

The Washington City Council met in a continued session on Monday, May 1, 2017 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Virginia Finnerty, Mayor Pro tem; Doug Mercer, Councilmember; Richard Brooks, Councilmember; Larry Beeman, Councilmember and William Pitt, Councilmember. Also present: Bobby Roberson, City Manager; Franz Holscher, City Attorney and Cynthia S. Bennett, City Clerk. Mayor Mac Hodges was absent and excused.

Mayor Pro tem Finnerty called the meeting to order and Councilmember Pitt delivered the invocation.

City Manager, Bobby Roberson asked City Attorney, Franz Holscher to review the voting rights of the Mayor Pro tem as she is presiding over the meeting in the absence of Mayor Hodges. Mr. Holscher noted the City Charter overrides NCGS regarding the calculation of a quorum. The City Charter states a quorum is a majority of the Council members, not counting the Mayor – three members constitutes a quorum. The Mayor Pro tem can make a motion as well as vote on a motion.

The City Manager noted the proposed budget calls for a three-cent tax increase in order to cover a shortage due to the non-renewal of the EMS contract with Old Ford. If Council does not want the tax increase, three options are available for them to consider to cover the shortage (1) increase Electric Fund Transfer (2) cover shortage with Fund Balance (3) reduce expenditures in the proposed budget.

Councilmember Mercer discussed the goals from the recent Council retreat in February. The number one project was to construct a new Police Station. The other was to balance our expenditures to revenues. He is opposed to the three-cent tax increase and said in order to eliminate the increase we need to find \$255,000 worth of new revenue or spend less. He suggested cutting the budget to the bare bones, eliminate/delay a number of projects and maximize the increase in the transfer from the Electric Fund in order to build the new Police Station.

Mayor Pro tem Finnerty stated she does not like the tax increase either, nor does she like the idea of cutting the budget. She stated the department heads know what is best for their departments and if we need to make cuts, they should decide where/what to cut.

Mayor Pro tem Finnerty made a motion to accept the budget as presented with the exception of the three-cent tax increase and let the department heads determine how to cut their costs. Councilmember Mercer advised the motion was out of order until the public hearing is held on the budget on May 8. Motion dies for lack of second. Mayor Pro tem Finnerty asked the Council members to think about her proposal.

Councilmember Brooks agreed that we don't need to raise taxes and felt that Council shouldn't cut anything from the budget.

Councilmember Pitt said they don't need to be hasty in adopting a new budget. He also stated the City cannot continue to cut services in order to balance the budget.

Mayor Pro tem Finnerty commented the approach isn't hasty, it is having faith and valuing our staff to get the budget together – we shouldn't micromanage them and their efforts. Councilmember Pitt noted this is one of the leanest budgets he's seen since he's been on Council. Councilmember Brooks agreed that our staff knows more about their jobs than Council does.

Councilmember Mercer said he has a long list of suggested cuts, but if Council members aren't willing to go through the list then they should agree to make the transfer and go home. Councilmember Beeman asked Councilmember Mercer what projects he is suggesting to cut/delay, such as the Slatestone Road – Electric Line Project. Jeff Clark noted if this project was delayed then two large projects amounting to almost \$5million would be in the FY18-19 budget. Councilmember Beeman commented that this is a preventative maintenance project.

Councilmember Mercer said he has been sitting on the Council for fifteen years and this is the first time we have not had a discussion on where we could increase revenues or decrease expenditures. He said this is a farce. Mayor Pro tem Finnerty replied that she didn't agree with him.

Mr. Roberson noted that we need a motion and second to not increase taxes in FY 17-18.

A motion was made by Councilmember Brooks and seconded by Mayor Pro tem Finnerty not to increase taxes in FY 17-18.

Councilmember Mercer asked where the funds would come from to cover the shortage. Councilmember Beeman and Mayor Pro tem Finnerty suggested the shortage could be covered by increasing the Electric Fund transfer and/or Fund Balance –or a combination of both. Councilmember Mercer added that another way to cover the shortage is to increase revenue and cutting the proposed budget.

Councilmember Mercer stated he was not in favor of the tax increase but he is also not in favor of not trying to find the monies to fund the \$255,000 shortfall. After the discussion Mayor Pro tem Finnerty called for the question.

Motion re-stated: A motion was made by Councilmember Brooks and seconded by Mayor Pro tem Finnerty not to increase taxes in FY 17-18. Motion carried 4-1 with Councilmember Mercer opposing.

Council instructed staff on how to fill the void on the shortage and suggested staff return with alternatives to cover the shortage (transfer from Electric Fund, Fund Balance, reduction in proposed budget or a combination of alternatives).

After discussion, Council agreed to forego Tuesday's budget meeting in order to allow staff to work on this assignment.

Councilmember Mercer noted he will be attending a funeral in Wilson and may or may not be back in time for the meeting.

The City Attorney re-iterated the quorum requirement.

ADJOURN:

By motion of Councilmember Brooks, seconded by Councilmember Beeman, Council agreed to forego Tuesday's budget meeting and meet again on Wednesday, May 3, 2017 at 5:30pm in the Council Chambers. (The meeting was adjourned at 6:00pm.)

Cynthia S. Bennett, MMC
City Clerk