are they measuring salary rates in relation to the cost of living in each locale? The City finds comparative municipalities in terms of city operation size and local cost of living rates from which to base any salary comparisons. Then the City considers options on how to adjust salaries: it can be dollar-for-dollar, or funding a percentage of a salary rate, such as 90% of the comparative rate. Salary proposals then come back to Council for consideration.

Discussion of the Drainage Issue

Council has asked that a discussion of drainage issues when the City or its facilities are adversely impacted and a discussion of potential remedies be placed on the agenda. This request is a result of an issue that arose the prior week where a portion of East Cannon Avenue was flooded after a hard rain. City crews went out and removed the water build-up and investigated the situation. They confirmed that all local City-owned water pipes were clear. Water pipes on a private property are considered the source of the problem.

The City Attorney Britt A. Burch researched options the City could take to remedy a nuisance located on private property that is impacting a City-owned street or other City-owned property. She presented the options to Council in a short presentation. There are a few options the City could pursue in this type of situation:

- Under N.G.C.S. 160A, there is a requirement for municipalities to keep streets from obstruction and free flowing, and the opportunity to abate a situation which impacts the health and safety of its residents. With this remedy, the City would abate the issue on the private property and charge the owner for the work. If the owner does not pay for the abatement, the City can place a lien on the property. The City's timeline of action would be impacted by whether the situation is an emergency (i.e., if the street is impassable) or not. In a non-emergency situation, the City could send the property owner notice and a timeline to fix the issue, and then could go in and abate the situation after that timeline has passed. In an emergency situation the city does not need to supply advance notice to the property owner but can immediately abate the problem on the property.
- The City could apply nuisance property abatement procedures provided under the City's Code of Ordinances. In this instance the City would need to provide notice to the private property owner and a timeline for correction of 15 days. If after 15 days the property owner has not provided a fix, then the City can go in and abate the situation.
- The City could also enact a storm water program funded by the implementation of a utility fee for all residents. This would allow funds for the City to fix storm water issues on both private and public property.

Council had a few questions related to the options presented by the City Attorney:

- Who would make the determination of the seriousness of the situation? Since calling a City Council meeting would not necessarily be a timely and expedient option, the determination would fall to the City Manager to assess the situation and enact the appropriate remedy.
- What if the situation is cyclical (i.e., a street floods every time there is a hard rain and it has occurred 4 times in a given period of time)? The interpretation of the General Statute is that the remedy can be enacted at the first occurrence of an emergent situation (i.e., the City does not have to wait X number of times for a situation to occur in order to act).
- What if the abatement work takes considerable time and effort – is that a consideration? The interpretation of the General Statute would indicate a municipality would have reason to act in an expedient way particularly if it is viewed as a complex fix in order to abate it.

Council discussion centered on the following themes:

- This has happened before in other areas of the City – why did the City not act to abate then? In recent Council discussions similar situations, when staff asked the Council their input on remedying the situation, Council opted for the City to work with the property owner to investigate the situation and advise the property owner of remedies. Now that the City has dedicated legal counsel, the City is being made aware of statutory courses of action previously not known.
- In the situation that occurred last week, why did it flood? In that section of road it is hilly. In order to prevent water pooling on the street when coming downhill towards the street, catch basins are installed to disperse water. However if a private property owner decides to install a drainage system or pipes, the City cannot access them and they typically are not connected to

the City's water control system. If that private piping/drainage system backs up, the rain has nowhere else to go except downhill into the street.

- The course of action the city should take. Council discussed how communication about the situation should be disseminated, and what next steps would be. The Council determined that in this current case the private property owner should be notified in writing of the issue and be given 15 days to correct it. If that does not happen, then the City will go onto the property and fix the issue and charge the property owner for the service.
- The process the City should engage among the options provided by the City Attorney for future private nuisance property issues impacting City property or infrastructure (i.e. street). The City Manager confirmed if Council approves it, the method being used in this current situation will be applied in future cases.

The Mayor noted that Council agreed to move forward with notifying the private property owner in writing and giving 15 days to remedy the situation. If the situation is not remedied after 15 days, then the City will go onto the property and abate the situation and bill the property owner. Members of the City Council agreed to contact the residents of East Cannon Avenue they have spoken with regarding this issue.

Establish Filing Fees for 2020 City Elections

We are in the process of providing various requested information to the Board of Elections in preparation for the 2020 election cycle. One thing City Council is required to do prior to each election is establish the filing fees. During the most recent election cycle fees were established at \$10.00 for a City Council candidate and \$20.00 for a Mayoral candidate. The State Statute governing the range in which fees can be established is as follows:

N.C.G.S. 163-291.3 The filing fee for municipal and district primaries shall be fixed by the governing board not later than the day before candidates are permitted to begin filing notices of candidacy. There shall be a minimum filing fee of five dollars (\$5.00). The governing board shall have the authority to set the filing fee at not less than five dollars (\$5.00) nor more than one percent (1%) of the annual salary of the office sought unless one percent (1%) of the annual salary of the office sought is less than five dollars (\$5.00), in which case the minimum filing fee of five dollars (\$5.00) will be charged. The fee shall be paid to the board of elections at the time notice of candidacy is filed.

Upon a motion by Councilmember Bramlett, seconded by Councilmember Hughes, unanimously carried, Council approved maintaining the filing fees at \$10.00 for a City Council candidate and \$20.00 for a Mayoral candidate.

COMMENTS/UPDATES

Mayor Michael asked if Council members or the City Manager had any comments/updates they would like to make.

City Manager Michael J. Ferris:

- As a reminder, per the discussion related to the municipal calendar, the Stanly County COG quarterly meeting that the City was to host on May 26, 2020 has been cancelled. The date in August will be confirmed and passed onto Council.
- The City has partnered with Stanly County Schools to open up two additional school lunch pick up sites starting today at the E.E. Waddell Community Center and Amhurst Gardens.
- The Public Housing Department received notice today that they would be the recipient of \$32,000 in CARES funding.
- For the Ridge Street NCDOT resurfacing project, which encompasses Pee Dee Avenue to the traffic circle, the work has been delayed due to COVID-19, but will start again in July. As a side note, the contract calls for the work to be completed by August 2020.

Councilmember Aldridge:

- Regarding the Highway 52 repair, can another layer of asphalt be applied? Is there something else that can be done? Per the City Manager the City has inquired of NCDOT when the larger Highway 52 repaving project is planning to start, so that all of that road surfacing can be done, not just the part that was cut due to the water line break a few weeks back. From what he knows, NCDOT might ask the gas company to shoulder the cost of the larger project because they are placing many cuts along that stretch of road. However depending on the timeframe of the start date of the larger resurfacing project the patch done during the water line repair may not last. Milling and resurfacing of the patch will need to be done but it is not clear when that will be done considering the other project's timeline.
- He asked if at any time there has been a fee waiver for folks wishing to dump trash at the landfill. The City Manager said that there has never been a waiver of fees at the landfill. Could the Councilmember mean a free drop off day for electronics like Recycling Day in April? Recycling Day was cancelled this year due to COVID-19. Perhaps the city could consider it for this fall.

Councilmember Townsend:

- The Sagebrush restaurant recently changed ownership. The City should reach out to the new owner to note that the grass needs to be mowed.

Councilmember Bramlett:

- It is nice to see more people outside in the City these days. However, they are having to walk in the street instead of on the sidewalk in certain areas such as Second to First Streets on Main Street. It is something the City should look into.
- There is a creek that runs in the back of his property and he has noticed an influx of trash strewn in and around it. He is saddened and frustrated to see how his fellow residents have dirtied the City by dumping trash. The Mayor encouraged viewers and all residents to try to help by picking up trash and waste they see and to maintain their properties by keeping their yards mown.

Mayor Pro Tempore Hall:

- FYI - The YMCA Park's kiosk is open and Parks and Rec has kept trails and bike paths open.

- Not one City employee has been furloughed during the COVID-19 pandemic. A prime example of how the City has gotten work done without any furloughs is department heads re-working some positions in order for those employees to shift to other projects to keep them employed.
- A reminder that the NCLM's annual business meeting is on May 28th and will be held virtually.
- She read a resident letter about trash piling up and not having WM picking it up due to COVID-19. It was noted that some of the trash has been sitting for some weeks already. Is there any news from WM? The City Manager replied that he spoke with the WM regional director recently and related the frustration of all of the trash piling up. In that conversation he suggested that perhaps WM could use the trucks with booms to begin to pick up the large waste that would not need pick up by hand, such as large boxes, mattresses, furniture, etc. As of last week WM began to route trucks to pick up large curbside trash. Councilmember Lowder weighed in by stating that the City can't lay all of the trash problem on WM; it needs to keep trying to find ways to solve problems as they come up. The City Manager will keep in contact with WM as this dynamic continues.
- If anyone wants to do something for the Class of 2020 graduates of Albemarle High School contact her directly to submit names of graduates.
- "Attaboy" about the signage at the water treatment plant. The temporary sign is up, and the permanent new sign should be coming shortly.
- She was looking to confirm that dedication plaques have been approved for the Albemarle Neighborhood Theater and the new Police Headquarters building. The Mayor confirmed that Council approved these plaques and they are currently being engraved now.
- Is the new Police Headquarters done? The City will have ownership in a few weeks; a few final items are being finished now.
- Happy International Firefighters Day to the City of Albemarle firefighters.
- Re: the CARES Act and whether or not cities and towns are going to get funds, she wanted to raise it so that residents can understand what is occurring. Per the news media \$150 million of CARES funding was dedicated to cities and towns in the state per the new legislation the General Assembly passed over the weekend and the Governor signed this morning. The mayor responded by saying that his current understanding is that there needs to be an amendment to the CARES Act on the federal level to allow those local entities who have not already received funding as a "designated city" through the legislation to be allotted funding. Per what the Mayor Pro Tempore heard on an April 8th COG call, only entities with a population of 500,000 or more would receive CARES Act funding but that the state would receive funds to be passed down to local municipalities. Also she was made aware that Bureau of Justice funds were available for police overtime pay compensation due to the pandemic. She is not sure if anyone in our regional did or did not apply for that money. In sum, she is appalled that the City has yet to receive any of this funding related to the pandemic so far.

Upon a motion by Councilmember Hall, seconded by Councilmember Hughes, unanimously carried, the meeting was adjourned to the next regular City Council meeting on Monday, May 18, 2020 at 7:00 p.m. in City Council Chambers via an electronic meeting.