

The Washington City Council met in a continued session on Monday, November 19, 2012 at 5:30pm at the Civic Center. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Bobby Roberson, Mayor Pro tem; Josh Kay, City Manager and Cynthia Bennett, City Clerk.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Allen Lewis, Public Works Director; John Rodman, Interim Community and Cultural Services Director; Susan Hodges, Human Resources Director; Keith Hardt, Electric Director; David Carraway, IT; and Mike Voss, Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council approved the agenda as presented.

CITY GOALS & OBJECTIVES {2012 PROGRESS & 2013 UPDATES}

↔ some improvement
↓ no improvement
↑ substantial improvement

Improve our Community

- Immediate
 - Service-oriented mentality ↔
 - Communicate & educate public ↔
 - Improve community appearance ↔
- Short-term (2-3 years)
 - Diversity recruitment ↔
 - Improve & pave roads ↔
 - Advisory board training ↓
- Long-term (5-10 years)
 - Size of city ↔
 - Drainage issues ↔
 - Organization branding ↑

Improve our Finances

- Immediate
 - End the FY in the “black” ↑
 - Load management program ↔
 - Transfer of police & fire dispatch ↓
- Short-term (2-3 years)
 - Reduce electric fund transfer ↑
 - Evaluate outsourcing ↓
 - Facility assessment/master-plan ↔
- Long-term (5-10 years)
 - Pursue grants ↑

Improve our Economy

- Immediate
 - Job Creation ↑
 - Lower Utility Rates ↑
 - Highway 17 Bypass Strategy ↔
- Short-term (2-3 years)
 - River Road growth strategy ↔
 - ED partnerships/business friendly ↔
 - Business recruitment & retention ↑
- Long-term (5-10 years)

- Water & Sewer capacity ↔
- Transportation plan review ↔

2013 Goals & Objectives

- Improve our Economy
 - Job Creation
 - Lower Utility Rates
 - Commercial Development
- Improve our Finances
 - Fiscal Discipline
 - Evaluate all City Services, Facilities, & Capital Projects
 - Revenue Enhancement
- Improve our Community
 - Develop the Organization
 - Engage the Community
 - Improve the perception of the Community

Capital & Facility Plan

- **20 Year Outlook: \$154.637 million**
 - General Fund: \$39.615 million
 - Water Fund: \$14.93 million
 - Sewer Fund: \$13.99 million
 - Storm-water: \$10.45 million
 - Airport: \$8.61 million
 - Solid Waste: \$2.41 million
 - Cemetery: \$0.625 million
 - Electric: \$64.007 million
- **2013 “Big” Projects**
 - Fire Engine #3 - \$500,000
 - Lighthouse dock-master station - \$300,000
 - Main Street Streetscape Improvements
 - Planning - \$284,000
 - Electric - \$300,000
 - Fuel System Upgrade - \$200,000
 - Parallel Waterline (WTP to 264) - \$800,000
- **Other “Big” Projects**
 - Police Station - \$3 million (2015)
 - Haven’s Garden Revitalization & Expansion - \$1.5 million (2015)
 - Financial Software - \$600,000 (2015)
 - 16” Water Transmission line - \$6 million (2015)
 - Susie Gray Improvements - \$900,000 (2016)
 - Fire Station 1 Rehab - \$1.5 million (2018)
 - Senior Center - \$2 million (2022)
 - Fire Division 100 ft Aerial Platform - \$1 million (2025)

Mr. Kay noted that some progress has been made on several goals/objectives such as reducing electric rates. Council revisited prior commitments to improving the city’s fiscal outlook, such as helping create jobs in the city and improving customer service. Council strives to continue to reduce transfers from the electric fund to the general fund and not use fund-balance money to help balance the general fund in any given fiscal year. Mr. Kay explained that the 2011-2012 fiscal year ended in the black and the audit of the city’s 2011-2012 fiscal records will confirm that when it is released in the next few weeks.

The council has reduced the amount of money transferred from the electric fund to the general fund, which it plans to continue at a pace of at least \$100,000 a year. The current budget transfers \$846,121 from the electric fund to the general fund. The previous budget transferred \$973,150 from the electric fund to the general fund. Until about three years ago, that annual transfer was slightly more than \$1 million. Council established a target of \$700,000 for fiscal

year 2013-2014. The council is committed to eventually eliminating the transfer from the electric fund to the general fund.

Discussion was also held regarding the city's ability to secure a grant in the spring to help a local industry "retool" and create new jobs. A \$450,000 grant passing from the state to the City of Washington to Weir Valves & Controls, USA is expected to help create 82 new jobs during the next 18 months.

Councilman Mercer said the current general fund is looking at more expenses than revenue coming in during the course of the fiscal year. He said expenses could outpace revenues by about \$1 million. He urged the City Manager to keep a close watch on expenses.

City Manager Josh Kay reviewed the long range capital and facility plan with Council, noting it is a 20 year plan. With all funds and all departments, the total capital and facilities plan is \$154 million. We're going to refine our CIP forms to talk about what's our impact on our customers. He also noted that we are running a business and we've got to make sure that our infrastructure is up to par and exceeds our customers' expectations. While some of the projects will be directly funded from our rate payers, others will come from grant funds and loans.

Councilman Mercer was happy to receive the draft plan stating it is something he has been looking to receive for awhile. Council members made it clear that just because a project is in the draft plan for a specific fiscal year, that doesn't mean it will automatically be funded during that fiscal year. Council indicated some projects that can be delayed without compromising the public's safety, will most likely be delayed. In fiscal year 2013, the draft plan calls for spending \$2.5 million on items such as a new fire engine, several vehicles for the Public Works Department and temporary light for the soccer fields at the McConnell Sports Complex. In fiscal year 2015, the draft plan allocates \$3 million toward a new police station, a project the city pursued for several years but put on hold a little more than a year ago.

- ◆ Continue reduction from Electric Fund to General Fund
- ◆ If possible, reduce Electric Rates
- ◆ Task Electric Advisory Board with creating customer "how to's" to lower electric bill
- ◆ Continue to have expenditures more "in line" with revenues
- ◆ Create a two tier budget review process
- ◆ Council to review goals/objectives/facilities and prioritize
- ◆ Staff will plan to present draft budget earlier

ADJOURN

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting until Monday, December 10, 2012 at 5:30pm in the Council Chambers at the Municipal Building.

**Cynthia S. Bennett, CMC
City Clerk**