

The Washington City Council met in a continued session on Monday, June 8, 2009 at 4:30 p.m. in the Council Chambers at the Municipal Building. Present were: Judy Jennette, Mayor; Doug Mercer, Mayor Pro tem; Richard Brooks, Councilman; Archie Jennings, Councilman; Gil Davis, Councilman; Jim Smith, City Manager; and Reatha Johnson, Assistant City Clerk. Councilman Darwin Woolard was absent.

Also present were: Matt Rauschenbach, Chief Financial Officer, Anita Radcliffe, Accounting Manager; Allen Lewis, Public Works Director; Mick Reed, Police Chief; Phil Mobley, Parks and Recreation Director; Keith Hardt, Electric Director; David Carraway, IT Department; Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order and Councilman Brooks delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

By motion of Councilman Jennings, seconded by Councilman Brooks, Council unanimously approved the agenda as submitted.

By motion of Councilman Davis, seconded by Councilman Jennings, Council unanimously agreed to set the date for the Regular Council meeting for July 8, 2009 and decision made not to have a Committee of the Whole meeting.

***Note:** City Manager, James Smith requested Worker's Compensation be moved to the end of the meeting and Council agreed.

PARKS AND RECREATION DEPARTMENT FEES

Parks and Recreation Director, Phil Mobley distributed the fee proposal for the 2nd Session – justifications.

Parks and Recreation-Fee Proposal 2nd Session – justifications

Facility and Field Rentals

McConnell Sports Complex

Baseball/Softball Tournament Rental (Non Recreation Sponsored/League)

Current Fees - \$50 first field, \$25 each Additional Field

(includes 1st fixing of fields)

Cost Justifications per field:

Drag and Line Field (labor)	\$28.00
Lime, Turface, Paint	<u>\$21.00</u>
Total	\$49.00

Spring Soccer Tournament/other (Non Recreation Sponsored/League)

Current Fee - \$50 first field, \$25 each additional field

Cost Justifications per field:

Initial time

Measure and line field (labor)	\$60.00
Paint	\$16.00
Install Nets	\$40.00
Straps	<u>\$10.00</u>
Total	\$126.00

Reline

Reline (labor)	\$40.00
Paint	<u>\$16.00</u>
Total	\$56.00

Note: Field Rental costs do not include:

Equipment Costs (three wheeler, trailers, trucks)

Mowing Costs (equipment & Labor)

Facility Staffing (this is charged in addition to the rental fee) (labor)

Facility Use Fee

Proposed increase to from \$30 to \$50

Cost Justifications per field (from Services report April 07-March 08):**

Youth Sport	Net Cost Participant (after \$25**)	# of Participants	Net City cost of
Basketball	1,763.92	221	7.98
Baseball	40,236.44	384	104.78
Softball	17,663.22	279	63.31
Soccer	8,209.44	416	19.73
Football	0	155	0

Adult Sport	Net Cost cost of Participant (after \$25)	#Participants	Net City
Church Softball	0	141	0
Women's Softball	0	51	0
Coed Volleyball	248.95	45	5.53

Reconsider Facility Use Fee proposed fee:

After taking a second look at the net cost to the City, maybe we should consider charging a Facility use fee per Sport:

Sport	Recommend
Youth Basketball	Leave at current \$30
Youth Baseball	Keep Proposed \$50
Youth Softball	Keep Proposed \$50
Youth Soccer	Leave at Current \$30
Adult Church Softball	Leave at Current \$30
Women's Softball	Leave at Current \$30
Coed Volleyball	Leave at Current \$30

Field Lighting, Lining, and Staff

Lights at Athletic Field:

Current Fee 25.00

Cost Justifications per hour: (Average \$26.93)

Costs provided by Electric Director

3rd Street Tarheel Field	\$5.14
3rd Street Youth Field	\$4.08
JCT Front Field	\$8.59
JCT Back Field	\$4.72
<i>Kugler Field</i>	<i>\$11.30 (Not applicable anymore)</i>
Complex #1	\$20.58
Complex #2	\$4.72
Complex #3	\$4.72
Complex #4	\$5.14
Complex #5	\$4.50
Complex #6	\$5.14

The cost for each field is due to demand costs and losses.

The Following fees could follow under the following categories:

1. Other Rentals and/or
2. Fees that are charged for additional services after the initial rental fee is paid.

Lining Baseball Field 10.00

After initial rental fee is paid (per field relining)

Cost Justification:

Lining, plus Supplies 49.00

Staffing of Maintenance Personnel 25.00 (Proposed)

Cost Justifications:

Staffing per hour at time and ½ 28.00

Scenario

Tournament Scenario

1 Field, 1 day (games at 10, 12, 2, 4, 6, 8)

Using Current Fee Structure

Fee City	Participant Pays	Actual Cost to the
Initial Rental Fee	\$50	\$50
Includes 1 st lining	\$20	\$20
Customer choose to reline @ 2 & 6		
Maintenance Staff to reline	\$80	\$168
At \$20/hr		
\$Facility Staffing	<u>\$120</u>	<u>\$120</u>
Totals	\$270	\$358

Mr. Mobley clarified the above document fee proposal; explaining what the proposed fee is now, what the proposed fee will be, and the cost to drag a ball field, line a field, and the material used (lime, turface, and paint). Mr. Mobley explained page by page the cost associated with Soccer, Basketball, Softball, Coed Volleyball and the staffing cost involved. Also, he answered all questions addressed by City Council.

Councilman Jennings requested Mr. Mobley work with the league and work from a volume standpoint and pass any relief back to the league. Also, try as a pilot program to involve the leagues in the training process in the place of a paid staff. Try to give the leagues a chance to volunteer and be more pro-active and hopefully we can save money.

By motion of Mayor Pro tem Mercer, seconded by Councilman Jennings, Council unanimously agreed to incorporate the fees, but suspend them for 90 days and discuss them again in August. This will allow time for the sub-committee to meet with the leagues to see if some of these ideas can be developed to help reduce the cost and increase participation.

The sub-committee will include Councilman Jennings and Councilman Davis and Parks and Recreation staff.

ELECTRIC FUND

Mayor Pro tem Mercer requested clarification of the language on page 456 (item b & c) and page 459 item (f) also on page 459 the fees does not match up. He needed clarification on the meaning of residential new service and Mr. Hardt explained it was the fee for AMR metering and should be labeled differently.

Mayor Pro tem Mercer questioned certain fees that were listed on page 473 and Councilman Davis suggested it appears that some of the items were not included in the CIP. Mayor Pro tem Mercer requested to see the pole attachment fee increase by 50%. Mr. Hardt explained that this was not justifiable with the FCC or the suppliers. The study was to determine (1) the type of attachments and the number attachments on each pole and (2) the fee would be based on the load they put on those poles and have a justifiable reason for increasing fees. Mayor Pro tem Mercer shared a consultant had informed the Mayor and Council that the City's fees were consistently lower than other municipalities and it was recommended we raise them. Mayor Jennette and Councilman Davis recalled the discussion.

Council directed Mr. Hardt to increase fees on pole attachments to \$6.00 and \$3.00 instead of \$5.00 and \$2.50.

Councilman Davis referred to page 478 (Installment Note Principal Payment & Installment Note Interest Payments) suggesting along with Mayor Pro tem Mercer that the difficulty lies in the statement with July 2009 borrowing it should state July 2008. Ms. Radcliffe will implement the correction. Council directed Mr. Hardt to double check the dollar amount on line item 35-90-7220-0401 Professional Service-Lawsuit. Councilman Jennings remembered this figure to be approximately \$10,000 and not \$23,000. Mr. Hardt clarified this involves the law-suit of individuals who did not pay (Carolina Transformers).

Mayor Pro tem Mercer stated under Capital Outlay phase meters 3 and 1 were not in the CIP. Mr. Hardt noted they were never entered in the CIP because the meters are distributed as needed and they are kept in the meter shop, not the warehouse. Mr. Hardt stated this cost is figured annually. Councilman Jennings stated he feels strongly about the CIP and the benefits of it by helping to forecast cost. For clarification the meters should have been added in the CIP plan under a general heading. After more discussion, Mayor Jennette polled Council members and they were in agreement that from now on meters should be included in the CIP. Councilman Brooks opposed.

Mayor Pro tem Mercer asked for clarification on line item 35-90-8370-3300 (Gasoline Purchases- fuel for peak shaving generators). Mayor Pro tem Mercer recommended taking \$260,000 off the top before giving any credits because the generators belonging to and are maintained by the City. Mr. Hardt stated the rates were based on what Council adopted and there has not been a full rate study performed for a number of years. There would need to be a rate study done because there are five different generator rate schedules plus schedules for individual who owns their own generators and yes they do need to be adjusted. Mr. Hardt stated when performing the cost of service study, we would stop short of doing an actual rate study and Council would be looking at approximately \$20,000 - \$25,000 for a rate study (looking at all of the rates including residential, commercial, and generator credits). Mayor Pro tem Mercer suggested if there was a potential of increasing the City income by \$200,000 - \$400,000 by spending \$25,000 this would be money well spent. Mr. Hardt said the first draft would come in sometime in August. Councilman Jennings requested having this information in hand before making the rate decision increase because they all see the equity in getting the rate classes done.

Council directed Mr. Hardt to have the rate study performed for each rate class. Mr. Hardt stated this study would also show the demand charges on the rate.

Mayor Pro tem Mercer questioned line item 35-90-8370-7400 (Capital Outlay – Distribution Reclosers w/Mounting Brackets, 100 Load Management Switches, and Substation Recloser Replacement HWY 92 Circuit) stating that the Substation Recloser was the only item listed in the CIP. Mayor Jennette inquired about the dollar amount threshold agreed upon for CIP projects and Ms. Radcliffe stated \$25,000. Mayor Pro tem Mercer and Councilman Jennings noted they did not consider a \$125 item as Capital Outlay.

Mayor Pro tem Mercer questioned line item 35-90-8370-7401 (Installment Note Purchases – Main Sub B1 Breaker Replacement - \$42,000, Labor and Material to Relocate CSC Generator - \$50,000, and Labor and Material to Install new generator at Acre Station - \$100,000. Mr. Hardt informed Council that these last two items came in after the CIP. Mr. Hardt said we have a generator sitting there with no usage because the facility is shut down. The customer was going to put a generator in himself but has declined to do because of the economy and now the City has a load they can put the generator on to start recouping some savings. Mayor Pro tem Mercer reemphasized he did not want to borrow \$192,000 for items that were not listed in the CIP. Councilman Jennings stated the CIP is a very important tool in the budget process with Council trying to create a discipline between the budget process and the CIP. When special situations arise there needs to be a way of informing Council beforehand explaining the need. He feels every Council member would understand and amend the CIP. Mr. Smith cautioned that the CIP is a plan and the budget is an ordinance. Councilman Jennings understood this but there is an inconsistency that we need to deal with.

Council advised Mr. Hardt and staff to include anything within the \$25,000 threshold for the CIP.

By motion of Mayor Pro tem Mercer, seconded by Councilman Jennings (motive was for discussion only), moved to approve the \$100,000 for Labor and Material to Install New Generator @ Acre Station but not approve the \$42,000 for Main Sub B1 Breaker Replacement or the \$50,000 for Labor and Material to Relocate CSC Generator. Voting against the motion were Councilman Davis and Councilman Brooks – Mayor Jennette voted against the motion to break the tie. Installment Note Purchases - Main Sub B1 Breaker Replacement - \$42,000, Labor and Material to Relocate CSC Generator - \$50,000, and Labor and Material to Install New Generator @ Acre Station - \$100,000 as presented in the budget .

Councilman Jennings clarified his second -stating he would like to see if the City has an asset that can be redeployed and save money as opposed to letting it sit there not utilizing and not using its useful life; he would hate to see a project sitting there when it could eventually save the City money. Redeploying the existing generator could have been left out of the CIP. Mayor Pro tem Mercer reiterated that a capital item to him would be an installment purchase.

Council convened for a break at 6:10 pm and reconvened @ 6:20 pm.

Council agreed to move the purchase of a new plotter to print large maps under Rental Equipment. Mr. Hardt agreed it was on the wrong line item and stated it should be under line item # 7400.

Mayor Pro tem Mercer referred to page 518 – line item 35-90-8390-7401 (Installment Purchases) citing the purchase of the tree truck (\$150,000) and the Rebuild 2 miles of line as needed (\$60,000) was not in the CIP. Mr. Hardt referred to the Memo on page 451. Mayor Pro tem Mercer suggested according to the date on the letter, Council would have had the opportunity to address and amend the CIP before tonight's budget session.

A motion was made by Mayor Pro tem Mercer to delete the tree truck from this year's budget and move it to another year. Motion died for lack of a second.

Councilman Jennings recommended staying focused on the CIP process to create clarity for the department heads team; making sure Council receives some type of document stating we are outside the CIP but we have a cost savings item which will need to be included in the capital purchase. Councilman Jennings stated the criteria for next year should be if it is not in the CIP and Council is not notified before the budget process then the item will not be considered.

More discussions followed on the timing of purchasing the tree truck.

RATES

Mayor Jennette requested and Council agreed that rates will be discussed on the June 15, 2009 meeting.

Mr. Hardt passed out a letter from NCDOT for Council to review concerning Bridge 76 over Carolina & Northwest Railroads on NC 33 subject matter Utility Conflict – City of Washington Utilities- Power (Transmission). Mr. Hardt stated the City will be asked to relocate the cable at the City's expense. The City has the right-of-way but do not have prior rights.

DWOW

Mayor Pro tem Mercer inquired as to any in-kind contribution the City is giving to DWOW. Mr. Smith stated the office space and utilities. Councilman Mercer requested to see this in the budget. There are zero dollars in the budget for DWOW this year. Mr. Smith and Mayor Jennette informed Council that the façade grant was not in the budget this year, the money just wasn't there.

By motion of Councilman Davis, seconded by Councilman Jennings, Council agreed to place \$15,000 in the budget for façade grant. Councilman Brooks opposed.

Councilman Jennings stated this was an effective way to generate some level of activity.

OUTSIDE AGENCIES

Mayor Pro tem Mercer requested the following changes in the Outside Agencies budget:

	<u>Budget</u>	<u>Recommends</u>
1. Arts Council	\$24,100	\$22,500
2. Human Relations Council	\$ 1,400	\$ 1,200
3. Purpose of God	\$ 1,900	\$ 1,800

Councilman Davis agreed with the recommendation for the Human Relations Council budget since it appears they did not use all the money allocated last year. Mr. Smith explained they will be having representatives from other cities coming in this year which will require overnight stay and other additional expenses.

Councilman Jennings inquired if the office space for Arts Council was documented anywhere in the budget and Mr. Smith stated no. Councilman Jennings requested seeing this action documented. Council requested not only the Arts Council have documentation but all activities be documented.

The recommended changes will create a savings of \$1,900 in the budget.

By motion of Mayor Pro tem Mercer, seconded by Councilman Davis, Council agreed on the recommended budget changes in Arts Council \$22,500, Human Relations Council \$1,200, and Purpose of God \$1,800. Councilman Brooks opposed. Councilman Jennings amended the motion to use half of the savings which amounted to \$950 to be allocated to the Vietnam Moving Wall project. Councilman Jennings inquired if contributions could be given towards this project and Mayor Jennette said yes.

ECONOMIC DEVELOPMENT COMMISSION

There were no changes made to the **Economic Development Commission** made at this time. Councilman Jennings noted there is money belonging to the City in an EDC fund and tasked Ms. Radcliffe with getting that dollar amount and have it memorialized. Mr. Spruill is very good about remembering it is part of the City money but the last time something was presented it was presented to the County only.

SPECIAL REVENUE FUNDS

Councilman Davis inquired if the figures shown were just the interest amount or the principle amount; Mr. Rauschenbach stated it was the interest amount on investment. Mayor Pro tem Mercer requested a listing of how much money was in each of the Trust Funds.

REQUEST FROM THE CHIEF OF POLICE

Mayor Jennette stated there was a request from Chief Reed to consider charging 15¢ per copy for criminal reports and driver's history reports. Chief Reed suggested it should generate approximately \$500 a year.

By motion of Councilman Jennings, seconded by Councilman Brooks, Council unanimously agreed to charge 15¢ per copy for criminal reports and driver's history reports.

WORKERS COMPENSATION

Mr. Smith recommended not taking \$600,000 out of the fund balance for Self Funding Worker's Compensation and recommended not going to Self Funding Worker's

Compensation. Mayor Pro tem Mercer liked the idea of self funding in any insurance programs, but looking at the calculations (\$600,000 reserved and have \$440,000 available in the general fund is not enough money for a cushion). Mr. Smith agreed, stating you need to make sure you have the fund balance to cover self funding.

Councilman Jennings requested an executive summary to see on paper how this thing will work or not work. Mayor Jennette agreed, stating the Council need to see the full scope of what this means. Mr. Smith noted it would be provided for Monday. Also, Councilman Jennings requested net alterations (recapping all changes) to the budget number, which staff has done a good job on tracking.

Following more discussion, it was the consensus of City Council not to go with Self Funding Worker's Compensation.

CLOSED SESSION: UNDER G.S. 143-318.11(A)(5) POTENTIAL ACQUISITION OF REAL PROPERTY: PROPERTY LOCATED ON 403 HARVEY STREET AND OWNED BY CHRISTIAN FELLOWSHIP

By motion of Mayor Pro tem Mercer, seconded by Councilman Brooks, Council agreed to go into closed session under NCGS 143-318.11(a)(5) Potential Acquisition of Real Property: Property located on 403 Harvey Street and owned by Christian Fellowship

By motion of Councilman Jennings, seconded by Councilman Brooks, Council unanimously agreed to come out of closed session.

ADJOURN

By motion of Councilman Brooks, seconded by Councilman Jennings, Council unanimously adjourned the meeting at 8:10 pm, until Monday, June 15, 2009, at 4:30 pm in the Council Chambers at the Municipal Building.

Reatha B. Johnson
Assistant City Clerk