

ADJOURNED MEETING CITY COUNCIL  
May 11, 2009

The City Council of the City of Albemarle met in an adjourned session on Monday, May 11, 2009, at 5:00 p.m. in the City Hall Annex 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 2009/2010 Budget Work Session.

-----

The City Manager distributed a list of the highlights in the proposed Fiscal Year 2009/2010 City of Albemarle Budget. He indicated that he would review these items, but could address any questions the Mayor or the City Council may have concerning the budget proposal.

Overall, he noted the budget does not include a cost of living increase for employees nor does it provide funding for merit opportunities. However, there are no proposed employee furloughs or layoffs. The budget does include an 8.2% increase for health insurance costs which is still paid at 100% by the City for its employees.

The City Manager reviewed the proposed General Fund revenues. Overall, revenues are expected to be down from the budgeted amount in the current fiscal year. He did state there is no proposed increase in property taxes. There was discussion about the County rescinding the new property values and the legalities of this action. The City Manager said the budget as proposed assumes the revaluation withdrawal is legal and property values will remain. He noted the City's second largest source of revenue in the General Fund is sales tax and it is proposed to be down 10% over the previous year. Occupancy tax and investment earnings are also down. Mr. Allen said he appropriated a larger than typical amount of Fund Balance in order to balance the budget, but noted this practice cannot continue in future years. He concluded his review of revenues by reporting that transfers to the General Fund from the enterprise funds for services is down because salaries of employees who provide direct work for the various enterprise funds are now charged directly to the enterprise funds.

The City Manager reviewed General Fund expenditures. The Administration budget includes funds for municipal elections as well as for participation in a broadband study Council had previously approved. Councilmember Hall said she wanted to see a copy of the agreement with the Rescue Squad of Stanly County for the use of the City's building on Arlington Avenue. Councilmember Holcomb wanted to review the City's agreements to allow cell towers on City water tanks.

Councilmember Alexander asked if information could be compiled to show how salaries and related costs are distributed for employees among the various City funds.

The City Manager noted that in the Finance Department a new time and attendance system has been budgeted and funds for the FY 2008/2009 audit. The Information Systems Division has increased funding for travel and training, while most other areas of the City have reduced budgets for these purposes. The City Manager explained that IS Manager Gibe Dimeglio felt the City could save money in the long run if the IS staff was trained to make more repairs, thereby relying less on outside repair assistance and costs. The City Manager reviewed the capital appropriations for the IS Division. He noted the City's current telephone system lease is expiring at the end of the first quarter of the fiscal year and a new system is recommended. He also reported on various infrastructure improvements including a core switch. The Assistant City Manager reported that a core switch is the central hub for moving information on the City's technology infrastructure. This includes the computer system but also the phone system as the City has a voice over IP phone system that is managed by the City's IS staff.

During discussion of the Police Department budget, Councilmember Neel asked about the separation allowance. Chief of Police Michael reported this is the special retirement supplement for retired officers mandated by the State to be provided to retirees at City expense until they reach social security age. It was noted the State has also mandated the City fund a 5% 401(k) for law enforcement as well. The City Manager said that due to budget constraints, he has only budgeted four replacement vehicles this year.

The City Manager reported the Fire Department budget has an increase in the funding for turn-out gear to outfit the larger than normal influx of new employees resulting from recent retirements. The budget also includes annual payments for the debt on Fire Station #1.

The City Manager's proposed budget eliminates \$70,000 in contract street resurfacing for fiscal year 2009/2010. The City Manager noted that he is

still proposing to undertake street resurfacing with City personnel and equipment. The Public Works budget also includes principal and interest payments for the recently acquired street sweeper. There is \$5,000 for directional signage recommended by the recent update to the downtown parking study. Funding of \$2,000 is proposed for lights for the street trees with electrical outlets.

The Planning and Community Development budget is relatively unchanged. It was noted the joint City Council / Planning Board / Board of Adjustment meetings are proposed to be on an as needed basis, rather than bi-monthly, and with no meal function.

No significant items were noted in the Engineering Services Budget.

Parks and Recreation budget has a reduction of expenditures associated with trips and special activities. Upon questioning, it was noted the ceramics program is out of the location on North First Street and the lease has expired. \$10,000 is budgeted for restroom renovations at Don Montgomery Park.

-----

Upon a motion by Councilmember Holcomb, seconded by Councilmember Underwood, the City Council adjourned to Tuesday, May 12 at 5:00 p.m. in the City Hall Annex for a Budget Work Session.