

The Washington City Council met in a special session on Tuesday, April 22, 2014 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Brian M. Alligood, City Manager; and Cynthia S. Bennett, City Clerk.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Anita Radcliffe, Assistant Finance Director; Allen Lewis, Public Works Director; John Rodman, Community & Cultural Resources Director; Stacy Drakeford, Police and Fire Services Director; Robbie Rose, Fire Chief; Gloria Moore, Library Director; Susan Hodges, Human Resources Director; David Carraway, IT Department; and Tony Black with the Washington Daily News.

Mayor Hodges called the meeting to order and Mayor Pro tem Roberson delivered the invocation.

**BUDGET WORKSHOP DISCUSSIONS:**

City Manager, Brian Alligood provided the following clarification on questions presented by Council on 4-21-14:

- Perpetual care fees for cemetery ~ \$200 per lot (if you buy additional lots you have to pay additional perpetual care). Mr. Alligood noted that the language will be changed in the fee manual.
- Swim meet fees at Aquatics Center ~ pay for meets, not for practice and pool is open during practice time.
- NCDOT utility relocation charges (Hwy 17) ~ this is addressed under NCGS Chapter 136, anything above a population of 5500 you have to pay relocations charges.

**BUDGET WORKSHOP DISCUSSIONS: SERVICE EXPANSIONS & OUTSIDE AGENCIES**

SUMMARY OF REQUESTED SERVICE EXPANSIONS			
FUND REVENUE	City Manager Recommends	Board Approves	
Amount Available fro Service Expansions (Revenues over Expenditures)	\$0	\$0	
Amount Requested from Fund Balance	\$0	\$0	
Total	\$0	\$0	
Total Available for Service Expansions	\$0	\$0	

Note: 1 penny on the tax rate = \$ 85,572

REQUESTS									
Page #	Department	Title	Dept. Mgrs Priority	Estimated Initial Cost	Estimated Annual Revenue Offset	Estimated Initial Net Cost	Estimated Annual Recurring Cost	Board Member's Priority	Comments
	All Funds	.5% COLA		\$31,457	\$0	\$31,457	\$31,457		Amt. shown here is GF portion only
	All Funds	1% COLA		\$62,913	\$0	\$62,913	\$62,913		Amt. shown here is GF portion only
	All Funds	1.5% COLA		\$94,370	\$0	\$94,370	\$94,370		Amt. shown here is GF portion only
	All Funds	Health Saving Account Contribution		\$56,756	\$0	\$56,756	\$56,756		Amt. shown here is GF portion
	Human Resources	Applicant Software		\$5,000	\$0	\$5,000	\$0		
	Human Resources	Wellness Program		\$14,000	\$0	\$14,000	\$14,000		Revenue offset if employees are charged fees
	Planning/Development	Unified Development Ordinance		\$50,000	\$0	\$50,000	\$0		
	Economic Development	Washington Harbor District Alliance		\$500	\$0	\$500	\$500		Amounts represent request for funding above FY 13/14 levels
	Fire/Rescue/EMS	Unit 1 Paramedic EMS Service (6 months)		\$58,996	(\$22,000)	\$36,996	\$67,993		One time revenue offset of \$22,000 is Vidant grant
	Fire/Rescue/EMS	Unit 2 Paramedic EMS Service (1 year)		\$43,000	(\$28,000)	\$15,000	\$15,000		One time revenue offset of \$28,000 is Vidant grant
	Rec Events & Facilities	Summer Programs		\$7,000	(\$2,500)	\$4,500	\$4,500		
	Waterfront Docks	Wifi		\$30,000	\$0	\$30,000	\$2,000		
	Aquatic Center	Water Aerobics Instructor		\$5,606	(\$7,020)	(\$1,414)	(\$1,414)		Adding program would generate annual revenue
	Aquatic Center	Swim Lessons		\$2,304	(\$7,200)	(\$4,896)	(\$4,896)		Adding program would generate annual revenue

REQUESETS									
Page #	Department	Title	Dept. Mgrs Priority	Estimated Initial Cost	Estimated Annual Revenue Offset	Estimated Initial Net Cost	Estimated Annual Recurring Cost	Board Member's Priority	Comments
	Aquatic Center	Additional Programs		\$1,000	(\$5,040)	(\$4,040)	(\$4,040)		Adding program would generate annual revenue
	Outside Agencies	Arts Council		\$34,000	\$0	\$34,000	\$34,000		Amount requested over current year funding level.
	Outside Agencies	Boys & Girls Club		\$4,000	\$0	\$4,000	\$4,000		Amount requested over current year funding level.
	Outside Agencies	Zion Shelter		\$500	\$0	\$500	\$500		Amount requested over current year funding level.
	Outside Agencies	Wright Flight		\$1,500	\$0	\$1,500	\$1,500		Amount requested over current year funding level.
	Outside Agencies	Blind Center		\$2,250	\$0	\$2,250	\$2,250		Amount requested over current year funding level.
	Outside Agencies	Kiwanis Club (parade)		\$1,300	\$0	\$1,300	\$1,300		Amount requested over current year funding level.
	Outside Agencies	Veteran's Park		\$5,000	\$0	\$5,000	\$5,000		Amount requested over current year funding level.
	Outside Agencies	Eagle's Wings		\$4,000	\$0	\$4,000	\$4,000		Amount requested over current year funding level.
	Outside Agencies	Human Relations Council		\$100	\$0	\$100	\$100		Amount requested over current year funding level.
	Outside Agencies	Cornerstone Family Worship Center		\$1,039	\$0	\$1,039	\$1,039		Amount requested over current year funding level.
	Outside Agencies	NC Estuarium		\$70,000	\$0	\$70,000	\$70,000		Amount requested over current year funding level.
Total of all General Fund Service Expansion Request (1% COLA is in total; .5% and 1.5% are excluded from total)				\$460,764	(\$71,760)	\$389,004	\$337,001		

City Manager, Brian Alligood explained if these expansions are funded, Council will need to find additional revenue to fund them.

Mayor Hodges called on Human Resource Director, Susan Hodges to explain the budget Service Expansions for Human Resources. Ms. Hodges explained the need to keep up with COLA and reviewed the Consumer Price Index. She continued by stating the last COLA for employees was July 2013 at 3% and the prior COLA was July 2008.

Councilman Mercer commented referencing payroll increases, CPI/COLA & adjusting pay-scale. Mr. Alligood explained merit increases salary, while COLA adjusts the entire salary range. Councilman Mercer voiced to annually adjust salary range each year consistent with CPI – not necessarily a raise in salary but movement in range. Councilman Beeman and Mayor Pro tem Roberson disagree noting this is only advantageous to new hires.

Ms. Hodges reviewed the Health Savings Account:

- \$1500 deductible (single)
- \$975 contribution to HSA the first year
- \$600 contribution the last few years

Ms. Hodges requested funds in order to increase HSA contribution which would be based on wellness outcome/incentive funding (employee can earn up to \$400 extra based on wellness). Ms. Hodges addressed estimated cost for additional HSA funds. She stated we could partner with Vidant and have a nurse practitioner 2 days per month to see employees and prescribe medicine. Also, Ms. Hodges requested funds for job applicant tracking software.

Community & Cultural Resources Director, John Rodman reviewed his funding request from the Planning Department. Mr. Rodman noted consolidation of all regulations hasn't been updated since 1995 inclusive of zoning, subdivision, flood, etc. Mr. Glenn Moore checked with local municipalities to see how much it would cost and was quoted \$50,000. Councilman Mercer voiced his concern over the possibility of a boiler plate document.

Mr. Rodman stated the Planning Board can manage the project and agreed the Planning Board can handle rewriting the document but would need help with graphics.

Fire Chief, Robbie Rose reviewed his funding request. Mr. Rose voiced the need of expanding to paramedic level. Chief Rose stated with a population of roughly 10,000 residents, Washington Fire/EMS receives the highest call volume in the area. Washington EMS receives approximately 2400 calls a year. Currently, the City runs two EMS ambulances with at least two people on the trucks, but one of the EMT's would have to be a certified paramedic. There are three levels of EMT care in North Carolina; Washington would like to go to EMT-Paramedic, which would be the highest level of care. City Manager, Brian Alligood applied for a \$22,000 grant from Vidant, which would help offset the costs from the City of just under \$59,000.

Council tabled this request.

Community & Cultural Resources Director, John Rodman reviewed his funding request from Park and Recreation Department. This request included WiFi– cable for the lighthouse restrooms and the entire waterfront. David Carraway, IT Department stated there would be seven (7) access points from the lighthouse restrooms to the Chamber of Commerce. Councilman Pitt voiced that Wi-Fi would increase economic development.

Mr. Rodman reviewed the funding request for the Aquatic Center and stated that Dalace Inman would be leaving in July. Revenue exceeds cost of the water aerobics program by \$1,414. If we add a Water Aerobics Instructor to the program it would generate additional annual revenue. Swim lessons revenue exceeds cost of \$4,896. Revenue exceeds cost by \$4,040 for additional programs. Mr. Rodman praised Ms. Inman and her innovative ideas.

#### **OUTSIDE AGENCY REQUEST**

Arts Council Executive Director, Joey Toler explained the amount of funding requested over previous years funding. Mr. Toler expressed that the Arts Council has partnered with City of Washington for a long time. Mr. Toler discussed a 3 year funding plan with Council. Mr. Alligood stated the Arts Council is currently in the budget at a funding level of \$13,000.

- Boys & Girls Club – no one attended.
- Zion Shelter – no one attended.

Lydie Jennings and Tom Saccio represented Wright Flight and explained the amount of funding requested. Ms. Jennings voiced they want to stand on their own feet without funding from the City. They would like to request 3 more years of funding at last year's amount and they won't ask for funds after those 3 years. \$3,500 was funded last year and they are requesting an additional \$1,500. Councilman Mercer suggested the \$1,500 be in fuel contribution instead of cash.

Ms. Jennings shared the next fly day has been scheduled for Saturday, May 3, 2014.

Mr. Thornton Gorham explained the additional funding request for the Blind Center.

Mr. Thornton Gorham suggested that Hiram Lodge on Respass & 5<sup>th</sup> Street is operating with the ditch caving in; cement cracked, and requested the City of Washington to pipe the ditch. Also, Beebe Park committee requests a meeting with Mr. Rodman.

Mr. James Johnson reviewed the funding request for the Kiwanis Club Christmas parade.

Ms. Judy Jennette explained the funding request for Veteran's Park. Ms. Jennette stated the funding would help purchase a 20' x 4½' brick sign. Veteran's Park would be written on the front and Freedom is not free will be on the back of the sign. Letters are black cast aluminum and this is with the assumption the City of Washington builds the concrete platform. Price quote as follows:

Materials	\$ 2,200
Labor	\$ 2,200
Plus cost for letters and plaque	
Total cost approximately	\$10,000

Mr. Alligood noted there is current funding of \$5,976 in this year's budget He inquired if they are asking for an additional \$5,000 in addition to the County's \$5,000 contribution. Ms. Jennette said \$5,000 including the \$5,976.

Ms. Jennette voiced Beaufort County Community College is looking at an electronic sign with a price of \$80,000 and would like to request the City of Washington to participate.

Ms. Judy Jennette explained the funding request for Eagle's Wings. Ms. Jennette explained the additional funds would allow addition funds for Debbie Adams to provide more food for babies/infants 0-5 years of age.

- Human Relations Council withdrew their additional funding request of \$100.
- WHDA withdrew their additional funding request of \$500.

Ms. Shirley Roberson representing the Cornerstone Family Worship Center explained their funding request. Last year the City contributed \$15,000 and this year they are requesting \$16,309. The additional request is for FICA tax match and fuel.

Ms. Jackie Peoples Woolard explained the funding request for NC Estuarium. Ms. Woolard noted the Estuarium has been in business since 1998 and this is the first time since 1999 they have requested funding from the City. This request is due to the loss of State Funding. Ms. Woolard mentioned an article written in the Charlotte Observer that stated the Estuarium has approximately 15,000 annual visitors.

Mr. Loretta Ebison explained the funding request from Higher Heights Human Services. Ms. Ebison explained this is a Residential Maternity Home. Donations for operating funds and seed money for grant funds is \$6500. There is no paid staff – all volunteers and they currently operate out of Highland Drive House. They serve approximately 40-50 girls a year starting at PS Jones Middle School. They do not duplicate services from DSS and their age limit cuts off when they graduate high school.

Recess at 7:40 pm

Councilman Mercer said for several years we were going to cut funding to all outside agencies and he feels we should cut funding with the exception of the Zion Shelter. Councilman Brook expressed we should treat them all the same and Mayor Hodges voiced the NC Estuarium may close without proper funding. Councilman Pitt agreed with reducing funding to agencies and we need to teach them how to raise funds, did we offer them the “warning light” that funding would be reduced? Mr. Allgood noted this was explained in the preliminary letter sent to the outside agencies.

Mayor Pro tem Roberson requested the statutory legislation that allows Council to provide funding for Outside Agencies (non-profits). Mr. Allgood explained that statute to Council.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council agreed to keep Arts Council and Boys & Girls Club at current funding level.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council agreed to fund the Zion Shelter \$8,500 – by a vote of 4-1 with Councilman Mercer opposing.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council agreed to keep Wright Flight at current funding level.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council agreed **not** to fund Wildlife Guild.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council agreed to keep the Blind Center at current funding level.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council agreed to fund the Kiwanis Club (Christmas parade) \$1,500.

- Veteran’s Park funding request placed on hold

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council agreed to Eagle’s Wings funding request of \$4,000.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council agreed to keep Humans Relations Council at current funding level.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council agreed to fund Purpose of God Annex \$20,000.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council agreed **not** to fund Dock Dogs - by a vote of 4-1 with Councilman Pitt opposing.

By motion of Councilman Beeman, seconded by Mayor Pro tem Roberson, Council agreed to keep Red Cross at the current funding level.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council agreed to fund Cornerstone Worship Center in the amount of \$10,000.

New outside agency request – NC Estuarium

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council agreed to fund NC Estuarium the amount of \$20,000 – by a vote of 3-2 with Councilman Pitt and Mercer opposing.

Need \$3,955 more from fund balance for others to cover expenses.

Councilman Mercer requested reducing WHDA funding from \$66,000 to \$50,000. Mayor Pro tem Roberson requested reducing WHDA funding from \$66,000 to \$62,000.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council agreed to fund WHDA \$62,000 – by a vote of 3-2 with Councilman Beeman and Mercer opposing.

**BUDGET WORKSHOP DISCUSSIONS: EXPANSION BUDGET**

Mayor Pro tem Roberson suggested if the employees do not receive a COLA this year then he would like Council to consider \$500 bonus to all employees on their anniversary date or at Christmas.

Councilman Brooks requested 1% COLA for all employees – proposal died for lack of second.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved \$250 Christmas bonus for full time employees with at least 6 months as of November 1<sup>st</sup> – by a vote of 3-2 with Councilman Brooks and Pitt opposing.

- Health Savings Account – tabled until we can find money to pay for it.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council agreed **not** to fund the request from Human Resources - Applicant Software.

- Wellness Program – tabled

By motion of Councilman Mercer, seconded by Councilman Brooks, Council agreed **not** to fund the request from Community & Cultural Resources – Unified Development Ordinance but to have the Planning Board rewrite the document.

- Unit 1 Paramedic EMS Service – tabled

Unit 2 Paramedic EMS Service – Council requested Chief Rose to present the proposed revenue.

- Summer Programs – tabled
- Water Aerobics Instructor – tabled
- Swim Lessons – tabled
- Additional Programs – tabled

By motion of Councilman Mercer, seconded by Councilman Brooks, Council agreed to strike Wi-Fi until future years, motion carried 4 -1 with Councilman Pitt opposing.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council agreed not to fund Higher Heights Pregnancy Program, motion carried 4 -1 with Councilman Pitt opposing. Councilman Mercer voiced that Cornerstone Family Worship Center is a youth pregnancy program.

Council approved \$57,000 in funding for outside agencies.

Council explained there will still be a need of \$182,000 (1<sup>st</sup> year paramedic included). Councilman Mercer expressed it is Council's responsibility to find the \$182,000. Councilman Brooks

suggested the Manager and staff find the funds required. Councilman Mercer stated no transfers from Electric Fund and if we can't find it be man enough to say we raise taxes – he is willing to do that.

Mayor Hodges inquired if we could move NC Estuarium to Economic Development funding.

Mr. Alligood noted he asked staff to do job same as last year with the same funding – cutting dollars makes department inefficient, we may need to eliminate programs. Councilman Mercer suggested closing the Library 3 days a week, close pool 3 days a week and in recreation programs – reduce participation or change fees. Mayor Pro tem Roberson requested focus on Parks & Recreation outside/inside (City/County). What would outside rates need to be to generate revenue to cover shortfall? This is the largest gap we need to cover.

**ADJOURN**

By motion of Councilman Pitt, seconded by Councilman Beeman, Council adjourned the meeting at 9:20pm until Wednesday, April 23, 2014 at 5:30 p.m. in the Council Chambers at the Municipal Building.

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**Cynthia S. Bennett, CMC  
City Clerk**