

The Washington City Council met in a continued session on Wednesday, May 24, 2006 in the Council Chambers at the Municipal building at 4:30 p.m. Present were: Judy Jennette, Mayor; Richard Brooks, Councilman; Archie Jennings, Councilman; Mickey Gahagan, Councilman; Ed Gibson, Councilman; Darwin Woolard, Mayor Pro tem; Councilman; James Smith, City Manager; and Rita A. Thompson, City Clerk; and Fred Holscher, City Attorney.

Also present were: Jimmy Davis, Fire Chief; Bobby Roberson, Planning Director; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order and Councilman Gibson delivered the invocation.

AMENDMENTS/APPROVAL OF AGENDA

Jim Smith, City Manager, asked that a discussion on the second Fire Station and a Closed Session on Personnel be added to the agenda.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously approved the agenda, as amended.

DISCUSSION – SECOND FIRE STATION

A handout was passed out to the City Council on the new figures for the second Fire Station, follows:

**ESTIMATED PROJECT COST
COMPARASION FOR STATION 2**

LINE ITEM	PAGE ROAD BUILDING BUDGET	PAGE ROAD FULL BUDGET	15TH ST. SITE FULL BUDGET
Construction of Facility			
-10,500 SF @ \$120/SF (Initial Est.)	\$1,260,000		
-11,190 SF @ \$175/SF (Current Est.)		\$698,250	\$1,958,250
Contingency @ 5% Construction Cost	\$65,000	\$32,912	\$97,912
Design Fees/Construction Administration	\$100,000	\$4,600	\$125,492
Purchase Cost of Land			\$250,000
Construction to extend Page Road		\$288,045	
Additional Grading		\$27,711	\$50,679
Timber Piles		\$45,000	
Pile Caps		\$5,000	
Grade Beams		\$30,000	
Additional Structural Design		\$5,000	
Borings & Sub-surface investigations		\$6,545	\$5,945
Rapid Impact Compaction			\$60,000
Radio/Data Communications		\$70,000	\$70,000
Furnishings, Fixtures, Equipment		\$97,912	\$97,912
Generator	\$60,000		\$60,000
Interest on Construction Loan	\$40,000	\$46,000	\$86,000
Legal Fees	\$5,000		\$5,000
TOTAL	\$1,530,000	\$1,356,975	\$2,867,190
Page Road Site		\$2,886,975	
15th Street Site			\$2,867,190

Mr. Smith stated that we have to put in a request to the Department of Agriculture for the loan, who are asking that the maximum amount to be included. Mr. Smith, however, stated that we have \$540,000 in the Public Safety Capital Reserve Fund and recommended that the first year's payment be made out of that money, but the rest of that amount should be applied towards the cost of the second Fire Station rather than borrowing the money.

Councilman Jennings asked how the furniture figures in this. Mr. Smith stated that there is \$40,000 included in this year's budget. However, the \$40,000 includes more than furnishings. Councilman Jennings stated that when we began this, the cost per square footage was \$120.00 a square foot, now it is estimated at \$175.00 a square foot at the high end. Now, we are four to five months out and prices have gone up.

Mr. Phillip Fieler, with Cooper, Stewart and Newell, stated that since the beginning, other sites were looked at, and the costs associated with those sites. Approval has come back and they are ready to push forward with the design. Councilman Jennings asked if there were significant design changes? Mr. Fieler answered no, the building will range the same, the difference is at the points where the utilities are tied in.

Mr. Fieler explained the time line, with ten to twelve months being the construction time.

Councilman Jennings asked that the \$40,000 for furniture be taken out of this year's budget. Mr. Smith recommended it be left in the budget and keep it in Fund Balance, the City can make the payment when it is due, we will have this to cover the \$160,000 payment so we will not have a big debt the first year.

Jimmy Davis, Fire Chief, stated that Council needs to decide what to resubmit to USDA for the station. The initial thoughts were to ask only for the building and a \$60,000 generator. Mr. Fieler added that even though you ask for the entire amount, you don't have to draw but what you actually need, it only secures it for you. Mr. Smith stated that USDA will kick out some anyway, and when we know the exact amount, we need to pay for as much as we can out of the Public Safety Capital Reserve.

After discussion, on motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously agreed to apply to USDA for the entire loan amount of \$2,867,190 for the second Fire Station.

BUDGET WORKSHOP CONTINUED

Planning

- Grass cutting contract cut from this budget (Fire Dept. will take over July 1st) Council expressed concern for this to be looked at with high priority
- Vacant lots to be sold – June agenda
- Discussion was held on so many billboards being put up in the County (Bobby will also have an agenda item on outdoor advertising at the June meeting)
- Mr. Smith wrote County for them to include income from renting billboard spaces to landowners when property is appraised for tax purposes

Library

Council briefly discussed the idea that was brought up at the May 15th meeting to start charging \$15.00 for county residents to use the Library and the Friends of the Library reactions. Julie Hicks stated that some other places have charged and lost some residents and some have not, and some revoked the charge. There are 64% who live outside the city limits. A decision would have to be made on when to start charging. The Friends of the Library contribute \$2,000 a year.

Council decided they should have a joint meeting on Wednesday, June 14th at 4:30 p.m. in the Library Conference Room with the Board of Library Trustees and the Friends of the Library to discuss this issue.

Airport

Mr. Smith stated that he has written a letter to the Beaufort County Board of Commissioners to ask them that the county's share of advalorem taxes collected from the aircraft at the Airport come back to the City. Mayor Jennette pointed out that the agreement that was signed at the time the County turned the Airport over to the City had certain stipulations in it that might affect this from happening.

Mr. Smith stated that he did an analysis of the fuel sold at the Airport. Last year the amount of fuel ranged from \$0 to \$6500. If you take off some of the large users, the average is \$1200. One thing to look at is when you renew the t-hangar contracts, do it where you pay for the rent each month plus \$100 for fuel; if you don't buy the \$100 worth of fuel, you give up the opportunity to get the credit of \$100. Mayor Jennette questioned if FAA would let us do this. Mr. Smith will check into it.

Councilman Jennings asked about hiring an Airport Manager. Mr. Smith stated he is still working on it, and there is no money in the budget to pay a Manager. It was our hope to offer a space to construct up a corporate type hangar as an incentive. Councilman Jennings asked about the idea of the Committee of 100 building hangars? Mr. Smith stated they have been actively pursuing that. The Committee of 100 has agreed to finance the t-hangars, but they have had difficulty finding some sources for them. They now have gotten a quote of about \$30,000 for a t-hangar. If they finance it at 8%, it would be \$365.00 a month rental fee for the t-hangar. Some are at more than that and some are at \$250.00 a month.

Councilman Jennings asked that a report from the Airport be added to the Council Agenda each month. Mr. Smith stated that we are taking bids on the fencing this month. Mayor Jennette stated that there are some people interested in corporate hangars and if the County gives us the taxes, we could rebate that amount to them in five years.

Council discussed the tremendous deer problem we have at the Airport.

Councilman Gibson stated we need to bite the bullet and get a Manger for the Airport.

Outside Agencies

Council reviewed the outside agencies' request and agreed that some are "fixed" and cannot be reduced. Other requests have remained the same as last year. The others would suffer more with a reduction than would help the City if there was a cross the board reduction. Some new requests have not been added, taken into consideration of our financing situation. The EDC budget remains at \$94,891, and they will have to take about \$20,000 out of their fund balance (they requested \$145,000 from us).

Legal Services

Councilman Gahagan questioned the Legal Services budget. Mr. Holscher stated that he thinks it could be reduced because right now we don't have any ongoing lawsuits. Mr. Smith stated that if we had a lawsuit with a developer, we would ask them to pay for the legal fees. Council agreed to cut it by \$25,000, and put \$10,000 on the revenue side.

Mr. Smith will come back with a bottom line on the budget, considering some things that have been discussed:

Code Enforcement Officer

Council discussed the need for a Code Enforcement Officer, especially since we are experiencing a lot of development, and the Animal Control Officer is not the solution. Mr. Smith briefed Council on some issues going on in the Inspections Department. He stated we need a junior person trained to step up and we are probably three years away from that. In the meantime, maybe a retired Chief Building Officer can spend two weeks

as a mentor to our people. Chief Davis is trying to find some training programs for the inspectors.

Councilman Gahagan asked that as positions become vacant, those positions are evaluated.

Other Issues:

- **Aquatic Pool** - Staff check and see how many lifeguards you have to have at the pool; inequity on charges for County residents for use of the pool (Gibson)
- **Recreation Fees** – Needs to be increased (Gibson); need to promote tournaments (Jennings & Gahagan)
- **Layouts** – Moving senior employees to other positions (Brooks)
- **COLA** - Gibson against giving 3.5% COLA – Jennings and Gahagan spoke for it. Mr. Smith stated we are asking employees to do more with less. Job classifications will be looked at on an annual basis in house
- **401K** - Discussed whether to make it mandatory that employees contribute (Gibson)

RECAP – Monday May 24, 2006:

- Cut \$25,000 in Legal Budget - \$10,000 in revenues - \$35,000 savings
- Pull \$40,000 from furniture in Fire Station – Jim recommended leaving it in to go towards payment
- \$540,000 in Public Safety Capital Reserve Fund – Make first year's payment of that, the rest of it can be used instead of borrowing money
- Council asking for entire amount of \$2,867,190 for Second Fire Station
- \$40,000 in boat docks revenue
- Sale of City property to offset police cars
- Code Enforcement Officer?
- Evaluate any vacant positions as they come up
- How many people can be in pool at one time?
- Check into market rate for perpetual care
- Check into mausoleums

CLOSED SESSION – PERSONNEL

On motion of Mayor Pro tem Woolard, seconded by Councilman Jennings, Council unanimously agreed to go into closed session at 7:20 p.m. under G. S. 14-318.11(a)(6) Personnel.

On motion of Councilman Gahagan, seconded by Councilman Jennings, Council unanimously agreed to come out of closed session.

On motion of Councilman Gahagan, seconded by Councilman Jennings, Council unanimously adjourned the meeting at 8:00 p.m.

**Rita A. Thompson, CMC
City Clerk**