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The Washington City Council met in a continued session on Monday, May 15, 2006 at the Municipal Building at 4:30 p.m. Present were: Judy Jennette, Mayor; Darwin Woolard, Mayor Pro tem; Ed Gibson, Councilman; Richard Brooks, Councilman; Mickey Gahagan, Councilman; Archie Jennings, Councilman; James Smith, City Manager; Fred Holscher, City Attorney; and Reatha B. Johnson, Assistant City Clerk.

Also present were: Julie Hicks, Library Director, Phil Mobley, Parks & Recreation Director; Lynn Lewis, Tourism Director; Steve Tanner, DWOW Director; Bobby Roberson, Planning and Development Director; Allen Lewis, Public Works Director; Keith Hardt, Electric Director; Fred Holscher, City Attorney; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order.

Councilman Gibson delivered the invocation.

### **DISCUSSION OF DRAINAGE PROBLEMS FROM SMALLWOOD RESIDENTS**

Mr. Terry Sawyer, 301 Northwood Road, appeared before Council to discuss the flooding problem in Smallwood. He passed out papers for Council to look over from 2000. Mr. Sawyer stated that residents are losing money a little at the time and they are asking help from this Council.

Mr. Hackney High, 201 Rowan Place, stated he moved from 104 East 13<sup>th</sup> Street, and was not aware of the flooding problem in Smallwood. Mr. High said that his duct work is full of water and needs to be replaced. Mr. High stated he doesn't want to incur this cost if the flooding continues to occur the next time we have 5 inches of rain. There are technical things apparent that could help alleviate the drainage problem. A 30" tile will not handle the influx from a 48" metal tile and a 30" concrete tile. Mr. High is also requesting help from Council.

Mayor Jennette stated that Council would be talking about stormwater today in the budget session and feels sure they will be addressing some of these concerns. Mayor Jennette did not promise it could be fixed right away because it will take a lot of money to correct these drainage problems. Mayor Jennette asked if the residents would like to stay but everyone left.

### **PROCLAMATION FOR SCIENCE OLYMPIAD TEAM**

Mayor Jennette asked what had been decided about the Washington High School Science Olympiad Team Proclamation. James Smith, City Manager, stated that this was held over from the last Agenda and he was expecting to see someone here tonight, but no one showed up.

### **WASHINGTON TOURISM DEVELOPMENT AUTHORITY**

Lynn Lewis, Tourism Director, stated that she would only be presenting one piece of their full budget tonight (the administrative end). James Smith stated that TDA has its own source of funding. The City takes care of the administrative piece (staff salaries, telephone, routine things, etc.) and the TDA request grants for various activities.

- Budget unchanged- Tourism has its own source of funding
- Tourism Authority request grants for various activities
- One full-time employee and (3) part-time employees

Council discussed alternative management of the Civic Center.

- Interest expressed by the TDA, Beaufort County Arts Council and the Washington-Beaufort Chamber of Commerce
- City would invest \$50,000 a year

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- The HVAC system will be replaced and the wireless internet system will be added at an estimated cost of \$75,000
  - City will continue to carry the insurance on the building
  - City will still own the building
  - TDA voted to proceed with the transfer at their last meeting if Council chooses
  - TDA drafted a budget of what it would take to make the change

On motion of Councilman Jennings and seconded by Councilman Gahagan, Council unanimously agreed to get a proposal or proposals to operate and set a date for doing it. Date set for June 12<sup>th</sup>, 2006 Regular Council meeting.

### **RECREATION**

Scott Sawyer, Teaching Coach for Washington High School, stated he was here on behalf of the kids; and it had been brought to his attention that the recreation department would have funds and personnel cuts due to budget constraints. Mr. Sawyer said our kids' need recreation because they are easily influenced by things. The kids are worth it, there are so many things out there pulling at our kids. Mr. Sawyer asked Council to reconsider the cuts because some of these kids will have nothing to do.

Councilman Jennings said he would like for Council to put his comments in their memory banks to be followed up on.

James C. Smith, City Manager, stated the way we put the operation expenses together for this budget was to take the revenues we had coming in (12.4 million dollars) about three quarter of a million dollar less than last year, and take the percentage of the budget that each department represented last year multiplied by lower amount of revenues. Therefore, each department had to come in with a substantially reduced budget. In police and fire where we have public safety at stake, the money had to be added back in to operate those departments. For the most part, other departments did not get money added back in. Recreation particularly took some significant cuts. The appropriation is about \$472,000 less and part of that is cultural.

Mr. Smith said there are three major policy issues:

1. Move to the Civic Center to another entity
2. Move management of the Waterfront Docks to an experience mariner operator
3. In order to operate at a lower level we will have to have a much stronger partnership with the community
  - Reduce staff in this budget
  - Will require the league to do things like registration (it will be their responsibility to operate the program)
  - City will continue to fund the parks, allocate time at the parks
  - City will be sure the facilities are safe
  - Every organization (baseball, softball, basketball, soccer) basically runs their program
  - Collect their monies and spends their monies
  - Football is the only program the City operates
  - The budget cuts would be \$3,000 for the flag and tackle football program
  - Large majority of the kids that participate in the football program are our minority population
  - There is a league agreement which spells out what the league will do and what the City will do
  - Problem with people crossing over and doing things they should not be doing
  - Each league has a board of directors and we are looking for the board to come up with their guidelines and make sure they are followed

Mayor Jennette asked Mr. Mobley to get her a number of where the tackle equipment comes from and maybe she can make a presentation at the Mayor's Association meeting.

Council agreed to reconsider the \$3,000 in the final budget. Council will go back and address this issue at that time.

**WATERFRONT**

Phil Mobley, Parks and Recreation Director, passed out updated information on the Washington Waterfront Docks. Mr. Mobley discussed the proposed fee increase, proposed reduction in staffing, and net gain report. Also in his presentation were charts on current docking and revenues, proposed docking with no rate increase, proposed docking with rate increase, and proposed docking 06-07 revenues (rate increase). Mr. Mobley explained the items listed below line by line to Council (charts not included).

**PROPOSED FEE INCREASE**

	Current	Proposed
Transient	\$.075	\$1.00
7 day period	\$150	\$175.00
Yearly	N/A	\$2,700.00
Quarterly	\$540.00	\$750.00
Monthly	N/A	\$300.00

**PROPOSED REDUCTION IN STAFFING**

Adding permanent boats and reducing transient boats will reduce the need for staffing. The docks should be staffed with one person per shift in most cases and 2-3 staff members in high volume times such as events and group reservations. Most of these scenarios would be known in advance and could be scheduled.

Staffing Schedule: (Hours)

Jan-April	8:00-6:00	76.5 Hr. Wk.	\$663.00	17	\$11,271.00
May-Sept	8:00-8:00	84 Hr. Wk.	\$826.80	21	\$17,362.80
October	8:00-7:00	87 Hr. Wk.	\$731.40	5	\$ 3,657.00
Nov.-Dec.	8:00-5:00	73 Hr. Wk.	\$616.60	9	\$ 5,549.40
Events Open Late -		64 Hours	\$524.80		\$ 524.80
					<b>\$38,365.00</b>

2005-2006 Budgeted Salaries \$54,037.00

**Proposed Salaries Expense \$38,365.00**

**NET GAIN REPORT**

**Proposed Docking with No rate increase**

	Current	Proposed	Net Gain
Docking	\$47,036.00	\$71,550.00	\$24,514.00
Salaries	\$54,037.00	\$38,365.00	<u>\$15,672.00</u>
			<b>\$40,186.00</b>

**Proposed Docking with rate increase**

Docking	\$47,036.00	\$90,540.00	\$43,504.00
Salaries	\$54,037.00	\$38,365.00	<u>\$15,672.00</u>
			<b>\$59,176.00</b>

Mr. Mobley informed Council that the proposed reduction in staffing could save the City \$15,672. The 2005-2006 Budgeted Salaries were \$54,037 and the Proposed Salaries Expense is \$38,365.

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Mr. Mobley stated they are not opposed to doing the RFP and having someone else come in to manage the waterfront, but what we will lose is someone there to greet the public. Also, we will not have anyone to help us look after a waterfront that is valued around \$6 million dollars, and no one to help take care of the problems occurring on the waterfront (picking up the trash, etc). There will be a lot of things that we will be missing. Once we lose that, there will be a need for someone from maintenance to come down and do some of these things which will generate a cost. Mr. Mobley stated that we could have a win, win situation by actually making money and not only make money and also continue to have a city employee looking after the waterfront.

- What is the rate increase based on?
- Percentages by using a consultant (Kent Fulton)
- Mr. Fulton stated the rate increases is very reasonable
- Changing in rental policy for boats slips and decreasing the number of dock workers should result in a net gain of nearly \$60,000 in dock-related revenues for the City
- Reducing the number of boat slips available to transient boaters from 17 to 7 slips
- Increasing the number of slips available for permanent rental from 17 slips to 27 slips, increasing rental revenue by about \$44,000 a year

Council members agreed that it makes more sense to rent more of the boat slips on a permanent basis because of the increase in revenue. The City should “keep the ability to slide” on the issue as demand for boat slips dictates. If the existing market calls for more transient space, the City should be in a position to meet that demand, or vice versa. The City remains in the running for a state grant to help pay for another T-dock and we would pick up about six more boats which would help generate additional revenue for the City.

#### **Peterson Building and Andrews Center**

Council discussed other possible increases in income for the Peterson Building and the Andrews Center. The Peterson Building (\$1200) and the Andrews Center (\$2200) which would be a total of \$3400 increase in the area per year. We get grant money for seniors and also looking at an option of becoming accredited and if the City becomes accredited then we will double the amount of money we get from the state for our senior programs.

#### **Aquatic Center**

Mr. Smith stated he was not proposing a cut at the Aquatic Center, that we already close two months a year by being closed on Sundays.

#### **Other**

Councilman Jennings stated there were two things he would like to address (1) we need a gymnasium badly, and (2) bathrooms on the waterfront.

Mayor Jennette told Council that she and James Smith met with Paul Spruill and Jay McRoy last week and asked for assistance in the skate park and they were agreeable. A written request is required and will get a group together to attend the Public Hearing.

Council convened for a break and reconvened at 6:45 p.m.

#### **LIBRARY**

Julie Hicks, Library Director, referred to the abstract in the budget book and explained why her department level needed to stay where it was is because if not, it would cause a loss in State Aid. Mrs. Hicks stated we get close to \$13,000 in State Aid.

- In order to meet there target we had to cut the book budget from \$59,000 to \$35,000
- Library needs painting

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- Discussion on the Library moving away from the City; completely funding it is almost \$400,000 dollars a year
  - County should be paying more towards the Library(The City receives \$55,000 from a penny on the tax rate and the County receives \$300,000 from a penny on the tax rate)
  - Council members also indicated they're prepared to require a non-city resident to pay \$15 a year to use Brown Library
  - The majority, 54 percent, of the library's 12,000 patrons are non city residents. Free-paying, non-county residents account for about 1 percent of the library's patrons
  - The \$15-a-year fee would generate about \$97,000 if each non-city resident using the library remained a patron
  - Council agreed that anyone 18 or younger would be exempt from paying a fee
  - County receives State Aid from three different counties at \$100,000 each versus the City getting \$13,000
  - Other cities are charging a fee, but Mrs. Hicks doesn't know if we can do that
  - Meet with Friends of the Library to see what their feeling is (Friends helps supplement the budget, in funding our programs, and also have set up an endowment fund)
  - Merger discussed
  - Mrs. Hicks believes a number of the friends are very interested in that, but she doesn't think they know what's involved and she don't either
  - The consultant report is due by the end of July
  - Councilman Brooks said he thinks Council should wait for the consultant to make her report and then Council can move forward

Mrs. Hicks asked that one position she needed to bump up. Mrs. Hicks had already spoken to the Manager about this and that she is willing to do a trade off on the open position she has.

#### DWOW

Mr. Kent Fulton expressed his thanks to the Mayor and Council for prior and continued support of DWOW. Mr. Fulton presented Council with some concept of what kind of return on investment you are getting for what you have given us and what you may give us in the future.

- This fiscal year – organization has been very busy:
  - WK Dickson Revitalization Strategy completed, adopted & implementation begun
  - Following National Main Street Guidelines, 4 Main Street Committees organized
  - Work Plans for those 4 committees established
  - Population of these 4 committees with community volunteers well-underway
    - Organization currently comprised of over 60 members & volunteers & is growing monthly
- Committee Activities & Plans
  - Design Committee – Maynard Hamblin/Craig Newton
    - Involved with implementation of WKD
    - Working with Allison Platt on alleyway design
    - Periodic Clean-up Days

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- Most recently, cleaning out old City Hall building
    - A building DWOW is hoping to bring back to productive, revenue-generating use
  - Economic Restructuring Committee – Lee Hemink/Fred Fletcher
    - Currently investigating Amendment One (TIF)
      - Hope Washington will be one of first NC cities to implement this financing strategy
    - Preparing property owner’s survey and vacant property database
    - Workshops planned in September
      - New Rehabilitation Building Codes
      - Utilization of Rehabilitation Tax Credits
  - Organization Committee – Dot Moate/Wayland Sermons
    - Produced Welcome Packets to aid new businesses
    - Providing sidewalk signage & greeters for new business openings
    - Currently planning a “Pickin on the Pamlico” steamed crab festival for August
      - Done in conjunction with Pine Needles “Crabs on the Move”
      - This will become an annual event
    - Also planning a significantly expanded Christmas Boat Flotilla in December
      - Attractions for the general public, not just boaters
      - Another annual event
  - Promotions Committee – Cam Padgett/George Fields (Mktg)/Carolyn Kund (Design & Graphic Arts)/Steve Tanner (Site Manager)
    - Farmers Market – already successfully underway – weekly event
      - 2 merchants have already reported increased Saturday sales
    - Saturday Market – starts this weekend – monthly event thru October
      - Farmers Market coincident, plus.....
      - Artisans Market – Jill Vogt - over 30 artisans signed up
      - A Taste of Washington – food court - Norm Koestline
      - Performance Stage – Marilyn Daw - displaying local performing talent
    - Pamlico Boat Show – Rich Morin/Brad Smith - April 2007
      - Event planning underway in earnest

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- Sponsorships being pursued
  - Another annual event
  - Other Activities
    - City Parking Committee
    - Boat Dock Committee

Mr. Fulton stated they are progressing rapidly toward our goals. Not counting WKD, only 1 public event in last 12 months. Currently we have activities for over 27 weekends in the next 12 months. We expect these activities will bring between 19,000 and 45,000 people to the downtown area in the next 12 months.

Mr. Fulton said that DWOW recognizes that the next 2 or 3 years will be financially challenging for the City. One part of DWOW's Mission is to reduce the burden on government.

Mr. Fulton hopes DWOW can share the burden of some of the City's staffing constraints by contributing personnel to such things as the Smart Growth planning program. DWOW expects this will be the last year funding at this level will be required.

### **ELECTRIC**

Mr. Smith, stated that we were not proposing any changes pretty much status quo. We are not anticipating another rate increase for the fiscal year. Keith Hardt, Electric Director, said the Power Agency goes on calendar year and we are not seeing one for the end of this calendar year.

- Overhead lines across from Bridge & 5<sup>th</sup> going toward Greenville
- Only one set that are power lines and that is a major transmission as well
- Majority of those lines are cable lines or phone lines
- Cable franchise is a for-profit company and they are going to do it as cheap as they can do it for a return on their dollar
- Electric side is at the mercy of other providers when we don't have ownership of the poles, we don't have any control on where they put the lines
- If it is something we own, we have a little more control over it
- If the provider has good feet in right-of-way they can put up a pole anywhere along the right-of-way they want
- It was asked if the \$125,000 for late penalties and charges were correct in revenues---Yes- it was it is 300-500 people a month that are cut off for non-payment. It takes about two days out of two employees a week to administer this (48 hours)
- Are we planning on installing anymore automatic meter readers. Mr. Hardt stated by this time next year we should be 100% AMR

### **STORMWATER**

Mr. Smith stated that in the current budget 05-06 about 6% of the revenue that's part of the Stormwater fund came from fund balance and we have depleted it all. In addition, this fund originally was supposed to provide for capital improvements to the stormwater system and he doesn't believe it really ever has. It has gone for patrolling and maintenance on the system. Mr. Lewis stated that the storm-water fees were originally set aside for capital improvements, and since the first year \$165,000 has been transferred from the general fund to the storm-water funds. Since that first year the stormwater fees has covered 100% basically just operational costs. This is just to maintain what we have now, not to upgrade the system and not for any capital projects whatsoever.

- Smallwood is one of the four drainage areas (all four drainage district has significant drainage problems)

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- Study done somewhere around 2000 or 2001 and the City did invest around \$250,000 - \$300,000 in the study. It would probably cost somewhere in the neighborhood of \$10 million to make a significant improvement to the system
  - Mr. Smith has met with the County and there are no County drainage districts in this part of the County
  - In order to address something like Iron Creek we would properly need a joint City/County effort which would properly require a drainage district
  - An option for the City is to be a County drainage district and if you do a study of everything that is needed, you could then fund it with a bond issue
  - The bond issue could be paid by a County drainage district that would be created within the City
  - If Council is going to address it then you will need a comprehensive study of what needs to be done and in that study set some priority
  - Mr. Smith stated we do have \$65,000 in this year's budget with which we intend to is replace some pipes and culverts
  - Have a back door truck or a contract for a back door truck to come in and clean culverts and storm drains
  - All storm drains between 13<sup>th</sup> and Respass down across Market St., down toward 9<sup>th</sup> and Bonner would cost roughly about \$20,000 - \$25,000 to do some cleaning in the system
  - Pipes in Smallwood have already been cleaned
  - Need to have some type of annual maintenance program at least (depending on what you find) on a three to five year basis
  - There are three people in the drainage department and they can't get around, these three guys are cleaning 40 miles of line
  - Thirty miles of pipe lines and little over 10 miles of open ditch and most of the ditching work is done by hand
  - Vac truck would cost around \$250,000 and the truck is high maintenance
  - More cost effective to contract this type of work out
  - Can the Clean Water Trust fund be considered as a source of funding
  - If you tied it into a program - widening out a creek (etc)
  - Mr. Lewis said he would be meeting with an engineer tomorrow (5-16-06) and he will advise him if there is any grant money out there
  - Mr. Smith to recap with some of the \$65,000 we have in the budget - spend some of that money in cleaning and some on a comprehensive study

**RECAP – Monday, May 15, 2006:**

- Discussed \$50,000 to subsidize Civic Center
- \$3,000 for football program – Council to reconsider in final budget
- Increased transient fees – if adopted will change budget?
- Peterson Bldg. and Andrews Center rate increases?
- City asking County for money for skatepark
- Proposing \$15.00 fee for County residents for Library
- \$65,000 in budget to be spent on cleaning and some on a comprehensive study for drainage

**CONTINUE MEETING**

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously continued the meeting until Wednesday, May 24, 2006 at 4:30 p.m. in the Council Chambers.

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Rita A. Thompson, CMC  
City Clerk

Notes taken by Reatha B. Johnson, Assistant City Clerk