

The Washington City Council met in a continued session on Monday, June 22, 2009 at 6:00 p.m. in the Council Chambers at the Municipal Building. Present were: Judy Jennette, Mayor; Doug Mercer, Mayor Pro tem; Darwin Woolard, Councilman; Archie Jennings, Councilman; Gil Davis, Councilman; Jim Smith, City Manager; and Cynthia Bennett, City Clerk.

Councilman Richard Brooks entered the meeting at 6:10pm and was made part of the minutes.

Also present were: Matt Rauschenbach, Chief Financial Officer; Keith Hardt, Electric Director; Mick Reed, Chief of Police and Mike Voss, of the Washington Daily News.

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

#### **APPROVAL/AMENDMENTS TO AGENDA**

Mayor Pro tem Mercer asked if the budget is adopted he would like to discuss reconsidering the vote regarding E-911 that was discussed on June 15, 2009. Councilman Jennings stated he was willing to discuss the added items, but we may delay acting on them until July 8, 2009.

Mayor Jennette asked if Council would amend the agenda to add the following items presented by Matt Rauschenbach:

3. Adopt – Budget Ordinance to appropriate General Fund Contingency to Planning Development Division of General Fund for Citizen’s Revitalization Study.
4. Adopt – Resolution authorizing Compensation Claims Solutions to pay Worker’s Compensation claims that exceed \$10,000.
5. Authorize – City Manager to enter into agreement with Total Billings to add a paperless utility bill feature to current billing system.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council approved the agenda as amended.

#### **CLOSED SESSION: UNDER G.S. 143-318.11(a)(6) PERSONNEL, G.S. 143-318.11(a)(3) ATTORNEY/CLIENT PRIVILEGE AND G.S. 143-318.11(a)(4) ECONOMIC DEVELOPMENT**

By motion of Councilman Woolard, seconded by Councilman Jennings, Council agreed to go into closed session under G.S. 143-318.11(a)(6) Personnel; G.S. 143-318.11(a)(3) Attorney/Client Privilege; and G.S. 143-318.11(a)(4) Economic Development.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council unanimously agreed to come out of closed session at 8:15pm.

Mayor Jennette noted there is no provision for public comment at this meeting, but this will be held at the July 8, 2009 meeting.

#### **ADOPT – BUDGET ORDINANCE TO APPROPRIATE GENERAL FUND CONTINGENCY TO PLANNING DEVELOPMENT DIVISION OF GENERAL FUND FOR CITIZEN’S REVITALIZATION STUDY**

Jim Smith, City Manager reminded Council this was approved at the June 15, 2009 meeting and this is the budget ordinance showing the appropriated funds.

By motion of Councilman Davis, seconded by Councilman Jennings, Council adopted a budget ordinance to appropriate general fund contingency to the Planning and Development Division of the General Fund for the Citizen’s for Revitalization Study.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2008-2009**

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

Section 1. That account number 10-10-4910-4501, Planning and Development Division of the General Fund appropriations budget be increased in the amount of \$39,500 to provide funds for the community revitalization studies.

Section 2. That account number 10-00-9990-9900, Contingency portion of the General Fund appropriations budget be decreased in the amount of \$39,500 to provide funds for the community revitalization studies.

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 22<sup>th</sup> day of June, 2009.

**ATTEST:**

**s/Cynthia S. Bennett  
CITY CLERK**

**s/Judy M. Jennette  
MAYOR**

**ADOPT – RESOLUTION AUTHORIZING COMPENSATION CLAIMS SOLUTIONS  
TO PAY WORKER’S COMPENSATION CLAIMS THAT EXCEED \$10,000**

Jim Smith, City Manager stated this was discussed at the last Council meeting and the resolution needs to be in place prior to July 1, 2009.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council adopted the resolution authorizing Compensation Claims Solutions to pay Worker’s Compensation claims that exceed \$10,000.

**RESOLUTION FOR AUTHORIZATION OF COMPENSATION CLAIMS SOLUTIONS  
TO PAY WORKER’S COMPENSATION CLAIMS UP TO \$10,000**

WHEREAS, there is an intent of the City of Washington to authorize Compensation Claims Solutions to pay workers compensation claims up to \$10,000; and

WHEREAS, the City Manager must authorize workers compensation claims that exceed \$10,000;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD THAT:

Section 1. The Governing Board hereby authorizes Compensation Claims Solutions to pay workers compensation claims up to \$10,000.

Section 2. The Governing Board authorizes the City Manager to approve workers compensation claims that exceed \$10,000.

Section 3. This Resolution shall become effective upon July 1, 2009.

Adopted this the 22<sup>nd</sup> day of June, 2009.

**ATTEST:**

**s/Cynthia S. Bennett  
CITY CLERK**

**s/Judy M. Jennette  
MAYOR**

**AUTHORIZE – CITY MANAGER TO ENTER INTO AGREEMENT WITH TOTAL BILLINGS TO ADD A PAPERLESS UTILITY BILL FEATURE TO CURRENT BILLING SYSTEM.**

Matt Rauschenbach, Chief Financial Officer explained this will provide utility customers the choice to go paperless, pay online, and view account history. The current system does not allow the paperless option. This option would have an annual savings of approximately \$20,774. Councilman Jennings noted the value of this idea, but due to the length of the closed session, he suggested moving this to the July 8, 2009 meeting.

By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council agreed to delay this item until July 8, 2009.

**ADOPT – COUNCIL ADOPTS BUDGET ORDINANCE, SETS TAX RATE, ADOPTS USER FEES FOR FISCAL YEAR 2009-10 AND APPROVES EXPIRING CONTRACT**

Councilman Jennings discussed the animal control issue of continuing the contract with the County or having the City take over this function. Chief Reed presented documentation regarding the cost of the City hiring a part-time animal control officer at 30 hours per week as opposed to the County maintaining this contract with fewer personnel to handle animal control complaint in the City of Washington. Councilman Jennings suggested letting the County “show us” they’re not giving us what we are paying for since they have implemented a staff reduction, perhaps a six-month period to observe this change. If it proves we are not getting what we pay for, then we already have the needed numbers from Chief Reed to implement a part-time animal control officer.

By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council agreed to observe the contract for a six month period with the County for Animal Control services, then at that time assess the situation and move forward from that point as needed.

A motion was made by Councilman Jennings and seconded by Councilman Brooks to adopt the budget ordinance for Fiscal Year 2009-2010 and set the 2009 Advalorem Tax rate at \$0.60 per \$100.00 value. Motion carried: 3-2.

Ayes:  
Councilman Jennings  
Councilman Woolard  
Councilman Brooks

Nayes:  
Mayor Pro tem Mercer  
Councilman Davis

Mayor Pro tem Mercer noted he was voting against the budget because it is not balanced and has concerns over the Worker’s Compensation allocations, concerns on Sewer, Water and Electric funds as well. Matt Rauschenbach explained the budget ordinance was prepared from the changes made at the budget workshops.

**CITY OF WASHINGTON, NORTH CAROLINA  
BUDGET ORDINANCE FOR FISCAL YEAR 2009-2010**

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

**Section 1.** The following amounts are hereby appropriated for the operation of the City of Washington government and its activities for the fiscal year beginning July 1, 2009, and ending June 30, 2010, according to the following schedules:

**Schedule A. General Fund**

<b>General Government</b>	
City Council	65,778
Mayor	14,789
City Manager	279,780
Legal	231,000
TDA Director	110,561

Human Resources	267,640
Finance	417,351
Purchasing	135,901
Information Systems	296,694
Revenue Collections	360,091
Billing	148,661
Customer Services	328,485
Municipal Building	122,190
Miscellaneous	1,403,570
Beaufort County E.D.C.	131,708
Debt Service	584,262
<b>Public Safety</b>	
Police	2,901,903
E-911 Communication	314,395
Fire	1,533,407
Emergency Medical Services	664,192
Code Enforcement	179,435
Planning/Zoning	253,562
<b>Public Works</b>	
Administration	77,328
Equipment Services	165,255
Street Lighting	120,000
Street Maintenance	416,845
Powell Bill Allocation	392,000
<b>Cultural and Leisure</b>	
Brown Library	369,361
Recreation Administration	165,614
Recreation Events & Facilities	142,792
Athletics and Programs	35,256
Senior Programs	193,756
Waterfront Docks	102,905
Civic Center	151,638
Aquatic Center	309,904
Parks and Grounds	409,043
Agency Contributions	176,825
<b>Contingency</b>	
Contingency	<u>21,841</u>
<b>Total General Fund Appropriations</b>	<b>\$13,995,718</b>

**Schedule B. Water Fund**

Administration	78,982
Debt Services	720,062
Miscellaneous	646,572
Water Meter Services	237,764
Water Treatment	1,110,443
Water Distribution Maintenance	223,842
Water Distribution Construction	104,943
Contingency	<u>0</u>
<b>Total Water Fund Appropriations</b>	<b>\$3,122,608</b>

**Schedule C. Sewer Fund**

Administration	78,258
Debt Service	820,616
Miscellaneous	463,003
Wastewater Collection Maintenance	228,285
Wastewater Collection Construction	145,109
Wastewater Treatment	1,114,740
Wastewater Stations	248,532
Contingency	<u>0</u>
<b>Total Sewer Fund Appropriations</b>	<b>\$3,098,543</b>

**Schedule D. Storm Water Management Fund**

Operations	384,999
Debt Payment	26,759
Storm Water Sampling	0
Nutrient Control	53,001
Contingency	<u>35,291</u>
<b>Total Storm Water Management Fund Appropriations</b>	<b>\$500,050</b>

**Schedule E. Electric Fund**

Administration	829,472
Customer Service	0
Debt Service	1,622,777
Miscellaneous	2,843,317
Electric Meter Services	478,287
Utility Communications	243,361
Substation Maintenance	1,123,089
Power Line Maintenance	1,355,760
Power Line Construction	2,158,707
Purchase Power	29,667,089
Contingency	<u>0</u>
<b>Total Electric Fund Appropriations</b>	<b>\$40,321,859</b>

**Schedule F. Airport Fund**

Operational Expenses	403,886
Contingency	<u>12,371</u>
<b>Total Airport Fund Appropriations</b>	<b>\$416,257</b>

**Schedule G. Solid Waste Fund**

Debt Service	97,346
Solid Waste Operations	1,278,774
Contingency	<u>40,280</u>
<b>Total Solid Waste Fund Appropriations</b>	<b>\$1,416,400</b>

**Schedule H. Cemetery Fund**

Operational Expenses	239,239
Contingency	<u>4,961</u>
<b>Total Cemetery Fund Appropriations</b>	<b>\$244,200</b>

**Schedule I. Library Trust Fund**

Administration Charges to General Fund for Library Operations	<u>1,000</u>
<b>Total Library Trust Fund Appropriations</b>	<b>\$1,000</b>

**Schedule J. Cemetery Trust Fund**

Administration Charges to General Fund for Cemetery Operations	<u>3,700</u>
<b>Total Cemetery Trust Fund Appropriations</b>	<b>\$3,700</b>

**Schedule K. E-911 Surcharge Fund**

Contract Services	74,374
Contingency	<u>0</u>
<b>Total E-911 Surcharge Fund Appropriations</b>	<b>\$74,374</b>

**Schedule L. Public Safety Capital Reserve Fund**

Transfer to General Fund	<u>200,000</u>
<b>Total Public Safety Capital Reserve Fund Appropriations</b>	<b>\$200,000</b>

**Schedule M. Economic Development/Capital Reserve Fund**

Transfer to General Fund	<u>100,000</u>
<b>Total Economic Development/Capital Reserve Fund Appropriations</b>	<b>\$100,000</b>

**Schedule N. Sewer Capital Reserve Fund**

Transfer to Sewer Fund	<u>80,000</u>
<b>Total Sewer Capital Reserve Fund Appropriations</b>	<b>\$80,000</b>

**Schedule O. C.D.B.G. Program Income Fund**

Telephone	<u>1,200</u>
<b>Total UDAG Fund Appropriations</b>	<b>\$1,200</b>

**Schedule P. UDAG Fund**

Economic Development-Façade Grant	<u>15,000</u>
<b>Total UDAG Fund Appropriations</b>	<b>15,000</b>

**Total Appropriations for all Funds** **\$63,590,909**

Section 2. It is estimated that the following revenue will be available during the year beginning July 1, 2009, and ending June 30, 2010, to meet the foregoing appropriations according to the following schedule:

**Schedule A. General Fund**

Ad Valorem Taxes	3,711,588
Other Taxes	2,412,810
Restricted Intergovernmental Revenue	816,684
Unrestricted Intergovernmental Revenue	1,523,560
Licenses and Permits	82,525
Sales and Services	941,008
Interest Earnings	75,000
Lease Purchase Proceeds	108,000
Private Contributions	0
Miscellaneous	30,000
Fund Balance Appropriated	518,820
Administrative Charges to Other Funds for Services:	
Electric Fund	1,287,046
Water Fund	274,290
Sewer Fund	283,376
Solid Waste Fund	175,840
Storm Water	81,941
Airport	9,996
Cemetery Trust Fund	0
Library Trust Fund	1,000
Tourism Development Authority	110,561
Civic Center	78,523
Transfers from Other Funds:	
Electric	1,173,150
Capital Reserves	<u>300,000</u>
<b>Total General Fund Revenues</b>	<b>\$13,995,718</b>

**Schedule B. Water Fund**

Water Charges	2,843,000
Sales and Services	93,162
Interest Earnings	5,000
Miscellaneous	6,300
Installment Note Proceeds	0
Rents	34,207
Fund Balance Appropriated	<u>140,939</u>
<b>Total Water Fund Revenues</b>	<b>\$3,122,608</b>

**Schedule C. Sewer Fund**

Wastewater Charges	2,900,000
Sales and Services	57,161
Interest Earnings	15,000
Installment Note Proceeds	30,000
Transfer from Capital Reserve	80,000
Fund Balance Appropriated	<u>16,382</u>
<b>Total Sewer Fund Revenues</b>	<b>\$3,098,543</b>

**Schedule D. Storm Water Management Fund**

Interest Earnings	3,000
Sales & Service	7,050
Storm Water Charges	490,000
Installment Note Proceeds	<u>0</u>

**Total Storm Water Management Fund Revenues** **\$500,050**  
**Schedule E. Electric Fund**

Electric Charges	38,397,542
Sales and Services	541,740
Interest Earnings	50,000
Miscellaneous	30,000
Installment Note Proceeds	562,000
Administration Charges From Other Funds:	
Water	82,208
Sewer	49,675
Fund Balance Appropriated	94,694
NC DOT Reimbursement	<u>514,000</u>
<b>Total Electric Fund Revenues</b>	<b>\$40,321,859</b>

**Schedule F. Airport Fund**

Interest Earnings	3,000
Rentals	62,257
Sales & Services	101,000
Grants	150,000
Transfer from Other Funds:	
General Fund	<u>100,000</u>
<b>Total Airport Fund Revenues</b>	<b>\$416,257</b>

**Schedule G. Solid Waste Fund**

Interest Earnings	800
Installment Note Proceeds	175,000
Solid Waste Tax	5,600
Fees	<u>1,235,000</u>
<b>Total Solid Waste Fund Revenues</b>	<b>\$1,416,400</b>

**Schedule H. Cemetery Fund**

Interest Earnings	0
Sales & Services	225,500
Transfer from G/F	15,000
Adm. Charges from Cemetery Trust	<u>3,700</u>
<b>Total Cemetery Fund Revenues</b>	<b>\$244,200</b>

**Schedule I. Library Trust Fund**

Interest Earnings	<u>1,000</u>
<b>Total Library Trust Fund Revenues</b>	<b>\$1,000</b>

**Schedule J. Cemetery Trust Fund**

Interest Earnings	<u>3,700</u>
<b>Total Cemetery Trust Fund Revenues</b>	<b>\$3,700</b>

**Schedule K. E-911 Surcharge Fund**

Surcharge Collections	74,374
Interest Earnings	0
<b>Total E-911 Surcharge Fund Revenues</b>	<b>\$74,374</b>

**Schedule L. Public Safety Capital Reserve Fund**

Transfer from G/F	118,334
Fund Balance Appropriated	81,666
<b>Total Public Safety Capital Reserve Fund Revenues</b>	<b>\$200,000</b>

**Schedule M. Economic Development /Capital Reserve Fund**

Payment From Electric Fund	100,000
<b>Total Economic Development/Capital Reserve Fund Revenues</b>	<b>\$100,000</b>

**Schedule N. Sewer Capital Reserve Fund**

Fund Balance Appropriated	80,000
<b>Total Economic Development/Capital Reserve Fund Revenues</b>	<b>\$80,000</b>

**Schedule O. C.D.B.G. Program Income Fund**

Fund Balance Appropriated	1,200
<b>Total C.D.B.G. Program Income Fund</b>	<b>\$1,200</b>

**Schedule P. UDAG Fund**

Transfer from G/F	15,000
<b>Total UDAG Fund Revenues</b>	<b>\$15,000</b>

**Total Estimated Revenues for all Funds** **\$63,590,609**

**Section 3.** There is hereby levied the following rate of tax on each one hundred dollars (\$100.00) valuation of estimated taxable property listed for taxes as of January 1, 2009, for the purpose of raising the revenues from property taxes, as set forth in the foregoing estimates, and in order to finance the foregoing appropriations:

General Fund	
Total Rate per \$100 of	
Valuation of Taxable Property	.60

Such rate of tax is based on an estimated total assessed valuation of property tax for the purpose of taxation of \$653,425,583 with an estimated rate of collections of ninety-five percent (94.67%).

**Section 4.** The following fees and rates are adopted for FY 09/10 for the purpose of raising funds to support City operations:

**Section 5.** Some estimates of revenue other than the property tax exceed the amount actually realized in cash from each source in the preceding fiscal year, but the facts warrant the

expectations that in each case the estimated amount will actually be realized in cash during the budget year.

**Section 6.** Appropriations are authorized by department totals. The Finance Officer is authorized to reallocate departmental appropriations among various line item objects of expenditures and revenues as necessary during the budget year. The City Manager is authorized to reallocate appropriations among the various departmental totals of expenditures within the General Fund, Water Fund, Sewer Fund, Electric Fund, Storm Water Management Fund, Airport Fund, and Solid Waste Fund as allowed by North Carolina General Statute 159-15. Any such transfers between departments shall be reported to the City Council at its next regular meeting following the transfer and shall be entered into the official minutes of the City of Washington.

**Section 7.** Copies of this ordinance shall be filed with the Finance Director of the City of Washington, to be kept on file by her for her direction in the disbursement of City funds.

**Section 8.** All ordinances or parts of ordinances in conflict herewith are hereby repealed.

**Section 9.** This ordinance shall become effective July 1, 2009.

Adopted this the 22nd day of June, 2009.

**ATTEST:**  
**s/Cynthia S. Bennett**  
**CITY CLERK**

**s/Judy M. Jennette**  
**MAYOR**

#### **RECONSIDER E-911 VOTE**

Mayor Pro tem Mercer stated he would like to reconsider the vote taken last week regarding the E-911 budget. Mayor Pro tem Mercer stated he had concern over amending the proposed budget if it hadn't been adopted yet. Mayor Pro tem Mercer asked to have the E-911 budget amendment reconsidered. He called Stewart Rumley, former Mayor and someone from the League of Municipalities regarding this item. Mayor Pro tem Mercer stated he was told the proposed budget should have been adjusted during the budget workshops instead of doing an amendment on a budget that had not yet been adopted.

By motion of Mayor Pro tem Mercer, seconded by Councilman Jennings, Council made a motion to amend the 2009-2010 budget, (which was approved tonight) to incorporate the ordinance amendment for the E-911 charges that were approved on June 15, 2009. All voted in favor of the motion and the motion was carried.

#### **ADJOURN**

By motion of Councilman Woolard, seconded by Councilman Brooks, Council adjourned the meeting, until Wednesday, July 8, 2009 at 4:30 p.m. in the Council Chambers at the Municipal Building.

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**Cynthia S. Bennett**  
**City Clerk**