

ADJOURNED MEETING CITY COUNCIL
May 15, 2012

The City Council of the City of Albemarle met in an adjourned session on Tuesday, May 10, 2011, at 5:00 p.m. in the City Hall Management Conference Room. Mayor Elbert L. "Whit" Whitley presided and the following Councilmembers were present, to wit: Mayor Pro Tem Troy E. Alexander, Martha Sue Hall, Judy Holcomb, G.R. Michael, Jack F. Neel, Dexter Townsend and T. Ed Underwood. Absent, none.

The City Council held a Fiscal Year 2012/2013 Budget Work Session.

The City Manager stated that there was a question about funding for overtime wages in the police department at the last budget work session on Tuesday, May 8. He stated that the City does have funds for overtime in the police department and it is under the regular salaries and wages line item presently in the amount of \$20,000 and will need to be moved under the overtime wages line item.

The City Manager stated that Councilmember Michael had inquired about the agreement that the City has with the Rescue Unit of Stanly County for the lease of City property located on Arlington Avenue. This lease began February 1, 1987 and shall continue until January 31, 2037 unless terminated sooner. The City shall have the right after the 25th anniversary date to terminate this agreement with six months prior written notice to the Rescue Unit of Stanly County. He stated that Council has received two agreements, one is the lease agreement with the Rescue Unit and the other is an agreement for the Rescue Unit of Stanly County to represent the back-up service for the City of Albemarle with the Fire Department being designated as the primary provider of basic rescue services to City residents.

There was discussion of whether the City would like to amend the amount paid or to continue the agreement with the County. The City Manager stated that after 25 years, which was February 1, 2012, the City can terminate the contract with six months notice to the Rescue Unit. It was discussed whether to

pay them equal with what the City pays the other fire departments (Eastside, Bethany, and Southside).

Upon a motion by Councilmember Holcomb, seconded by Councilmember Michael and unanimously carried, the City Council approved notifying the Rescue Unit of Stanly County and lowering the rate of \$4,850 to \$2,400, matching amounts given to the other fire departments (Eastside, Bethany, and Southside) effective as of July 1, 2013.

The City Manager reviewed the Powell Bill Fund and stated that the revenue is anticipated to remain flat. We are proposing an appropriation of \$266,700 in fund balance. An increase in resurfacing funds by \$25,000 to a total of 175,000. Also included \$25,000 in General Fund for a total of \$200,000 (increase of \$50,000). The City Manager mentioned the gas tax cap proposed by Governor Perdue could impact this amount. Also the replacement of a 14-year old backhoe with a new unit in the amount of \$85,000.

The City Manager indicated he is proposing a 5.0% increase in Water and Sewer rates per month starting July 1, 2012. This will still provide rates well below the state average. The fund will also pay for its portion of shared expenses, such as personnel and technology costs. Also, the fund will pay its portion of the debt for the City Hall, the CKA water line and a grant match for NC Rural Center Biosolids grant to be transferred to grant project budget. The Water Treatment Plants division expenses for engineering for renovations costs of \$170,000 to the US Hwy 52 WTP and \$20,000 for a professional engineering report to study Tuckertown raw water intake. Also bank loan principle payments for the CKA waterline, Old Whitney pump station renovation, US 52 WTP equalization basin.

In the Systems Division there will be an allocation of \$15,000 for engineering design to replace water lines on Mill and Efird Street, \$80,000 for water and sewer line materials of \$96,000, purchase manhole coring machine, replacement of manholes and sewer lines, replacement of water lines on Cross and South Street in the amount of \$30,000 and continuation of principle and interest for lease purchase to replace rubber tire backhoe.

The Electric Fund includes an anticipated 4% customer rate increase to offset a 5% wholesale rate increase the City will receive. The City Manager stated that there will be a larger than normal appropriation from retained earnings to help fund the construction of a third delivery point for the electric system in the amount of \$2,284,900. The Electric Fund will be paying its share of the Fire Station#1/East Community Police building debt, economic development, information systems cost for desktop virtualization and upgrade to MS Exchange email system.

The Landfill has a proposed \$1.00 per ton tipping fee increase on MSW and C&D materials. The budget includes \$140,000 for tire recycling contract, wood waste grinding, rock crushing in borrow area, and other contracts. Money is budgeted for Phase II of the landfill, possible land purchase, and state tax on solid waste. The fund will also pay for its portion of shared expenses, such as personnel and technology costs.

Councilmember Michael stated that each Council member has a laptop and internet access through Time Warner Cable provided by the City. Councilmember Holcomb stated that she has a balance of \$280.00 and the City Manager stated that he has received statements for Council's internet services.

Assistant City Manager Michael Ferris stated that it might be best and easier to give each Councilmember a stipend for their internet and then Council can choose their preferred provider. Councilmember Neel stated that he would like to have advice from the City's IS department. Councilmember Townsend asked that the IS Director Owen Squires investigate internet service providers and report back to Council.

Mayor Whitley asked that Assistant City Manager Michael Ferris talk with Mr. Squires and report back to Council.

Councilmember Alexander asked the City Manager if he had received any information from Ms. Rhonda Vinson with the Just Us Kids program about their financial statement. The City Manager stated that he sent a letter to

Ms. Vinson on Monday, May 14 and she has 15 days to comply. Council continued discussion on this matter.

Councilmember Hall asked the City Manager to confirm the number of frozen positions in the Police Department. The City Manager stated that is still one frozen position in the Police Department.

Mayor Whitley commented on the Albemarle firemen winning the Liftmaster Skills Competition at Charlotte Motor Speedway. He asked that they be recognized at the next City Council meeting. Captain Brad Jenkins, Engineers Mike Hinson and Rob Milano, and Firefighter Eric Rummage were a part of this team and they were coached by Battalion Chief Tony Russell.

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