

ADJOURNED MEETING CITY COUNCIL
January 5, 2017

The City Council of the City of Albemarle met in an adjourned session on Thursday, January 5, 2017, at 6:00 p.m. in the Raymond I. Allen Community of City Hall. Mayor Ronnie Michael presided and the following Councilmembers were present, to wit: Mayor Pro Tem Martha Sue Hall, Bill Aldridge, Chris Bramlett, Benton Dry, Martha E. Hughes, Dexter Townsend and Chris Whitley. Absent, none.

The Mayor and the City Council met with the City's financial advisors, First Tryon and held a Strategic Planning Session in the Raymond I Allen Room of City Hall.

Mayor Michael brought the meeting to order.

Finance Director Colleen Conroy introduced Matt Smith, the new Assistant Finance Director. She stated that he lives in Stanly County with his wife and two kids. He attended South Stanly High School and Pfeiffer University. He last worked for First Bank.

The City Manager introduced Mr. David Cheatwood, President and Mr. Tyler Traudt, Vice-President of First-Tryon Advisors. They gave a presentation of the interactive capital planning model which they developed. The model has the ability to forecast the impact of funding proposed capital projects over a near-term and a long-term time period. Council reviewed three primary phases of the model:

Section 1 – Inputs - to input a list of projects and specify the details, including cost, timing, debt service, term, and interest rate. The City will choose the funding source on a project-by-project basis and the City will input its existing debt service payable from the same revenue source.

Section 1 – Tax Impact of Proposed Borrowings - After the inputs section is complete, the model outputs the tax impact of the borrowings, taking into account existing debt service.

Section 3 – Compliance with Financial Policies – based on inputs in sections 1 and 2, this section layers on the proposed debt service or use of fund balance and projects the primary financial ratios issuers/rating agencies typically track.

Mr. Traudt reviewed City Council’s top priority General Fund projects in order of their importance. The following were the top 7 projects in order as:

Wiscasset Athletic Complex City Contribution
Albemarle Corporate Center
Wiscasset Athletic Complex Contribution Over run
New Police Facility
Replacement of Ladder 11
Wiscasset Athletic Complex Astro turf
Replacement of Station 2

Three funding scenarios were reviewed based on the prioritization of projects:

- 1) Fund as many GF projects, by priority, without a tax increase
- 2) Fund as many of the GF projects, by priority, with a one-cent in 2018 and another one-cent in 2020
- 3) Fund as many of the GF projects, by priority, with a one-cent in 2018, half-cent in 2019, one-cent in 2020 and one-cent in 2021

Using Council’s project priorities and tax increase options, First Tryon prepared three financing scenarios for discussion. Each scenario funds as many General Fund projects, by priority, while using the tax increase options and the use of fund balance appropriations. They looked at the inputs, tax impact of proposed borrowings, and compliance with financial policies.

Examples:

Scenario 1 of total projects funded with no tax increase, 20% unassigned fund balance and 45% fund balance covering the top 5 priorities projects equaled \$10,722,800.

Scenario 2 of total projects funded with a one-cent in 2018 and another one-cent in 2020 covering the top 7 priorities projects equaled \$15,091,307.

Scenario 3 of total projects funded with ~~with~~ a one-cent in 2018, half-cent in 2019, one-cent in 2020 and one-cent in 2021 covering the top 9 priorities projects equaled \$17,291,307.

Council looked at tweaking project choices by changing out their top five priorities and year to proceed for each and what type of tax increase if any they would be willing to consider. They also looked at peer comparisons for scenario 1, 2, and 3 for General Fund fund balance percentage comparisons, direct net debt as percentage of full value, and debt service as percentage of operating expenses.

Mr. Traudt and Mr. Cheatwood answered any questions that Council had.

The Mayor thanked them for coming this evening and Council applauded their presentation.

Mayor Michael asked that everyone take a brief recess and Council return to cover several other business items.

Mayor Michael brought the meeting back to order.

The City Manager asked if Council would like to move forward with the station location study for Fire Station 2 now or budget for next year. He said that proposals are in and the cost of the study will be around \$30,000.

Fire Chief Oke said that the windows at the station are ready to fall out and the roof needs replacing now.

It was the consensus of City Council to do the study in the fall of 2017 and to use funds in the current fiscal year originally budgeted for the location study for needed improvements to Station 2.

Mayor Michael mentioned the old JC Penney's building demolition and development downtown but that the Historic Resources Commission has not yet met to discuss. He asked that Council give Planning and Development Services Director Kevin Robinson and the HRC time to work through this process.

Mayor Michael stated that there was an article concerning Stanly County Economic Development in today's paper and he asked that Council read the article and think about it and let him or the City Manager know their feeling about the possibility of financially supporting the County's Economic Development program. He said that the City Council will be approached concerning this.

Mayor Michael stated that the electric fund is up from last year and we will be working on increasing this fund over the next few years.

Councilmember Bramlett stated that the City has a lot happening including education, a corporate center, a historic hotel, and the Central School auditorium. He asked if Council has considered setting aside a dollar amount for cultural aspects of the City. He asked that Council please consider this during the budget sessions.

Assistant City Manager Christina Alphin mentioned the possibility of having a minimal outside organization contribution line item but there may be difficulties in how to differentiate what organizations it allots to.

Councilmember Hall stated that the City use to donate \$2,500 to the Stanly County Art Council and money also to the Chamber of Commerce each year.

The City Manager stated that the City will be paying \$1,000/month for the Central School Auditorium to bring products downtown more affordably. We could consider starting an art program through our streetscape program.

Mayor Michael mentioned getting murals for walls downtown. Assistant City Manager Christina Alphin shared that the Streetscape Master Plan calls for more murals downtown and that she and Michael met a few weeks ago to talk about the possibility of setting up a committee with local artist to make decisions on murals for downtown and possibly do the work involved to get the murals up.

Councilmember Bramlett asked that the Mayor appoint a small committee to study this and bring results back before Council. Mayor Michael stated that he will get with the Assistant City Manager about setting up a committee and see what they come up with.

Council made any final comments of concern including 503 Old Charlotte Road and Tarheel Academy.

Upon a motion by Councilmember Hall, seconded by Councilmember Hughes, and unanimously carried, the meeting was adjourned until Tuesday, January 17, 2017 for a regular session meeting in City Hall at 7 pm.