

The Washington City Council met in a planning session on Tuesday, January 21, 2014 at 5:30 pm at the Civic Center. 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; Reatha B. Johnson, Assistant City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Stacy Drakeford, Police & Fire Services Director; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Electric Utilities Director; John Rodman, Community/Cultural Resources Director; Susan Hodges, Human Resources Director; and David Carraway, IT Department.

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

APPROVAL/AMENDMENTS TO AGENDA:

By motion of Councilman Beeman, seconded by Councilman Brooks, Council approved the agenda as presented.

CLOSED SESSION – UNDER NCGS § 143-318.11 (a)(3) ATTORNEY/CLIENT PRIVILEGE AND (a)(6) PERSONNEL

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council agreed to enter closed session under NCGS § 143-318.11(a)(3) Attorney/Client Privilege; and (a)(6) Personnel at 5:35 pm.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to come out of Closed Session at 6:30 pm.

STRATEGIC PLANNING SESSION:

City Manager, Brian Alligood explained the meeting tonight will consist of an overview. Staff will come back at the Committee of the Whole and have conversations regarding policy and where Council would like for us to go. This will provide an opportunity for a more detailed informative session.

DISCUSSION: ALLEN LEWIS, PUBLIC WORKS DEPARTMENT

Public Works Director, Allen Lewis reviewed the Public Works Division 2014 Budget.

Current FY:

Budget revenues and expenditures are in-line with where they should be.

Councilman Mercer questioned the fund balance appropriated and/or capital reserve appropriated in every fund within Public Works and did we need to look into raising rates or reducing expenditures to ensure that expenditures do not exceed revenues . Mr. Lewis and Mr. Alligood stated that these funds were only being used for capital projects, not re-occurring expenditures, and all of the appropriated funds have been approved by Council in the past.

All major projects/capital in Public Works General Fund divisions have been completed or purchase orders have been issued except for the bathrooms at the 3rd Street ball fields. (Equipment department: air compressor, buildings and grounds: power rake, bleachers, raising backstops and boardwalk replacement.)

EDA Grant water/sewer project design is underway. Projects include parallel water line from WTP to US 264, liquid chlorine feed system at WTP, upgrade pump station at Cherry Run, generator at WWTP and replace the pump station at Water and Bonner. Bid project in November 2014, start construction February 2015 with completion by December 2016.

Other major sewer projects/capital this FY: approximately half of sewer manhole rehab work has been completed, clarifier painting at WWTP to be done by end of FY, return sludge pump number 2 at WTP has been replaced and design has been completed for Fountain pump station generator – waiting for bids.

Purchase order for replacement rear load garbage truck (483) has been issued - waiting on delivery.

Tractor replacement at cemetery is complete and new tractor/backhoe is in use on a regular basis.

Airport terminal design and project site work has been completed. Execution of terminal construction project contract expected in March with construction expected to begin in mid-March. Completion should be completed in March of 2015.

Solar farm project at the airport is operational. Contractor has some minor clean-up to perform.

Both corporate hangars have new tenants.

At the Division of Aviation's request and with Council approval, we will be applying for grant funds to design and replace the antiquated runway lighting system on the primary runway, 5/23. Grant funds used for this project are above and beyond our annual Vision 100 funds.

Council did not have any questions regarding Current FY.

Upcoming FY:

Replace two pick-up trucks (\$25K - \$39K) in buildings and grounds.

Replace tractor (\$90K), street sweeper (\$290K) and dump truck (\$70K) in the street department.

John Rodman will address possible future needs in Parks and Recreation that will impact Public Works buildings and grounds staff.

Replace three smaller vehicles (\$25K or under) in the water and sewer funds. Replace effluent pump (\$25K) at the WWTP and control panel (\$35K) at 5th and Resesp pump station.

Continue large water meter replacement program (*Councilman Mercer inquired is this giving half the money for meters 1-1 1/2" and if there is less than 50 big meters? Mr. Lewis answered he believes this to be correct.*)

Continue manhole rehab program to reduce I/I.

Continue EDA water/sewer project design and begin construction of previously mentioned projects. Total costs, including engineering, construction, legal, admin and, contingency: \$2.8 million.

Continue construction of terminal building at airport and possible replacement of runway 5/23 lights.

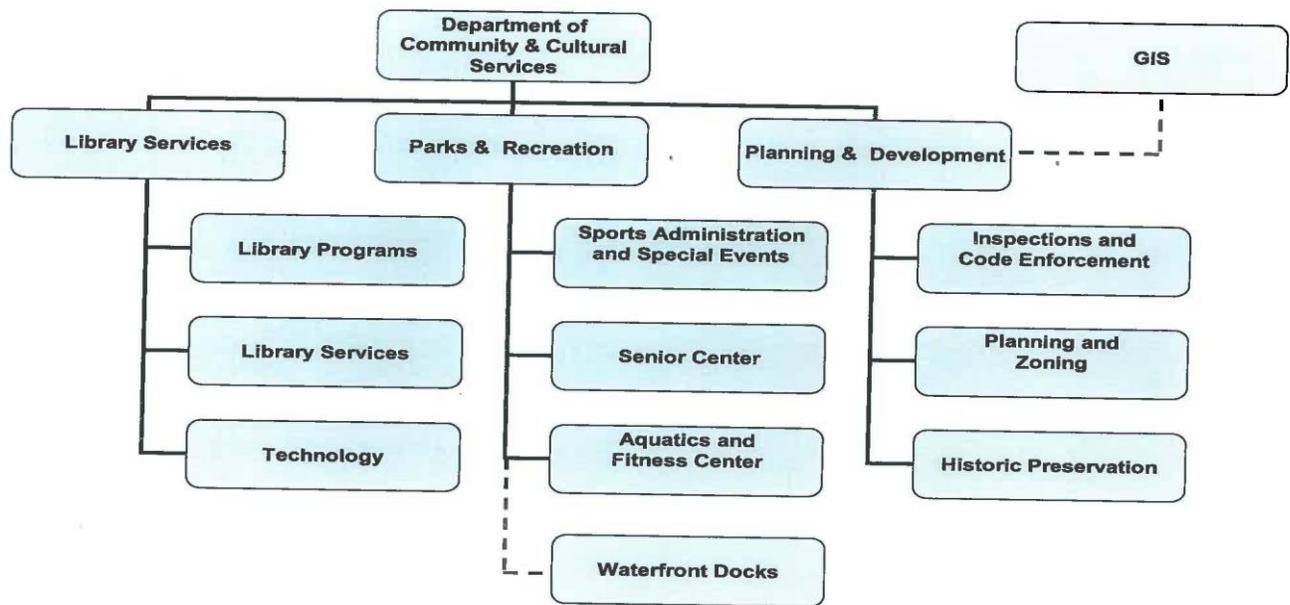
Replace leaf machines (2 @ \$30K each) and front load garbage truck (\$250K)

Replace pole storage building (\$65K) at Oakdale cemetery and resurface/pave roads in cemeteries (\$35K).

Mayor Pro tem Roberson asked if there is a long range plan regarding grave sites ~ what we have now may last 20-30 years what will happened when we run out of space? Mr. Lewis voiced previously Council had stated when we run out of space we run out of space. Mayor Pro tem Roberson, also will we have lots for sale on a pay as you go basis (type of financing) this would benefit our City employees. He would like to have this discussion during the budget sessions. Mr. Lewis voiced we will look into it and Mr. Alligood clarified this would be under policies.

DISCUSSION: JOHN RODMAN, COMMUNITY & CULTURAL RESOURCES

Community and Cultural Resources Director, John Rodman began his presentation with the department organization.



- Planning and Development
- Code Enforcement and Inspection
- Planning and Zoning
- Historic Preservation
- Floodplain Management

Planning and Development Services:

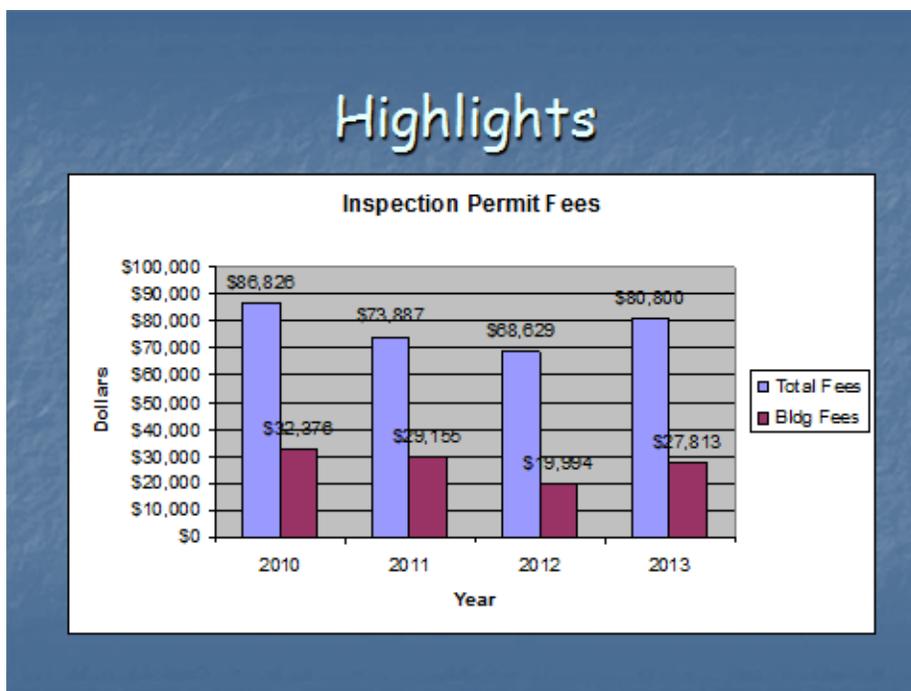
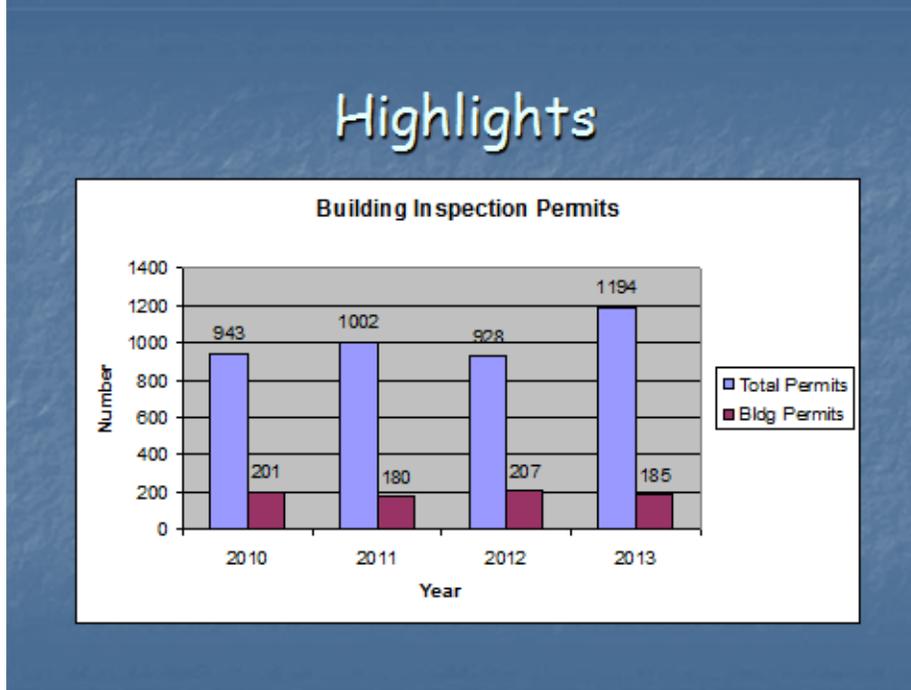
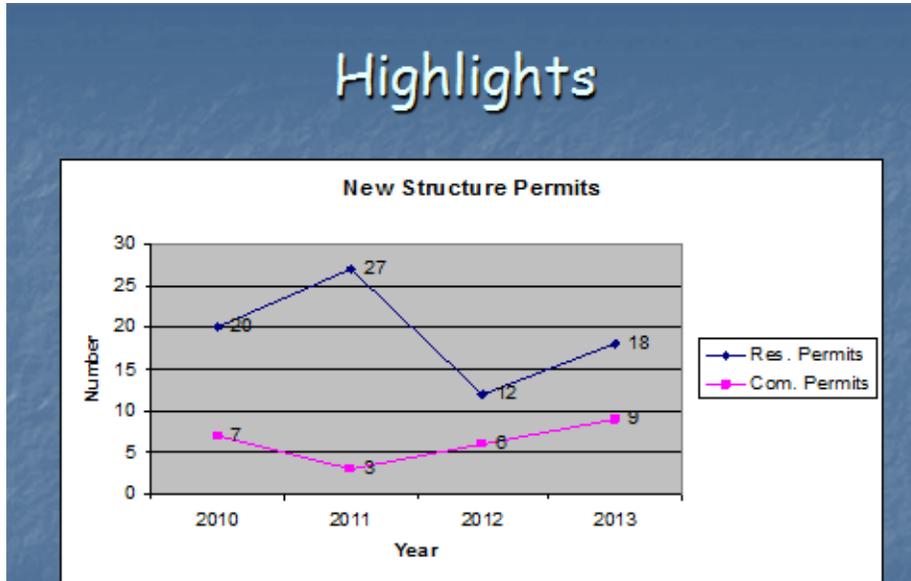
Overview/Projects:

- Completed update of the City's comprehensive Plan
- Committee completed an update of the Historic Preservation Guidelines
- Began both Historic Preservation and a Building Inspection Newsletter
- Retained our Certified Local Government status
- Participated in the NFIP Community Rating System (CRS) program – recognizes activities that exceed minimum flood insurance standards. * Mr. Rodman noted they had received class seven (7) rating – 15% reduction in flood premium.
- Received grants and began construction for the Lighthouse Restrooms and Boaters Facility

Staff Certifications:

- Certified Zoning Official
- Certified Housing Code Official
- Certified LEEDS Official (this certification helps with energy efficiency)
- Certified Floodplain Manager (this certification helps with CRS)
- Building Officials retained Level III certifications in all 5 trades

(Highlights)



Goals and Challenges – 2014

- Begin the process of revising and consolidating the Zoning Ordinance, Subdivision Ordinance, Sign Ordinance, and other departmental regulations into a *Unified Development Ordinance*.
- Complete the Non-Residential Maintenance Code for sub-standard commercial structures.
- Complete a Code Enforcement Procedures Manual.
- Complete the process for the re-organization of the waterfront dock management.
- Complete the Wayfinding sign Program – Begin the review for a comprehensive corridor and entranceway study to improve the major gateways into the community.
- Better utilize and enhance our Demolition by Neglect Ordinance for the Historic District.
- Investigate the process for a Downtown Master Plan (Streetscapes).
- Develop an ordinance to incorporate Load Management into New Construction.
- Continue to improve the Department and the City's use of GIS and document management technology.

Mayor Pro tem Roberson inquired if we currently issue minor permits to CAMA and Mr. Rodman said 'yes'. Mayor Pro tem Roberson suggested letting the State continue and move those duties from City staff (this maybe an overlapping issue).

Parks and Recreation Services:

- Administration
- Sports/Events
- Seniors
- Aquatic and Fitness Center
- Waterfront Docks

Overview/Projects
(Administration)

- Comprehensive Recreation Master Plan is being completed.
- Bicycle Plan is being reviewed by DOT.
- Update of Pedestrian Plan to begin in February.
- Applied for NC State Trails Grant for Kayak launch at Havens Gardens.

Goals and Challenges – 2014
(Administration)

- Havens Gardens Master Plan update.
- Apply for CAMA grant to complete pedestrian walkway at Runyon Creek.
- Apply for Marine Fisheries grant to update fishing pier.
- Apply for 2015 PARTF grant for remaining upgrades at Havens Gardens.
- Find suitable location for construction of tennis courts.
- Relocate soccer complex.
- Additional softball & baseball fields to McConnell.

Goals and Challenges – 2014
(Sports and Events)

- Additional gym space at Bobby Andrews Recreation Center.
- Lack of enough parking and condition of parking area at McConnell complex.
- Expanding parking to property on Springs Road.
- Length of time Complex is open to activities.

Mayor Pro tem Roberson asked if anything had come up in the Kugler Field discussion and Mr. Alligood voiced they are looking at cost and continuing conversation with Dr. Phipps, School Superintendent.

Overview/Projects
(Senior Center)

- Received SCOPE evaluation – determined Senior Center of Excellence
- Grace Martin Harwell Senior Center – is a Non-Profit
- Receives funding from United Way and has 3-5 fund raisers through the non-profit.
- Completed upgrade of entranceways & handicap ramp.

Goals and Challenges – 2014
(Senior Center)

- Lack of parking space for seniors – in competition with Civic Center.
- Replacing Van 802 (13 years old) – 7 passenger van.
- Upgrades to Peterson Building – cleaning stairwells, windows, replace ceiling tiles, clean exterior building.

Overview/Projects
(Aquatics Center)

- Hired new Supervisor in August.
- Working on new programs and data.
- Updating pool documents and standards.
- Increasing membership – 189 new members.
- Repairing dehumidifier system.
- Will replace duct work.

Goals and Challenges – 2014
(Aquatics Center)

- Replacement of current supervisor – leaving in March.
- Loss of dehumidifier caused excess moisture in the facility.
- Possible replacement of dehumidifies*
- Repair and replace roof.
- Installation of a monitored fire system.
- Repair plaster in the crack in the pool.

Mayor Pro tem Roberson inquired about the humidifier and Councilman Pitt inquired as to the life expectancy of the unit? Mayor Pro tem Roberson noted we have been piece milling the unit for years.

Councilman Mercer asked who gave permission to decrease the fees in January and Mr. Rodman stated he will bring this information back to Council.

Overview/Projects
(Waterfront & Docks)

- Replaced damaged decking on A and B docks.
- Completed replacement of decking on boardwalk.
- Relocated the Weather Tower.
- Begin construction of Lighthouse Restrooms and Boaters Facility.
- Appointed Waterfront Dock Committee.

Goals and Challenges – 2014
(Waterfront & Docks)

- Promenade and boardwalk lights are obsolete – replacing as a on demand.
- Preparing for change over of waterfront docks – occupying new facility.
- A budget for emergency removal of derelict boats
- Receive funding and complete construction of public pier.

Library Services:

- Library Programs
- Library Services

- Library Technology

Overview/Projects

- Total circulation requests increase by 22,000 requests.
- Number of programs and program attendance increased.
- New adult and new children cards decreased.
- Installation of new lighting system by 10%. (\$3,460 yearly savings)

Goals and Challenges – 2014

- Complete computer virtualization.
- Prepare for NC Cardinal conversion.
- Weed and update non-fiction collection.
- Keep Brown Library collection current and relevant to our patrons.
- Debt setoff – 147 active accounts in debt setoff - \$13,000 in unpaid fees and fines.

DISCUSSION: STACY DRAKEFORD, POLICE & FIRE SERVICES

Police and Fire Services Director Drakeford reviewed his presentation and began with the Fire Department.

**FIRE DEPARTMENT
2011-2013 ACTIVITY**

	2011	2012	2013
EMS	2,266	2,310	2,443
ENGINE	752	679	651
TRAINING HOURS	1,266	2,101	1,819
PUBLIC EDUCATION	72	114	43
FIRE INSPECTIONS	567	625	478

**FIRE DEPARTMENT
2011-2013 ACTIVITY**

	2011	2012	2013
PLAN REVIEW	77	77	78
CAR SEAT INSTALLATION	10	23	31
HOME SAFETY INSPECTIONS	54	4	35
SMOKE ALARM INSTALLATION	73	1	54

**POLICE DEPARTMENT
2011-2013 ACTIVITY**

	2011	2012	2013
CALLS FOR SERVICE	21,518	22,325	24,995
CITATIONS	1,658	1,442	2,603
WARNINGS	440	190	706
ARRESTS	1,244	1,214	1,059
CITY ORDINANCES	99	175	111

**POLICE DEPARTMENT
2011-2013 ACTIVITY**

	2011	2012	2013
PAWN/METALS TICKETS	8,359	8,885	7,325
ACCIDENTS	718	741	690
TRAINING HOURS	1,512	3,680	3,413
EVIDENCE COLLECTION	1,155	1,280	1,199
ANIMAL CONTROL	567	625	764 (178)

**POLICE DEPARTMENT
2011-2013 ACTIVITY**

PART 1 VIOLENT CRIME	2011	2012	2013
HOMICIDE	0	1	0
RAPE	5	3	3
AGGRAVATED ASSUALTS	57	48	48
TOTAL	62	52	51

**POLICE DEPARTMENT
2011-2013 ACTIVITY**

PART 1 PROPERTY CRIME	2011	2012	2013
BURGLARY	156	158	110
LARCENY	499	553	531
VEHICLE THEFT	20	7	8
TOTAL	675	718	649

HIGHLIGHTS 2013

- Medium Rescue
- Designated as Fire Officer III
- Water Rescue Certification
- Rescue Truck promoted in National Fire Magazine
- Police Management Course 8 month Program
- UNC-EMS Administration and Medical Disaster Management Program
- National Fire Academy
- Crime Prevention Courses
- Community Events –
 - NFL Day
 - Thanksgiving Food Delivery
 - Shop with PSO
 - National Night Out
 - Meet and Greets
 - Community Presentations
- Crisis Intervention Certification
- Project Next Step
- Internship program
- Developed Community Partnerships
- Purchasing of Equipment

GOALS 2014

- Reduce Crime Rate
- Increase Community Activities
- High Angle Certification
- Confine Space Certification
- Heavy Rescue
- Crisis Intervention Training
- Cross Training Opportunities
- Emergency Response Training
- Career Development Program
- Management and Leadership Training

DISCUSSION: KEITH HARDT, ELECTRIC UTILITIES

Utilities Director, Keith Hardt reviewed the Electric Department presentation:

Current Fiscal Year Project Update

- 2nd Street / 5th Street Feeder Rebuild
- Grimesland Road Feeder Construction
- NC 32 North Feeder Rebuild
- White Post Substation to Slatestone (Substation inter-substation Tie Feeder)
- (Main Substation) – Highland Drive Feeder Breaker Replacement
- Downtown Electrical Improvements
- Vehicle Replacement

2nd / 5th Street Feeder Rebuild

- 2-year CIP Project: \$400,000
- This project will rebuild the two main feeders serving the downtown area and the areas in around 5th Street within Washington.
- The current feeder location is behind the Willows and is inaccessible due to easement encroachments.
- Additional scope has been added to this project.
 - Year 1: Engineering – COMPLETE
 - Year 2: Construction – pending budget approval early next year
 - Included in the upcoming FY 2014-15 CIP and annual budget.

Main Substation Feeder Exits

- New Upcoming FY 2014-15 CIP Project: \$250,000
- During the engineering of the 2nd / 5th Street Feeder project it was determined that the underground feeder exits from the Main Substation are in need of replacement.
- This project will be completed in conjunction with the overhead feeder rebuild.
 - Year 1: Construction
 - Included in the upcoming FY2014-15 CIP and annual budget.

Grimesland Road Feeder Construction

- 4-year CIP Project: \$800,000
- This project will construct a feeder to cross Tranter's Creek and relieve feeder overloading on the Clark's Neck feeder.
- The engineering of this project includes numerous water crossings including a 900 foot inverse grade creek crossing.
 - Year 1: Engineering – IN PROGRESS
 - Year 2: Engineering
 - Included in the upcoming FY 2014-15 CIP and annual budget.
 - Year 3 & 4: Construction

NC 32 North Road Feeder Rebuild

- 3-year CIP Project: \$700,000
- This project will rebuild the feeder along NC 32 North from Douglas Crossroads to Slatestone Substation.
- The project is needed due to facilities beyond their useful life as well to improve inter-substation tie capabilities.
 - Year 1: Engineering – IN PROGRESS
 - Year 2 & 3: Construction
 - Included in the upcoming FY2014-15 CIP and annual budget.

White Post – Slatestone Tie Feeder Construction

- 4- year CIP Project: \$1,400,000
- This project will construct a feeder from White Post Substation to Slatestone Substation.
- The project is needed to improve inter-substation tie capabilities so as to serve customers in the event of a substation loss and during routine switching for maintenance.
 - Year 1: Engineering – DELAYED ONE YEAR
 - Included in the upcoming FY 2014-15 CIP and annual budget
 - Year 2, 3 & 4: Engineering & Construction

(Main) Highland Drive Breaker Replacement

- 1-year CIP Project: \$40,000 (came in at \$36,000)
 - COMPLETED

Downtown Electrical Improvements

- 5- year CIP Project: \$1,500,000
- This project will consists of decorative street lighting, traffic signals and event power facilities within the central business district.
- This project is predicated upon the Streetscape Plan being completed.
 - No Streetscape Plan approved in the FY 2013-14 budget.
 - No work completed to date.

Vehicle / Equipment Replacements

- Vehicle #651
 - ½ Ton Pickup with Work Body
 - Completed
- Vehicle #616
 - Bucket Truck
 - Purchasing and final inspection complete
 - Delivery by 1 May 2014 – depends on work being done – may be June

Fiscal Year 2015 Projects

- Continued Projects
 - 2nd Street / 5th Street Feeder and Substation Circuit Exits Rebuild – Construction
 - Grimesland Road Feeder – Engineering Phase II
 - NC 32 North Feeder Rebuild – Construction
 - White Post Substation to Slatestone Substation Inter-substation Tie Feeder – Engineering
 - Downtown Electrical Improvements (gage Streetscape)
- New Projects
 - 15th Street Feeder Rebuild (Bonner Street to Washington Street) – Construction

Fiscal Year 2015 Vehicle Replacements

- Vehicle #614
 - Sports Utility Vehicle
 - Removed from FY 2013-14 Budget
 - 2004 model; 204,000 miles
- Vehicle #613
 - Currently a ½ ton pickup for the Underground Construction Crew
 - Due to the increased amount of PPE, safety equipment and tools required by this crew this vehicle is in need of an upgrade to a crew cab chassis with an attached utility body.
 - 2005 model; 118,822 miles

- Vehicle #617
 - Digger Derrick / Line Truck
 - 1996 model; 86,120 miles; 9,451 hours

DISCUSSION: MATT RAUSCHENBACH, FINANCE/ADMINISTRATION

Administrative Services Director/C.F.O. Matt Rauschenbach reviewed and explained each department revenues, expenditures and administrative services:

Administrative Services 2014
1/21/14

Finance

- GFOA Certificate of Achievement in Financial Reporting
- Grant management development
- Marketing- consistent format/information/education
- Customer Service- foot traffic/demographics, chronic disconnect list
- Systems age/functionality

Human Resources

- Health care cost/wellness initiative
- Pay & classification study
- Systems age/functionality

Purchasing/Warehouse

- Systems age/functionality

Information Systems

- FY 13/14 Projects
 - Fiber to Comm Center and Station 2
 - PEG Channel upgrades
 - System functionality review
- FY 14/15 Projects
 - Redundant VOIP PRI at Comm Center **(Councilman Mercer inquired as to why a different location is required rather than City Hall – Mr. Rauschenbach and Mr. Carraway explained).*
 - Fiber to Jacks Creek
 - Security Assessment implementation
 - GIS utilization
 - Police Department network upgrade

1/21/2014

GENERAL FUND 2014

	Budget	December Revenue Year to Date	Uncollected Year to Date	Estimate	vs. Budget	Notes
Revenue:						
Advalorem taxes	4,341,324	1,203,529	3,137,795	4,341,324	0	
Sales Taxes	2,398,890	730,474	1,668,416	2,398,890	0	
Utility franchise & sales tax	1,276,395	394,928	881,467	1,276,395	0	
Other taxes	138,998	27,451	111,547	138,998	0	
PILOT	162,838	0	162,838	162,838	0	
Miscellaneous	79,040	41,032	38,008	79,040	0	
Rent	601,722	307,989	293,733	483,901	(117,821)	Springs Rd
234 Springs Rd. proceeds	0	0	0	750,000	750,000	Springs Rd
OS agency	29,000	24,318	4,682	29,000	0	
Financing proceeds	383,600	0	383,600	0	(383,600)	Pay as you go
Admin charges:					0	
Other	185,654	59,068	126,586	185,654	0	
Enterprise funds	2,202,635	1,101,317	1,101,318	2,202,635	0	
Transfers:					0	
Public safety debt service	166,985	0	166,985	166,985	0	
Economic development	156,000	0	156,000	156,000	0	
Powell Bill	112,495	56,247	56,248	112,495	0	
Enterprise funds	470,000	235,000	235,000	470,000	0	
Police	110,526	19,451	91,075	110,526	0	
Fire/EMS	983,762	318,927	664,835	983,762	0	
Planning/Inspection	63,510	55,459	8,051	63,510	0	
Public works	188,395	188,156	239	188,395	0	
Recreation	248,330	90,666	157,664	244,130	(4,200)	
Library	34,214	16,543	17,671	35,214	1,000	
Fund balance appropriated	<u>685,032</u>	<u>0</u>	<u>685,032</u>	<u>412,418</u>	<u>(272,614)</u>	Cash capital, rent, Springs Rd.
Total	15,019,345	4,870,557	10,148,788	14,992,110	(27,235)	

1/21/2014

GENERAL FUND 2014

	Approp Amount	December Expenditure YTD	Enc. Year to Date	Unencumbered Balance	Estimate	vs. Budget	% Exp. & Enc.	% Spent
Expenditure:								
City Council	62,676	22,646	0	40,030	62,676	0	36	36
Mayor Office	13,800	7,060	0	6,740	13,800	0	51	51
City Manager	307,694	155,846	0	151,848	307,694	0	51	51
TDA Director	105,952	48,698	0	57,254	105,952	0	46	46
Human Resources	296,764	146,305	6,250	144,209	296,764	0	51	49
Finance Director	526,674	279,204	2,654	244,816	526,674	0	54	53
Purchasing/whse.	135,633	62,570	0	73,063	135,633	0	46	46
Information Services	403,098	150,875	61,590	190,633	403,098	0	53	37
Billing Department	154,823	71,597	0	83,226	154,823	0	46	46
Customer Service	598,658	266,461	217	331,980	598,658	0	45	45
Legal Services	268,458	148,365	0	120,093	268,458	0	55	55
Municipal Building	263,903	187,646	0	76,257	263,903	0	71	71
Miscellaneous	915,767	404,394	0	511,373	915,767	0	44	44
Economic Development	156,000	48,000	0	108,000	156,000	0	31	31
Contingency	10,090	0	0	10,090	0	(10,090)	0	0
Police Department	2,922,710	1,328,983	52,452	1,541,275	2,922,710	0	47	45
E-911 Communications	399,483	156,456	3,810	239,217	399,483	0	40	39
Fire Department	745,832	336,837	29,866	379,129	745,832	0	49	45
EMS	1,612,914	772,114	1,392	839,408	1,612,914	0	48	48
Code Enforcement/Inspections	311,334	146,943	0	164,391	311,334	0	47	47
Planning/Zoning	405,005	145,006	0	259,999	405,005	0	36	36
Garage	114,512	66,963	220,358	(172,810)	114,512	0	251	58
Street Maintenance	484,532	236,285	0	248,247	484,532	0	49	49
Powell Bill	395,292	94,403	41,211	259,678	395,292	0	34	24
Street Lighting	126,240	53,534	0	72,706	126,240	0	42	42
Public Works Director	70,018	32,259	0	37,759	70,018	0	46	46
Stormwater	311,946	148,505	0	163,441	311,946	0	48	48
Brown Library	444,766	234,100	17,861	192,805	444,766	0	57	53
Recreation Administration	179,505	109,300	1,191	69,014	179,505	0	62	61
Events & Facilities	190,260	83,835	7,703	98,722	190,260	0	48	44
Senior Programs	250,798	99,460	26,965	124,373	250,798	0	50	40
Waterfront Docks	120,301	50,412	394	69,495	120,301	0	42	42
Civic Center	152,427	76,313	1,300	74,814	152,427	0	51	50
Aquatic Center	350,003	142,801	61,538	145,664	350,003	0	58	41
Parks & Graounds Maintenance	621,441	278,530	36,683	306,227	621,441	0	51	45
Outside Agencies	139,780	83,323	5,000	51,457	139,780	0	63	60
Debt Service	<u>450,256</u>	<u>240,395</u>	<u>0</u>	<u>209,861</u>	<u>433,111</u>	<u>(17,145)</u>	<u>53</u>	<u>53</u>
Total	15,019,345	6,916,425	578,436	7,524,484	14,992,110	(27,235)	50	46
Net Revenue	0				0	0		

Mr. Rauschenbach explained the highlighted expenditures are areas he looks at closely because they are either over or under. Also, he explained that the Civic Center is run through the City's payroll in response to Mayor Pro tem Roberson's question and Councilman Mercer added everything is a wash.

Electric Fund Projection

1/21/2014

Electric

	Projected	Budget	G/(L)
<u>Revenue</u>			
Sale of Electricity	34,499,972	34,351,623	148,349
Other Revenue	<u>2,428,233</u>	<u>2,428,233</u>	<u>0</u>
Total revenue	36,928,205	36,779,856	148,349
<u>Expenditures</u>			
Purchased power	28,236,466	28,180,620	(55,846)
Operations	<u>9,442,873</u>	<u>9,422,873</u>	<u>(20,000)</u>
Total Expenditures	37,679,339	37,603,493	(75,846)
Net income/(loss)	(751,134)	(823,637)	72,503
Pay as you go capital	<u>806,075</u>	<u>0</u>	<u>(806,075)</u>
Fund balance appropriated	1,557,209	823,637	(733,572)

Notes:

1. Sale of electricity and purchased power cost based on actual through November and remainder of the year same as last year.
2. Other revenue and operations expenditures are expected to be on budget.
3. Fund balance appropriated includes pay as you go capital.

Councilman Mercer questioned purchased power and sales cost (if you are going to buy less how are you going to sell for more ~ you would assume your income would drop) and Mr. Rauschenbach stated he will need to go back and review.

General Fund Gap 2015

1/21/2014

Estimate FY 13/14	Recurring FY 13/14	Gap FY 14/15	Category	Notes
Fund Balance Appropriated:				
214,428	214,428	214,428	Initial appropriation	PL(319), PS debt svc(46), debt 141
	(22,500)	(22,500)	PEG Channel incl. in initial	
	(5,975)	(5,975)	Veterans Park incl.in initial	
322,246		-	PO carry forward	
37,425		-	Project carry forward	
66,000		-	WHDA	
6,653	6,653	6,653	Sr. Center PT Salaries	
33,831		-	Jimmy Davis settlement	
1,274	1,274	1,274	Public Works Supv. II reclass	
3,175		-	City Manager relocation	
396,669		-	Cash capital vs. financing	
5,000	-	-	Recreation Master Plan match	
1,086,701	193,880	193,880	Total FB Appropriated	
234 Springs Rd.:				
120,511	120,511	392,736	Rent	
3,256	3,256	11,163	Suppl. Rent vs. debt service	
(750,000)	0	0	Springs Rd. sales proceeds	
Grant clawbacks:				
25,000	25,000	75,000	CDBG Keysville Rd.	250 total, 25 paid, 75/yr for 3 yrs.
		55,716	CDBG WHA (3)	5 built, 10/31/14 deadline
-	-	(42,000)	Escrow offset (7)	
(601,233)	148,767	492,615	Total Springs Rd. & Clawbacks	
485,468	342,647	686,495	Sub-total FB, Springs Rd, & CB	
Salary & Benefits:				
187,970		67,664	COLA (1%)	Salaries 6,766,399
166,999		81,848	Health Care Cost (8%)	Health ins. 1,023,102
(47,922)		47,922	Restore HSA contribution (600 to 926)	Employees 147
-	-	6,766	Retirement (0.1%)	
307,047	-	204,201	Total Salary & Benefits	
Other:				
		8,056	Property, casualty, liab. Ins. (5%)	GF PCL cost 161,117
		5,794	Workers Comp Excess (15%)	GF WC 38,629
376,121		200,000	Electric Fund Transfer Reduction	Prior 4 years, 175/yr.
		35,000	Pay & classification study	Deferred for FY 2013/2014
75,000		50,000	Way finding implementation	Phase 2
		20,000	Street Scape Study	Def. 2013/2014, elec. improvements
-	-	50,000	Warehouse/PD parking lot	Deferred, 75 split 3 ways, add'l 25 PD
451,121	-	368,850	Total Other	
758,168	0	573,051	Sub-total Salary/Benefits & Other	
1,243,636	342,647	1,259,545	Grand Total	0.15 Equiv. prop. tax

Mr. Rauschenbach answered all questions Council voiced regarding the General Fund Gap (retirement, contribution, benefits, etc.).

DISCUSSION: BRIAN ALLIGOOD, CITY MANAGER – ORGANIZATIONAL REVIEW

City Manager, Brian Alligood generally discussed the proposed reorganization plan and answered all questions received from City Council:

General Fund

1/21/2014

Eliminated Positions

<u>Name</u>	<u>Position</u>	<u>Total</u>
Phillip Mobley-retirement	GF -Parks & Recreation Director	(101,494)
Sandy Blizzard-retirement	GF- Asst. Police Chief	(65,700)
Vacant Position	GF- Police Officer	(44,868)
Vacant Position	GF- Police Officer	(44,868)
Vacant Position	GF- Police Adm. Support Specialist	(39,628)
Jasper Hardison-retirement	GF- Fire Division Chief	(79,708)
Homer Wallace -retirement	GF- Rec. Maintenance Supervisor	(60,309)
Jason Bryant-RIF	GF- Aquatic & Fitness Supervisor	(47,482)
Mark Peed-RIF	GF- Equipment Mechanic 2	(52,766)
Full time to part time	GF -Customer Service Representative	(14,151)
Total Eliminated Positions		(550,974)

Positions added or upgraded

<u>Name</u>	<u>Position</u>	<u>Total</u>
Kristi Roberson-position upgraded	GF- Parks & Recreation Manager	2,892
Stacey Drakeford-Glen Reed replacement	GF- Police & Fire Service Director	13,605
Mac Daniels-position upgraded	GF- PW Supervisor 1	1,696
Tanner Bright-added position	GF- Recreation Maintenance Worker	34,292
John Rodman-position upgraded	GF -Comm. & Culture Service Director	4,030
Matt Rauschenbach-position upgraded	GF- Administrative Services Director	0
Lois Blackstock-added position	GF- Animal Control Officer	45,379
BC Animal Control Contract Elimination	GF	(26,312)
Eddie Gurganus-position upgraded	GF 50%/Cem 40%/Airport 10%- General Ser	2,369
Total Positions Added or Upgraded		77,951

Sub-total Net Reorganization Cost Reduction (473,023)

Current Vacancies (Position Budgeted in FY 13/14)

<u>Name</u>	<u>Position</u>	<u>Total</u>
Jimmy Pollard-retirement as of 9/30/13	GF- Police Division Commander	(63,786)
SRO Officer	GF- SRO Officer	(53,158)
SRO Revenue	GF-	75,676
Vacant Position as of 10/25/13 - Budgeted at	GF- Firefighter/EMT	(44,532)
Vacant Position as of 1/1/14 - Budgeted at	GF- Firefighter/EMT	(44,532)
Vacant Position as of 1/12/14 - Budgeted at	GF- Firefighter/EMT	(44,532)
David Gibbs-retirement	GF- PW Superintendent	(76,818)
Total Current- Vacancies		(251,682)

Grand Total General Fund (724,705)

Organizational Review

1/21/2014

Enterprise Funds

Eliminated Positions

<u>Name</u>	<u>Position</u>	<u>Total</u>
Vacant Position	Elec- Electric Line Worker	(43,285)
Nicole Williams-transfer to HR vacancy	Elec- Electric Admin. Support Specialist	(53,070)
Total Eliminated Positions		(96,355)

Positions added or upgraded

David Daniel-added position	Airport Operations Technician added	44,532
FBO- net cost reduction adjustment	Airport	(36,813)
Total Positions Added or Upgraded		7,719

Sub-total Net Reorganization Cost Reduction (88,636)

Current Vacancies (Position Budgeted in FY 13/14)

Al Legget-retirement as of 1/31/14	Elec- Electric Line Operations Supt.	(97,490)
Vacant Position as of 3/1/11	Elec- Electric Engineer	(47,747)
Total Current- Vacancies		(145,238)

Grand Total Enterprise Funds (233,874)

Councilman Mercer suggested he thought we were contracting with the County for Animal Control and Mr. Alligood stated we were initially but the City has its own officer now. Also, Mr. Alligood stated he and Mayor Hodges has been in conversations with Dr. Phipps, School Superintendent regarding the SRO officers. The City was providing this service to the

School system at a reduced rate and is not in a position now to subsidize that cost. It is anticipated the school will acquire this service from the County.

City Manager, Brian Alligood voiced he met with each Department Head and reviewed the reorganization structure and shared there are a number of challenges to meet. If we look at reducing people, we will have to look at reducing services and suggested having this conversation during budget. We will provide Council with information concerning what it will take to do next year exactly the way we are doing it this year. Council will be able to give staff direction at that time. Councilman Mercer requested an update on the CIP, so that we can see what was in the CIP last year versus what we have in the CIP this year. Mr. Alligood agreed and voiced he and Mr. Rauschenbach has already discussed putting together a vehicle replacement plan.

ADJOURN – UNTIL MONDAY, JANUARY 27, 2014 AT 5:30 PM, IN THE COUNCIL CHAMBERS AT THE MUNICIPAL BUILDING.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council adjourned the meeting at 10:00 pm until Monday, January 27, 2014 in the Council Chambers at the Municipal Building.

Reatha B. Johnson
Assistant City Clerk