

ADJOURNED MEETING CITY COUNCIL  
February 25, 2012

The City Council of the City of Albemarle met in an adjourned session on Saturday, February 25, 2012, at 8:00 a.m. in the Executive Conference Room of the City Hall. Mayor Elbert L. Whitley presided and the following Councilmembers were present, to wit: Troy E. Alexander, Martha Sue Hall, Judy Holcomb, Ronnie Michael, Jack F. Neel, Dexter Townsend and T. Ed Underwood. Absent, none.

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The Mayor and the City Council held a Fiscal Year 2012/2013 Planning and Budgeting Work Session in the Executive Conference Room of the City Hall with the City Manager, Assistant City Manager, and City Clerk.

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The City Manager reviewed the FY 2012/2013 Budget Preparation Schedule. The March 7 and 8, and May 8 and 10 budget work sessions will begin at 5:15pm.

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Fire Chief Shawn Oke came before Council to discuss his budget goals and needs due to his being out of town on his scheduled day work session coming up in March. Chief Oke reviewed the grants in process for his department including laptops for staff vehicles and a staffing grant to replace three firefighter positions currently frozen. Also, he reviewed the Fire Prevention Fee Schedule which is generating revenue nearly \$5,000 to date and cost saving measures taken by his department. He discussed budget priorities for 2012-13 for his department and the priority level of each as follows: 1) Elimination of 24.25 hours shift, 2) Hiring an Assistant Fire Chief, 3) New staff vehicle for Fire Chief and also future recommended improvements for the fire department. Also, Chief Oke reviewed with Council his future recommended improvements.

Chief Oke answered any questions that Council had.

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The City Manager reviewed the City's current financial position and future forecast. The General Fund Fund Balance was 18.96% at the conclusion of the most recent fiscal year.

The City Manager reported that sales tax revenues continue to be sluggish, but noted they have increased since last year. The sales tax revenue is the City's second largest source of revenue for the General Fund. The City's transfer from the Electric Fund to the General Fund is the same as the previous year. The City Manager noted that the County will implement the new revaluation starting January 2013. This is the City's top source of revenue for the General Fund. The available Fund Balance has increased since last year and we will slowly add a few percentage points a year to build this back up to 25-35%.

The City Manager covered the City's debt burden which continues to be low. Council reviewed charts of the revenue and expenditure trending of the General Fund, Powell Bill, Water/Sewer, Electric, Landfill, and Public Housing

The City Manager reviewed the Payroll Analysis chart which includes FICA and retirement, and salaries, which is down over \$400,000 from the previous year and over \$900,000 since 2010. The City Manager stated that there have been quite a few retirements and presently there are 18 frozen positions over all the departments. He also stated that employees have not had a cost of living raise in three years and asked Council to consider a 2% raise starting the 2<sup>nd</sup> pay period of March 2012. This was discussed and the inclusion of the City Manager and Council in this pay raise. Councilmember Neel stated he agreed with the pay increase for employees, but the Mayor and City Council should not be included.

Councilmember Townsend moved that the City Council approve a 100% across the board cost of living raise for all employees including the City Manager and City Council starting the 2<sup>nd</sup> pay period of March 2012. Councilmember Hall seconded the motion. Voting for the motion were Councilmembers Alexander, Hall, Holcomb, Michael, Townsend and Underwood. Voting against the motion was Councilmember Neel. The motion carried.

The City Manager stated that he will draft the resolution and ordinance for Council for the March 5 regular session Council meeting.

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In a discussion of revenues, the City Manager said we should come in at budget. Also, he stated that with the warmer than normal weather this winter's electric revenue was down this year. He does expect both the electric and water/sewer revenues to both be tight. There should be a slight lowering of around 14 basis points (.14) in the retirement rate. Health insurance costs have been the same for the past couple of years.

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Upon a motion by Councilmember Underwood, seconded by Councilmember Hall and unanimously carried, the Mayor and City Council adjourned to a closed session pursuant to NCGS 143-318.11(a) 5 to discuss real estate matters.

Upon a motion by Councilmember Underwood, seconded by Councilmember Holcomb and unanimously carried, the Mayor and City Council reconvened to open session. Mayor Whitley announced that a closed session was held pursuant to NCGS 143-318.11 (a) 5 to discuss real estate matters.

Councilmember Underwood left the meeting at this time.

Upon a motion by Councilmember Michael, seconded by Councilmember Hall and unanimously carried, the Council approved to go ahead with Phase I at the Wiscasset Mills site, authorizing the City Manager to contact Greenfield and start Phase I and have a surveyor to determine the extent and correction of the Floodplain there.

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The City Manager stated that now we will continue with Council budget priorities for the coming year.

Mayor Whitley stated that because of the economic conditions, he would ask that there not be any tax increase this year.

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Councilmember Alexander stated that the City needs to continue with the drug and gang program with the Police department. He agreed with Mayor Whitley on no tax increase this coming year. Also, he stated that if the grant money is there, to continue on with City Lake Park.

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Councilmember Hall stated that the City needs to continue putting money back for unplanned capital expenditures.

Ms. Hall stated concerning the 18 employees frozen, to not replace some positions and commended the department heads and employees who are working 30-40% more.

Ms. Hall stated that at the Prime Power Park, we need to be active and proactive in being behind this and the needs there. We should look at the sewer issues out there. She stated that she is hoping for a grant with the Rural Economic Development Center to help out with the needs there.

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Councilmember Holcomb stated that street maintenance and sidewalks is a top priority. She stated that she would like to see the three positions that are presently frozen on the Police force, be added back. She also echoed no tax increase for the upcoming year.

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Councilmember Michael stated that the NCDOT grant money to extend the sidewalks at the Albemarle Middle School, to provide safe routes for kids if walking to school may have a small amount of funds left over. If no, he would like to see the sidewalks extended onto the Albemarle Middle School. Also, he would like to see the High Point Drug Model Initiative by the Police Department continue, and adding back at least the three frozen positions in the Police Department.

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Councilmember Townsend stated he would like to see the High Point Drug Model Initiative by the Police Department continued and improving conditions of our roads throughout the City. One in particular would be Dunlap Street between Morrow Avenue and Dr. MLK, Jr. Drive.

Councilmember Townsend stated that the City should focus on marketing vacant industrial properties like the former Masterpiece Housing building and the Wiscasset Mills site. He suggested that the Council appoint an economic development task force that could make recommendations to City Council about ways to improve our economic competitiveness. He noted that the task force should include members from the financial, industrial, retail and restaurant sectors, and could meet for approximately 3 months to formulate their recommendations.

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Councilmember Neel stated he would not like to see any reduction in street paving and he would like to see an increase in this if possible.

Mr. Neel mentioned that there are streets that are too narrow especially in the South Albemarle area and specifically across from the EE Waddell Center. He would like to see streets such as Montgomery Avenue between Moss Springs Road and Ridge Street and Freeman Avenue between Moss Springs Road and Ridge Street widened. The streets need to be at least 20 feet wide.

Councilmember Neel stated that the ElectriCities Board of Directors is now going to paperless agendas as we did four years ago. They will buy ipads for each member. Mr. Neel also stated that our laptops are ancient now and maybe need updating.

The City Manager stated that they have not been replaced because they all seem to be working fine. Information Systems Director Owen Squires is working on using a virtual server where no laptops would be needed for Council during their meetings in Council Chambers for some time in the future.

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Upon a motion by Councilmember Holcomb, seconded by Councilmember Alexander, and unanimously carried, there being no further business, the meeting was adjourned.