

ADJOURNED MEETING CITY COUNCIL
March 9, 2010

The City Council of the City of Albemarle met in an adjourned session on Tuesday, March 9, 2010, at 5:00 p.m. in the City Hall Conference Room. Mayor Elbert L. "Whit" 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 City Council held a Budget Work Session with the following Departments: Finance, Public Utilities, Public Housing, Planning and Community Development and Police.

Finance Director Colleen Conroy explained that she has attended several statewide Finance meetings recently. She has found that many governmental agencies are facing much more severe fiscal challenges than Albemarle and are considering measures such as furloughs, freezing positions, and employee layoffs. She indicated that she and her staff are looking at ways to cut to avoid such drastic measures. The difficulty is that cuts have been made over the years and currently funding levels support basic services and personnel costs. There is not much more that can be cut without affecting one of these areas. She said the Finance Department continues to seek ways to work smarter such as the new time and attendance system and consideration of a utility check scanner. She did note that the Information Services Division has come a long way and the City now has a very solid infrastructure that is a benefit to all Departments.

Councilmember Hall said she would like all future handouts to be double-sided copies when possible.

Councilmember Hall inquired about the cost of the increase retirement contribution the City will need to make on behalf of all employees in 2010/2011. The City Manager said the cost to the City will be approximately \$180,000.

Councilmember Alexander asked how the City pays overtime. Ms. Conroy said the City pays above the standard practice, by considering vacation and sick as hours worked toward the computation of overtime. Councilmember Hall asked how much this costs the City annually. Ms. Conroy said that this could

only be determined by pulling all timesheets for all employees over the last year. She did say she could provide examples.

Director of Public Utilities Ernie Borders began his presentation by reviewing Departmental accomplishments for the current fiscal year. He noted the Department is trying to save money and cut cost and has implemented labor sharing, fuel efficient vehicles and energy efficient lighting.

Major initiatives for fiscal year 2010/2011 will be a continuation of efforts in the current year which is renovations and capital improvements to the City's three treatment plants.

Mr. Borders indicated that new information concerning wholesale electric rate increases has been provided and show the increase at an estimated 5%. This is a significant improvement from the previously estimated 9% rate increase. Mr. Borders indicated action to save funds will be implemented in the Electric Division, such as the elimination of the contract construction crews, but he also asked Council to pass on the increase at its full amount when received by the City. Councilmember Hall indicated she still supports this. Mr. Borders said he will propose a 4% water and sewer rate increase for users above 300 cubic feet per month.

The City Manager said the pole attachment fee charged to other utility providers on City poles is \$5.00 per year and this amount has been in place since the 1970's. New legislation has been adopted by the General Assembly to allow this amount to increase. Council indicated they would like staff to review possible new rates for this service to be considered during the budget process.

Mr. Garry Lewis, Director of Public Housing, presented the budget needs for his Department.

He reminded the Mayor and the City Council that Public Housing has suspended taking Section 8 Housing Choice Voucher applications in order to work on decreasing the size of the waiting list. He clarified that the City does have 333 vouchers, but currently has only released 302 for use and cannot afford to provide all vouchers at current federal funding levels.

Councilmember Neel inquired about banks offering foreclosed homes to the Section 8 program on a temporary basis. Mr. Lewis said contracts

can be made for a year at a time, and terminated before the end of the contract period. Housing's biggest concern would then be to find the voucher holder new living arrangements.

Mr. Lewis concluded his presentation by noting funding for the Conventional program has increased to keep pace with rising costs.

Director of Planning and Community Development discussed his Department's budgetary issues.

He indicated that he would like to see the City begin addressing issues of the recent Land Use Plan update. The plan calls for a unified development code. Mr. Sasser acknowledged this would be costly, but would codify all development related regulations into one document. He also noted commercial design standards could be implemented.

As a way to reduce costs, he suggested the elimination of regular Planning Board dinner meetings. Councilmembers Holcomb and Underwood stated they support this recommendation. He also indicated he would significantly reduce the travel and training budget and try to utilize more free training and webinars. He also suggested reduced code enforcement activities would save money, but warned it could lead to more complaints about nuisance properties.

For additional revenue, he suggested raising the Zoning application fee to cover the City's actual out of pocket expenses. He also suggested implementing a business license fee for internet gaming. Council indicated they would be interested in this and asked that a comparison of business license fees already in place in other jurisdictions be provided.

Chief of Police Ronnie Michael presented the budget initiatives for the Police Department for fiscal year 2010/2011. Chief Michael began his presentation by stating the Department will have to find a new building to serve as the Department's West Community Policing Substation in the near future. He indicated that there does not seem to be promising grant opportunities to assist with the construction of a combined West Police and Fire Substation.

He said that to save costs, he will continue to keep open currently frozen positions. He also said he will freeze one vacant Detective position and possibly an upcoming vacant officer position in order to avoid layoffs. He has

ordered all patrol vehicles parked for 15 minutes per hour to cut fuel costs. He will request 4 needed vehicles in the upcoming year. The Department will need to continue funding radio replacements to address new FCC requirements. There are 33 old radios in service that will need to be replaced. He is proposing to replace half in the upcoming fiscal year and the remainder in the next. Chief Michael noted an added expense in the upcoming budget year will be \$58,000 increase for retirements.

Chief Michael said the Department has greatly reduced the number of civil penalties it writes due to the penalty having to go directly to the School System without any repayment of the City's cost to enforce and collect the penalty. He said he has preliminarily discussed a cost sharing arrangement with the School Superintendent. Mayor Whitley asked that a letter be drafted for his signature to be sent to the School System proposing a cost sharing arrangement.

Mayor Whitley encouraged all Departments to continue to pursue grant opportunities where possible.

Upon a motion by Councilmember Holcomb, seconded by Councilmember Napier and unanimously carried, the City Council adjourned to Thursday, March 11 at 5:00 p.m. in the Conference Room of the City Hall for a Budget Work Session.