

SPECIAL MEETING CITY COUNCIL  
May 19, 2021

The City Council of the City of Albemarle met in a special session focusing on the City Manager's Recommended Fiscal Year 2021-2022 budget on Wednesday, May 19th at 4:00 p.m. in Council Chambers of City Hall. Mayor Ronnie Michael and the following Councilmembers were present, to-wit: Mayor Pro Tem Martha Sue Hall and Councilmembers Martha E. Hughes, Dexter Townsend, Christopher Whitley, Shirley D. Lowder, and Benton Dry. Absent: Councilmember Bill Aldridge.

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 (via phone)
- Jacob Weavil – Finance Department Director
- 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
- Lee Staton – Public Housing Director

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The Mayor called the meeting to order.

**Presentation and Council Discussion – Budget Overview continued**

City Manager Michael J. Ferris first formally introduced Jacob (Jake) Weavil as the new Finance Director for the City of Albemarle, and noted that he and Jake worked as a team on the proposed budget in front of Council. He thanked Jake for helping him.

Mr. Ferris also wanted to note something additional from last night's discussion of the Water and Sewer Fund. Two vehicles have been purchased but they have not been delivered yet. Since it is known that these two purchases will not be recorded by the end of FY 2020-21, he will revise the proposed FY 2021-22 budget with the cost of these two vehicles in the Water and Sewer Fund expenditures instead of requesting a budget amendment from Council when the vehicles are acquired after the new fiscal year begins.

Mr. Ferris resumed his budget overview discussion with the Electric Fund.

### ***Electric Fund***

- Revenues:

- A 1% across the board electric rate reduction is being recommended. This would then total a 10.5% reduction in residential electric rates since FY 2015-16.

Councilmember Benton Dry entered the meeting

Mayor Pro Tem Hall commented that even though there is a rate reduction, she wondered how it compared to other area municipalities.

- Expenditures:

- Relocate overhead electric infrastructure to underground at the intersection of South Second Street and MLK/South Street.
- Upgrade electric system to ABC site
- Underground pulling rig, automatic transfer switch, delivery bus, reclosers, and vehicle replacement.
- Continue with Lee Electric, Asplundh, and pole inspection and change out program.

### ***Landfill Fund***

- Revenues:

- No increase in tipping fees – fees remain at \$41 per ton for MSW
- Volume based on trend. In FY 2020-21 the City budgeted for greatly reduced volume and therefore revenue was estimated due to COVID impact concerns.
- There is no change in fee charged for closure/post-closure services. It will remain at \$1.

- Expenditures:

- Heavy Equipment Mechanic
- Repairs to the Recycling building
- New dozer
- Rebuild compactor to add years of life
- Fence panels acquisition to confine wind-blown trash
- Study and permitting of C&D site. Landfill has limited permitted space, and could run out in 2-3 years. The City could cap and close that landfill, but once closed the state would never permit the City to reopen it again, and it would then go into MSW. The City will seek the permit and approval to continue to expand in place.

Council, Mr. Ferris, and Public Works Director Ross Holshouser had a discussion around this landfill issue/need, which included whether the City had more land on which to expand landfill, the differing state requirements surrounding MSW and C&D landfills and capacity, the recent trend in demand for C&D waste dumping, and how this impacts the proposed budget.

- Increase budget to reserves for capital needs or closure/post-closure, or to serve as budget buffer if revenues are less than projected.

### ***Public Housing Fund***

- Conventional Public Housing:
  - There are 150 units at Amhurst Gardens and 50 units at Elizabeth Heights
  - The majority of funds for these units are from tenant rent payments and HUD subsidies
  - The department's focus is on the condition of units, property, and unit turnarounds
  - The door project will continue in FY 2021-22
- Section 8 Voucher Program:
  - Funds based on HUD formula; the City acts a pass-through for HUD funds used for rent subsidies provided to landlords

Council had some questions which Public Housing Director Lee Staton answered. What is the current occupancy rate for both properties? There currently is 1 vacancy at Amhurst Gardens. What is the status of the unit that caught on fire last year? All work had been done prior to the bidding out of the project, however it still needs to be renovated. What are the waiting list figures for public housing units and Section 8? On the conventional housing side the wait list is 479, and for Section 8 it is 490. Mr. Staton further explained that HUD has approved the City for 333 vouchers and that 200 of them are being used. HUD has requested that the City issue 60 by the end of summer. Public Housing staff reviewed 150 applications the week before, many of which are from a few years back. As a way to market the programs, Public Housing sponsored a Lunch and Learn for landlords and property managers in April where 50 of them attended.

Mayor Pro Tem Hall asked about 1 unit that is considered offline. Mr. Staton replied that the unit is in use. Councilmember Whitley asked about the fencing. Mr. Staton replied that the fence was partially removed last year, and this year black plastic fencing is expected to be installed.

Mr. Staton noted to Council that he is expecting HUD to conduct a re-inspection this year around June 1<sup>st</sup>. The inspection would focus on buildings and systems.

This concluded Mr. Ferris's presentation of the proposed FY 2021-22 budget.

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### **Council Questions and Answers – Recommended FY 2021-22 Budget**

Mr. Ferris opened the floor to any questions Council had about the proposed budget. Questions and answers were as follows:

Q: Where do funds for the Alleyway Project come from?

A: Various sources are used, such as Parks and Recreation and Administration. What will be the total budget for that project? The total budget is estimated to be \$400,000 but that also includes labor provided by City employees. A brief discussion ensued about the difference between the streetscape (wayfinding) and alleyway projects.

Q: From the Capital Improvement Plan (CIP) updated in 2020, what has been funded in the proposed budget?

A: When Council conducted strategic planning priority areas and investment opportunities ranking exercises in November 2020 and February 2021 CIP items/projects were included. That process led to constructing the annual operating proposed budget currently under review now. Council and Mr. Ferris then discussed the CIP development process in comparison to the budget development process, and how the CIP informs the annual budget process each year.

Q: For clarification on the priority areas and investment opportunities handout, what is the status of items that are not highlighted, like the EE Waddell Center playground equipment item?

A: That line item was not selected in the FY 2021-22 budget. These items could be funded in a future budget.

Q: Although Council set a project budget for ABC site development a few years ago at about \$7 million, it does not appear to be in the FY 2021-22 budget – why?

A: ABC infrastructure development is not in the annual FY 2021-22 budget, but it is contained in the ABC project budget that the City Council has already approved. This is standard practice for multi-year projects and allows the costs from multi-funds over multiple years to be tracked. The City will appropriate money from the Electric and/or Water and Sewer Funds, or use American Rescue Plan funds for the bid out infrastructure work.

Q: What is the status of the old Albemarle Police Station property? Is it ready for sale?

A: In the last discussion Council had, they agreed to sell the property “as is”, since a new roof needs to be put on. The other ongoing task in preparing the building for sale is relocating IT infrastructure there. That process should be done by the end of June 2021.

The Mayor called for a motion to authorize the next step in the sale of the building which would be to have the building appraised.

Upon a motion by Councilmember Dry, seconded by Councilmember Hughes and unanimously carried, the motion passed.

Council then held a sidebar discussion about the upcoming May 25<sup>th</sup> Stanly County Council of Governments meeting which the City of Albemarle is due to host. Mayor Pro Tem Hall stated that she had gotten a reply from Geraldine Gardner, Executive Director of Centralina Regional Council (CRC), who can attend the meeting and facilitate a presentation on the American Rescue Funds. The Mayor noted that since the weather forecast is calling for hot weather that day, he asked for Council’s input on whether to move the event inside Market Station. Council agreed to that change in venue. The Mayor requested that the City Clerk email the COG group, update them on the change in venue for the meeting, as well as the addition of Ms. Gardner’s presentation, and ask if any others would like to attend by this Friday.

The question and answer session resumed.

Q: What is the \$50,000 state grant status for the ABC?

A: The City received the award one year ago, and has since then written the state requesting an extension, since the infrastructure work is going to bid this month which would not give contractors enough time to complete work when the award is due to expire this August. The Mayor added that he has gotten verbal assurance from the state official overseeing the grant program that the City still has the award. A request was made for the City to get this assurance in writing.

Q: For the community survey results, what is going to be done with it now?

A: The City will need to revisit it periodically. During the strategic planning sessions in November 2020 and February 2021 CRC showed community survey results which aligned with many priority areas, and those aligned priority areas are reflected in the budget presented to Council now.

Further questions and comments about the community survey and strategic planning process included:

- Councilmember Dry commented that Council needs to work in partnership with City staff on addressing needs noted in the community survey. Staff needs to advise Council of needs and concerns. Communication is important and staff does a good job of that.
- Councilmember Hughes asked if the ABC site was in a state designated Opportunity Zone, and if so, can the City derive any benefit from it. Economic Development Director Keith Tunnell replied that yes the ABC site is in an Opportunity Zone and it depends on the type and amount of business investment and a high level of advertising to see any benefits from the Opportunity Zone designation.
- Assistant City Manager Nyki Hardy reviewed efforts to date on folding community survey results into the strategic planning and budgeting process, as well as future plans to incorporate the survey into other City processes. She noted that the top 5 needs that the community expressed, which included items such as police, stormwater management, and streets maintenance/preservation, have been addressed in the FY 2021-22 budget. Also notable was the alignment between survey results of revitalizing downtown and growing the economy and priority areas of ABC development and Economic Development projects listed in the budget. The plan is to use the community survey for the next two years, then disseminate a survey again. The survey also will be used to inform the City's strategic plan.

After hearing no other questions or comments, the Mayor recapped that per Council actions from last night's and today's budget meetings, Mr. Ferris will revise the FY 2021-22 budget to reflect the following changes for the June 7<sup>th</sup> Council meeting:

1. A full-time Public Information Officer salary line item; and

2. Add the two Public Utilities Water and Sewer vehicles line item for purchases in process but not delivered yet.

This concluded the budget session.

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**Other Business**

Mayor Pro Tem Hall inquired about whether the City has a wellness program. Human Resources Director Dana Chaney replied that the City already has wellness programs and that nothing has been budgeted for this. Ms. Chaney announced that open enrollment for benefits will occur between May 24<sup>th</sup> and June 4<sup>th</sup>.

Mayor Pro Tem Hall asked if there was any update on the Pinnacle Bank Building at 115/117 South Street. Mr. Tunnell replied that he showed it to an interested party today, and that he expects that prospect to put an offer in for it. A task that still needs to be completed related to dispositioning this building is to have a footprint drawn up, since the last survey of the building has not been located at the Register of Deeds. The Mayor recommended that Mr. Tunnell reach out to Terry Whitley, who might have drawings of the building.

Mayor Pro Tem Hall noted that in travel elsewhere in the state last year she found a town that printed and distributed a calendar of all public events and activities for that year. She recommended that one be put together for citizens here in Albemarle.

Mayor Pro Tem Hall raised the issue of communication among Council members, City directors and the City Manager in order to gain clarity on the approach to be used. The Mayor noted that in a closed Council session earlier in the year, this was discussed and the consensus was that Council should communicate with the City Manager, who would distribute it appropriately. There was further discussion among Council members about their methods for contacting City staff. As a result of the discussion, Council informally agreed to contact the City Manager.

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The Mayor called a motion to adjourn.

Upon a motion by Councilmember Whitley, seconded by Councilmember Townsend and unanimously carried, the meeting was adjourned until Monday, June 7, 2021 at 6:30 p.m. in Council Chambers of City Hall.