

The Washington City Council met in a continued session on Monday, June 6, 2011 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; Edward Moultrie, Councilman; Gil Davis, Councilman; William Pitt, Councilman; Pete Connet, Interim City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Mick Reed, Police Chief; Allen Lewis, Public Works Director; John Rodman, Planning Director; Philip Mobley, Parks and Recreation Director; Gloria Moore, Library Director; Keith Hardt, Utilities Director; Susan Hodges, Human Resource Director; Mike Voss, of the Washington Daily News and Delma Blinson, of the Beaufort Observer.

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

APPROVAL/AMENDMENTS TO AGENDA

Mayor Jennings requested moving the discussion of Outside Agencies to the beginning of the agenda. Also, following the discussion of Outside Agencies move the discussion item#2 – Review- Contingency Position Increase in All Funds Based on Council Budget Workshops.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council approved the agenda as amended.

Mayor Jennings voiced this is a special meeting and not the Committee of the Whole so there is no time limit; if Council would please try to get as much as possible accomplished tonight. By doing this, staff will have enough time to implement or make the necessary adjustments as directed by Council. Mayor Jennings noted he would like to have a resolution presented at the regular meeting on June 13, 2011.

BUDGET WORKSHOP – OUTSIDE AGENCIES

Mr. Connet stated the budget presented to Council included a 10% reduction from last year's authorized amount or if the requested amount was a reduction, we left it at the requested amount. Some agencies requested the same as last year's budget and some requested an increase. Mr. Connet cited the Human Relations Council as an example. Last year the HRC requested \$1,200 vs. \$500 for this year, so it was left at the requested amount. Two items added: 1: The Veterans Park (\$10,000) and 2: The Washington Community Care Coalition. Mr. Connet did not recommend funding for the new agencies when we are struggling for money.

Councilman Mercer expressed his concern over the Human Relations Council having monies left in their budget. At the end of the year it should revert back to the General Fund and the Board should make a request to Council if it could be given to another organization and not seek ways to use the money. Councilman Pitt explained at meeting before last, a lot of the money was not spent. The HRC sought and received public/private donations. Also, Board members pulled funds out of their pocket, citing the Negro League, Jim's reception and Ed Peed Commemoration. Unfortunately, the Multicultural Festival will come out of next year's budget and \$500 which will not cover very much.

Mr. Connet voiced the HRC has done a real good job in seeking donations during the time he's been Interim City Manager.

Mayor Pro tem Roberson stated we should have an accounting system to where the money is going from the non-profit agencies. Agencies should have a budget that has been adopted and should itemize the proposed budget for the fiscal year. Mr. Rauschenbach noted this information is provided during the early stages of the budget process, it is part of the application request. Councilman Davis clarified by stating each

organization has provided this information and Mr. Connet responded 'yes' along with an audit report.

Councilman Pitt reminded Council that the Human Relations Council is a City Board and receives minor funding, so it's really not an outside agency but more internal. Councilman Pitt noted, to the best of his knowledge, this is the only Board that receives funding from the City.

Councilman Moultrie stated he understood the funding for The Washington Care Coalition, funding would be dropped from the County's budget this year and if the City Council could see any way of funding this organization \$500. Councilman Moultrie stated this program helps individuals during the Christmas holidays. Councilman Pitt agreed. Council directed staff to pull the \$500 from other agencies.

Mayor Jennings took a nonbinding "straw poll" and requested a show of hands for everyone in favor of reallocating \$500 to The Washington Care Coalition from an existing: 5-0 in favor.

Mr. Connet sought clarification on the request from the Turnage Theater Foundations. Council tentatively approved providing \$22,000 by way of direct allocation. This amount combined with an \$8,000 return of property taxes will give a total contribution of \$30,000 in fiscal year 2011-12.

It was noted that for several years, the City has "forgiven" the foundation's annual property taxes and this agreement will continue for several more years. In addition to "forgiving" the foundation's property taxes, the end of this fiscal year (June 30) ends the five-year agreement in which the City appropriated \$100,000 (plus) a year to the foundation.

Mayor Jennings noted all these organizations are worthy causes and that ground work be laid so these agencies will know what to expect from the City next year. This may be something the Human Relations Council could help us with – making sure there is some accountability as to how we deal with our Outside Agencies.

REVIEW – CONTINGENCY POSITION INCREASE IN ALL FUNDS BASED ON COUNCIL BUDGET WORKSHOPS

Mr. Connet noted this item contains recommendations made to Council earlier and contains some new recommendations.

(Begin memo): Subject: FY 11-12 Budget Adjustments Through 5/23/11 meetings.

Attached please find a spreadsheet which shows the proposed increases and decreases in the respective Funds from the initial recommended budget. The easiest method of showing the impact of the changes you have discussed to date is to show the resulting increase or decrease in the contingency line. There is a description of all the changes discussed so far and any new information that staff has obtained since the budget was first presented.

After the final budget work session on June 6th, staff will go back and change the individual departments and their line items that will reflect the changes shown on the "Contingency Position" sheet which is attached, and any final changes made at the June 6th meeting.

Contingency Positions- Council Budget Workshops

6/1/2011

	<u>General Fund</u>	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Storm Water</u>	<u>Solid Waste</u>	<u>Total</u>
Beginning Contingency Balances	\$ 25,540	\$ -	\$ 17,530	\$ 24,051	\$ 2,006	\$ 36,327	\$ 105,454
Sectionalization Plan (deferred)		70,000					70,000
401K correction		2,700					2,700
Professional Services correction		(10,000)					(10,000)
Utility Services correction		(25,200)					(25,200)
Debt Service Savings (Terra Ceia deferred)		21,635					21,635
WHDA Funding	(66,000)	66,000					-
Heat Pump Rebates WHA		(20,500)					(20,500)
Participant Fees eliminated	(40,000)						(40,000)
WHDA Hotel Feasibility Study		(17,000)					(17,000)
Turnage Utilities		(27,000)	(1,500)	(1,500)			(30,000)
EDC Funding moved to Enterprise Funds	91,780	(30,593)	(30,593)	(30,593)			-
Grasshopper mower (Parks/Grounds Main)	3,000						3,000
EMS Medicaid Reimbursement - Revised	12,000						12,000
Worker's Comp Reinsurance cost increase	(7,869)	(2,164)	(393)	(984)		(590)	(12,000)
WHDA Funding back to Electric	66,000	(66,000)					-
Debt Service Savings (borrow in April)	13,020	36,146					49,166
Sewer - Transfer from CRF to pay for 13th & Bridge				40,000			40,000
Water - Transfer from CRF to pay for SCADA poles			30,000				30,000
Electric - Increase Late Penalty Revenue		15,000					15,000
Property, Casualty, Liability Insurance decrease	15,475	14,916	3,966	4,569	66	1,083	40,075
Total Proposed Contingency	\$ 112,946	\$ 27,940	\$ 19,009	\$ 35,543	\$ 2,072	\$ 36,820	\$ 234,330

Mr. Connet explained the thorough process given to each line on the worksheet. Mr. Connet stated they tried to keep in balance and still increase the contingency lines with the net result showing at the bottom.

Council reviewed several suggested options that would have increased six contingency funds by the following amounts:

- General fund, from \$25,540 to \$112,946.
- Electric fund, from no amount to \$27,940.
- Water fund, from \$17,530 to \$19,009.
- Sewer fund, from \$24,051 to \$35,543.
- Stormwater fund, from \$2,006 to \$2,072
- Solid waste fund, from \$36,327 to \$36,820.

The proposed overall budget had a total of \$105,454 in contingency allocations for those six funds combined. The document reviewed by Council increased that amount to \$234,330.

Following the review, Council rejected some of the suggestions, reducing the \$234,330 to \$101,000.

Mayor Pro tem Roberson requested clarification if the City was under any obligation to pay Economic Development Commission funding of \$91,780. Mr. Rauschenbach shared there is an agreement through the County but not sure of the term of the agreement. Mayor Jennings stated the agreement was adjusted two (2) years ago. We reduced the City funding of EDC and the County reduced their funding of a like amount of what was then DWOW. This resulted in a shifting of the ratio and we also lost an appointment seat on the EDC. Councilman Mercer suggested we are locked into that ratio and there is a need to have a review of where the expenses are going. Mayor Jennings mentioned he requested of staff to present this information to Council and Mr. Rauschenbach explained this information was forwarded to Council earlier showing EDC's budget and the amount of reduction by the other municipalities' - contribution with the remaining balance split 2/3 County and 1/3 City. Ms. Radcliffe shared we pay this in February of each year. Mayor Jennings requested, in addition, to see a cash flow that is beneficial to the City. The City should have an annual presentation from EDC detailing how the money is being spent (justification). Mayor Pro tem Roberson requested working out a payment schedule beneficial to the City (March or April) and Mr. Rauschenbach agreed we could pay later during the year. Mayor Jennings requested inviting the EDC Director to give an update to Council on EDC funds at July meeting.

Mr. Connet shared the EDC funding and the WHDA was the two largest in the General fund to help push the contingencies up to \$112,946. Mayor Jennings requested Mr. Connet or Mr. Rauschenbach explain the logic behind the Water Reserve Fund and the Sewer Reserve Fund allocations. Mr. Rauschenbach explained two Capital Reserve

Funds 1: Water and 2: Sewer but the impact fees are typically reserve and as capital improvements come forth in the future to the facilities then you can utilize those reserve funds for that use. Mayor Jennings opened the discussion for any opponents Council wishes to address.

Councilman Davis addressed the elimination of participation fees in Parks and Recreation. Council had requested staff find the money from a continuous stream into our budget (not just the one year decrease) and he doesn't remember receiving any information on that and doesn't know how it will be done. Mr. Rauschenbach stated this is a working document and things depend on one another and cited some examples. If Council agrees to the EDC funding, moving it to the Enterprise Fund then this would generate a consistent stream to offset the participant's fee. Councilman Mercer stated \$91,000 is still \$91,000 and stated the shell game is nice but doesn't see where we have saved a dime by saying we will move that \$90,000 among three other funds rather than the general fund, Councilman Davis agreed. Councilman Davis voiced it's got to be a legitimate thing where we can show it will be revenue generated year in and year out (we need to provide a revenue stream above what we got). Mr. Connet said he can't see any – he doesn't see that happening unless leagues do fundraisers to help offset it. We don't have replacement every year for this item. Councilman Mercer requested looking at the broader brush that needs to be applied before coming down to an individual line.

Councilman Mercer reviewed prior budget changes, Council agreed to reduce the Sectionalization plan to \$10,000 and therefore would have a cut of \$70,000. This is \$70,000 that was put into the pot and during the same discussion we agreed to delay the Terra Ceia line rebuild. According to the numbers that saves a debt service of \$21,600. In all of the discussions to date, we have put \$91,000 in the pot that we can work with. In reviewing the list, Councilman Mercer addressed the four lines that were mentioned last week, Heat Pump Rebates, Participant Fees eliminated, WHDA Hotel Feasibility Study and Turnage Utilities, they add up to \$107,000. This does not include the additional in which the staff has identified (contract and utilities corrections) by adding these two items, it amounts to \$150,000 with only \$91,000 in the pot. Councilman Mercer voiced it looks like we are spending more than we are saving and to him this is a misleading concept. Councilman Mercer stated "if we are going to cut monies then cut monies and see how much we can spend". Mayor Jennings agreed this would work but that's essentially shoebox accounting and explained. For instance, Property, Casualty, Liability Insurance decrease of \$15,000 in which Councilman Mercer agreed but noted there was a \$12,000 increase in Worker's Comp. Mayor Jennings agreed but stated there are several savings accounts around the table, so essentially this is exactly what Councilman Mercer described (taking all the wins and losses, placing on a page, taking allocations from anything we saved that we think we need to use and implementing that). Mayor Jennings agreed but stated this is part of making the budget work, using the resources you have (taking into account, savings and changes implemented along the way). Mr. Rauschenbach voiced they started the contingency balance as a total for these funds which is a little over \$105,000 and the proposed contingency with the adjustments moved would be \$234,000. Mr. Rauschenbach stated the net improvement would be approximately \$130,000. Mr. Connet stated Council would have to decide what level of service you want to provide to the citizens of the City and how you are going to pay for it. Mayor Pro tem Roberson stated that staff had done exactly what was directed of them to do. Council may not like it but the numbers are there and have gotten us where we need to be (not saying it is good or bad). Mayor Jennings agreed and appreciated Mayor Pro tem Roberson voicing it (he felt it was a demonstration of using all of your budget resources). The tragedy in any budget process is when you don't have any resources to utilize which is not the case with the City.

Councilman Pitt addressed his concerns with the elimination of fees and felt for the citizens who could not afford to pay. The City needs to be good stewards; young people need something to want to stay here. Make sure funds are there next year – recurring expense Councilman Pitt understands the continuous stream but also feels we

have a component staff to make this work and a citizen base that would appreciate it.

Councilman Davis did not have anything to say concerning the broader issue but voiced there are certain areas where we need to be sure we have the revenue stream coming in for next year and the following year and not just cutting something for this year. It will still be a recurring cost.

Mr. Connet stated they looked at splitting the cost in half and doing \$20,000 if Council opted to do this the \$20,000 will build on the \$112,000 and would be \$132,000.

Councilman Moultrie stated dollars shouldn't hold children hostage by not being able to participate in community activities because of not being able to afford to play ball. From his prospective they should waive the fee for the children to play sports.

Councilman Davis shared there is a misconception. There has never been one child in all the cities he's been in that one child was denied the opportunity to play ball. The League or the Recreation Department would pay the fee. He is aware of one family here that has five children and all five plays with the exception of soccer. Funds were made available for that family to do it.

Mayor Jennings noted this issue was not just about children in need. It encompasses a philosophical change that acknowledges whether folk are in need or not, the cost has increased to a level that is somewhat alarming and the fact that these folk either by virtue of property taxes and/or electric has already paid for services from the City. You could compare it to the Library when no one is charged a fee. Mayor Jennings agrees that coaches, rec officials, umpires, staff and league officials have all come out of their pockets to help people that are in need.

Mayor Jennings noted we have 1300 participants between softball, baseball, basketball and soccer taking in account each kid that plays each sport. On average kids play two sports that is approximately 650 kids playing sports in Washington. Mayor Jennings suggested the one point that has not been addressed are the future facilities needs and requested Council consider rather than eliminating the fee to reduced the fee to \$10. This \$10 (seed money) to be applied to a facility account that would take into considerations and plan for future facility needs. Mayor Pro tem Roberson inquired if there was anything else the league was not satisfied with and Mayor Jennings stated there were several things (personal opinion, we do not have a healthy relationship). He would like to see Council form a committee going forward to the league as a group to repair the relationship with the league. Councilman Mercer requested from the Manager the legality of establishing a fund (capital reserve fund) if the fund is established it would need specifications of how much you would put in each year and what it would go toward. Mr. Connet stated you could estimate each year what would go into that fund, with an accounting of it and categorized as a broad category and from a legal standpoint as a recreation facility. Ms. Radcliffe shared that you would need to put a term when the capital reserve will expire and earmark what the funds are for but you are not required to set an amount. Mr. Connet and Ms. Radcliffe gave several examples.

Councilman Mercer doesn't think spreadsheet shows where monies will come from and that the document doesn't suffice. Also, he doesn't wish to go forward with the methodology.

Mayor Jennings called for a "straw poll" on the reallocation and redistribution process. Voting for the reallocation and redistribution process: Mayor Pro tem Roberson, Councilman Pitt and Councilman Moultrie and opposing the reallocation and redistribution process: Councilman Davis and Councilman Mercer.

Councilman Mercer requested clarification on the "straw poll". Mayor Jennings explained that general methodology is what we want to go forward with and we can now take any issues and address those separately.

Council Davis stated he could not support the elimination of Recreation fees without finding a continuous stream. Mr. Rauschenbach explained things he expected to be recurring in nature as a continuous stream. Mayor Jennings suggested (speaking to the question) if we don't reduce the fees in Recreation what that would do in this methodology would simply increase the contingency \$40,000 and will not go back to the Recreation budget and Mr. Rauschenbach agreed. Council should ask if it is more important to have \$152,000 contingency or to make some movement on Recreation fees.

Mayor Jennings called for a "straw poll" on the component of this method which would eliminate the Recreation fee for the coming fiscal year. Voting for the method: Councilman Pitt, Mayor Pro tem Roberson and Councilman Moultrie: Opposing the method Councilman Mercer and Councilman Davis. Mayor Jennings stated he would like to move forward and form a council committee to improve our relationship with the league.

Council shared with Mr. Thornton Gorham they had voted to allocate \$500 in The Washington Care Coalition.

Councilman Mercer voiced he would like for surplus equipment (disposition of City property) be bid on before going to GovDeals for auction. Mr. Connet stated we should proceed with the bidding process by asking for a straight sale from all bidders, a sale with a trade in from all bidders, get a feel for it through GovDeals and compare, so 'yes' we have that option.

Councilman Davis asked if the mower for the Recreation department was on State contract. Mr. Connet had Ms. Radcliffe check and for a 51" mower cost was \$9,000, 72" was not on State contract.

Councilman Mercer requested equipment numbers for the item being replaced in Parks and Recreation. Councilman Mercer requested a continuation of the discussion in Parks and Recreation budget concerning changes/or reductions and stated he had a list of reductions across the entire budget in the order of a million dollars in hopes Council will be able to look at. Mayor Pro tem Roberson suggested including this discussion at the end of budget process and Mayor Jennings was of the same opinion. Mayor Jennings felt that if Council could go through the process and make changes we may need to make as a result (stay on schedule and go back to revisit).

Recess at 6:45 pm.

BUDGET WORKSHOP – PUBLIC WORKS

Water and Wastewater, Councilman Mercer continued with the discussions referring to the Water and Wastewater Treatment total number of employees at seventeen. Eleven of those people are assigned to a specific location in the Water and Wastewater Treatment Plant with six people remaining being able to roam. Also, he noted in the Water Treatment Plant there are seven vehicles assigned to six people and in the Sewer Plant there are two additional assigned vehicles (pick-ups) with a total of nine vehicles. Councilman Mercer alluded to the two gators assigned to those facilities. Mr. Waters addressed the need for the vehicles including the gators and noted they do not have any gators. The one requested a couple of years ago was never approved. The one purchased belongs to Stormwater. Mr. Waters noted that some of the vehicles listed are tractors and not automobiles. Mr. Waters shared they have five vehicles and explained their usage.

Water Fund, Councilman Mercer noted the replacement of vehicle #420 in the Water fund and according to his list, it is a 2001 backhoe at \$90,000 and asked if it could be delayed a year. Mr. Lewis stated that backhoe was purchased under a State contract and the State has replaced all purchased in 2001. If this is delayed a year the cost of repairs and maintenance will go up substantially.

Councilman Mercer stated in this budget we have \$85,000 for the purchase of AMR meters plus \$20,000 for replacement meters with monies in previous budgets. Councilman Mercer requested buying enough AMR meters, approximately 3,000 meters and install them. Mayor Jennings inquired how much it would cost to purchase enough AMR meters and Mr. Lewis stated \$450,000/\$500,000. Mayor Jennings inquired if we would have to borrow ½ million and Councilman Mercer said ‘yes’. Mr. Lewis requested the fund balance in the Water fund and Mr. Rauschenbach stated it was \$750,000. Mr. Lewis stated you could purchase 1,000 a year and buy back from the Water fund. Mayor Jennings asked where on the current plan the City begins to benefit from the implemented technology (less human interaction required). Mr. Lewis stated a total of six fiscal years out before you get to the point where everything is radio read. Mayor Jennings – short of buying them all this year is there a way to escalate what we are doing now. Mr. Lewis stated you could do 1000 a year and be done in three years. Councilman Davis inquired as to how much is paid per AMR meter and Mr. Lewis stated it was approximately \$150 currently.

Mayor Jennings called for a “straw poll” on escalating the current schedule of purchasing the AMR meters at \$200,000 a year adding only \$115,000 to the \$85,000 on this year. This would eliminate 1 meter reader in Water fund. 4-1 vote: voting for Councilman Mercer, Davis, Pitt and Moultrie and opposing Mayor Pro tem Roberson.

Sewer Fund. Councilman Mercer noted the purchase of the generator under the lift station in the Sewer fund. He understands there is a requirement for a generator at the lift station and that we are meeting the need now by using portable generators. Mr. Lewis shared until we have backup generators for each lift station they have to purchase a generator until we get to that point and specified there are thirty lift stations. They are six short from having one at each lift station which includes the mobile ones. The request was for \$35,000 in the CIP but in the budget it is \$40,000 and Mr. Waters explained the increase. Mr. Lewis stated that the CIP was done back in November and the cost had increased since that time. Councilman Mercer asked what is a T3 pump and why it wasn’t in the CIP in which Mr. Waters explained. Where will the \$600,000 upgrade come from for Main and Respass and Mr. Lewis suggested a memo was forwarded to Council back in April concerning the award letter they received from the Division of Water Quality. They were funded through the State Revolving Loan Fund approximately 3% low interest loan for the full amount of the loan.

Stormwater. Mayor Pro tem Roberson requested he would like to have a discussion on pumps at Jack’s Creek this coming fiscal year (2012). Mr. Lewis explained the need for the pumps because in a major event you would have considerable flooding.

Councilman Davis asked if it was a requirement to replace plant material in the wetlands on a periodic basis. Mr. Lewis stated they are not required to replace it but to maintain it.

Solid Waste. Councilman Mercer inquired how many garbage cans are replaced a year and Mr. Lewis stated 200.

Councilman Pitt asked where is the recycling going and Mr. Lewis stated BCDC. Councilman Pitt addressed his previous comments on electronic recycling and noted July 1 is the mandate. Mr. Lewis stated that looking at the grant program that was available the most money the City could realize is approximately \$500 and it would cost us a lot more money to operate. Councilman Mercer suggested this is a mandate on each county and not cities.

Cemetery. Councilman Mercer voiced the replacement of the lawnmower and it was not in the CIP.

Councilman Davis expressed concern over the telephone, pager and computer line for \$1200 and on the other side the internet service for office & cemetery building of

\$840. Mr. Lewis stated the pager and computer line should not be there just a carry-over mistake. The \$840 is correct for internet service. The dollar figures are accurate just a mistake in the justification/description.

Airport, Mr. Connet shared at the next meeting a 90 day extension on the contract with Tradewind will be presented and we will probably go out for RFP. Mayor Jennings suggested we should go out and recruit.

Public Works, General comments were given concerning Powell Bill and a request to delay any purchasing of equipment.

BUDGET WORKSHOP – PARKS AND RECREATION REVISITED

Council Mercer expressed concerns and requested consideration on the following six items:

1. \$7,500 for the Stainless Steel Counter Top at the Concession Stand – can we delay it for one year. Mr. Mobley stated to defer is fine - “Straw poll vote was 5-0”.
2. \$12,500 for Raising Screen at McConnell Complex safety issue – can we delay it for one year. Councilman Davis stated this should be raised for safety and Mayor Jennings agreed. We may be able to discuss with the league some assistance - “Straw poll vote was 4-1”.
3. \$24,000 reduced to \$12,000 for playground equipment on 3rd and Pierce Street – replacing part of the equipment. Councilman Davis stated this does not meet the present standard and if you don’t spend the \$24,000 then you need to remove it altogether - \$24,000 is a small amount to spend. Discussion followed: Councilman Pitt stated the one thing Council fails to realize is this is the only playground in walking distance to that neighborhood and Mr. Mobley stated it is the only playground on the West side of Highway 17. This equipment has been there for 25 years. Mayor Jennings inquired if something could be done for \$20,000 and Mr. Mobley felt they could. Councilman Pitt suggested contacting Lowes as well. “Straw poll on allocating \$20,000 in the budget and finding corporation with discount purchase - 5-0”.
4. \$17,000 Mower reduced to \$8,500. Mr. Mobley stated if it is a zero turn and 72” cut they will gladly take it – does not necessarily need to be a Grasshopper. Councilman Davis said it is now \$14,000 and not \$17,000 and felt the \$17,000 should be left in the budget. Discussions followed: Mayor Pro tem Roberson suggested allocating \$12,000 “straw poll” 3-2 with Councilman Davis and Mercer opposing. Councilman Davis felt it should be more.
5. \$25,000 for the replacement of decking on the boardwalk – can it be delayed? Mayor Jennings noted that 1/3 will be replaced with composite material. Suggested extending to 1/4 at and \$18,750 (4 years not 3 years) – “straw poll vote 4-1 with Councilman Mercer opposing”.
6. \$3,500 for concrete - delay the work? Mayor Jennings suggested consulting with leagues – “straw poll 5-0”.

BUDGET WORKSHOP – EMPLOYEE COMPENSATION REVISITED

Mayor Pro tem Roberson requested to revisit longevity. He would like to see a policy change that states you should be with the City at least 5 years before you get any money. This money will be collected on your 5 year period on the 5th year anniversary. Mayor Jennings expressed this is a good idea and know all members of Council has some ideas that should be pursued with the new Manager. Councilman Davis clarified this format would begin with new hires and Mayor Pro tem Roberson stated this was correct. Mayor Pro tem Roberson asked what was done for City employees last year and Mr. Connet provided this information.

Councilman Mercer stated the average maturity raise is approximately 1.75% - suggested giving a flat-raise or to give a Christmas bonus to everybody. Also, we discussed giving a \$20 a month per pay period across the board for everybody which

would be more than the \$80,000 in the budget book. Also suggested, \$500 annual Christmas bonus paid in December provided you have been employed for 6 months – not being added to salary. He would prefer to see everybody get something.

Mayor Jennings recapped of Councilman's Mercer suggestions:

Scenario A: \$20 a month per pay period raise and would be added to the current salary (salary increase) Cost would equate to approximately \$140,000.

Scenario B: \$500 annual bonus to be provided for every employee provided they have been here for 6 months. Cost would equate to approximately \$130,000 but will not be added to the employee current salary.

Scenario C: Leave merit/job maturity as it currently is with no COLA.

Mayor Pro tem Roberson suggested everyone receive merit and longevity plus \$500 bonus - what would that equate to: Mr. Rauschenbach stated the merit and longevity would be \$85,000 plus an approximate \$120,000/\$130,000. Mayor Jennings inquired what if we do this and reduce the \$500. Councilman Davis noted he would like to see it stay somewhere in the neighborhood of \$500 for the bonus.

Councilman Moultrie would like to see the employees get the Christmas bonus merit, job maturity and longevity.

Recess at 9:15 pm.

Mayor Jennings called for a “straw poll” for employee compensation: Same allocation for merit, job maturity and longevity. \$250 for Christmas bonus for employees that have been with the City for six months. This will cost the City approximately \$71,000 more. 5-0 vote.

BUDGET WORKSHOP – OUTSIDE AGENCIES REVISITED

Councilman Mercer requested revisiting the following items:

- Turnage Theater
- Feasibility Study
- Washington Housing Authority Heat Rebate (Load Management)

Councilman Mercer stated the Turnage Theater had been receiving \$100,000 per year for the past 5 years plus a rebate on their property taxes.

Mayor Pro tem Roberson requested reducing this allocation down to \$22,000 plus the \$8,000 and give them a total of \$30,000 and advise the Turnage this will be the last appropriation. \$8,000 would be added to the total contingency.

Mayor Jennings called for a “straw poll” 4-1 with Councilman Mercer opposing.

Councilman Mercer voiced his concern with the Feasibility Study noting the City is giving the Historic District \$70,000 plus and they are requesting an additional \$17,000 for a Feasibility Study on a Hotel. Mayor Jennings explained how the study would work and if the Feasibility Study is not done all the way through, the City will be refunded the \$17,000. Mr. Connet stated during the presentation the Feasibility Study the study would be done in the summer and be ready by the fall. Mayor Jennings voiced this has been the best thing he has seen in a long time and Mr. Connet agreed.

Mayor Pro tem Roberson suggested the City of Washington pay \$10,000 and WHDA work toward getting the \$7,000.

Mayor Jennings called for a “straw poll” 4-1 with Councilman Mercer opposing.

Councilman Mercer questioned the Washington Housing Authority rebate. Mayor Pro tem Roberson requested to break it out over several years. Four years at \$5,000 per year.

Mayor Jennings called for a “straw poll” 5-0 all in favor.

Mr. Rauschenbach provided a recap of all the things Council voted on and stated Ms. Radcliffe would have a red line copy of the budget book to Council by Thursday, 6-9-11. A resolution will be presented to Council on Monday, June 13, 2011 for adoption of the budget.

General Fund Contingency	\$ 88,000
Electric	46,000
Water	100,000 appropriations (115,000 for AMR meters)
Sewer	31,000
Stormwater	2,000
Solid Waste	33,000
Grand Total	\$101,000

ADJOURN – UNTIL MONDAY, JUNE 13, 2011 AT 5:30 PM IN THE COUNCIL CHAMBERS AT THE MUNICIPAL BUILDING

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council adjourned the meeting at 9:45 pm until Monday, June 13, 2011 at 5:30 am in the Council Chambers at the Municipal.

Cynthia S. Bennett, CMC
City Clerk