

The Washington City Council met in a budget workshop on Tuesday, April 28, 2015 at 6:00pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Brian M. Alligood, City Manager and Cynthia S. Bennett, City Clerk.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; Susan Hodges, Human Resources Director; Kristi Roberson, Parks and Recreation Manager; Keith Hardt, Electric Utilities Director; John Rodman, Community & Cultural Services Director; Anita Radcliffe, Assistant Finance Director; David Carraway, Network Administrator and Mike Voss, Washington Daily News.

Mayor Hodges called the meeting to order and Councilman Pitt delivered the invocation.

BUDGET WORKSHOPS - SERVICE EXPANSIONS:

City Manager, Brian Alligood reviewed the General Fund Service Expansions budget requests. Any new or additional funding requests from outside agencies is included in the expansion budget. Beginning on page 497 (the summary page of service expansions) there is a proposed COLA increase for all city staff at 1%, 2%, or 3%. Staff compared these percentages to the consumer price index for the south east region and it was 1.3% - the 1% COLA increase would equate to a total of \$98,338 across all funds. The general fund portion is \$63,494.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council agreed to eliminate funding the expansion budget as presented. Mayor Pro tem Roberson suggested he would like to come back to the COLA. Mayor Hodges directed Mr. Alligood to clarify requested items in the expansion budget.

Discussion: Mayor Pro tem Roberson voiced it is a very difficult time as we are short of funds. Councilman Mercer expressed that at last night's meeting there was an indication that we would have to find \$310,000; therefore, if Council was to adopt this expansion budget we would have to find another \$300,000.

OUTSIDE AGENCY REQUESTS:

Mayor Pro tem Roberson suggested funding economic development strategies to: North Carolina Estuarium, Arts Council (Turnage Theater), Washington Harbor District Alliance and Kiwanis Christmas Parade for a total amount of \$100,000. Councilman Mercer suggested setting up a Harbor District Economic Fund to be funded at \$75,000 (contribution coming from electric, water-sewer fund as they currently do) and divide the money between the three agencies as well as the Kiwanis for the Christmas parade (\$20,000 each, plus \$1500 for Kiwanis and remaining \$13,500 in contingency). Mayor Hodges expressed concern with only funding WHDA at \$20,000.

A motion was made by Councilman Mercer, seconded by Mayor Pro tem Roberson, to establish a fund for a Harbor District Economic Fund in the amount of \$75,000 for monies to be distributed to the Washington Harbor District Alliance (\$20,000), North Carolina Estuarium (\$20,000), Arts Council (\$20,000), and \$1,500 for Kiwanis Washington Christmas Parade and remaining amount of \$13,500 in contingency.

An amended motion was made by Mayor Pro tem Roberson, seconded Councilman Beeman, to fund the WHDA (\$62,000), Estuarium (\$20,000), Arts Council (\$16,000) and Kiwanis Christmas Parade (\$1500) at the same amount they are funded in the current budget. Following discussion Mayor Pro tem Roberson withdrew his amended motion.

Following discussion regarding the substitute motion the following agency would be funded at the following amounts (same level as last year):

• Arts Council	\$16,000
• NC Estuarium	\$20,000
• Washington Harbor District Alliance	\$62,000
• Kiwanis	<u>\$ 1,500</u>
Total	\$99,500

Councilman Pitt voiced we talk about each funding for outside agencies being reduced by at least 10% and Councilman Mercer agreed. Councilman Pitt voiced all these agencies do great things but at some point they need to be able to stand alone from the City and become self sufficient.

An amended motion was made by Councilman Beeman, seconded by Mayor Pro tem Roberson, to decrease the outside agency funding by 10%. 4-1 vote with Councilman Mercer opposing.

Reservation, ideas, suggestion, and comments followed. Following more discussion:

• Arts Council	\$14,400
• North Carolina Estuarium	\$18,000
• Washington Harbor District Alliance	\$55,800
• Kiwanis (Christmas Parade)	<u>\$ 1,350</u>
Total	\$89,550

Mr. Alligood stated with the 4-1 vote we will not hear Councilman Mercer's motion and Councilman Mercer voiced the secondary motion will now become the primary motion. Councilman Mercer voiced parliamentary procedure states when the secondary motion becomes the primary motion then the primary motion must be voted on again.

By motion of Councilman Beeman, seconded by Mayor Pro tem Roberson, Council approved to decrease the following outside agency funding by 10%. Motion carried 4-1 with Councilman Mercer opposing.

• Arts Council	\$14,400
• North Carolina Estuarium	\$18,000
• Washington Harbor District Alliance	\$55,800
• Kiwanis (Christmas Parade)	<u>\$ 1,350</u>
Total	\$89,550

Mr. Alligood inquired for clarification as to where the money would come from? Mr. Alligood further explained where the monies come from now (Harbor District from Economic Development fund and the remainder ones from General Fund). Councilman Mercer asked that a Downtown Economic Fund be established versus calling them an outside agency. Mayor Pro tem Roberson suggested funding from the same source as last year. Councilman Mercer voiced we are currently taking funds out of water/sewer and electric fund for economic activities. Mayor Pro tem Roberson stated they should not be called outside agencies and Mayor Hodges agreed. Mr. Alligood voiced this is funded by the Enterprise Funds account code 10-00-4650 (which is Economic Development) and Mayor Pro tem Roberson said this is correct. Funding for these four recipients will come from revenue transferred from Enterprise Funds.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council approved moving Washington Harbor District Alliance, Beaufort County Arts Council, North Carolina Estuarium, and Washington Christmas Parade (organized by the Washington Kiwanis) under the Economic Development budget and to be funded from water/sewer and electric.

Mr. Alligood reviewed all items under Economic Development Fund and Council directed Mr. Alligood to leave the remaining as they are.

Mr. Alligood requested clarification on the remaining agency funding. Mayor Pro tem Roberson suggested he was under the impression Council had eliminated all other outside agency funding. Mr. Alligood reviewed the remaining items that were not moved to the Economic Development budget.

Councilman Mercer recommended only funding BHM if it is a pass through from Beaufort County. If the County does not fund it then the City will not fund it.

By motion of Councilman Brooks, seconded by Councilman Mercer, reduced Boys & Girls funding to \$14,400.

Councilman Mercer recommended an increase for the Zion Shelter and Councilman Brooks disagreed and reiterated what Councilman Mercer proposed earlier regarding the 10% for all outside agencies. If you cut 10% on one then you should cut 10% on all (no exception).

By motion of Councilman Brooks, seconded by Council Beeman, Council approved decreasing all other outside agency funding by 10%.

Councilman Mercer expressed concerns with the whole list but pointed out the funding for Cornerstone. Councilman Mercer stated they came to Council three years ago requesting help for that year and they would become self sufficient and came back this year requesting more money than they did the first year. Again, Councilman Brooks stated all should be treated the same. Councilman Pitt suggested all agencies be cut by another 10% next year.

SUMMARY OF REQUESTED SERVICE EXPANSIONS

GENERAL FUND REVENUE	City Manager Recommends	Board Approves
Amount Available for Service Expansions (Revenues over Expenditures)	\$0	\$0
Amount Requested from Fund Balance	\$0	\$0
Total	\$0	\$0
Total Available for Service Expansions	\$0	\$0

Note: 1 penny on the tax rate = \$ 82,356

REQUESTS

Department	Title	Dept. Mgrs Priority	Estimated Initial Cost	Estimated Annual Revenue Offset	Estimated Initial Net Cost	Estimated Annual Recurring Cost	Board Member's Priority	Comments
All Funds	1% COLA		\$63,494	\$0	\$63,494	\$63,494		Amt. shown here is GF portion only
All Funds	2% COLA		\$126,988	\$0	\$126,988	\$126,988		Amt. shown here is GF portion only
All Funds	3% COLA		\$190,481	\$0	\$190,481	\$190,481		Amt. shown here is GF portion only
Human Resources	Classification & Pay Study		\$35,000	\$0	\$35,000	\$0		Contract Service for pay study. This does not include implementation cost.
Community & Cultural Recreation -Seniors	Front Desk Attendant		\$6,805	\$0	\$6,805	\$6,805		Cost associated with changing from volunteers to paid staff.
Community & Cultural Recreation -Seniors	Part Time Program Assistant		\$5,671	\$0	\$5,671	\$5,671		Cost associated with changing from volunteers to paid staff.
Community & Cultural Recreation -Events & Facilities	Joint Use -BC Schools Ed Tech Gym		\$21,208	\$0	\$21,208	\$3,708		Cost to add more gym space for youth basketball. Joint Use Agreement with BC Schools.
Community & Cultural Recreation -Events & Facilities	Part time Staff for Sunday Play for Baseball		\$1,113	\$0	\$1,113	\$1,113		Cost associated with adding staff for Sunday Play for Baseball at McConnell Sports Complex.
Public Works- Building & Grounds	Recreation Maintenance Worker		\$35,122	\$0	\$35,122	\$35,122		Cost associated with hiring a Recreation Maintenance Worker.
Outside Agencies	Arts Council		\$34,000	\$0	\$34,000	\$34,000		Amount requested over current year funding level.
Outside Agencies	Boys & Girls Club		\$4,000	\$0	\$4,000	\$4,000		Amount requested over current year funding level.
Outside Agencies	Wright Flight		\$1,500	\$0	\$1,500	\$1,500		Amount requested over current year funding level.

REQUESTS

Department	Title	Dept. Mgrs Priority	Estimated Initial Cost	Estimated Annual Revenue Offset	Estimated Initial Net Cost	Estimated Annual Recurring Cost	Board Member's Priority	Comments
Outside Agencies	Blind Center		\$250	\$0	\$250	\$250		Amount requested over current year funding level.
Outside Agencies	Cornerstone Community Learning Center		\$6,000	\$0	\$6,000	\$6,000		Amount requested over current year funding level.
Outside Agencies	NC Estuarium		\$5,000	\$0	\$5,000	\$5,000		Amount requested over current year funding level.
			\$346,150	\$0	\$346,150	\$293,650		

Total of all General Fund Service Expansion Request (3% COLA is in total; 1% and 2% are excluded from total)

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City Of Washington
Expenditure Budget Worksheet
7/1/2015 Through 6/30/2016

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Fund #		Pr. Year Actual 13-14	Original Budget 14-15	Amended Budget 14-15	Expended/ Encumbered 14-15	% Spent	Est. Exp. Entire Year 14-15	Dept Head Request 15-16	Manager Recommends 15-16
10	GENERAL FUND								
	10-40-6170 OUTSIDE AGENCIES								
				CONTRIBUTIONS					
							CULTURAL & LEISURE		
9101	ARTS COUNCIL	13,000	13,000	13,000	13,000	100.00%	13,000	13,000	13,000
9102	B.H.M. LIBRARY	0	7,800	7,800	6,500	83.33%	7,800	7,800	7,800
9104	ARTS COUNCIL CONCERTS	3,000	3,000	3,000	3,000	100.00%	3,000	3,000	3,000
9105	BOYS & GIRLS CLUB	16,000	16,000	16,000	16,000	100.00%	16,000	16,000	16,000
9106	HARBOUR DISTRICT ALLIANCE	0	0	0	0	0.00%	0	0	0
9107	ZION SHELTER	8,500	8,500	8,500	8,500	100.00%	8,500	8,500	8,500
9108	WRIGHT FLIGHT	3,500	3,500	3,500	3,500	100.00%	3,500	3,500	3,500
9109	EAST CAROLINA WILDLIFE GUILD	1,540	0	0	0	0.00%	0	0	0
9110	THE BLIND CENTER	1,250	1,250	1,250	1,250	100.00%	1,250	1,250	1,250
9112	CHRISTMAS PARADE	1,500	1,500	1,500	1,500	100.00%	1,500	1,500	1,500
9113	VETERANS PARK	3,455	0	6,920	4,691	67.79%	6,920	6,920	6,920
9116	EAGLE WINGS	1,000	1,000	1,000	1,000	100.00%	1,000	1,000	1,000
9120	HUMAN RELATIONS COUNCIL	422	1,000	1,000	241	24.10%	1,000	1,000	1,000
9136	PURPOSE OF GOD	24,000	20,000	20,000	20,000	100.00%	20,000	20,000	20,000
9150	DOCK DOGS	5,000	0	0	0	0.00%	0	0	0
9160	AMERICAN RED CROSS	500	500	500	500	100.00%	500	500	500
9165	CORNER STONE WORSHIP CTR.	15,000	10,000	10,000	10,000	100.00%	10,000	10,000	10,000
9170	ESTUARUM		20,000	20,000	20,000	100.00%	20,000	20,000	20,000
	TOTAL OUTSIDE AGENCIES	97,667	107,050	113,970	109,182	95.80%	113,970	106,550	105,550

ADJOURN:

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting at 7:00 pm until Wednesday, April 29, 2015 at 6:00 pm, in the Council Chambers.

Cynthia S. Bennett, MMC
City Clerk