

ADJOURNED MEETING CITY COUNCIL
February 10, 2007

The City Council of the City of Albemarle met in an adjourned session on Saturday, February 10, 2007, at 8:00 a.m. in the Conference Room of the City Hall Annex. Mayor Elbert L. Whitley presided and the following Councilmembers were present, to wit: Troy E. Alexander, Martha Sue Hall, Judy Holcomb, Jack F. Neel, T. Ed Underwood, and T.E. White. Absent, none.

The Mayor and the City Council held a Fiscal Year 2007/2008 Planning and Budgeting Work Session in the Conference Room of the City Hall Annex.

The City Manager distributed the agenda and supplemental information for the meeting. He indicated the budget preparation schedule was included and stated he would not review this as it was previously provided to the Mayor and City Council at the February 5 City Council meeting.

Councilmember Neel reported that some electric cooperatives in the State have approached the General Assembly claiming municipalities with electric systems are not negotiating in good faith with them in an attempt to comply with the recently adopted State law to designate electric service territories. He indicated he would be traveling to the ElectriCities of North Carolina office in Raleigh this week to discuss this issue.

The City Manager said cities have been working to comply with the intent of the law. He said the electric cooperatives have an interpretation of the law that is not in concert with ElectriCities' understanding of what is required.

The City Manager explained that he and the Assistant City Manager recently met with the City's Department Heads to discuss Fiscal Year 2007/2008 priorities. He explained to the Department Heads that the City Council has previously indicated two significant initiatives are the City Hall project and economic development. Considering the cost of these two projects, he informed

the Department Heads there would not be a lot of remaining funds for other large capital projects in the upcoming year.

The City Manager reviewed the City's current financial position and future forecast. Councilmember Neel inquired about the level of the retained earnings in the Electric Fund. The City Manager indicated they are lower than traditional levels because of the increase capital costs and efforts to increase the reliability of the electric system. The Assistant City Manager also noted that Electric Fund retained earnings were used to finance the new Police and Fire Station on East Main Street. This was done because the City could borrow from itself and pay the funds back with interest cheaper than what could be secured from a bank and the payback to the Electric Funds was greater than the bank interest the retained earnings were earning.

The City Manager discussed the City's General Fund fund balance. He reported the current level of fund balance is 32.95%. These funds are the savings for the General Fund and should only be utilized for one time purchases, emergencies or capital needs. If they are used for routine expenditures, the reserve will eventually be eliminated. He did indicate he anticipates using fund balance and retained earnings in other City funds to help offset the cost of the City Hall project and for economic development purposes.

The City Manager also reviewed the current debt situation of the City. He noted the City is in excellent condition when it comes to debt. The City has very little debt and is scheduled to pay off a significant amount in the next fiscal year. This will provide the City with flexibility to finance future projects and initiatives.

The Assistant City Manager reviewed the City's tax rate compared to the rates of other North Carolina municipalities with populations between 10,000 and 20,000. He indicated that once the cities that do not provide services similar to the level provided in Albemarle are factored out, the City has a very competitive property tax rate. He also stated that based on the low property values in Albemarle compared to other municipalities, the actual amounts paid by taxpayers is very reasonable.

The Assistant City Manager distributed a draft copy of the 2008-2012 City of Albemarle Capital Improvement Program. He stated that no action was necessary at this point. He stressed it was just a draft at this time, but he wanted to provide the Mayor and City Council with information about future capital needs of the City as identified by staff.

Councilmember Neel stated the newest portion of the City's Wastewater Treatment Plant is now 30 years old and capital improvements will be needed to this facility. The City Manager said the City has just recently completed a capital needs assessment of the facility and will begin making recommendations for improvements to this facility.

The City Manager reviewed the current status of significant City projects. He said he and the Assistant City Manager are scheduled to meet with the City Hall Architects next week to discuss this project. Mayor Whitley indicated the City should immediately begin discussions for the sale of the City Hall Annex and the Murrell building that currently houses the Bank of Stanly.

Upon a motion by Councilmember White, seconded by Councilmember Underwood and unanimously carried, the City Council adjourned to a closed session pursuant to NCGS 143-318.11(a)(4) to consider economic development issues.

Upon a motion by Councilmember Alexander, seconded by Councilmember Underwood and unanimously carried, the City Council reconvened to open session. A closed session was held to discuss economic development issues and there was nothing to disclose at this time.

The City Manager provided an update on the status of the Jesse Niven Center project. He said the City will need to meet with the entities that the City wants to partner with at the facility in order to put together a redevelopment plan to the federal government. Councilmember Neel said he would like to tour the facility again. The City Manager said he would arrange this. Councilmember Alexander said it would be helpful to have a small diagram of the compound and structures. The City Manager said he would try to get this.

It was the consensus of the Mayor and City Council to meet with the parties that will be a part of the redevelopment plan at 5:00 p.m. on Monday, February 19.

Mayor Whitley noted that he, Councilmembers Neel and Hall and Director of Engineering Services Jon Mendhall traveled to the most recent Rocky River RPO meeting on Thursday, February 8. He said at the meeting, the RPO unanimously voted to support the current designation and funding of NC Highway 24/27 from its intersection with US Highway 52 eastwardly to the Town of Troy.

The City Manager commended the Mayor and the City Council for their work in securing support for the original project.

The City Manager indicated a proposed draft agreement for the City of Albemarle to sell water to the City of Concord should be prepared shortly. The initial proposal will be to sell 400,000 gallon per day. Mayor Whitley said the City should begin the process of determining the cost to run water line on NC Highway 49 to secure a direct connection between the Albemarle and Concord systems.

The City Manager reported that CSX Transportation recently sent the City a draft agreement for the use of some of the right of way for the City's Greenway System. He noted Parks and Recreation Director Toby Thorpe will be in contact with private property owners the City will need to secure right of way from for the system.

Councilmember Hall said the City should have the RPO Director perform preliminary environmental review of the future Greenway locations. The City Manager said this would be good to have her review the proposed Greenway from the former Wiscasset property to the former EJ Snyder property.

Councilmember Holcomb indicated her budget priorities are the continuation of the City's street resurfacing program and the construction of the new City Hall.

Councilmember Underwood said that since the road he lives on has been paved, he would like the rest of the subdivision paved to satisfy his neighbors.

Councilmember Alexander said he would like to move forward with the City Hall Project. He also supports economic development initiatives and

activities. He also said he would like to see the City expand its recycling activities. He suggested that if a curbside recycling program is not feasible, then the City should consider a drop-off site. Councilmember Hall concurred that she would like for the City to pursue a drop-off site.

Mayor Whitley asked the City Manager to draft a letter to the County for the signature of the Mayor and City Council requesting the City residents be allowed to use at least one of the County's drop-off recycling centers, and requesting extraterritorial jurisdiction.

Councilmember White said he supports the City Hall project, economic development initiatives and the continuation of the City's street resurfacing program. He also indicated he would like to see the City continue with improvements to the EE Waddell Community Center.

Councilmember Neel said he would like the City to provide laptops to all the elected officials and to have a paperless agenda package.

Councilmember Hall noted City of Charlotte Councilmember Susan Burgess is battling cancer.

There being no further business, the meeting was adjourned.