

The Washington City Council met in a continued session on Thursday, April 25, 2013 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; Edward Moultrie, Councilman; Richard Brooks, Councilman; William Pitt, Councilman; Josh Kay, City Manager; and Reatha B. Johnson, Assistant City Clerk.

Also present were: Matt Rauschenbach, Chief Financial Officer; Stacy Drakeford, Police and Fire Services Director; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; John Rodman, Community/Cultural Resources Director; Kristi Roberson, Parks and Recreation Manager; Susan Hodges, Human Resource Director; Gloria Moore, Library Director; Lynn Lewis, Tourism Director; David Carraway, IT Department and Mike Voss, Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

Councilman Pitt requested adding a report on AT&T wireless conference that was held in New Bern.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the agenda as amended.

REPORT: AT&T NCLM WIRELESS/INTERNET CONFERENCE

Councilman Pitt provided an update on a meeting he attended in New Bern regarding wireless internet. The conference covered internet in rural communities. The internet is a powerful tool not only for education but also a tool for economic development. AT&T is partnering with NCLM and local communities to bring additional towers to rural communities.

ACKNOWLEDGEMENT: BISHOP MCINTYRE OF CORNERSTONE WORSHIP CENTER:

Mayor Jennings welcomed Bishop McIntyre and his associate to the meeting and provided Bishop McIntyre an opportunity to address City Council regarding his budget request.

Bishop McIntyre voiced Cornerstone Worship Center had submitted a proposal to Council for funding regarding their Parent Nurturing Program. This program was started in 2009 and has been fortunate until this current economic climate, to be able to provide this service without having to request additional funding from the City. Grants were received from other agencies, citizens of the community, civic organizations, and churches; including his church by in-kind services (use of facilities and finances).

Bishop McIntyre explained the program offers parenting courses in the community whether referred by Department of Social Services, Department of Juvenile Justice, School System, Dr. Offices and Faith based organization. Bishop McIntyre explained that two series are offered – fifteen (15) week sessions of three classes. The classes consist of pre-school, pre-adolescence and adolescence from ages 0-16 with classes being offered during the spring and fall of the year. Cornerstone Worship Center provides transportation, hot nutritious meals, snacks, curriculum (nationally accredited) and a nationally known consultant provides three days of training for staff and others. Bishop McIntyre voiced that all of his staff is certified in terms of facilitating the classes. At any given time on a Tuesday night you can see about 60-80 people in the building and invited the Mayor and members of Council to come down and observe the classes.

Bishop McIntyre stated they are requesting funds for one class – one session which amounts to approximately \$21,000. He shared that the Department of Social Services funds a portion of the program (\$32,000) as well as Department of Juvenile Justice with grant funding from other agencies but noted funding has diminished in a lot of areas. Cornerstone has had agencies from other counties request they serve them but they only serve the citizens of the City of Washington and Beaufort County.

Mayor Jennings inquired if Bishop McIntyre could provide examples or impact of the program (success stories). Bishop McIntyre provided several success stories – DSS had decided to take some of the children from the home but after going through our parenting courses the families were re-united. Also, Bishop McIntyre shared they serve over 200 families in the community and about 58% have completed the program successfully. Mayor Jennings commended Bishop McIntyre on the proposal, noting it is one of the better ones the City has received. Bishop McIntyre extended an invitation to Council on June 18 to see some of the graduates/families that have participated in the program.

BUDGET: GENERAL FUND DETAILED DISCUSSION

Mayor Jennings commended staff and discussed how to proceed with the budget meeting. One way would be to proceed with the questions (sharing that some of the questions had been asked and answered in previous meetings). Members of Council were satisfied with proceeding as suggested.

Budget Questions Submitted by Members of City Council Prior to April 22nd Meeting

1. Is a 3.95% increase in ad valorem tax revenue reasonable in light that thru March our collection rate is only 95% of the 12-13 budgeted amount? I believe the budget amount is only 95% of the assessed taxes, so are we assuming a 97% collection of assessed value to obtain the 102% of the amended budget. Thru March, the County collection rate is only 93.4% of assessed value for property. (pg 9)
 - a. *2012/2013 estimate exceeds current budget by \$80,000 and collections through April 15th are 98.16% of the budget and 91.03% of the levy for real & personal property. 2013/2014 budget is \$75,000 greater than the 2012/2013 estimate due to conversion to the state collecting motor vehicle tax at the time of registration and an additional 4 months being included in the first year of conversion.*

Councilman Mercer expressed concerns and feels this is an optimistic projection – but voiced this is just his personal feeling. Mayor Jennings reminded Council that they can keep an eye on it going forward.

*Straw poll – unanimous

2. Why do we expect a \$16,000 increase in interest earned from the GF? There is a significant change in the Admin Charges to the Enterprise funds because of the addition of charges for Planning and Inspections, please explain these additions. (pg 12)
 - a. *\$4,452,000 has been invested in 12, 24, and 36 month CD's at .55%, .65%, and .75% respectively. Money market account earns .35%. Based on today's invested balances the annual interest would be \$41,835, \$30,410 was budgeted.*

*Mayor Jennings voiced item #2 basically go along with item 1 and answered sufficiently.

*Straw poll – unanimous

- b. *Planning and inspections do work for the Enterprise Funds. Percentage of allocations was provided by these departments. Also, please see Attachment #1 for further information on calculations used for administrative charges to the General Fund from other funds.*

*Councilman Mercer voiced his concern and Mayor Jennings said it was duly noted.

*No straw poll taken at this time

3. Why the significant increase in 401K contributions? (p 19)
 - a. *This includes the HSA and 457 contributions also. These will be distributed once insurance enrollment is completed in July.*

*Straw poll – unanimous

4. Do we really need to budget a Pay and Classification study at \$35,000? (pg 28)
 - a. *Last one was conducted in 2003/2004 and the reorganization has resulted in many job duty changes.*

Mayor Jennings voiced Pay and Classification study does offer creditability to our organization plan. Mr. Kay expressed that some of those reorganized positions had been presented to Council and will be bringing two additional back to Council in May that was unfortunately overlooked and were left off the initial piece. Mayor Pro tem Roberson suggested holding off on the study for at least 6-9 months until the new manager is in place he continued

by stated he is not against the payroll classification study. Councilman Moultrie recommended moving forward and spending the money now for the study. Councilman Mercer agreed with Mayor Pro tem Roberson because he would hate to see 6-9 months down the road we will need to do our plan all over again and Councilman Pitt agreed.

*Straw poll – agreed by consensus (take out the \$35,000 for Pay and Classification study)

5. There is a request for \$25,000(1/3 cost of \$75,000) project to repave the parking lot. This one project is small when compared to request to only spend \$162,000 for all other street paving with the City. (pg 32)

a. *The \$75,000 for the parking lot includes drainage work.*

Councilman Mercer preferred delaying this project. Mayor Pro tem Roberson questioned what was involved in the drainage work and suggested doing only the drainage work first, followed by the repaving of the parking lot in a subsequent fiscal year.

*Straw poll - unanimous (defer until 2014-2015 fiscal year)

6. Customer Services has 6.5 employees, so why do we need to spend \$20,000 for a temporary employee to cover vacations and sick time? With the average salary of the full time staff only \$35,000, we are covering 29.6 weeks at an exuberant salary. Does this Group have this much vacation and sick time? (pg 40)

a. *Earned vacation for the group is 36.4 weeks, and sick leave is in addition to this. Additionally, only 4 of these employees are fully allocated to customer service roles. One employee is allocated as a receptionist, but also fills in for CSR's if needed. The final employee is allocated as a utility billing operator which consumes 100% of her time.*

*Straw poll - unanimous

7. Minor point, but it appears we are budgeting 10 ballistic vest per year on a 5 year replacement plan for only 39 employees(part do not need vest) Realizing it is only \$1300 if we cut this to eight, but over the years this adds up. (pg 66)

a. *Vests expire in 5 years. 10 are expiring next year. A federal grant reimburses ½ the expense and is budgeted.*

*Straw poll – agreed by consensus

8. Please explain the significant shift of personnel between Fire and EMS. I do not believe we can operate Fire side with only eight employees. Also, believe this could lead to significant problems with our fire rating. (pg 70)

a. *The shift was based on actual call volume to increase our reimbursement from state Medicaid. Has no impact on our fire rating as all firefighters are on the NC State Roster which is tied to the rating.*

*Straw poll – unanimous - (discussion: Councilman Mercer said they received an organizational chart today and it indicates more firemen than eight and feels the budget should reflect the organizational chart - total money will be the same we are talking about how it is aligned). Mayor Jennings suggested since no money is involved there, let's leave it then move back to it on a philosophical basis later.

9. I think we need some justification to purchase a new truck in the Inspections group. My records show the Taurus has 63,000 miles and the Ranger has only 33,500 miles. I recognize they are 14 and 10 years old respectively, but I consider them usable unless we can demonstrate major maintenance cost. (pg 84)

a. *The Taurus has had major repair issues. The transmission was fully replaced once and needs repair again. The brakes are a continuous issue and need to be replaced. The front end will not stay in alignment. Proposed budget replaces the Taurus with a truck, equal to the one purchased in 12/13 for this department.*

*Straw poll - unanimous

10. This whole page needs a lot of explaining. Salaries are down significantly, but FICA, insurance, retirement and 401K are all up. Aren't they tied together? Why do we expect such a drop in equipment repairs? I thought we had agreed that we would put the expected cost of fuel, parts and tires in the budget even though we know we are going to be reimbursed when used. (pg 89)

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- a. *The budget does not allow negative number input so net numbers have been entered. In the new fiscal year we will budget the reimbursements like was done this year. The salaries are net of reimbursement so that is why salaries are down and the fringes are up.*

Councilman Mercer inquired as to how salaries can go down and FICA goes up and Mayor Jennings responded they are net salaries. Councilman Mercer, yes, but we are saying budget does not allow negative numbers and software will not handle what we are asking about (software will not handle a negative number yet monthly reports have negative numbers)? Mr. Kay explained there is a difference between the budget report and the financial report (the financial report can handle negatives numbers). Mr. Kay stated once the budget is approved we will move the equipment repairs, fuel cost, etc. noting we will change it as Councilman Mercer requested.

*No straw poll taken at this time

11. Why do we expect such an increase in repair cost for the new sweeper? Why do we expect a 40% increase in material cost for repairs? (pg 96)
- a. *Maintenance on the old sweeper. Maintenance would go down if the old unit is taken out of service.*
- b. *Materials line-item (5600) and Street Paving (4500) are both tied together and are funded directly through Powell Bill funds. The increase could be transferred to Street Paving.*

*Straw poll - unanimous

12. How many PC's are we converting to Virtual PC's for \$10,296? Do we need to delay this until we have evaluated a City wide program to convert to Cloud technology? (pg 109)
- a. *10*
- b. *Currently conducting our second test evaluating one PC.*

Councilman Mercer questioned the \$10,296 for 10 units stating it seems to be high. Councilman Mercer said to his knowledge we have not looked at a City wide program to say where we are going over a period of time - or to say if we are going to the cloud technology. Mayor Jennings suggested we are testing it now. Mayor Pro tem Roberson recommended looking at all possible software. Mr. Kay noted the City has a lot of different buildings and some of those buildings are not able to move to virtualization (cloud technology) because of very little service there. That is one of the reasons we want to connect these facilities with fiber and once we connect those buildings to fiber then we are able to move in different buildings.

Councilman Mercer requested an in house cost for fiber optic and Mr. Kay stated we are keeping records in house now and will be able to provide monthly reports to Council of what the expenditures are.

*No straw poll taken at this time

13. We need carefully evaluate the \$24,600 to change out light fixtures. The total utility bill is budgeted at \$17,000. If we assume half of this is electric and that then new fixture can cut this by 50%, the payout is still over six years and I feel this is conservative. (pg 109)
- a. *Partial year savings is being proposed. Full year savings is \$6,389 for a 3.85 year pay back.*

*Straw poll - unanimous

14. I realize the building may need roof repairs and almost insist we do it, but I hate to use 59 month financing for the funds. This should be under Building repairs and we should do without financing. (pg 113)
- a. *Evaluate when it's time to bid financing in February 2014.*

Councilman Mercer suggested the City, as an entity, does not maintain its facilities and feels this is a maintenance issue and should go into the maintenance budget. It should come out of the operating budget and not borrow money over a six year period of time. Mayor Jennings noted this is a good point going forward but the roof will need to be replaced – being a matter of paying for it all at one time or to finance it for 59 months.

*Straw poll – agreed by consensus to roof repairs with 59 month financing.

15. Is the HVAC giving problems? How much have we spent in repairs in the last 2 years? Is replacement warranted to improve efficiency? (pg 113)
- No, 20 years old, past due to replace with an energy efficient unit.*
 - \$822, \$267, and \$634 YTD*
 - Yes*

*Straw poll – unanimous

16. If we are going to purchase a laptop, why do we need a docking station? Am I correct that the docking station will require a keyboard and monitor? If so, why not use a desktop? (pg 117)
- The docking station is the battery charging source.*
 - It does not require a keyboard or monitor.*

*Straw poll - unanimous

17. Is a gas powered vehicle more efficient than a golf cart? (pg 117)
- A gas powered vehicle is more expensive. We do not have gas onsite, so it would require Maintenance to take this vehicle to the shop each time and fill it up. We use the golf cart because there is so much ground to cover when all six baseball fields are operating, and especially if soccer and baseball/softball are playing together. A golf cart is slower and safer to use around so many spectators.*

*Straw poll – unanimous

18. In the Non-Capital items, why do we need a \$2000 heater in the elevator? (pg 122)
- The oil in the elevator isn't being warmed enough for the elevator to move. Elevator Company recommended having the heater installed. During this past winter, we had a few cold days that left the elevator out of service.*

*Straw poll - unanimous

19. Can we spread out the computer replacement? (pg 121)
- Many seniors are limited in their knowledge of computers. If we replace them in different years, they will not all operate the same. The Microsoft Office programs tend to look different. Senior Center staff are constantly getting called in there to fix something. There are four in the lab now; however we increased to 6 because of the increase in use. Also, since they are public computers, they get used a lot (Nov. 2012 – 202 registered users) (January 2013 – 169 registered users) (February 2013 - 172 users). The Tax Assist Program filed tax returns for more than 400 seniors this tax season on those computers. More seniors are coming to use them because they cannot afford their internet connections. So usage is only going to increase.*

*Straw poll - unanimous

20. Why do we need to re-do the entrance and provide a handicap ramp for \$40,000. This should be cut until their reasons which are apparent. (pg 123)
- Handicap ramp is in need of repair. Deck and ramp will be constructed like the Civic Center for both the side and rear of the Peterson Building.*

Councilman Mercer expressed concern with the request to replace the wooden rail around the back door next to the parking lot with iron railings similar to that of the Civic Center but endorses this project. Councilman Mercer stated he is unaware if there is a handicap ramp back there today. The handicap ramp he sees for that facility is the sidewalk going into the side entrance with a ramp at each side of the sidewalk as well as cut in the middle of the sidewalk approximately half way down the parking lot on the Westside of the building. Mayor Jennings noted this is the ramp behind the Caboose set between the Senior Center and the Civic Center. Councilman Mercer was not aware of this ramp and wanted to go look at it. Also, it seems this number (dollar amount) is out of line and Mr. Rodman voiced the \$40,000 is an estimate. Mayor Jennings suggested pending a site visit and a cheaper bid to get a straw poll for now:

*Straw poll – agreed by consensus (take out for now) once the site is visited it can be add back in (place holder).

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21. Same question about golf cart? (pg 126)
- a. *A gas powered vehicle is more expensive. We do not have gas onsite, so it would require Maintenance to take this vehicle to the shop each time and fill it up. We use the golf cart along the waterfront for assisting boaters and dock attendants pick up trash in the parking lots along Stewart Parkway. A golf cart is slower and safer to use around so many people on the waterfront.*

*Straw poll - unanimous

22. How much longer is contract to subsidize the Civic Center? (pg 129)
- a. *Current contract expires June 30, 2014. Could consider possible reduction or elimination of the subsidy after at that time. TDA absorbed Civic Center losses in the first several years of management. Had a profit of \$6,537 in 2011/2012 and are running at an annualized rate of \$30,452 this year.*

*Straw poll - unanimous

23. What is total cost of Dectron replacement program? (pg 135)
- a. *Eneco East does not have an official quote at this time, however it is estimated this project will cost \$200,000. Other vendors will be contacted to receive quotes.*

Mayor Pro tem Roberson and Councilman Mercer expressed their concerns and requested holding the replacement program until we get a plan. Councilman Moultrie noted we talk about up-keep of our buildings and this is our facility. He stated should we need it we will have money already allocated in the budget. Following discussion concerning whether it's the design of building or Dectron unit itself (Mr. Kay voiced they have been told that the Dectron is a good system and works properly in every other circumstance it's been used in).

*Straw poll – agreed by consensus (to leave in – it's only a budget and the money will be allocated)

24. Didn't we do major maintenance on this unit within the past three years?
- a. *\$22,277 to replace the compressor in February 2012 due to a refrigerant leak.*

* Discussion included in item #23 – Mr. Kay voiced we spent \$22,000 due to a refrigerant leak and have spent quite a bit of money on that system.

25. Suggest we delete this \$16,200 project until we have the total package.
- a. *This is step 1 to replacing the Dectron, whether we do it now or wait. Eneco indicated the unit will perform better if we take this step. It will transfer air better across the pool surface and dehumidify more effectively. We will have better air temperatures and less humidity. The current problems that we are having are from poor design.*

*Straw poll – agreed by consensus (discussion included in item #23)

26. Why do we need \$7500 power rake? (pg 140)
- a. *Current power rake needs to be replaced and can only be used with the Ventrac unit. Proposed power rake can be used on multiple machines.*

*Straw poll – unanimous

27. Why do we need to raise the Fences? (pg 140)
- a. *For safety reasons to reduce the number of foul balls exiting the field.*

Mayor Jennings and Public Works Director, Allen Lewis addressed this issue. Mayor Pro tem Roberson stated if there is a major tournament this year he would hate to see the City have a liability suit because of fencing. Mayor Jennings noted this will be a show case event with 45 teams coming in.

*Straw poll – agreed by consensus

28. We cannot afford both Todd Maxwell and Soccer lighting. CUT lighting.
- a. *The league has requested for the last 2-3 years. Will eliminate the conflict of hosting travel baseball/softball tournaments at the complex on weekends when soccer is being played because soccer teams could play at night during the week.*

Mayor Jennings suggested taking the Todd Maxwell and Soccer lighting independently. The City will get with Todd Maxwell and the League to discuss a possibility of a cost sharing mechanism. Councilman Mercer suggested the City can afford one but not both and with the \$64,000 in the budget feels the City have made the commitment with Todd Maxwell. Mayor Jennings requested a straw poll for Todd Maxwell:

*Straw poll for Todd Maxwell – (place holder)

Mayor Jennings called for discussion on Soccer lights and Mayor Pro tem Roberson suggested he had been informed there is a movement afloat to move the whole Soccer complex to another location with the existing Soccer field being used for additional baseball fields. Mr. Kay noted this was presented to Council in the Master Plan and discussed at a Committee of the Whole meeting.

Councilman Mercer advocated waiting until we have a design and lay-out of the field. Councilman Brooks recommended leaving it in the budget and by the time we are ready to set the lights up, Council can sit down at that time to figure out which way we are going. Councilman Moultrie inquired how long we are looking at to get a new field and Mayor Jennings noted it was up to Council (they can make it a priority). Following discussion:

*Straw poll for Soccer – agreed by consensus (take it out) Mayor Jennings noted the undertone with the straw poll (with an undertone of high interest in finding an alternate site that would satisfy the opportunity for a Soccer complex – add to priority list).

Mayor Pro tem Roberson requested seeing “in the interim” a specific design and he does not expect the electric department - who is in charge of doing overhead electrical distribution to go out on the Recreation and Parks facility and design the lighting, I would suggest we get someone in who has the expertise to do the lighting. Mr. Kay stated this has already been done – Mosco Lighting Company has already come in.

29. I also have a budget wide concern about the total number of computers we have and are replacing. Your inventory indicates about 135, but apparently does not include the public access units in the library.
- a. *Does not include library, Friends of Brown library purchased most of the units.*

Councilman Mercer expressed concern regarding surplus computers not being placed on GovDeals.

*Straw poll – unanimous

30. According to my count, we have purchased over 100 units in the last six years and have not surplused out any. Where do they go?
- a. *Have around 6 in remote areas for employees without computer access to enter HRN performance appraisals. As new units are purchased older remote units are replaced. Keep some old units for parts then all are surplused.*

*Straw poll - unanimous

31. Also, felt that with the new VOIP phone system we would see reduced phone cost which aren't reflected in this budget.

- a. *We will experience reduced phone cost. Currently analyzing the phone bill with Century Link and can adjust budget once completed.*

*Straw poll – unanimous. Councilman Mercer suggested with the new VOIP system cost should have gone down. Mr. Kay voiced we are continually working with our provider to note the cost savings across the board with a meeting scheduled next Thursday.

32. Request to have a current organizational chart with assigned assets notated.
- a. *Please see attachment #1*

*Straw poll – unanimous (referencing document received by Council)

33. Sum of proposed personnel costs:

	General Fund	Utility Funds	Total
Cost of Living Adjustment	\$187,970	\$103,375	\$291,345
Merit Increase	\$30,568	\$16,945	\$47,513
Job Maturity	\$14,208	\$8,003	\$22,211
TOTAL	\$232,746	\$128,323	\$361,069

Councilman Mercer requested Council recognized if we put the merit raise, cost-of-living raise and retain maturity raise at the end of the year, the total salary package will have increased almost one-half million dollars. Councilman Mercer requested Mr. Kay review the above numbers. Mr. Kay explained how the current calculation works and suggested it has worked in the last few years. Councilman Mercer reiterated that Council just needs to be aware that this one-half million dollars will carry from now on. Mayor Pro tem Roberson inquired when was the last time we had a cost-of-living increase for our City employee's and Mr. Kay stated it has been four years (2008). Mayor Pro tem Roberson suggested he advocates the proposed budget as submitted. In addition, we need to pay to keep our personnel and our salary needs to be compatible. Councilman Moultrie, Brooks, and Pitt agreed with Mayor Pro tem Roberson.

*Straw poll – unanimous
(keeping proposed budget as submitted and leave personnel package intact)

34. Outstanding utility bill of former Options to Domestic Violence Shelter
a. \$3,461.27

Staff was given direction by Council to take the \$2,000 allocated in the proposed budget for outside agencies funding to pay the outstanding bill of former Options to Domestic Violence Shelter

35. Does the Wildlife Guild know that the funding level will be decreased due to loss of Dock Dogs portion, and what will the event be like with reduction?
a. *Lynn Lewis is overseeing the festival and is aware and stated that the festival will be in line with the 2012 Festival.*

*No discussion

36. What is the term of the contract with the Beaufort County Sheriff's Office for 911 Dispatch?
a. *Answer will be provided by Thursday evening.*

Mr. Kay voiced they could not find any specific contract that stated a term and this will be an ongoing expense for personnel cost that the Sheriff's department incurs.

37. Request to see the budgets and any particular comments/facts about Outside Agency funding requests.
a. *Attachment #2*

Agency		FY 10/11 Actual	FY 11/12 Actual	FY 12/13 Budget	FY 12/13 Estimate	FY 13/14 Budget	FY 13/14 Request	FY 13/14 Budget	Comments
Restricted Fund Balance:									
Veteran's Park	Revenue				10,000	5,000	5,000	0	Replace wooden sign with a brick/sign/memorial/recognition wall \$5,975 reserved fund balance for Veteran's Park.
	Expenses					15,000			
	Net Income				10,000	(10,000)			
Economic Development:									
WHDA	Revenue		206,007	181,660	194,273	178,500	66,000	66,000	6/30/12 cash balance \$31,248
	Expenses		197,073	163,036	165,473	156,932			
	Net Income		8,934	18,624	28,800	21,568			
GF Miscellaneous:									
Hwy 17 Association	Revenue		202,106	171,606	185,606	267,500	7,500	7,500	\$54,000 increase requested from County 9/30/12 Cash & investment balance \$146,177
	Expenses		203,278		187,100	187,100			
	Net Income		(1,172)	171,606	(1,494)	80,400			

Agency		FY 10/11 Actual	FY 11/12 Actual	FY 12/13 Budget	FY 12/13 Estimate	FY 13/14 Budget	FY 13/14 Request	FY 13/14 Budget	Comments
Boys & Girls Club	Revenue			440,955	405,003	321,744	24,300	16,000	Federal funding projected to be down \$122,000
	Expenses			429,615	377,651	344,697			
	Net Income			11,340	27,352	(22,953)			
The Blind Center	Revenue		69,479	77,340	81,176	77,590	2,500	1,250	12/31/11 cash & investment balance of \$248,233
	Expenses		89,936	101,605	100,163	101,605			
	Net Income		(20,457)	(24,265)	(18,987)	(24,015)			
Wright Flight	Revenue		17,795		19,000	19,000	5,000	3,500	Cost of planes/pilots/fuel \$8,000 increase
	Expenses		18,165		20,120	27,450			
	Net Income		(370)		(1,120)	(8,450)			
American Red Cross	Revenue		119,940	85,837	121,970	147,100	5,000	500	
	Expenses		113,995	85,837	132,527	147,100			
	Net Income		5,945	0	(10,557)	0			
Zion Shelter	Revenue		56,922	58,381	68,500	49,000	15,000	8,500	
	Expenses		50,701	50,701	52,054	54,740			
	Net Income		6,221	7,680	16,446	(5,740)			
Arts Council	Revenue		233,522	252,990	252,990	190,087	24,000	16,000	6/30/12 Cash & investment balance \$143,906
	Expenses		237,387	252,990	252,990	190,087			
	Net Income		(3,865)	0	0	0			
East Carolina Wildfowl Guild	Revenue		91,338	86,581		61,887	7,415	2,045	
	Expenses		84,073	81,063	58,393	61,598			
	Net Income		7,265	5,518	3,494	289			
Dock Dogs								5,000	Funds encumbered in 2012/2013
Human Relations Council	Revenue					1,500	1,500	1,000	
	Expenses					1,500			
	Net Income					0			
Cornerstone Family Worship Center	Revenue		233,522	252,990	252,990	190,087	21,635	0	
	Expenses		237,387	252,990	252,990	190,087			
	Net Income		(3,865)	0	0	0			
Purpose of God	Revenue		231,701	438,963	438,963	424,614	50,000	18,000	7/30/12 cash balance 118,055 (94,143) cash flow FY 2012
	Expenses		327,866	438,963	438,963	424,614			
	Net Income		(96,165)	0	0	0			
Domestic Violence Shelters							2,000	2,000	
Kiwanis Christmas Parade							2,800	1,500	
Total							161,150	75,295	23,295

City Manager, Josh Kay directed Council's attention to page 141 on the proposed budget, noting it will show what was actually spent for outside agencies in 2011-12, what was budgeted in the current year and what requested in the proposed budget. Mr. Kay explained the procedure used by staff and noted some examples with the requested amount and the proposed amount.

Mayor Jennings voiced that all of the agencies we partnered with over the years are deserving of funding and some with a decided impact in the community and provided examples. Councilman Mercer expressed he had presented his proposed reductions and noted we reduced funding last year and suggested continuation of those reduction efforts. Also, Councilman Mercer recommended not adding anything new. Following discussion:

Suggestions and/or recommendations for funding as directed by Mayor/City Council:

<u>Organizations</u>	<u>Amount</u>
Cornerstone Family Worship Center	+\$15,000
Eagle Wings	+\$1,000

Employee & Children	168.9	219.03	239.1	70.2
Employee & Family	659.01	809.38	950.43	291.42

41. Historical analysis of average distribution of merit increases across the organization
a. Please see Attachment #4

Performance Appraisal Score History

	<u>Less than 4</u>	<u>4.0-4.24</u>	<u>4.25-4.49</u>	<u>4.49-5.0</u>	
FY 12/13	16%	22%	20%	42%	(as of 4/23/13)
FY 11/12	18%	30%	23%	29%	
FY 10/11	18%	21%	23%	38%	
FY 09/10	25%	21%	21%	33%	
FY 08/09	24%	27%	17%	32%	

Merit based on Performance Appraisal Score

- <4.0 = 0%
- 4.0 to 4.24 = 1%
- 4.25 to 4.49 = 1.75%
- 4.5 to 5.0 = 2.5%

Probationary = 5% (ordinarily) score above 3.0

SALARY HISTORY

July 1, 2012	0% COLA	0% Job Maturity	1-2.5% Merit	
July 1, 2011	0% COLA	2.5% Job Maturity	1-2.5% Merit	\$250 Bonus
July 1, 2010	0% COLA	2.5% Job Maturity	1-2.5% Merit	
July 1, 2009	0% COLA	2.5% Job Maturity	1-2.5% Merit	
July 1, 2008	\$1,150 or 3%	2.5 % Job Maturity	1-2.5% Merit	

42. Estimated cost to complete Wayfinding program.
a. CIP states \$40,000 divided between 2 fiscal years. I would suggest that this amount could be as high as \$75,000 if done well and using new logo.

Mayor Jennings inquired if the City could provide their own signs and Mr. Kay responded ‘yes’ with limited capabilities. Councilman Mercer suggested he would prefer (if the Manager thinks \$40,000 will not be enough) we eliminate Streetscape money and put those monies into the Wayfinding program as \$60,000 would not begin to touch the Streetscape project. Mr. Kay advised the money for Streetscape would just be paying for a consultant to come in and begin the engineering piece of it.

Mayor Jennings asked Lynn Lewis, Tourism Director, if we had funding, how quickly could we implement a quality Wayfinding program. Mr. Kay stated they think it could be completed during the fiscal year.

*Straw poll – unanimous (allocate \$75,000 to the Wayfinding program)

43. Estimated cost to complete Downtown Streetscape project.
a. CIP states \$284,000 from the General Fund and \$1,500,000 from the Electric Fund, for a five-year total of \$1.784 million. This cost could increase or decrease depending upon level of improvements undertaken.

*Straw poll – unanimous and discussed with item #42 (delay for one year and put all monies in the Wayfinding project). Mayor Pro tem Robeson voiced that at some point we really do need to

address some of these issues. Mr. Kay noted there will be grant opportunities out there for this project.

Recommended Changes to General Fund Budget by Members of Council

1. Reduce ballistic vest purchase from 10 to 8 – reduce line item by \$1,300
 - a. Police Department – Non-capitalized Purchases (pg 66)
2. Delete funding for phase 1 of Dectron unit replacement - \$16,200
 - a. Aquatic Center – Capital Outlay (pg 135)
3. Delete the purchase of a power rake - \$7,472
 - a. Parks & Grounds Maintenance – Other Improvements (pg 140)
4. Delete increasing of the fence height at the Sports Complex - \$17,000
 - a. Parks & Grounds Maintenance – Other Improvements (pg 140)
5. Delete the installation of soccer field lighting at the Sports Complex - \$150,000
 - a. Parks & Grounds Maintenance – Installment Purchases (pg 140)
6. Reduce outside agency funding by \$14,045 as follows (Outside Agencies – pg 142)
 - a. Arts Council - \$8,000 (\$5,000 reduction)
 - b. Concerts - \$2,000 (\$1,000 reduction)
 - c. Wright Flight - \$2,000 (\$1,500 reduction)
 - d. Wildlife Guild - \$1,000 (\$6,045 reduction)
 - e. Add Dock Dogs Contribution - \$5,000 (\$5,000 addition)
 - f. Purpose of God - \$15,000 (\$3,000 reduction)
 - i. Funding approved if Federal grant application unsuccessful
 - g. Red Cross - \$0 (\$500 reduction)
 - h. Domestic Violence Shelters - \$0 (\$2,000 reduction)
7. Increase contract services for housing demolition to \$40,000 - \$15,000 increase
 - a. Code Enforcement – Contract Services-Housing Demolition (pg 84)

Mayor Pro tem Roberson and Councilman Pitt requested increasing contract services for housing demolition to \$40,000 instead of \$25,000.

*Straw poll – unanimous

Councilman Brooks mentioned homeowners don't have funding to upgrade homes and he feels the City needs to be more active in helping them apply for grants, this will help landlords as well. Mr. Kay voiced some of the services being offered and Mayor Jennings stated this is something the Council needs to take up under the leadership of the new manager.

8. Adjust various fees for services, per recommendation of Council-appointed Fee Subcommittee and/or City Staff
 - a. Fee Proposal Attached

PROPOSED FEE CHANGES – 2013-2014

Councilman Mercer requested addressing the proposed fee changes as it appears the privilege license would be the one that would require the most time and Mayor Jennings agreed. Mayor Jennings commended staff and the committee. Also, he felt the recommendation that came out of the committee was a very sound proposal for privilege license fees equitable across the spectrum for our businesses here but the challenge is “don't know if we can we get that right”. Mayor Jennings recommended eliminating privilege license fees and replacing it with a registration fee. He shared there are bills in Raleigh now hinting at the future elimination of our ability to even charge privilege license which may or may not pass. This will put approximately \$300,000 back in the hands of business owners and maybe help with job creation.

Councilman Mercer voiced that Economic Development Director, Bob Heuts expressed concerns regarding the increase of fees on manufacturers (making very good points) and requested Councilman Mercer bring those concerns back to Council. Councilman Mercer requested reducing the fees on the manufacturer to the lowest level. Councilman Brooks stated he had been receiving calls about the same situation and would like to help manufacturers. Councilman Moultrie concurred with Councilman Brooks noting he had conversations with industries in town as well. Councilman Moultrie shared one individual advised that it would be cheaper to move his business and we need to keep our people employed. Also, Councilman Moultrie agreed with Mayor Jennings in eliminating privilege license fees. Mayor Pro tem Roberson preferred waiting to see what the General Assembly would do and act accordingly but if not, then we should reduce the amount and do away with it the following year. Mayor Pro tem Roberson noted his comment would be to the Manager as to where would we make up the deficit if we do away with privilege license. We will need some sort of revenue and we do not want to increase taxes or other things to offset the amount. Mayor Jennings stated what we are proposing is to do away with the concept of the privilege license fees (base on sales, etc.) and if we implement the registration fee there will still be some revenue generated there (smaller amount). Mr. Kay voiced we are talking about \$350,000 and staff would not recommend increasing revenue from anywhere else we would primarily look at cost savings. Mayor Jennings stated we have identified a couple of opportunities tonight.

*Straw poll – unanimously to accept all the proposed fees recommendation from staff with the exception of privilege license fees which will be replaced by a registration fee with a banded strategy and then the savings thereby found by the staff to fund that proposal.

Proposed Fee Changes 2013-2014

Fee	Current	Staff Proposed	Council Proposed	
Water taps- 1" irrigation	869		1,000	
Water taps- 1" irrigation w/ chem. or fert. appl.	1,250		1,500	+ back flow valve
Sewer capital investment fees	1,700		2,000	
Sewer impact fees- 1" or smaller	588		600	Drop fee payer option
Sewer impact fees- non-residential 1"	2,216		2,500	
Sewer impact fees- non-residential 1 1/2"	4,073		4,500	
Sewer taps- 4"	785		1,000	
Sewer taps- 6"	1,040		1,500	
Storm water permits	500	1000		
Electric meter testing	10	50	25	
Underground electric subdivision- PUD residential detac	250		500	
Underground electric subdivision- PUD residential multi	100		250	
Underground electric additional fees- minimum	100		150	
Dumpster temporary service- 4 cy	22		30	
Dumpster temporary service- 8 cy	34		40	
Recycling fees	13/month	3 per 4 cy	25	
Yard debris collection- excess tree branches	50/load	75/load		

Proposed Fee Changes 2013-2014

Fee	Current	Staff Proposed	Council Proposed
Privilege license- internet café	250/machine	1,000/machine	
Privilege license- mfg., retail, wholesale,service			
Maximum	1,500		20,000
Gross receipts	.80/1,000>25,000		.35/1,000 >80,000 .70/1,000 >1,000,000 1.00/1,000 >14,000,000
Electric meter testing after tampering	10	50	
Water meter testing after tampering	10	50	
Water reconnect services	15		25
Subdivision plat preliminary up to 10 units	50		250
Subdivision plat preliminary > 10 units	50		500
Subdivision plat final	50		100
Building permits & inspections minimum	35		50
Cell tower permit	200		1,000
Washington Park Fire/EMS	33,488	33,527	
Beaufort County EMS	132,072	134,714	
Cemetery lots- 8 graves	4,800	5,000	
Cemetery lots- 4 graves	2,400	2,500	
Cemetery lots- 2 graves	1,200	1,250	
Cemetery lots- 2 graves	600	625	
Cemetery Internment weekdays- adult	550	575	
Cemetery Internment weekdays- baby	200	250	
Cemetery Internment weekdays- cremation urn	200	250	
Cemetery Internment weekdays- mausoleum		300	
Cemetery Internment weekend- adult	650	675	
Cemetery Internment weekend- baby	250	300	
Cemetery Internment weekend- cremation urn	250	300	
Cemetery Internment weekend- mausoleum		350	
Disinterment of vault	675	700	
Disinterment of urn	200	300	
Mausoleum permit		200	
Cemetery perpetual fee	200		250
Street concrete- new sidewalk	17/ft	19/ft	cost + 10%
Street concrete- sidewalk replacement	25/ft	27/ft	cost + 10%
Street concrete- curb & gutter replacement	30/ft	33/ft	cost + 10%
Street concrete- sand	50/1.5 tons	75/1.5 tons	cost + 10%
Event deposits- large event late fee 3 months	25		50
Event deposits- large event late fee < 30 days	50		50
Event deposits- small event late fee	10		25
Water front docks lease- monthly	260		275
Water front docks lease- quarterly	750		775
Water front docks lease- semi-annual	1,410		
Water front docks lease- annual	2,700		3,000
Interlibrary book loans- late fee \$5 maximum		.25/day	
Water hydrant meters- meter setting fee	25	50	
Water impact fees- 1" or smaller	332		500 Drop fee payer option
Water impact fees- 1"	1,162		1,200
Water impact fees- 1 1/2"	2,057		2,500
Water lab test	30		50
Water meter testing	10	50	25
Water taps- 3/4"	651		800
Water taps- 1"	869		1,000
Water taps- 1 1/2"	2,660		3,000
Water taps- 2"	3,493		4,000
Water taps- 3"	8,316		10,000
Water taps- 3/4" irrigation	651		800

City Attorney, Franz Holscher arrived to the meeting at 7:30 pm.

CLOSED SESSION – UNDER § NCGS 143-318.11(a)(6) PERSONNEL

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council agreed to enter closed session at 7:30pm under § NCGS 143-318.11(a)(6) Personnel.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council agreed to come out of Closed Session at 7:57 pm.

ANNOUNCEMENT – APPOINTMENT OF CITY MANAGER FOR THE CITY OF WASHINGTON:

By motion of Councilman Pitt, seconded by Councilman Mercer, Council appointed Brian Allgood as the City of Washington City Manager effective July 1, 2013 subject to a

satisfactory background check and pre-employment drug screen and approve the Employment Agreement as submitted.

**ADJOURN – UNTIL MONDAY, MAY 6, 2013 AT 5:30 PM IN THE COUNCIL
CHAMBERS AT THE MUNICIPAL BUILDING**

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council adjourned the meeting at 7:58 pm until Monday, May 6, 2013 at 5:30 am in the Council Chambers at the Municipal.

**Reatha B. Johnson
Assistant City Clerk**