

ADJOURNED MEETING CITY COUNCIL
May 6, 2010

The City Council of the City of Albemarle met in an adjourned session on Thursday, May 6, 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 Fiscal Year 2010/2011 Budget Work Session.

Mayor Whitley distributed additional terms he would like added to the proposed water sales agreement with Concord and Kannapolis. The language would specify that the City of Albemarle would not provide water sales above 5 mgd unless the City received an increased allocation from Alcoa. The City Manager said he did not believe the addition of these terms would be a problem or delay an agreement.

Upon a motion by Councilmember Neel, seconded by Councilmember Townsend and unanimously carried, the City Council agreed to add language to the proposed water sales agreement with Concord and Kannapolis to specify that the City of Albemarle would not provide above 5 mgd unless the City received an increased allocation from Alcoa.

The City Manager said the fees for Planning and Community Development, Engineering Service and the Fire Department are proposed to increase. The budget prepared by staff takes into account these increases. The City Manager distributed copies of the fees proposed.

Finance Director Colleen Conroy distributed a memo regarding the maximum debt levels the City can carry. For the General Fund, the maximum debt service payment in one year based on the City's expenditures is 15%.

The City Manager said the budget proposes a 4.5% Water and Sewer rate increase for users above 300 cubic feet per month. Even with the increase in

rates, revenues are 6.6% lower than the current fiscal year. On the expenditure side, the Water and Sewer includes debt service and principle payments for its 20% share of the City Hall project. There is \$159,000 budgeted for design of the water line to Cabarrus County. Funds are allocated for its share of IT equipment and also for services provided by the General Fund. \$18,500 is budgeted for a structural analysis of the US Highway 52 Water Treat Plant. The Wastewater Treatment Plant has \$75,000 budgeted for replacement of a generator and \$500,000 for construction grants. The Systems Division appropriates \$75,000 for inflow and infiltration repair and replacement and \$326,000 for NCDOT utility relocation costs. The City Manager said this is the last scheduled payment the City has to the NCDOT for this.

Councilmember Neel said he will propose to sue the NCDOT the next time the City has to incur these costs, as other entities such as counties, cities under 5,500 in population and private utility providers do not. Due to this law City taxpayers absorb these costs when the NCDOT pays for these in other areas of the State, but has to pay solely for projects in Albemarle.

In the Electric Fund, the budget proposes a rate increase of 4.2% to 4.5% depending on if the increase is implemented in July or October. \$725,000 of retained earnings is included to balance the Electric Fund budget. The expenditures include 40% share of the City Hall project. The City Manager noted a decrease of \$250,000 in expenditures for contract services due to the elimination of the Lee Electric contract crews. Payment in lieu of taxes is budgeted at \$50,000 more than in the current fiscal year.

The Landfill budget proposes a \$2.00 per ton tipping fee on MSW and C&D. The revenues do not include any proposed appropriation of retained earning. The expenditures include a share of IT capital costs and \$108,000 in State landfill taxes. \$75,000 is budgeted for closure and post-closure costs.

Upon a motion by Councilmember Holcomb, seconded by Councilmember Underwood, the City Council adjourned to Monday, May 17 at 7:00 for a regular meeting of the City Council.