

ADJOURNED MEETING CITY COUNCIL
February 19, 2011

The City Council of the City of Albemarle met in an adjourned session on Saturday, February 19, 2011, at 8:00 a.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.

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 City Manager and Assistant City Manager.

The City Manager reviewed the FY 2011/2012 Budget Preparation Schedule.

The City Manager reviewed the City's current financial position and future forecast. He indicated that it will be a difficult budget year upcoming but manageable. He also noted that he has asked all Departments to come in with a budget no greater than the current year.

The General Fund Fund Balance was 12.6% at the conclusion of the most recent fiscal year. This is lower than it has been in recent years, but is due to several factors, such as the City Hall project, EE Waddell Center renovations, and the purchase of the Wiscasset property on Salisbury Avenue. These are all one time initiatives that do not require additional Fund Balance appropriations and he anticipates the City will once again build its Fund Balance.

The City Manager reported that sales tax revenues continue to be sluggish, but noted they are in line with the budgeted amounts. This is the City's second largest source of revenue for the General Fund and is much lower than several years ago. The City also has the lowest transfer from the Electric Fund to the General Fund that it has ever had. With the County not implementing the recent property revaluation, the City is not receiving its normal growth in revenues.

Councilmember Neel indicated there was recent legislation introduced into the North Carolina General Assembly to prohibit transfers from the Electric Fund to the General Fund. He indicated that the City needs a way to charge this fund for cost it incurs and services it receives from the General Fund. Mayor Whitley also expressed serious concern over this proposal. They suggested possibly liquidating the retained earnings in the Electric Fund and moving it to the General Fund. The City Manager noted that he too is concerned about this legislation; however, he does not believe the State Treasurer's Office will allow the City to make such a transfer. He did feel there were other ways of addressing Electric Fund costs to the General Fund without transfers, such as more direct charges for actual services provided. He felt this would be a way the City's General Fund could recover these costs.

Overall, the City's debt burden continues to be low. The City does have the ability to follow through with planned capital activities such as renovation of the Niven Center and improvements at the Wastewater Treatment Plant.

The City Manager reported that a possible additional expense to the City could be increasing its contribution for employee retirement.

In a discussion of revenues, the City Manager said he does not intend to propose a tax increase to the Mayor and City Council. He does expect a whole sale power rate increase once again that will need to be passed along. He also anticipates proposing a water and sewer rate increase. He indicated that an analysis of state-wide water and sewer rates shows the City rates to be among the lowest in the state, approximately 50% of the state average.

Mayor Whitley indicated that the City Council needs to be very cautious when deciding which agencies and activities to support, citing the example of paying for Police protection to cover a privately sponsored bike race. Councilmember Holcomb said she supports the bike race and providing Police protection because it will bring a few hundred people to the downtown.

Assistant City Manager Michael Ferris distributed a copy of the summary of all Capital Improvement Program requests in the current draft plan. He noted there are several items and asked Council how that would like to proceed with the review. He indicated that he could print full copies, but wanted to make sure Council and the Mayor were interested in full copies prior to printing these. It was the consensus of Council to receive printed copies and Mr. Ferris indicated he would provide these shortly.

Mayor Whitley said that Mr. Richard Huneycutt owns property along US Highway 52 that he has been filling. He noted the property looks terrible and asked that the City staff contact NCDOT to make sure they are doing all they can to control the situation.

Mayor Whitley also said that Mr. Huneycutt is developing property on Salisbury Avenue. He said footings for a building have been poured in the floodplain and the area is beginning to look junky. Assistant Manager Michael Ferris indicated that a building can be constructed in this area if it is flood – proofed and it is his understanding that Mr. Huneycutt has had a design developed to meet the flood-proofing standards. He also noted it is currently planned for a used car lot. Mayor Whitley asked that the City keep a close eye on the property for compliance with City rules and also asked the NCDOT be contacted about this property. The City Manager said that staff would discuss further and report made to Council concerning this development.

Councilmember Neel reported there are 4-5 cars in a yard on Leonard Avenue. The City Manager said that as long as the vehicles are registered, there are not laws preventing this.

Councilmember Underwood noted the asphalt on North Second Street in front of the Catholic Church is pushing and needs to be addressed.

Councilmember Neel indicated the City Council is losing touch with the Planning and Zoning Board and needs to reinstitute the regular dinner meetings. The City Manager said the meetings were eliminated due to cost concerns and suggested meeting instead at the City Hall. Councilmember Neel did not feel the Planning and Zoning Board members would come to meet if a meal was not provided.

Councilmember Neel suggested developing a policy for funding non-profit agencies. The City Manager said staff would research this issue and gather such policies for Council's review.

Councilmember Townsend said the Police Headquarters facility needs to be addressed. He also indicated the City should decide about the future of the former Fire Station #1 on North Third Street.

Councilmember Townsend said he has received complaints about the amount of time the Police have to spend at certain apartment complexes. He wondered if the City could require these complexes to hire private security.

Councilmember Townsend said he is often stopped by the public inquiring about new developments and wondered if there was a way to get information to Council about these in a timelier manner.

Councilmember Hall said people have asked her about the future of the City Hall Annex. Councilmember Neel suggested taking the sign off the front of the building.

Councilmember Hall also said she thought the Police needed a better headquarters facility.

Councilmember Hall said the City needs to ask the Police Chief if he feels the Butterfly House services are necessary in deciding if the City should pay a user fee for their services. Mayor Whitley thought the County should pay for this facility since it benefits all County taxpayers.

Councilmember Hall said the City Council should try to make an effort to improve communications with County Commissioners.

Councilmember Napier said the City needs to strengthen its appearance standards. It was suggested the Community Appearance Commission be encouraged to hold one or two community clean-up efforts.

Councilmember Holcomb reported a roll-out trash can on the side of the road on Montgomery Avenue that is not pulled in from the curb after collection.

It was noted several basketball goals are on the roadside and should be hauled off by the City.

Councilmember Holcomb inquired about the status of the Albemarle Hotel. The City Manager said he understands that facility to be the future headquarters of the Bank of Stanly.

Councilmember Hall inquired about the status of street resurfacing for 2010/2011. The City Manager said that since the City has limited funds, a spring only resurfacing program is planned. He said staff will develop a list of proposed streets for resurfacing shortly and bring these to Council for their consideration.

Councilmember Neel said Colonial Drive needs resurfacing.

Councilmember Alexander said a portion of North Tenth Street is in need of resurfacing as well.

The City Manager said the City has been preliminarily approached by Stanly Community College for the City to take over contract law enforcement

services on the campus now that the entire campus is inside the City limits. The College currently has a contract with the Sheriff's Department for this service and the City would be paid to assume the services. He said this will be coming to the City Council shortly for their consideration and wanted to provide some background.

The City Manager said that Barry Moose with the NCDOT called him recently saying that he had heard from his staff that the City Council was very upset and opposed to the idea of traffic circles being considered on the Northeast Connector. He offered to come to the regular meeting of the City Council to discuss this with them prior to the joint meeting. None of the City Council members indicated they were upset with the proposal. Several noted they were undecided and awaiting the presentation by the NCDOT prior to making a decision.

There being no further business, the meeting was adjourned.