

CITY OF
WASHINGTON



COUNCIL
AGENDA

JUNE 1, 2010
TUESDAY
4:30pm

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval/Amendments to Agenda

1. Council Request for additional \$1.2 million budget reduction
2. Revenue Neutral Tax Rate
3. General Fund Revenue Estimates
4. Adopt – Budget Ordinance Amendment for loan application for the Main and Respass pump station improvements (\$10,000)
5. Report - Reallocation of funding – General Fund (\$6,000)

Adjourn - Until Monday, June 14, 2010 at 5:30 pm in the Council Chambers at the Municipal Building.

		Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
2% Reduction Target					1,242,989	62,149,438
Upfront Reductions:						
County 911	E911	122,014	(122,014)	(122,014)		
Outside Agencies	OS Agencies	183,940	(8,547)	(4,110)		-4.65%
Harbor District Alliance	Electric	60,000	(3,000)	(3,000)		5.00%
RZEDB vs Cash Capital						
Fire Dept Roof	General Fund	42,000	(42,000)	(42,000)		
Charlotte Street/Jacks Creek	Storm Water	465,000	(465,000)	(465,000)		
City Hall Maintenance (Municipal Building)	General Fund	25,000				
Old City Hall Structural (Misc.)	General Fund	25,000				
Façade Grant	Econ. Devl.	15,000	(5,000)	0		
BB&T Note (unspent escrow)	Electric	160,000	(160,000)	(160,000)		
Landlord Weatherization	Electric	40,000	(40,000)	(40,000)		
Total Upfront Reductions			(845,561)	(836,124)		
Remaining Target					397,428	0.64%

		Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
HR	10 40 4125				2,768	276,821
	3300 Department Supplies	3,000	(500)	(100)		
	4500 Wellness	15,000	(1,500)			
	1401 Employee Development	3,500	(500)	(100)		
	1200 Printing & Publishing	1,000	(267)	0		
	Total		(2,767)	(200)		

		Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
Council	10 00 4110					60,117
Mayor	10 00 4111					13,539
City Manager	10 00 4120					<u>288,594</u>
	10 00 4120 7000 Non-capitalized Purchases	1,500	(1,500)	(1,500)	3,623	362,250
	10 00 4110 3300 Dept. Supplies	3,600	(600)			
	0400 Professional Services	10,050	(3,760)			
	Total		(5,860)	(1,500)		

		Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
Library	10 40 6110				3,885	388,504
	3300 Dept. Supplies	10,000	(2,385)	(500)		
	7000 Non-capitalized Purchases	1,500	(1,500)	0		
	Total		(3,885)	(500)		

		Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
Finance	10 00 4130					477,502
Billing	10 00 4134					158,599
Customer Service	10 00 4135					<u>697,015</u>
	10 00 4135 1201 Marketing	22,000	(7,000)		13,331	1,333,116
	10 00 4135 4502 CC Processing Fees	70,000	(2,000)			
	10 00 4130 4504 Software Maintenance	46,030	(2,080)	(2,080)		
	10 00 4130 1400 Employee Development	6,000	(1,000)	(1,000)		
	10 00 4130 0400 Professional Services	11,500	(1,275)	(1,275)		
	Total		(13,355)	(4,355)		

			Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
Parks & Recreation						13,963	1,396,329
10 40 6121	0300 Part Time Salaries		37,000	(3,080)	(400)		
10 40 6122	0300 Part Time Salaries		15,450	(3,000)	(500)		
10 40 6124	0300 Part Time Salaries		52,754	(3,180)	(500)		
10 40 6130	4501 Contract Services Grounds		11,850	(4,740)	0		
Total				(14,000)	(1,400)		

			Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
Public Works							
Street Maintenance	10 20 4510						462,262
Powell Bill	10 20 4511						271,916
Street Lighting	10 20 4512						131,500
Storm Water	30 30 5710						290,944
Public Works Directo	10 30 4700						78,347
Garage	10 20 4250						<u>147,205</u>
						13,822	1,382,174
Street Maintenance	10 20 4510	201 SALARIES - OVERTIME	13,000	(3,000)	0		
Powell Bill	10 20 4511	5600 Powell Bill Materials	63,964	(63,964)	0		
		4500 STREET PAVING	80,000	(53,273)	0		
Water						29,585	2,958,537
	30 90 4020	8000 Debt Service- Hwy 17	30,263	(30,263)	(30,263)		
	30 90 6610	9200 Admin Charges to GF	273,570				
Sewer						29,850	2,985,014
	32 90 4020	8000 Debt Service- Hwy 17	16,611	(16,611)	(16,611)		
	32 90 6610	9201 Admin Charges to GF	28,055				
Storm Water						8,695	869,500
	34 90 5710	9210 Admin Charges to GF	100,955				
Airport						4,379	437,911
	37 90 4530	9710 Admin Charges to GF	29,746				
Solid Waste						14,135	1,413,500
	38 90 4710	9200 Admin Charges to GF	184,802				
Cemetery						2,600	260,036
Total Public Works				(167,111)	(46,874)	103,067	10,306,672

		Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
Public Safety						
Police and E911						
10-10-4310/1					33,707	3,370,729
10-10-4310	200 SALARIES (1 FT Police Officer)		(32,018)	(32,018)		
10-10-4310/1	201 SALARIES - OVERTIME	71,066	(3,000)	0		
10-10-4310	500 F.I.C.A. TAXES		(2,451)	(2,451)		
10-10-4310	600 GROUP INSURANCE		(5,400)	(5,400)		
10-10-4310	700 RETIREMENT CONTRIBUTIONS		(2,221)	(2,221)		
10-10-4310	702 401K CONTRIBUTIONS-POLICE		(1,601)	(1,601)		
	300 Salaries PT (1 PT Code Enforecemnt)	10,000	(5,000)			
	1200 Printing & Publishing	3,000	(300)	(300)		
	1400 Employee Development	15,000	(1,500)			
	1602 Maint/Rep Radio (2 cars vs 4)	1,700	(600)	(600)		
	1605 Maint/Rep Police Equip (2 cars vs 4)	8,125	(950)	(950)		
	3300 Departmental Supplies	10,000	(1,000)	(473)		
	5700 Miscellaneous	16,000	(1,000)	(1,000)		
	Total		(57,041)	(47,014)		
Fire and EMS						
10-10-4340/1					22,835	2,283,547
10-10-4340/1	201 SALARIES - OVERTIME	16,031	(3,000)	0		
10-10-4340	7000 Non-capitalized Purchases	5,500	(4,250)	(4,250)		
			(7,250)	(4,250)		
Total Public Saftey			(64,291)	(51,264)	56,543	5,654,276
Purchasing/Wareho						
10 10 4131					1,400	139,971
	1300 Maintenance/Repair Building	6,000	(1,400)	(1,400)		
	Total		(1,400)	(1,400)	1,400	139,971
Electric						
					386,409	38,640,856
35-90-8380	200 SALARIES (load mgmt. switch install)	459,461	(96,715)	(96,715)		
35-90	201 SALARIES - OVERTIME	160,400	(20,000)	(20,000)		
35-90-8380	4501 Tree Trimming	200,000		(50,000)		
35-90-8370	1603 Maintenance & Repair of Substation	75,000		(11,174)		
35-90-8370	3101 Fuel Peak Shaving Generators	225,000		(25,000)		
35-90-8380	1500 Maintenance & Repair Buildings	22,800		(3,397)		
35-90-8380	3300 Departmental Supplies	37,500		(5,587)		
35-90-8380	5600 Materials	90,000		(13,408)		
35-90-8390	4500 Contract Services	49,000		(7,300)		
35-90-8390	5605 Materials OH Transformers	90,000		(13,408)		
35-90-8390	5600 Materials OH Construction	100,000		(14,898)		
35-90-8390	5606 Materials Pad Mount Transformers	90,000		(13,408)		
35-90-8390	7000 Non-capitalized Purchases	39,600		(5,900)		
35-90-8380	5600 Materials, OH Power Line Maint	90,000		(13,408)		
35-90-8380	1500 Maintenance & Repair Buildings	22,800	0	(3,397)		
	Total		(116,715)	(297,000)		
Included in Upfront Reductions Above:						
	Harbor District Alliance	60,000	(3,000)	(3,000)		
	BB&T Note (unspent escrow)	160,000	(160,000)	(160,000)		
	Landlord Weatherization	40,000	(40,000)	(40,000)		
	Memo Subtotal		(203,000)	(203,000)		
Total Electric			(319,715)	(500,000)		

			Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
Planning	10-10-4910	0400 Professional Services	15,000	(1,750)	(1,000)	3,186	318,555
		1200 Printing & Publishing	6,000	(500)	(500)		
		1400 Employee Development	2,500	(336)	(336)		
		3300 Departmental Supplies	4,000	(300)			
		4502 Contract Services- Zoning Map	1,000	(100)			
		5300 Dues & Subscriptions	1,600	(100)			
		5704 Annexation Expense	1,000	(100)	0		
		Total			(3,186)		
<hr/>							
			Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
Code Enforcement	10-10-4350	1400 Employee Development	1,800	(300)	(300)	2,035	203,547
		3300 Departmental Supplies	700	(36)	(36)		
		4500 CS- Housing Demo	15,000	(1,000)			
		4501 CS Vacant Lots	9,000	(500)			
		7000 Non Capitalized Purchases	3,043	(200)	(200)		
		Total			(2,036)		
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			Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
IT	10-00-4132	4500 CS- GIS Map Layer	48,070	(2,822)	0	2,822	282,244
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			Budgeted	2% Reduction	\$500k EI. Reduction	2.00% Target	Budget
Summary:							
General Fund				(411,400)	(231,115)		
Water				(30,263)	(30,263)		
Sewer				(16,611)	(16,611)		
Storm Water				(465,000)	(465,000)		
Airport				0	0		
Solid Waste				0	0		
Cemetery				0	0		
Electric				(319,715)	(500,000)		
Special Revenue Funds				0	0		
Total				(1,242,989)	(1,242,989)		

Outside Agencies

6/1/2010

Fund #		Pr. Year Actual	Amended Budget	Expended/ Encumbered	% Spent	Est.Exp. Entire Year	Dept Head Request	Manager Recommends	2% Reduction	\$500k El. Reduction	
		08-09		09-10	09-10	09-10	10-11	10-11			
	10	GENERAL FUND									
	10-40-6170	OUTSIDE AGENCIES				CULTURAL & LEISURE					
9100	TOURISM AUTHORITY	247,622	0	0	0.00						
9101	ARTS COUNCIL	25,900	22,500	22,500	100.00	22,500	20,000	20,000	1,000	500	
9102	B.H.M. LIBRARY	7,800	0	0	0.00						
9104	ARTS COUNCIL CONCERTS	6,000	5,600	5,600	100.00	5,600	6,000	6,000	400	200	
9105	BOYS & GIRLS CLUB	25,000	23,250	23,250	100.00	23,250	33,100	23,250	1,162	500	
9107	ZION SHELTER	10,500	10,500	10,500	100.00	10,500	10,500	10,500			
9108	WRIGHT FLIGHT	5,000	0	0	0.00		4,250	4,250	4,250	2,125	
9109	EAST CAROLINA WILDLIFE GUILD	1,900	7,650	8,743	114.29	8,743	8,750	8,750	450		
9110	THE BLIND CENTER	3,000	2,800	2,800	100.00	2,800	3,500	2,800			
9111	VIETNAM MOVING WALL		2,950	5,474	185.56	2,950					
9112	CHRISTMAS PARADE	2,500	2,325	2,325	100.00	2,325	2,800	2,325	120	120	
9115	TURNAGE THEATER PROJECT	160,248	100,000	100,000	100.00	100,000	100,000	100,000			
9116	EAGLE WINGS	2,000	2,000	2,000	100.00	2,000	5,000	2,000	100	100	
9117	DWOW	0	0	0	0.00						
9120	HUMAN RELATIONS COUNCIL	925	1,265	753	59.53	1,265	1,265	1,265	65	65	
9131	HIGHWAY 17 ASSOCIATION	7,500	0	0	0.00						
9136	PURPOSE OF GOD	2,000	1,800	1,800	100.00	1,800	5,000	1,800			
9137	ALBEMARLE FOOD BANK				0.00			1,000	1,000	500	
	TOTAL	507,895	182,640	185,745	101.70	183,733	200,165	183,940	8,547	4,110	

Neutral Property Tax Increase

City of Washington

**Revaluations as of:
January 1, 2010 and 2002**

Fiscal year	Assessed Valuation as of June 30	Annexation (Deannexation)	Total Adjusted for Annexation or Deannexation	Valuation Increase	Percentage change
2010-11	823,609,391	(1,934,897)	09-10 825,544,288 08-09 651,166,443		
2009-10	651,166,443	160,482	08-09 651,005,961 07-08 639,275,270	11,730,691	1.83%
2008-09	639,275,270	333,750	08-09 638,941,520 07-08 619,972,410	18,969,110	3.06%
2007-08	619,972,410	343,932	08-09 619,628,478 07-08 605,185,152	14,443,326	2.39%
2006-07	605,185,152	813,699	08-09 604,371,453 07-08 589,114,135	15,257,318	2.59%
2005-06	589,114,135	111,830	08-09 589,002,305 07-08 577,120,521	11,881,784	2.06%
2004-05	577,120,521	177,892	07-08 576,942,629 06-07 574,570,043	2,372,586	0.41%
2003-04	574,570,043	599,040	06-07 573,971,003 05-06 550,577,101	23,393,902	4.25%
2002-03	550,577,101	804,711			2.37%
					Average growth % Doesn't include revaluation increase

Last year prior to revaluation		Tax rate	Estimated tax levy
2009-10	651,166,443	0.6000	3,906,999
First year of revaluation		Tax rate to produce equivalent levy	
2010-11	823,609,391	0.4744	3,906,999
Increase tax rate for average growth rate		Revenue neutral tax rate, to be included in budget ordinance, adjusted for growth	
2010-11	823,609,391	0.4856	3,999,605
		Increase in Tax Levy	92,606
		Average Percentage Increase	2.37%
120,000	2002 Public Safety Capital Reserve		
82,361	\$.01 of Property Taxes		
0.0146	Capital Reserve		
0.4856	Revenue Neutral Tax Rate		
0.5002	Proposed Tax Rate		

Revenue Neutral Tax Rate

GS 159-11(e):

In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, deannexation, merger, or similar event.

Summary:

1. Determine a rate that would produce revenues equal to those produced for the current year using the reappraisal valuation.
2. Increase that rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal
3. Adjust the rate to account for any annexation, deannexation, merger, or similar event.

Property Owner Impact:

While the revenue neutral rate will generate the same revenue as the previous year adjusted for average growth it will not result in the same real property tax bill as the previous year for each property owner for the following reasons:

1. Real property owner's change in valuation is more or less than the City wide average change of 35.87%.
2. Average rate of growth of 2.37% is included in revenue-neutral tax rate
3. In a revaluation year, the assessed value of real property equals its market value as of January 1 of that year. In each subsequent year, the assessed value of real property (other than new construction) remains constant, though its market value typically increases. Personal property, in contrast, is valued at its market value each year. In a revaluation year a realignment occurs in the tax burden between real and personal property when both are reset to current market value. As a result, many individual real property owners receive increased tax bills in revaluation years. (UNC School of Government Property Tax Bulletin #144)

2009 Property Valuation						\$ Levy
Description	Real	Personal	Public	Vehicles	Total	
Tax Billing	492,364,969	103,988,813	9,770,794	56,599,303	662,723,879	3,976,343
Real Deferred	(1,381,586)				(1,381,586)	(8,290)
Personal Exemptions	(4,797,048)				(4,797,048)	(28,782)
Tax Releases		(4,453,412)		(912,837)	(5,366,248)	(32,197)
Tax Misc. Dr. Cr.				(4,570)	(4,570)	(27)
Write-off		(2,666)			(2,666)	(16)
Tax Refund	0	(5,318)	0	0	(5,318)	(32)
Total	486,186,335	99,527,417	9,770,794	55,681,897	651,166,443	3,906,999
% of Total	74.7%	15.3%	1.5%	8.6%	100.0%	
Subtotal Adj. Above	(6,178,634)	(4,461,396)	0	(917,407)	(11,557,437)	

2010 Property Valuation					
Description	Real	Personal	Public	Vehicles	Total
Property Valuation	683,628,243	103,988,813	9,770,794	56,599,303	853,987,153
-3.370% Appeal Adjustments	(23,038,272)				(23,038,272)
Warren Airport		(1,960,688)			
Tax Releases & Other Ad	0	(4,461,396)	0	(917,407)	(5,378,803)
Net 2010 Property Valuation	660,589,971	97,566,729	9,770,794	55,681,897	823,609,391
% of Total	80.2%	11.8%	1.2%	6.8%	100.0%
% Change	35.87%	-1.97%	0.00%	0.00%	26.48%

2009 65,117 =.01
 2010 82,361 =.01



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director
Date: 06-01-10
Subject: Adopt Budget Ordinance Amendment for Loan Application for the Main and Respass Pump Station Improvements (\$10,000).
Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that Council adopt a budget ordinance amendment to allocate funds for a loan application for the Main and Respass pump station improvements in the amount of \$10,000.

BACKGROUND AND FINDINGS:

As discussed at the May 24 council meeting, we have the opportunity to pursue State Revolving Loan funds, including principal forgiveness for up to 50% of the project, for the Main and Respass pump station improvements. Originally we were under the impression that the other 50% of the project would be available for 0% interest loan. Unfortunately, the only projects funded with the 0% interest are "green" projects. Still, with the interest rate being half of the prime, this potentially will allow us to construct this project at a total cost less than the current dollars with a 20-year pay back. At 3% interest (current rate is only 2.22%) and half the estimated cost being financed (\$300,000), the annual payments are approximately \$20,165.

Unfortunately, the parallel water line project out of the water treatment plant that was also discussed at the May 24 meeting is not eligible for the same type of funding. The only funding available at this time for this project is the low interest loan for the entire amount. As a result, we have decided not to pursue these funds at this time.

PREVIOUS LEGISLATIVE ACTION

N/A.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

See attached Budget Ordinance Amendment.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *AS* Concur _____ Recommend Denial _____ No Recommendation 5/27/10 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2009-2010**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the Sewer Fund be increased in the amount of \$10,000 in the account Fund Balance Appropriated, account number 32-90-3991-9910.

Section 2. That account number 32-90-8230-0400, Professional Services, Lift Station Department portion of the Sewer Fund appropriations budget be increased in the amount of \$10,000 to provide funds for Main and Respass pump station grant application.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 1st day of June, 2010.

MAYOR

ATTEST:

CITY CLERK



City of Washington
MEMORANDUM

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, CFO
Date: June 1, 2010
Subject: Reporting of reallocation of funding – General Fund (\$6,000)
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

The following reallocations of funding between divisions within the General Fund have been approved by the City Manager:

- Decreased Senior Programs Department (10-40-6123-0200) by \$6,000
- Increased Parks & Grounds Maintenance Department (10-40-6130-1502) by \$6,000

BACKGROUND AND FINDINGS:

Shelters at Havens Gardens were in need of emergency repairs.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account 10-40-6123-0200 _____ Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: _____ Concur _____ Recommend Denial _____ No Recommendation
_____ Date

Request for Transfer of Funds

Date: 05/27/10

TO: City Manager or Finance Director

FROM: Philip Mobley

SUBJECT: REQUEST FOR TRANSFER OF FUNDS

I hereby request the transfer of funds as set forth below from one account to another, all within the same appropriation fund account, as permitted and authorized by the General Statutes of North Carolina.

	Department	Account Number	Object Classification	Amount
FROM:	10-40-6123-0200		Salaries	(6,000)
TO:	10-40-6130-1502		Maint/Repair Parks	6,000

For the purpose of: Emergency repairs at Havens Gardens.

Supervisor

A. Radcliffe for M. Ranschenbach

Department Head

ACTION OF CITY MANAGER OR FINANCE DIRECTOR

Approved:

Disapproved:

* Request for Transfer of Funds from Department to Department require City Manager's approval.

** Request for Intradepartmental Transfer of Funds require Finance Director approval.

[Signature]

City Manager or Finance Director