

REGULAR MEETING CITY COUNCIL

June 20, 2022

The City Council of the City of Albemarle met in a regular session on Monday, June 20, 2022 at 6:30 p.m. in the Council Chambers of City Hall. Mayor Ronnie Michael presided, and the following members were present, to-wit: Mayor Pro Tempore Martha Sue Hall and Councilmembers Bill Aldridge, Martha E. Hughes, Chris Whitley, Benton Dry, Dexter Townsend, and Shirley D. Lowder.

Mayor Michael called the meeting to order.

Upon a motion by Councilmember Hughes, seconded by Councilmember Hall, unanimously carried, the minutes of the May 25, 2022 budget meeting and closed meeting and the June 6, 2022 regular meeting were approved as submitted.

The Mayor called forward Peter Asciutto as an unannounced delegation to make remarks. Mr. Asciutto announced that his business Vac & Dash was sold to Jason Britney and Nicole Ashton. He thanked everyone for supporting his business for over 18 years. He particularly thanked the City of Albemarle and its Parks and Recreation Department, as well as ADDC.

He announced the last donation he wanted to make would go to the Parks and Recreation Department. Parks and Recreation Department Director Lisa Kiser came up to accept the donation.

The Mayor asked if the new owners wanted to make remarks. Jason Britney announced that he and his wife want to uphold the tradition of Vac & Dash that Mr. Asciutto started. He himself is a runner and he and his wife have appreciated the warm welcome people have given them so far.

Council thanked Mr. Asciutto for his business and working with the City over the years.

PUBLIC HEARINGS

Ordinance 22-26 - To Consider ZMA 22-07 Rezoning of Six Parcels Totaling 4 Acres on Johnson Street and Highway 52 North from GHBD and R-10 to HID

Council continued a public hearing from May 16th to consider MHK Property Management LLC’s request for tax parcels 14402, 28, 7505, 24949, and 24534 be rezoned from GHBD to HID, Heavy Industrial. Also requested is tax parcel 1455 from R-10 to HID Heavy Industrial. The applicant wants to be able to have more than 5 junked, inoperable or unlicensed vehicles on their property for their tow business.

Planning and Development Services Director Kevin Robinson presented the rezoning request to Council. He summarized the rezoning request and discussions held between the owners and his staff up to this point. He noted that although the City is still working through the numbers of cars on the business's lot, the business owners still wanted this rezoning request to move forward. The Planning and Zoning Board had denied the rezoning request with the inconsistency statement.

Council and Mr. Robinson engaged in a questions and answer discussion, which included clarifying the description of an "auto junkyard" versus "temporary storage lot"; the definition of "light industrial district (LID)"; other possible ways to mask the outdoor display of cars such as fencing; and whether homeowners on Johnson Street on the back side of the property were approached about their views about the property.

The Mayor called for the public hearing to be opened and asked if anyone would like to speak on the topic.

The owners of MHK Property Management LLC came forward (Brandon King and Eric Mauldin). Mr. King stated that the business actually does not want to be rezoned to HID or LID, and was looking for more exploration with the Planning Department on this. As their business grows they would like to have their entire parcel zoned the same. They are not looking to operate a junkyard. Typically they turn cars around and get them off the lot within 10 days or so, but the process has gotten a little longer recently. They are hoping to obtain the "temporary storage service" designation. They noted that they are one of the City's contractor in the towing rotation and would like to continue with that engagement.

Council asked Mr. King questions. Have they spoken to neighbors in the area particularly on Johnson Street? They have. One Council member noted that a Johnson Street homeowner registered a complaint about the business which initiated the City's involvement.

Council asked Planning if there were other options to bring the business to code, such as a Special Use Permit. Planning would have to look into that option. Could there be an option for a Special Use Permit with conditions? Mr. Robinson replied that the rezoning to LID would still need to occur along with a Special Use Permit.

Council asked City Attorney Britt Burch for guidance on how to proceed. Ms. Burch advised Council that they can move back the public hearing without reposting public notice, but recommended as a courtesy to send out notice again to nearby neighbors of the new public hearing date should Council decide to continue the hearing again. The Mayor asked if the applicant could rezone the property something different than HID later on. Ms. Burch replied that the applicant could do so. Kevin Robinson, Planning Director, further explained that the zoning could be revised to a designation less than HID without having to re-advertise.

Upon a motion by Councilmember Townsend, seconded by Councilmember Aldridge, and carried with a vote of 6 Council members for the motion and 1 against, Council approved leaving the public hearing open.

Councilmember Lowder opposed the motion.

After the vote Council discussed timing needed for Planning to bring recommendations back in front of Council. Mr. Robinson replied that about 30 days would suffice and that they could be ready to present to Council by August 1st.

Upon a motion by Councilmember Townsend, seconded by Councilmember Aldridge, and carried with a vote of 6 Council members for the motion and 1 against, Council approved moving the rezoning public hearing to August 1st in order to give the business and staff more time to search for other options to present to Council.

Councilmember Lowder opposed the motion.

Ordinance 22-35 – To Consider ZMA 22-08 To Rezone 1.31 Acres on Highway 24/27 from LID to GHBD

Council conducted a public hearing to consider approving rezoning of a 1.31 acre tract at corner of Jeffries and Highway 24-27 from LID, Light Industrial to GHBD, General Highway Business District. The property owner and applicant is RPM Associates, LLC; C/O Randy Mauldin. The lot currently is vacant.

Senior Planner Travis Swain presented the rezoning request to Council. Mr. Swain noted that this property is not located in a regulated floodplain or watershed district. There does not appear to be any other significant environmental impacts on this property. While there is contamination on other properties adjacent to the Jeffries plant, there have been no studies showing the presence of contamination on this site.

The applicant intends to rezone this vacant lot from Light Industrial to General Highway Business in order to harmonize the subject parcel with neighboring properties along 24-27 Bypass that are currently zoned General Highway Business District (GHBD). The said lot is located in the Industrial Land Use classification in the Future Land Use Map, across the street from General Residential and Commercial on the other side of the intersection. It is along a major thoroughfare with accessibility to other commercial uses, such as gas stations, convenience stores, and automobile sales. Furthermore, GHBD would provide as a transition from surroundings residential developments and adjoining commercially zoned properties to the existing Light Industrial District, located directly to the north. While the subject tract is surrounded by GHBD to the south, east, and west, it is important to consider all uses allowed within the General Highway Business District because this is a general district rezoning request. Given the proposed use, the parcel's proposed use under the future land use plan, and its proximity to existing General Highway Business District zoned parcels and uses; there are merits for the proposed rezoning to be considered for approval. While inconsistent with the City's future land use plan the use is not inconsistent with the commercial nature of the surrounding intersection. A change to the future land use map is to be considered.

Planning and Zoning Board heard and unanimously recommended for approval of the rezoning with a future land use amendment statement at its hearing on June 2nd.

The Mayor asked if Council had any questions.

The Mayor asked if Mr. Mauldin wanted to make any remarks. Mr. Mauldin, residing at 616 Hazelwood Drive in Albemarle, told Council that this request represents 1 acre cut from a 9 acre lot

he owns. He intends to either sell it or develop it thus his rezoning request. He feels the rezoning request is appropriate and a fair request.

The Mayor called for the public hearing to be opened and asked if anyone would like to speak on the topic. No one came forward to speak.

Upon a motion by Councilmember Hall, seconded by Councilmember Townsend, unanimously carried, Council closed the public hearing.

Upon a motion by Councilmember Hall, seconded by Councilmember Hughes, unanimously carried, Council approved Ordinance 22-35 which contains ZMA 22-08 with the following future land use amendment statement:

The Albemarle City Council finds the action to amend Tax Record 13339 from LID/Light Industrial District to GHBD/General Highway Business District to be inconsistent with the adopted 2028 Land Use Plan; however, rezoning the property will achieve the public interest and shall be deemed reasonable. The aforementioned map amendment shall amend the City's Land Use Plan to change this property from Industrial to Commercial classification.

[Ordinance 22-35 – To Consider ZMA 22-08 To Rezone 1.31 Acres on Highway 24/27 from LID to GHBD]

Ordinance 22-36 – To Consider ZMA 22-09 To Rezone a 1.39 Acre Split-Zoned Parcel on Ash Street from R-8 to R-6

Council conducted a public hearing to consider approving the rezoning of a 1.39 acre portion of parcel 26472 from the current R-8, Neighborhood Residential to R-6, Urban Residential. The property owner is AMKO Holdings and the applicant is Jeff Jernigan of Arbor Homes. This rezoning will make all of the 10 acre parcel R-6.

Senior Planner Travis Swain presented the rezoning request to Council. The applicant intends to rezone a portion of this vacant lot, 1.39 ± acres, from R-8/Neighborhood Residential to R-6/Urban Residential in order to have a more uniformed zoning district on the property. In addition, the applicant wishes to utilize the property for single family attached townhomes. Staff believes this rezoning would provide an opportunity to expand the variety of housing types available to all citizens in this area. Furthermore, this parcel has direct access to Ash Street followed by Snuggs Street which would provide future residents quick access to Old Salisbury Road, collector road, and US 52 North, a principal arterial roadway, for daily travels. While the acreage is designated as General Residential in the Future Land Use Map, it is adjacent to Neighborhood Residential and the bulk of this property is already zoned R-6. Though it is the intent of the applicant to use this property for single family attached townhomes it is important to consider all uses allowed within the Urban Residential District because this is a general district rezoning request. Given the proposed use, the parcel's proposed use under the future land use plan, existing R-6 Zoning on the property, and availability to infrastructure; there are merits for the proposed rezoning to be consistent with the City's future land use plan.

Planning Board unanimously recommended for approval of the rezoning with a statement of consistency at its June 2nd hearing.

The Mayor asked if Council had any questions.

The Mayor called for the public hearing to be opened and asked if anyone would like to speak on the topic.

Ms. Sara Huneycutt came forward to speak. She and her family reside on 603 Snuggs Street. She bought a property on 1511 Ash Street late last year, and recently placed an offer on another property at 1507 Ash Street. As a neighbor and owner of multiple properties in this area she is concerned about the R-6 designation in terms of the types of townhomes that can be developed versus the current zoned R-8 designation, which she feels is more conducive to the neighborhood. She wanted more information about the proposed townhome development.

The Mayor noted that since the public hearing is related to rezoning, Council could not offer any specifics about the development at this time, but the developer could if a representative was present tonight. Mr. Robinson came in front of Council to walk through the townhome requirements for both the R-8 and R-6 designations noting that for both, townhome lot requirements and density is not much different between the 2 zones.

Jason Britney came forward to express support for Ms. Huneycutt's concerns.

The Mayor asked if Mr. Jernigan would like to come forward to make remarks. Mr. Jernigan thanked the City for the opportunity to build more homes in Albemarle. As one of the top renovation companies in Charlotte, they are known for building high quality structures. They would like to develop a relationship with the City, as the City seems to be welcoming growth.

Mayor Pro Tem Hall and Mr. Robinson had a dialogue about the lot specifications that are allowable for townhomes under the R-8 and R-6 zones.

Upon a motion by Councilmember Townsend, seconded by Councilmember Hall, unanimously carried, Council closed the public hearing.

Upon a motion by Councilmember Dry, seconded by Councilmember Whitley, unanimously carried, Council approved Ordinance 22-36 which contains ZMA 22-09 with the following consistency statement:

The Albemarle City Council finds the action to amend a portion of Tax Record 26472 from R-8/Neighborhood Residential District to R-6 Urban Residential District to be consistent with the adopted 2028 Land Use Plan. More specifically Section Five: Goals, Objectives and Strategies, Policy Directives Objectives O-3.a, O-3.c, and O-3.d. Council finds the Urban Residential District zoning of this parcel to be reasonable and in the public interest.

[Ordinance 22-36 – To Consider ZMA 22-09 To Rezone a 1.39 Acre Split-Zoned Parcel on Ash Street from R-8 to R-6]

AGENDA ADJUSTMENTS

The Mayor requested the Council move Ordinance 22-34 FY 2022-23 budget to the end of the Administrative Report section, remove the following items from the consent agenda: Resolution 22-23 – To Approve a Cost of Living Adjustment for FY 2022-23; Consider Approval of Chemical Bid 22-10; and Consider Road Closure Request for Falcon’s Street Fest, and add the HUD Public Housing 5 Year Agency Plan Annual Update as the last item under New Business.

Upon a motion by Councilmember Hall, seconded by Councilmember Dry, unanimously carried, Council approved the agenda adjustments.

ANNOUNCED DELEGATION

Marilyn Wells and Travis McClung, Waste Management of the Carolinas – To provide an Update on Services

Ms. Wells came in front of Council along with Travis McClung, Pat Kalemba, and Tim Davis to provide an update on Waste Management services for the City. She reiterated that WM has been plagued with the same issues as the last time Council was updated: driver and supervisor shortages, backlogs in supply chain for bins and bin parts, and new drivers unaccustomed to routes needing to be trained more.

Council brought up their frustration and concerns on behalf of residents and themselves that issues do not seem to be resolved even after WM came to the table with a few Council members, the City Manager and Public Works Director Ross Holshouser earlier this year to address multiple, longstanding issues such as missed collections of all types and lack of WM customer service in the area of taking calls and returning calls. Councilmember Townsend asked about call log reports that were promised and have yet to be received by the City. Ms. Wells said they are close to releasing reports to the City and are working to continue to train new CDL drivers on the routes, which is why the gentlemen in front of Council now have been pulled in to help the Albemarle operations situation to supervise new driver training and ensure that customer service receives additional resources if needed.

Council thanked the group for being at the meeting and listening to the concerns of residents, City employees and Council about the service level of WM and look forward to WM addressing them.

UNANNOUNCED DELEGATION

Per a request to speak form submitted prior to the meeting, the Mayor called Mr. Billy Mills up to speak about the stormwater plan. Mr. Mills, residing at 401 Brenda Drive in Albemarle, began his remarks quoting from a Stanly News and Press article about the removal of the stormwater management plan and fund from the FY 2022-3 budget at the May 18th Council budget session. He questioned the use of the consultant WK Dickson, a nonlocal firm, to build and propose a stormwater

management plan for Albemarle, concerned that their interest was not in Albemarle but rather in profiting from their consultancy without being aware of the local topography here.

Council thanked him for his remarks.

ADMINISTRATIVE REPORTS

Progress Report for Albemarle Business Center

City Manager Michael J. Ferris presented an update to Council. A construction progress meeting was held for the Albemarle Business Center on Friday, June 3. Status of the project activity is as follows:

NJR update:

- Erosion control basins and ditches are fully installed
- Sewer installation is beginning; test drilled first 4 manholes and hit rock at each of them
- Blasting to install sewer line has begun
- RCP pipe is still not in; has been on the list since November and is due to arrive in June

City electrical update:

- Bids should be received the week of June 6th.
- Lead times on materials are still our largest concern; times have been 30-40 weeks
- Final design should be complete next week
- Install is still tentatively planned for January 2023

The City Council did not have any questions or comments regarding the City Manager's report.

Departmental Monthly Reports

Council reviewed May 2022 departmental monthly reports. The Mayor asked if anyone on Council had any questions or comments.

Ordinance 22-37 – Creation of a Social District

Main Street Market Manager/Director Albemarle Downtown Development Corporation Joy Almond reviewed the structure and ordinance for the creation of a social district with Council. Council previously heard the conceptual framework for a proposed social district which would conform to General Statutes earlier this year. The boundary map, summary of public input comments and the conceptual presentation as background material, and the Ordinance was provided in the agenda packet.

Ms. Almond noted that 12 towns/cities across the state have approved a social district, which includes Norwood and Kannapolis among others. On May 4th she met with staff from the Police, Public Utilities, Planning and Development Services departments to discuss roles related to implementing a social district. She also has been reading statewide email threads around any potential emergent concerns and issues relating to implementing social districts and noted so far that concerns were scarce.

She took questions from Council. Have towns voiced anything that doesn't work for them since they implemented a social district? Most of the feedback has been positive so far. If the City implemented a social district would folks drinking stay on the sidewalks? Ms. Almond reviewed the boundary map and noted that she hoped patrons would stay on sidewalks. What would be the cut off time on Sunday? Per staff consideration the social district would be in effect from 10:00 am until 10:00 pm Monday through Sunday. Council discussed the Sunday brunch alcoholic beverage law they approved in the past which allows for establishments to begin serving alcohol at 10:00 am on Sundays.

Ms. Almond noted that there were a few business owners who were present tonight for this item and asked if any wanted to come forward with their thoughts on the establishment of a social district. Joshua Hicks, the owner of Badin Brews, came forward and noted that currently no businesses stay open typically past 5:00 pm in downtown, leaving no draw for folks to come downtown. With a social district, it would give people a reason to come downtown, thus increasing foot traffic, more frequent occurrence of festivals and special events, and more money spent downtown.

Upon a motion by Councilmember Hughes, seconded by Councilmember Dry, and carried with a vote of 6 Council members for the motion and 1 against, Council approved Ordinance 22-37 establishing a social district in downtown Albemarle. Councilmember Lowder opposed the motion.

[Ordinance 22-37 – Creation of a Social District]

Ordinance 22-34 – Approval of FY 2022-23 City of Albemarle Budget

Per Council action at the June 6th meeting, continued Council discussion was requested about the budget changes made due to the removal of the Stormwater Fund. The only change since the June 6 hearing involved adjustments to reduce the Landfill Fund Budget, as the compactor purchase occurred in the current fiscal year and therefore is not needed in the FY 22/23 Budget.

Before discussion began Mayor Pro Tem Hall addressed Mr. Mill's comments related to the SNAP article about the May 18th Council meeting and proceedings leading up to their motion to remove the stormwater plan and fund from the budget at this time, as well as the motion to proceed with further public input and review of other options for an anticipated January 1, 2023 stormwater plan/fund implementation. She confirmed that Council unanimously did vote on this course of action for the second motion.

The Mayor then noted that Council agreed for the contractor WK Dickson to come back with other options for a stormwater management plan and fund, and sought clarification from staff on whether the RFP to have the consultant to conduct a review and offer other options for Council to consider this summer could be stopped at this point. City Attorney Britt Burch replied that the City is

obligated to compensate WK Dickson for previously completed contracted work. Mayor further asked then once Council adopted a stormwater management plan, a new RFP to manage the implementation could be initiated. That understanding was confirmed.

Council had a discussion about the timing of their decision to approve a stormwater management plan and fund in relation to the timing of implementing it, particularly the leveraging of fees and its impact on the Fund and residents, businesses, and other organizations impacted by the fee. Many Council members are concerned with the financial impact of the program for those who will have to pay for it and on the City's ability to financially support it.

Councilmember Hughes had a series of questions she posed, with Mr. Ferris's responses as follows:

- Re: the Assistant Fire Chief position: That position was requested years ago by former Fire Chief Oke – what has changed for it to be included now? Council's strategic planning process identified the number 1 priority as enhancing organizational capacity. Although City operations have been on the lean side for years, with new growth in the City it was apparent that new positions such as the Assistant Fire Chief position needed to be added to the budget to meet the internal and external demands City operations is facing currently. The City is in a position financially to be able to add multiple positions at this point in time. Councilmember Townsend added that just about every other department has added an assistant director position except for Fire, and so with the new subdivision developments coming on in the last 2 years that Council has approved, he believes the position is justified.
- For the other positions that have been added to this budget (i.e., Finance, Information Systems, etc.) what is the process used to decide that a new position needs to be added? Requests for staffing are routine every year, but this year the focus was primarily on services which serve across the organization or across departments to be able to keep up with and support everything the City does. Councilmember Hughes followed up by asking if there was a formula or some other measure to identify the timing on when to add a position. In lieu of a benchmarking study such as those performed in the past by UNC's School of Government, those in positions to oversee City operations made determinations on where and how to fill staffing needs in order to increase efficiencies not just in an area but across City operations.
- Re: the streets preservation and rehabilitation line item, it was noted there is an increase from \$400,000 to \$625,000 – where did it come from? That comes from both the General Fund Street Division and Powell Bill Fund. The combination of the 2 creates that figure. On the City side, the City is increasing its contribution by \$50,000, with the remainder coming from the Powell Bill allocation from the State, which is larger than in past years.
- Re: Parks and Recreation email she sent Mr. Ferris today, she wanted to recap that the basis for her request was that, although all the departments could use more funds, there seemed to be less allocated to Parks and Recreation than last year's budget. The City Manager noted that in the last 6 to 7 years the department's budget has increased 48%. Although data and trends are not immediately available at hand to specifically address this question, in the last referenced budget year there could have been a multitude of factors causing a larger budget allocation to the department, such as receiving grants funding for the basketball court at EE Waddell, and

allocations from the General Fund Reserves for payment on large capital expenses such as replacement of windows and HVAC at EE Waddell which could have driven up the department's budget allocation prior to this proposed fiscal year budget. Councilmember Hughes noted that she brought up this department because as the City grows in population, the families are going to come, and wanted to make sure the City focuses some of its resources here.

- The City paid WK Dickson in excess of \$427,000 – what happens to the rest of the money we owe them? How and when do we pay that? What the City owes them and what is contained in the budget will be discussed under the stormwater specific New Business items coming up. The question remains though how is the City going to pay for the balance of what is owed to the consultants now that the stormwater fund is no longer existent. When the stormwater plan and fund was first conceived, there was an understanding that the General Fund portion of the budget would pay for the assessment and analysis of should there be a program. By mid-May staff had to decide how to move funds from assessment and analysis into implementation functions in the event that Council saw fit to approve the program and fund. That was the path that was taken at the time which then had to be reversed once Council voted to not move ahead with stormwater program implementation with the FY 2022-23 budget on May 18. Councilmember Hughes replied that she was not aware of the impact of the creation of the stormwater fund on what the City still needed to pay out for that initial work done until it was removed. Mr. Ferris noted that the stormwater fund as conceived for the FY 2022-23 budget would focus on paying the balance of what the City owes on the assessment/analysis expenses. That amount needs to come from somewhere though. That is the part of this budget item that may not have been understood as thoroughly by Council in terms of the impacts it would have on the budget in the past few weeks once they voted down implementing the stormwater program/fund.

Mayor Pro Tem Hall asked about a General Fund question. On certain budget line items there is a notation that there is an “allocation of...” – her understanding is that this phrase means that it is coming from somewhere else in the budget. Is her understanding correct? Yes it is. The reason for instances such as these in the budget is to allocate the total expense across different funds based on the services provided. For example, the Public Information Officer (PIO) line item has allocations from both General Fund and Enterprise Funds due to the fact that the PIO provides service to all departments across City operations, and so would be distributed across different funds to pay for their portion of the service provided.

Mayor Pro Tem Hall and Mr. Ferris discussed the variation in budget allotments across departments from year to year, and what might account for those variations.

Upon a motion by Councilmember Whitley, seconded by Councilmember Townsend, and carried with a voted of 5 Council members for the motion and 2 against, Council approved the Fiscal Year 2022-23 City of Albemarle budget as revised per the version presented to Council on June 6, 2022 and adjusted as noted by the City Manager subsequent to the June 6th meeting.

Mayor Pro Tem Hall and Councilmember Hughes opposed the motion.

[Ordinance 22-34 – Approval of FY 2022-23 City of Albemarle Budget]

CONSENT AGENDA

Resolution 22-20 – To Adopt Electric Rates for FY 2022-23

The attached Resolution sets electric rates for FY 22/23.

[Resolution 22-20 – To Adopt Electric Rates for FY 2022-23]

Resolution 22-21 – To Schedule a Public Hearing for a Partial Abandonment of Unity

Drive

As part of the subdivision approval of MJSR 22-01 at the January 18th, 2022 City Council meeting, a portion of right of way along Unity Drive will need to be formally abandoned to prevent potential title issues with the property owner that plans to develop this property into the approved cluster subdivision. A memo with further detail was provided in the agenda packet.

[Resolution 22-21 – To Schedule a Public Hearing for a Partial Abandonment of Unity Drive]

Resolution 22-22 – To Adopt Water and Sewer Rates for FY 2022-23

The attached schedule provides a 7% adjustment in water and sewer rates recommended in the Budget.

[Resolution 22-22 – To Adopt Water and Sewer Rates for FY 2022-23]

Ordinance 22-39 – Ordinance Amending the Alleyway Project Budget

The ordinance accomplishes two things: 1) Updates the project budget ordinance in accordance with North Carolina General Statutes relating to project contingency appropriations, and 2) Increases overall project budget appropriations per Council's recent decision regarding the first tranche of ARPA Funds. As a reminder, the City has elected to take the standard revenue loss allowance for ARPA funds. In order for the additional appropriation of \$250,000 to be received by the project fund, an additional budget appropriation will be needed in the Fiscal Year 2023 operating budget once it is approved.

[Ordinance 22-39 – Ordinance Amending the Alleyway Project Budget]

Ordinance 22-40 – To Establish a Project Budget for I&I Phase 3

The budget ordinance would establish a project budget for the Sanitary Sewer Rehabilitation Phase 3 Project. This budget is a combination of engineering estimates from LKC Engineering and an additional appropriation from the Water and Sewer Fund to cover the 2% loan closing fee for the Clean Water State Revolving Fund program (CWSRF).

- The City is currently approved by the CWSRF program to borrow funds at approximately \$6,156,000 at 1.38%.
- The City is on the LGC's agenda in July for their approval to borrow the funds.
- Bids are estimated to be sent out and received in the first quarter of Fiscal Year 2023 and will be presented to Council for approval.
- Construction is estimated to begin in the second quarter of Fiscal Year 2023.

The difference between the engineering estimates of \$6,232,000 and the current amount awarded by the CWSRF program of \$6,156,000 represents what the City believes to be a reasonable estimate of costs for the project at this time. An amendment may need to be presented to Council once bids have been received and Council makes a decision to move forward.

[Ordinance 22-40 – To Establish a Project Budget for I&I Phase 3]

Consider Approval of Three Year Contract with Retail Strategies

The City is completing an existing 3-year contract with Retail Strategies. The new contract does keep the price at level the same in FY 22/23 as it has been for the last several years, but then does gradually increases the amount. This service was reviewed in the budget process and funds have been provided to continue with their services.

Report of the Sales of Surplus Property FY 2021-22

In accordance with Resolution 17-05, Purchasing Coordinator Linda J. Lewis has provided a summary of three surplus property sales held during fiscal year 2021-2022.

Consider Approval of ABC Electric Material Bid 22-09

Staff is requesting that City Council consider approval of ABC Electric Material Bid 22-09 for materials to construct the internal electric distribution system of the future Albemarle Business Center. With supply chain issues ongoing, Staff opened the bid for materials first to ensure a timely delivery and will then open bid for contracted labor construction of the system at a later date.

[insert bid tabulation]

Consider Road Closure for Albemarle Christmas Parade

The Albemarle Christmas Parade has been scheduled for Saturday, December 10, 2022 from 4:00 pm - 5:30 pm in Downtown Albemarle. Parade participants will ride on floats, vehicles, march throughout the parade route in Downtown Albemarle.

Streets requesting to be closed:

* First St. from Salisbury Ave. to South St.

* Second St. from Salisbury Ave. to South St.

* W. Main St. from First St. to Second Street

Consider Road Closure for Albemarle Christmas Open House

The annual Albemarle Christmas Open House will take place on Friday, December 2nd from 5:30 pm - 8:30 pm. This is a family friendly downtown event to kick off the holiday season with shopping, food trucks, Santa, face painting, crafts, and live entertainment.

Streets requesting to be closed:

- * W. Main St. from Depot St. to Third St.
- * First St. from South St. to North St.
- * Second St. from South St. to North St.

Consider Road Closure for Albemarle Fall Festival

The annual Albemarle Fall Festival and Costume Parade will take place on Thursday, October 27, 2022 from 5:00 pm - 7:00 pm. Children will participate in a costume parade, contest, and trick-or-treat in Downtown Albemarle.

Street closures requested:

- * First St. from South Street to North Street
- * Second St. from South Street to North Street
- * W. Main St. from Depot St. to Third Street

Consider Road Closure for Albemarle Autumn Extravaganza

The annual Autumn Extravaganza will take place on Saturday, October 29, 2022 from 12:00 pm - 4:00 pm in Downtown Albemarle. The event will feature live music, food trucks, vendors, woodcarving demo, hayrides, and more.

Streets requesting to be closed:

- * Second Street from W. Main Street to North Street

Consider Road Closure Request for Forest Hills Independence Day Parade

Forest Hills neighborhood hosts an annual Independence Day parade of bicycles, strollers, and pedestrians around Azalea Park. The date of the event is July 4, 2022 from 9:30 am - 1:30 pm.

Street to be considered for closure:

- * Cannon Avenue at Park Lane

* Azalea Drive at Ninth Street

* Eighth Street at Azalea Dr.

* Seventh Street at Azalea Dr.

Upon a motion by Councilmember Townsend, seconded by Councilmember Dry, and unanimously carried, Council approved the following:

- Resolution 22-20 adopting electric rates for FY 2022-23;
- Resolution 22-21 to schedule a public hearing for a partial abandonment of Unity Drive;
- Resolution 22-22 to adopt water and sewer rates for FY 2022-23;
- Ordinance 22-39 amending the Alleyway project budget;
- Ordinance 22-40 establishing a project budget for I&I Phase 3;
- New 3 year contract with Retail Strategies;
- Report of the sales of surplus property for FY 2021-22;
- Albemarle Business Center Electric Material Bid 22-09;
- Road closures for Albemarle Christmas Parade on Saturday December 10th;
- Road closures for Albemarle Christmas Open House on Friday December 2nd;
- Road closures for Albemarle Fall Festival on Thursday October 27th;
- Road closure for Albemarle Fall Extravaganza on Saturday October 29th; and
- Road closures for Forest Hills Independence Day Parade.

Resolution 22-23 – To Approve the Cost of Living Adjustment for FY 2022-23

This resolution would approve the proposed City of Albemarle salary schedule for 2022-2023 that will be effective with the first payroll in July. The Mayor requested that on the salary schedule lines 1 and 2 be reversed.

Upon a motion by Councilmember Dry, seconded by Councilmember Aldridge, and unanimously carried, Council adopted Resolution 22-23 with the change noted.

[Resolution 22-23 – To Approve the Cost of Living Adjustment for FY 2022-23]

Consider Approval of Chemical Bid 22-10

Assistant Public Utilities Director Jay Voyles came in front of Council to present the staff request for City Council to consider approval of the presented chemical bid 22-10 for chemicals for water & wastewater treatment, and provide explanation of the bid results. The vendor initially put the wrong quote in the bid (wet tons instead of dry tons). Mr. Voyles noted that Council should consider only the dry tons bids noted in the bid tabulation sheet in the agenda packet.

Upon a motion by Councilmember Hall, seconded by Councilmember Hughes, and unanimously carried, Council approved the following recommendations for chemical bid 22-10 dry tons only for chemicals for water & wastewater treatment: Chemtrade Chemicals (Liquid Alum); JCI Jones

Chemicals (Liquid Caustic); Univar (Liquid Hydrofluosilicic Acid); JCI Jones Chemicals (Chlorine Gas); JCI Jones Chemicals (Sodium Bisulfate); and Amerochem Corp. (Carbon Slurry).

[insert bid tabulation]

Consider Road Closure Request for Falcon’s Street Fest

Pfeiffer University invites alumni and friends to Falcon's Street Fest on Friday, September 30th from 5:00 pm - 9:30 pm in downtown Albemarle. Local restaurants and businesses will be offering specials for the evening. Food trucks and a beer garden will be available for alumni at Courthouse Square Park. Tours of the new Pfeiffer Center for Health Sciences will be offered.

Streets to be closed:

* Second St. from W. Main St. to North St.

The Mayor noted that this was taken off consent agenda due to the fact that Pfeiffer is a nonprofit and so would not have to pay the fee, and asked if Council would add that to the motion.

Upon a motion by Councilmember Hall, seconded by Councilmember Dry, and unanimously carried, Council approved waiving the fee and road closures for the Falcon’s Street Fest on Friday September 30th.

NEW BUSINESS

Consider Commitment to a Budget Amendment in FY 2022-23 for ElectriCities Group Purchase of Transformers

City Manager Michael J. Ferris, along with Assistant Public Utilities Director Jay Voyles, provided a general overview of the dynamic involved with purchasing electric transformers currently and the rationale for bringing this to Council. A memo from the Assistant Utilities Director was included in the agenda packet.

With ongoing supply chain issues across the nation, staff also updated Council on current conditions of inventory in the Electric Division. Staff is requesting City Council offer their commitment to approve the purchase necessary to allow the transformer supply to keep pace with the demand. By joining the ElectriCities group bid, the City would have the opportunity to be able to make a bulk purchase of transformers needed for the new developments currently being planned and built, the primary driver for the need currently.

Upon a motion by Councilmember Aldridge, seconded by Councilmember Dry, and unanimously carried, Council committed to a budget amendment in FY 2022-23 for purchase of transformers per an ElectriCities group bid.

Ordinance 22-38 – Amending Operating Budget for Fiscal Year 2021-22

City Manager Michael J. Ferris presented this request to Council. The budget ordinance revises the appropriations made in Ordinance 21-39. Per our auditors, Martin Starnes and Associates, it is not necessary to appropriate the transfer of borrowed funds between the Electric Fund and the General Fund. Therefore, the Electric Fund's total budget appropriation is being reduced by \$1,916,258. The General Fund's total budget appropriation remains the same, but is corrected to show fund balance appropriation rather than proceeds from debt.

This ordinance also appropriates Fund Balance from the Water and Sewer Fund to be transferred to the Sanitary Sewer Rehabilitation Phase 3 Project. The amount transferred is the required 2% loan closing fee with the State CWSRF (Clean Water State Revolving Fund). The project has been approved by the CWSRF program and is scheduled to be reviewed and approved by the LGC at their July meeting. Bids are expected to go out in the first quarter of Fiscal Year 2023.

Finally, this ordinance appropriates additional funds to be transferred to the stormwater project. A separate memo contained in the agenda packet summarized the need to appropriate funds to the project and future project funding. Mr. Ferris and Council discussed what the budget amendment would cover for the current costs spent as well as having funds to provide for stormwater plan reevaluation moving into the new fiscal year.

Upon a motion by Councilmember Hall, seconded by Councilmember Whitley, and unanimously carried, Council approved Ordinance 22-38 amending the FY 2021-22 operating budget as specified.

[Ordinance 22-38 – Amending Operating Budget for Fiscal Year 2021-22]

After the vote, Public Works Director Ross Holshouser came in front of Council noting that WK Dickson has provided a series of potential dates for a stormwater management plan reevaluation work session with Council. Potential dates are: June 29th and 30th, July 13th and 14th, or the week of July 25th. Council discussed dates and decided to wait until tomorrow to set a date.

Ordinance 22-41 – Amending the Stormwater Master Project Plan Phase I

The budget ordinance is to increase appropriations to the project budget to continue funding services with WK Dickson through January of 2023. Councilmember Hughes noted an incorrect date in Section 1 of the Ordinance, which should read January 2023.

Upon a motion by Councilmember Hughes, seconded by Councilmember Aldridge, and unanimously carried, Council approved Ordinance 22-41 with the date correction.

[Ordinance 22-41 – Amending the Stormwater Master Project Plan Phase I]

Consider Appointments to the ADDC Board of Directors

On behalf of the ADD Board of Directors, Board Chair Edna Lipe-Harkey {memo provided in agenda packet}, is requesting City Council consider the appointments of Tonya Judge (Pfeiffer University) and Connie Josey (First Street Legal) to the ADDC Board of Directors.

Upon a motion by Councilmember Hall, seconded by Councilmember Hughes, and unanimously carried, Council approved the appointments of Ms. Judge and Ms. Josey to the ADDC Board of Directors.

Consider Reappointments to Boards and Commissions

As of July 1, 2022 for the below listed boards and commissions, the following members' terms are set to expire:

Planning/Zoning:

- Michele Cumming - Interested in reappointment.
- Tym Scott - Interested in reappointment.
- Randy Shank - Not interested in reappointment (vacancy)

Historic Resources Commission:

- Chris Bramlett - Interested in reappointment.
- Antony Pernell - Interested in reappointment.
- John Williams - Interested in reappointment.

Tree Commission:

- Patti Furr - Not interested in reappointment (vacancy)

Upon a motion by Councilmember Dry, seconded by Councilmember Hall, and unanimously carried, Council approved the reappointments of Ms. Cumming and Mr. Scott on the Planning and Zoning Board.

Upon a motion by Councilmember Dry, seconded by Councilmember Hall, and unanimously carried, Council approved the reappointments of Dr. Bramlett, Mr. Pernell, and Mr. Williams to the Historic Resources Commission.

Public Housing HUD 5 Year Agency Plan and Annual Update

Dr. Kim Scott came in front of Council to review changes to the Public Housing Department's 5 Year Plan with HUD as part of their annual update process. He handed out 2 documents to Council: a summary sheet of Admissions and Continued Occupancy Plan (ACOP) and administrative changes to the Conventional Housing Plan and the Section 8 Plan; and the Capital Fund Program 5-Year Action Plan.

Council raised a series of questions and concerns about the information provided in the summary of changes document. For instance with the late fee requirement is that a City or HUD requirement? It is a HUD requirement. Dr. Scott walked through the late payment process from time of late payment, grace period, when department staff file with the court and assessment of the late fee, etc. Per questions from the Mayor Dr. Scott also summarized the late fee rate change and whether that conformed to HUD requirements.

Council and Dr. Scott also went through selected other changes in the administrative Public Housing and Section 8 plans seeking clarification on whether these are required changes by HUD or local City changes. Dr. Scott noted that per the consultant he has been working with on this update these are all HUD requirements which the City is trying to enact locally.

City Attorney Britt Burch recommended to Council that the City should include further clarification on the definition of "late payment" in the Public Housing policy as a way of increasing transparency with Public Housing tenants. She will review the certification documents also before they are signed and submitted to HUD.

The Mayor asked if it was allowable to pay administrative salaries out of the capital funds and the process to do it. Dr. Scott replied that this is under debate. Assistant Finance Director Kimber Hurlocker and Finance Accounting Specialist Kim Speights both came forward to discuss this with Council. The Finance Department has been under the understanding that per HUD, administrative salaries cannot be paid from capital funds for Section 8. If HUD is changing this, it would need to be documented and provided to Finance before they enact administrative salary payments out of capital funds. Dr. Scott offered to obtain written documentation or guidance from the Greensboro HUD office about this. Ms. Hurlocker stated that she would reach out to the State's Treasury Office and the City's auditor to obtain clarification on this.

Council questioned the Year 1 Work Statement figure of over \$724,000 on the Capital Program 5 Year Action plan document. Is that the figure for this fiscal year? Yes it is. Would any of those funds address the sewer issue? Yes – some of those funds are paying for an architecture firm and solicitation for an architect of record for the Department has been let and are to be received by Dr. Scott no later than June 28th. How many units would be addressed? Twenty-two (22) units would be renovated with the Year 1 appropriation. After that, \$20,000 has been appropriated every year over the next 4 years to address 20 units' sewer issues as they arise across the complex.

The Mayor asked about the \$42,000 figure for cable box replacements – that is a City cost even though the boxes are owned by the cable company? Yes the City has to pay for the replacement boxes.

Council decided to continue discussion of this item tomorrow night in order to give City staff some time to address the financing questions they had before making a decision.

Introduction of Development Coordination Specialist

The Mayor invited Planning and Development Services Director Kevin Robinson to introduce the new Development Coordination Specialist replacing Jay Voyles. Mr. Robinson introduced Charles Dunevant. Mr. Dunevant is a Western Carolina University graduate and has previously worked

for the Natural Resources Council in the Soil and Water Division in Norwood. He is an Albemarle native and is familiar with some of the members of Council.

Council welcomed him home and to the City.

COMMENTS

Councilmember Townsend:

- He commented that he recognizes that Council approves ordinances but departments like Planning have to enforce them which could put them in awkward positions.
- He commented that in the past Council had budget sessions with department heads to hear the needs from different areas of City operations – he suggested that this type of meeting resume next budget year.

Mayor Pro Tem Hall:

- She agreed with Councilmember Townsend about department heads being put in awkward positions and gave an “attaboy” to Public Works Director Ross Holshouser for managing the stormwater plan input/commentary.
- She recognized the Parks and Recreation and Fire Departments for the Montgomery Park baseball tournament last week. She was glad to see Fire department personnel out there due to the extreme heat. She congratulated Parks and Recreation staff for a great job putting on the tournament.
- She noted that in last Friday’s storm with the resultant power outage, she saw Public Utilities and Public Works working to remove a felled tree.
- The Stanly History Center will be sponsoring a Smithsonian yearlong event. The kick off will be August 6th.
- She requested that a sit down between Retail Strategies and Council occur again when possible.

Councilmember Whitley:

- This Wednesday the CATALYST Grant Committee meets to select ranked applications.

The Mayor noted the time and asked Council for consensus on recessing the balance of tonight’s meeting to include: finalizing a stormwater plan reevaluation working session date, continuing discussion with Dr. Scott about the changes to the Public Housing Department’s HUD 5 Year Plan Annual Update to address the questions raised tonight, and to have closed session as previously publicized in tonight’s agenda. Council agreed to vote on recessing the balance of the meeting until tomorrow.

Upon a motion by Councilmember Aldridge, seconded by Councilmember Hughes, unanimously carried, the meeting was recessed to Tuesday, June 21, 2022 after the special meeting for minimum code violation public hearings.