

ADJOURNED MEETING CITY COUNCIL  
March 10, 2011

The City Council of the City of Albemarle met in an adjourned session on Thursday, March 10, 2011, at 5:00 p.m. in the 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, Jeanette M. Napier, 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 2011/2012 Planning and Budgeting Work Session in the Conference Room of the City Hall with the following Departments presenting: Public Utilities, Public Housing, Engineering, Public Works, and Fire.

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Interim Director of Public Utilities Judy Redwine began her presentation with a review of recent Departmental accomplishments. Future stated goals include refurbishing of the water tank at the 52 Water Treatment Plant as well as a controlled wastewater release system. The Tuckertown Water Treatment Plant is in need of roofing replacement and new filters. Water from the CKA waterline will also be from this facility. Water and Sewer Systems Division will implement the findings of the inflow and infiltration study and upgrade existing water lines. The Electric Division will continue with its investigation of a possible third delivery point for the City and would like to contract for ROW vegetation clearing.

Ms. Redwine said the City is expecting a wholesale electric rate increase and the City Manager will be discussing this later. She also anticipates a 4.5% to 5% water and sewer rate increase.

She also reviewed various cost saving measures including freezing positions, cost sharing, downsizing meter reading trucks, energy efficient light installation on streets and at plants.

The City Manager reviewed options concerning future electric rates and the debt of NC Municipal Power Agency #1. He said as the debt arrangement stands now, cities are facing a 7.6% electric rate increase each of the next three years. If debt is restructured to coincide with levelized debt payment for the remaining debt, the average increase in upcoming years is estimated to be 2.5%. However not restructuring the debt means low rate increases in the future, while

restructuring means there will be a longer period of increases but at a small level. Mr. Allen said he has to cast a vote as the City's delegate to the Power Agency Board of Commissioners and asked how Council wanted him to vote on the debt restructuring issue. Councilmember Neel indicated he thought the debt should be restructured.

Upon a motion by Councilmember Holcomb, seconded by Councilmember Underwood and unanimously carried, the City Council authorized City Manager Raymond Allen to vote at the NC Power Agency Board of Commissioners meeting in favor of restructuring the Power Agency debt.

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Director of Public Housing Garry Lewis discussed issues facing his Department. He noted the federal government has been pushing for the reduction in reserves. He also noted Section 8 landlords have asked for an increase in the rental payment standards, but the Department has resisted in order to continue to serve as many families as possible.

Mr. Lewis indicated that for the first time the utility subsidy will be reduced. He also indicated he anticipates deep cuts to the amount of money for capital fund projects the Department receives.

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Director of Engineering Services Jon Mendenhall reviewed the Engineering Department budget issues. He noted the Department has the needed tools and equipment and that they are in good condition. He also said the Department has very good office space with a good amount of filing capacity. The Department continues to work to provide assistance on other Departmental projects such as the Greenway, Morrow Chase and is administering the Safe Routes to School grant. He did not believe there would be any significant, new projects in the Department for 2011/2012.

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Director of Michael Lambert discussed Departmental projects and initiatives. He said the Department continues with its longstanding street resurfacing initiative, but noted that the funds have been cut so they are able to resurface fewer streets. He noted a major focus to date in the current fiscal year has been on maintenance. Sidewalk work and street cleaning are also primary focuses of the Street Division. He reminded Council that personnel has been permanently reassigned from the Street Division to the Downtown Services crew,

noting that in the last year they have added the responsibility for maintenance of the City Hall site. He discussed the responsibilities of the Warehouse Division and Central Garage, noting a new garage maintenance facility is needed in the future. In discussing the Solid Waste Division, he provided data showing the effectiveness of the new rain flaps installed. He also indicated that over \$450,000 was generated last year from the Landfill recycling program.

He concluded his presentation with a review of current staffing levels and reviewing the frozen positions. He also noted that the Department has very little overtime expense and he manages schedules to avoid paying overtime, when possible.

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Fire Chief Shawn Oke began his presentation by reviewing current and future grant applications. These include seeking funds for radio replacements, vehicle exhaust systems, and computers for Fire apparatus.

An initiative last budget cycle was to implement a new set of fees for the Department to help offset the cost of inspection services. He noted the City is still awaiting City Attorney David Beaver to prepare the necessary documents to implement this change. Councilmember Hall said this was taking the City Attorney entirely too long to make these changes. It was the consensus of the City Council to have the City Attorney provide a status report on this matter at a future meeting.

Chief Oke said he would be seeking a grant to help fund positions in the Department that are currently frozen. Councilmember Alexander inquired about the impact staffing has on ISO rating. Chief Oke said it does play a role. He noted that the City recently had its review and it will be several years until another occurs, by which time he hopes to have the staffing levels to a higher level.

Chief Oke is recommending the purchase of two pumpers as a lease purchase for another apparatus will be expiring. This would allow a current ladder truck to be considered a true ladder company and help receive greater ISO points as well.

Chief Oke thanked the City for allowing the new, more comprehensive physicals to be performed. He said the additional cost of these physicals have already paid for themselves as they have made early detection of serious health problems.

He concluded his presentation by noting the need for a replacement of the current Station #2, the addition of personnel in the Fire Marshal's office, and Assistant Fire Chief, and a desire to increase the call force levels.

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Councilmember Hall reported that she contacted the Centralina Council of Governments about the number and status of minimum housing violations cases that were currently in process. She reported several in process and several that the City has asked to be placed on hold. She thought she may have more information on this subject for a future meeting.

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Councilmember Neel commended the staff for the quality of their presentations and their professionalism. He noted the citizens of Albemarle should be proud of the employees.

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Upon a motion by Councilmember Neel, seconded by Councilmember Hall and unanimously carried, the meeting was adjourned.