

ADJOURNED MEETING CITY COUNCIL
November 10, 2020

The City Council of the City of Albemarle met in an adjourned session focusing on strategic budget planning on Tuesday, November 10, 2020 at 4:00 p.m. in the Stanly County Senior Center. Mayor Ronnie Michael and the following Councilmembers were present, to-wit: Mayor Pro Tem Martha Sue Hall, Chris Bramlett, Martha E. Hughes, Dexter Townsend, and Christopher Whitley. Absent: Councilmembers Bill Aldridge and Shirley D. Lowder.

Also present were the following City of Albemarle staff:

- Michael J. Ferris – City Manager
- Nyki Hardy – Assistant City Manager
- Britt A. Burch – City Attorney
- Cindy Stone – Clerk/Assistant to the City Manager
- Keith Tunnell – Economic Development Director
- Chief T. Pierre Brewton – Fire Department
- Colleen Conroy – Finance Department Director
- Jacob Weavil – Assistant Director Finance Department
- Dana Chaney – Human Resources Department Director
- Owen Squires – Information Systems Department Director
- Lisa Kiser – Parks and Recreation Department Director
- Kevin Robinson – Planning and Development Services Director
- Chief David Dulin – Police Department
- Judy Redwine – Public Utilities Department Director
- Ross Holshouser – Public Works Department Director

Also present was Benton Dry, Councilmember-At-Large-Elect.

Facilitating the session or presenting were:

- Geraldine Gardner – Executive Director, Centralina Regional Council
- Emily Parker – Senior Planner, Centralina Regional Council
- Christopher Nida – Director of Research and Policy Analysis, NC League of Municipalities (via Zoom conference)

Introduction and Meeting Overview

City Manager Michael J. Ferris opened the session by welcoming everyone and briefly summarizing the intent of the meeting

Geraldine Gardner from Centralina Regional Council (CRC) began with an overview of the agenda, ground rules review and a summary of how the meeting would proceed.

FY2021-22 Investment Opportunities Exercise

Ms. Gardner requested that Council go around to the stations associated with the priority areas and place dots to “endorse” ideas/investment opportunities.

In the report out, Ms. Gardner requested that first Council clarify items on which they have questions. The discussion involved the following:

- There was a question about the stormwater management plan and its current status. Public Works Director Ross Holshouser replied that the planning team would meet next week to review RFQs. By the end of December 2020 the team will work with an engineering firm to estimate a cost for the program to bring in front of Council in 2021.
- There was a question about roof replacement at the Niven Center. Parks and Recreation Director Lisa Kiser explained that the roof has not been replaced in over 20 years, and that there have been leaks by the multi-purpose room.
- There was a question about the Moss Springs Pump Station rehab project. Public Utilities Director Judy Redwine responded. There has never been a renovation of that station since it was installed. It is impossible for the station to keep up with the current demand.

Next Ms. Gardner requested that Council place dots next to the 4 investment opportunities they would like prioritized for FY 2021-22. Top “votes” included:

- Public park murals
- Music and events, as well as an amphitheater/venue for such events
- Non fast food restaurants in Albemarle
- Review of Historic Resources Commission guidelines
- More housing in Albemarle

This information will be refined and presented in the winter 2021 strategic planning sessions in February.

Chris Nida Presentation: “2020 Local Government Budget Trends”

Mr. Nida’s presentation slides were available to the assembled group. City Manager Michael Ferris gave an introduction of Mr. Nida and stated that his presentation is based on the perspective of what local governments can control in relation to economic outlook and growth.

Mr. Nida presented remotely via a Zoom conference with the assembled group. He first introduced himself then proceeded with his presentation.

Highlights of the presentation included:

- Typically property taxes are the largest portion of a municipality’s budget.

- NC League of Municipalities (NCLM) conducted its annual budget survey of municipalities in August. From the survey NCLM found that over half of municipalities responding stated that they were concerned about revenues. Most respondents reported that they cut parks and recreation and general government expenses from their budgets.
- Sales tax trends are cyclical annually based on the time of year. For instance, revenues tend to go up during the holiday season at the end of the calendar year, dip in the beginning of the year, and increase again over time during spring and summer months.
- For trends in consumer spending, there seems to be an increase this year in food and consumer goods, with a decrease in entertainment, which will impact local sales tax revenues.
- There is a drop in NC Department of Transportation (DOT) and Powell Bill funding this year impacting municipalities' portion of aid for transportation and other related local revenue. Mr. Nida summarized the issues surrounding NCDOT this year which further exacerbated funding levels passed down to municipalities, as well as progress on local projects such as highway maintenance and road construction.
- Utility and tax sales revenue are all down possibly due to the moratorium on utility disconnections and customers putting off paying bills as a result of the COVID19 pandemic.
- Property tax revenue is still unknown at this point in the schedule, with the dynamics of commercial and residential rental property instability due to COVID19 contributing to the uncertain forecast. However, the real estate market is still strong and growing. Vehicle property tax revenue tailed off at the beginning of the pandemic but has started ticking back up, so the overall trend is flat.
- In regards to CARES Act funding, local municipalities in NC got only a small amount of the total state allotment, and that funding was restricted.
- Current state of NC revenues is not clear as there is no forecast from the State's General Assembly yet. The picture may become clearer as end-of-year taxes start coming in.
- The state's recovery from COVID19 might be slower than the 2008-2018 recession.

Mr. Nida took questions, and answered them as follows:

- What is the status from the GOALS/municipal government input process for the legislative agenda for General Assembly? All comments are in now, and the NCLM Policy Committee held 2 of the 4 sessions. From that process, NCLM received over 400 goals from municipalities. These will be advanced to the NCLM board in December. All of NCLM membership will take a vote in late December/early January.
- It seems as though the state is amassing cash – what is going to be done with that? The General Assembly has pushed building reserves for many years. However, there is uncertainty of revenue generation in the long run. There is concern for the transportation portion of the budget. NCLM would need more sales tax data in order to confirm the trend of revenue generation.

Mr. Nida ended his presentation after questions were answered and left the Zoom conference.

Ms. Gardner then asked Council what they thought the economic outlook was from their perspective. Responses or questions and answers were as follows:

- Optimistic
- Better than we thought / it could have been a lot worse
- A surge of spending
- Council needs to consider the reduction in Powell Bill spending when building the FY 21-22 budget.
- A question was asked if federal HOPE funding was being used for Public Housing. Public Housing staff have notified residents about the funds and to apply for them.
- How is the City faring in utility revenue collection? The City has made inroads to collecting funds, but still needs to collect more.

A short dinner break occurred. All Leadership Team members (department directors) and Assistant City Manager Nyki Hardy left the meeting.

Strategic Planning

Ms. Gardner introduced this portion of the meeting by stating that strategic planning is a building process. The goal of this process is for it to be an interactive process between City staff and Council to determine the priorities for FY 2021-22. This year strategic planning efforts will include community engagement.

Strategic planning involves the following: vision, mission, and values. It is a multi-year process. The way that Council would know that priorities have been implemented over time would be to drill down and chip off parts of those priorities year over year. There should be an alignment with proposed activities and the larger plan on an annual basis, and then budgeting for those proposed activities.

The role of the community survey would be to provide the perspectives of City staff and the public on how local government could support the community via its mission and vision now and into the future. The strategic planning process would be a tool to manage the expectation of the community with the realities of budget and resources. Then there would be an assessment/evaluation of progress towards the community's expectations every year.

Tonight the group will engage in the following: review of the draft community survey, a discussion of teamwork and roles between City staff and City Council, and a values exercise review.

Review: Draft of Community Survey

Council received a draft prior to this session to review.

Ms. Gardner summarized how CRC drafted the community survey. CRC wanted the survey to be able to discern the perceptions and level of satisfaction residents have with different aspects of City operations and services. They also wanted to look for input for now and for the future. With these things in mind, they constructed the survey based on the National Citizen Survey in order to benchmark citizens' responses over time. They are working to reduce participation bias by looking for input from City staff and Council on how to make the survey accessible to everyone who connects with the City of Albemarle.

Council was asked for input on the draft. The Mayor noted that blanks should be added to questions to prompt for open-ended responses, particularly towards the end of the survey. CRC will do that.

A question was asked about the plan for survey distribution. CRC is partnering with Qualtrex, a surveying firm, to aid in the development and dissemination of the survey. On the residential side, the survey will be posted on the City's website, on social media, as mailers in utility bills, via QRC codes, and postcard mailers. For the Pfeiffer University student population, CRC requested a contact there.

What is the rollout timeframe? After Thanksgiving and in line with the timing of student classes. The Mayor noted that if CRC wanted to send the survey as bill stuffers, it would need to be ready no later than the end of the month to be placed in December bills, with returned surveys to come in during January. CRC will send an outreach plan to Council soon for review prior to releasing the survey. The City Manager added that there is a desire to reach the folks who normally don't reach out to the City or that have been engaged with previous survey. The City intends to do a deeper dive in trying to receive input.

What would be considered a good response rate? A reply rate of 10-20% of the population receiving the survey would be the expectation.

Is this survey being structured the appropriate way in relation to the National Community Survey? CRC is interpreting the question/answer sets from the national survey with City of Albemarle in mind.

Will there be any promotion of the survey? Uwharrie Marketing Association will help create "buzz" around the survey.

Teamwork and Roles

CRC walked Council through a series of exercises posing different aspects of City activities with Council to demonstrate how City staff and Council work together in the roles they play to conduct City business. For example creating a purpose and vision for the City would be 100% Council's responsibility, whereas the day-to-day work of the City would be 10% Council's responsibility and 90% City employees' responsibility.

Then Council received a series of handouts asking them to define "ingredients of success" for various roles within the city government, followed by a discussion of Council's responses. For instance ethics would be associated with Council, legal issues would be associated with

Administration, and the budget would be associated with the City Manager. Councilmembers volunteered that they should be prepared for meetings and bringing different perspectives and wisdom to the table in order to learn from the other members as part of the role they play.

Core Values Exercise

Prior to the strategic planning sessions Council received 2 handouts for return to CRC staff: one to rate 6 core values for them personally, and one to rate 6 core values of an elected member. CRC announced that from the responses, Council members are aligned between core values personally and as elected officials, which is unusual. The top-rated values were: ethics, honesty, commitment, accountability, along with community and leadership.

This exercise will be completed by City Leadership Team prior to February’s strategic planning sessions and then compared to Council’s responses.

Wrap Up and Next Steps

CRC will send the Council the survey prior to releasing it to the public. CRC will meet with City Leadership Team in January 2021, and then will meet with both groups in February for the winter strategic planning sessions.

Other Business

The Mayor reminded Council that the groundbreaking ceremony for the Charters of Freedom would be held on Monday, November 30th in the morning.

Upon a motion by Councilmember Bramlett, seconded by Councilmember Townsend unanimously carried, the meeting was adjourned until Monday, November 16, 2020 at 6:30 p.m. in Council Chambers of City Hall.