

The Washington City Council met in a continued session on Monday, February 15, 2010 at 4:30 p.m. in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Bobby Roberson, Mayor Pro tem; Jim Smith, City Manager; Cynthia Bennett, City Clerk.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Acting Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Ray Midgett, Information Technology Director; Mike Voss, of the Washington Daily News; and Delma Blinson of the Beaufort Observer.

Representing Boy Scout Troop 21 working toward their Citizenship in the Community Merit Badge were the following Scouts: Cameron Carr, Thomas Hall, Stephen Cutler, Aaron Cutler, Leland Hill, James Martin, Wynne Martin. Assistant Scout Masters in attendance were: Sid Cutler, David Hall and Bill Lurvey were also in attendance.

Mayor Jennings called the meeting to order and Councilman Moultrie delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Jennings noted the primary purpose of this meeting is a budget planning session. Councilman Mercer stated at the last meeting of the Tourism Development Authority it was requested they change their member representative on the Citizens for Revitalization. He further noted that Mayor Pro tem Roberson has agreed to accept this position if Council would appoint him to that board. By motion of Councilman Mercer, seconded by Councilman Davis, Council appointed Mayor Pro tem Roberson as the Tourism Development Authority representative on the Citizens for Revitalization board replacing Lynn Lewis.

Mayor Pro tem Roberson asked to follow up on the list of other board appointments during the Committee of the Whole meeting. Mayor Jennings noted the current vacancies have been advertised and we are awaiting applications.

CAPTIAL IMPROVEMENT PLAN REVIEW

Jim Smith, City Manager stated this session is to thoroughly review the CIP projects. An effort was made to contact all departments to receive input for capital needs over the next five years. Our CIP needs exceed our ability to pay. The proposed CIP that was distributed to Council last week had a \$55 million price tag. Matt Rauschenbach gave Council a revised version of the CIP that had been reduced to \$44 million. The decrease can be attributed to reducing funding for some of the proposed projects as well as moving certain projects to other fiscal years. Mr. Rauschenbach reviewed CIP expenditures for the past five years as well as changes to the proposed capital improvement plan. The proposed changes are listed below:

PROJECT	ORIGINAL REQUEST	REVISED REQUEST
City Hall painting	\$30,000	\$0
Old City Hall Rehab	\$803,000	\$50,000
City Hall Rehab	\$3,972,000	\$250,000
Festival Park(\$260k cash)	cash match spread over 3 years	
2 nd gym –Andrews center	\$770,000	\$0
Brown Library addition (4k sq.ft.)	added to future years	
General Fund Total through FY 14/15	\$16,998,000	\$11,723,000
Re-line wet well 5 th /Respass	\$500,000	\$150,000
Sewer Fund Total through FY 14/15	\$5,803,000	\$5,453,000
NC 32 circuit	\$700,000	added to future years
River Road circuit	\$700,000	added to future years
Grimesland circuit	\$800,000	added to future years
Slatestone circuit	\$1,000,000	added to future years
Midway circuit	\$750,000	added to future years
34kV line	\$1,300,000	added to future years

Northern substation	\$1,800,000	added to future years
Industrial Park substation	\$1,800,000	added to future years
Electric Fund Total through FY 14/15	\$16,885,000	\$8,035,000

Grand total all funds through FY 14/15: \$55,770,000
Revised total all funds through FY 14/15: \$41,295,000

General Fund Total Capital & New Debt Service:	\$11,723,000 through FY14/15
Electric Fund Total Capital & New Debt Service:	\$8,035,000 through FY14/15
Water Fund Total Capital & New Debt Service:	\$8,765,000 through FY 14/15
Sewer Fund Total Capital & New Debt Service:	\$5,453,000 through FY 14/15
Stormwater Fund Total Capital & New Debt Service:	\$5,000,000 through FY 14/15
Sanitation Fund Total Capital & New Debt Service:	\$835,000 through FY 14/15
Cemetery Fund Total Capital & New Debt Service:	\$70,000 through FY 14/15

The \$14 million decrease in the CIP was contributed to reductions in funding and scope of projects such as rehabilitating City Hall and postponing other projects such as circuit work and substation upgrades involving the electric utility system. Mayor Jennings asked Mr. Smith and Mr. Rauschenbach to continue with the brainstorming sessions and running different scenarios to find additional cost savings.

Mayor Jennings noted the CIP is a planning tool only, it does not commit Council to anything, and this will be accomplished during the budget process. Council noted they will discuss during budget sessions, whether it is more cost effective to contract with private sectors to provide some services now provided by the City. Councilman Mercer said it may be cheaper to go with a private contractor instead of allowing the city to continue providing the service.

Mr. Smith noted the Fire Department roof is a major concern and needs to be repaired shortly. Councilman Mercer stated this should be in the building maintenance budget and the roof should be repaired. Councilman Mercer further discussed the roof at the Impressions building and the need to repair it. Council further recommended additional reductions in the CIP which will be discussed further during budget work sessions. Discussion was held regarding Old City Hall and possible uses for this structure. Mayor Jennings stated he will contact the Washington Area Historic Foundation regarding uses for this building. Discussion was held regarding renovations to City Hall. Mayor Jennings noted that although the current building has historical value, it may be more cost effective to build a new municipal building along with the police station. Ray Midgett discussed server virtualization and the advantages of this system due to the reduction in hardware cost and energy cost, consolidation of data, etc. Councilman Mercer inquired if this would be a service that would be more cost effective to contract out. Mr. Midgett also discussed municipal fiber networking and the possibility of extending this to include the Operations Center, Fire Station #2, Civic Center, Parks and Rec/Peterson Building, Warehouse and Brown Library. This would allow us to increase our bandwidth to these areas.

Mayor Jennings recognized Scouts from Boy Scout Troop 21 that are working toward their Citizenship in the Community Merit Badge. Scouts in attendance were: Cameron Carr, Thomas Hall, Stephen Cutler, Aaron Cutler, Leland Hill, James Martin, Wynne Martin. Assistant Scout Masters in attendance were: Sid Cutler, David Hall and Bill Lurvey were also in attendance.

BREAK

By motion of Councilman Davis, seconded by Councilman Pitt, Council agreed to continue the meeting to no later than 8:00pm.

Mayor Jennings suggested that Council determine a broad financial number for each department and let the department determine what items can be cut or delayed from the CIP.

General Fund suggested budget for total capital expenditures & new debt	\$700,000
Electric Fund suggested budget for total capital expenditures & new debt	\$1 million
Water Fund suggested budget for total capital expenditures & new debt	\$355,000
Sewer Fund suggested budget for total capital expenditures & new debt	\$300,000

Stormwater Fund suggested budget for total capital expenditures & new debt	\$45,251
Sanitation Fund suggested budget for total capital expenditures & new debt	\$86,498
Cemetery Fund suggested budget for total capital expenditures & new debt	\$7,763

Allen Lewis discussed the results of a drainage study that identified approximately \$16 million in drainage improvements at Jack's Creek Drainage Basin, Smallwood drainage basin and airport canal drainage basin and 12th & Brown St drainage area. Mr. Lewis suggested using G.O. Bonds for \$5 million worth of work over 20 years at 4.3% interest and phasing these projects in over a 3-4 year period. It is proposed to use stormwater fees to cover the debt over twenty years and pay for maintenance from the General Fund. Mayor Pro tem Roberson stated the original use for the stormwater fees was to be for capital improvement projects and salaries should come out of the General Fund not the stormwater fund. Mayor Pro tem Roberson stated Iron Creek drainage needs to be incorporated into the CIP. Mr. Lewis stated recently his department went to Iron Creek and removed one abandoned beaver dam as well conducted maintenance on the swale located at Ore Court.

ADJOURN

By motion of Mayor Pro tem Roberson seconded by Councilman Pitt, Council adjourned the meeting until February 22, 2010 at 8:30am in the Council Chambers at the Municipal Building.

**Cynthia S. Bennett
City Clerk**