

The Washington City Council met in a continued session on Monday, June 26, 2006 at the Municipal Building at 4:30 p.m. Present were: Judy Jennette, Mayor; Darwin Woolard, Mayor Pro tem; Ed Gibson, Councilman; Richard Brooks, Councilman; Archie Jennings, Councilman; James Smith, City Manager; Rita A. Thompson, City Clerk; and David Francisco, Acting City Attorney. Councilman Gahagan was absent.

Also present were: Carol Williams, Finance Director; Jimmy Davis, Fire Chief; Phil Mobley, Parks & Recreation Director; Bobby Roberson, Planning and Development Director; Allen Lewis, Public Works Director; Lynn Lewis, Tourism Development Authority Director; and Mike Voss, of the Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

Mayor Pro tem Woolard asked that a "Public Comment" session be added to the agenda at the beginning of the meeting. Mr. Smith added "City Vehicle" as VII. , "Library" as VIII., and Turnage Theater as IX, and renumbering consecutively.

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

PUBLIC COMMENTS

Mr. David Carraway, speaking for the City employees, stated he would like to take this opportunity to say "thank you" for including in the FY 06-07 Budget the COLA, merit and Pay Classification increases. He stated that as a former Councilmember for the Town of Plymouth, he truly understands the situation Council finds itself yearly on the budget. As an elected official, he can truly appreciate what Council has to go through with budget deliberations. Here today are staff members from Finance, Public Works, Electric, Community Development, Police, Fire-Rescue-EMS, Parks & Recreation, Inspections, Library, and TDA and all salute Council for their difficult decision and pledge to continue to provide the absolute best services to the citizens of Washington.

Robbie Walker thanked the Council and reinforced what David Carraway had said. He stated that these are challenging times and Council has had to make difficult decisions, sometimes popular decisions are not always the right decision, but Council made a very right decision in protecting its most valuable asset which are City employees.

Councilman Gibson stated he would like to bring out some points in the recently passed budget that might bring about reconsideration on the Council's part. He respectfully disagreed that the position that Councilman Jennings has in regard to this being a last resort to fixing the budget. Councilman Gibson's points made are as follows:

- Eliminate Electric Utilities advertising budget - \$39,000 savings
- Increase fee for non-resident pool memberships to \$60.00 - \$36,000 savings
- Buy 87 octane gasoline for city vehicles instead of 89 octane - \$28,000 savings partly share by the County
- Delay increasing the city's contributions to its employees' 401(k) plans for a year - \$36,000 savings
- Reduce City employees' cost of living adjustment from 3.5% to 3 percent - \$44,000 savings

- Sell city-owned property (Hamilton Beach) and add that revenue to the City's budget
- Let Beaufort County provide 911 Services, a function the City does not have to provide
- Charging non-city residents who use provided services, programs and facilities more than city residents who use them.
- Reduce or put a cap on cell phone used by City employees who use City-owned cell phones

Councilman Gibson presented his comments as amendments to the budget that had been just passed in the form of a motion. There was no second to Councilman Gibson's motion. – Motion failed due to the lack of a second.

Mayor Jennette thanked Councilman Gibson for his budget concerns and thanked the City employees for their support.

TOM THOMPSON – SALE OF QUICK START BUILDING #1

Tom Thompson, Director of EDC, stated that an offer has been made on the Quick Start Building #1. The offer to the County (official owner of the building), is \$1,387,466.09. As the City being part owner, the City might want to have a motion on this. The closing date will probably be within 30 days. Councilman Gibson asked what the cost will be in the building when it is finished? Mr. Thompson answered \$1,202,946, with the land and construction

interest, it was \$1,511,000. He stated they are not asking for the return of interest. There is a potential for a return to the City and County that might involve litigation that he will not go into right now.

Mayor Pro tem Woolard asked if there are any monies that would roll over towards Quick Start #2 Building? Mr. Thompson stated there is no formal agreement that money stays in any kind of fund. He will come back to the Council with a plan for Quick Start #2 and at that point you will have the opportunity to participate. He does not expect to have that money obligated. This is a large amount of money and you need to decide case by case.

Councilman Brooks stated he would like to see where we are at the next step. Mr. Thompson stated that when we sell this building, you get your money back and you then you don't have any money in this building. All you have done is form an interlocal agreement with the County. The County borrowed about \$1.4 million dollars and when the building sells, that money will be paid back. The only out of pocket expense will come from the Committee of 100 who will pay about \$65,000 in interest (that will not be paid back). The City and County basically put up a building and equipment worth about \$3 million, taxes to begin accruing immediately, along with 30 jobs.

Mayor Jennette asked didn't the Council make a commitment in some way? Carol Williams stated that we pay 45% of the annual payment, but we never got to the second year.

Mr. Holscher asked if this purchase price include reimbursement for the cost of land or was the land donated. Council needs to be clear on what the \$1.4 million covers and whether the sale at that price is going to cost them any money. Mr. Thompson stated that the land cost was \$79,000 and essentially at that price, they are asking to put the land in. However, there is a substantial amount of money coming back, and this is involving litigation and he prefers not to discuss it in public session. There is no mortgage involved, only cash.

Mr. Holscher stated that he would have to look at the agreement, that he was not aware of this tonight. The only thing that bothers him in regard to the sale is he doesn't really approve a sale until he sees a potential closing statement. Until you know exactly the numbers down to the end, he is not use to seeing "you will pretty much break even on a \$1.4 million. That is not the way he usually does something. We are obligated to pay 45%, obligated for the land, and if you are inclined to do that and that's okay with you, that's fine. Most of the time when someone is selling something with this magnitude, they are usually looking at a closing statement.

Mr. Thompson stated that what he just gave is the maximum, it will probably be reduced due to some issues he would like to discuss in closed session. It can only go down, not up. Any further interest would be paid by the Committee of 100. The City has no obligation whatsoever above that number he just gave. There are some contingencies that will reduce that number.

Councilman Gibson stated he thought Mr. Thompson said there was an offer and now you are saying it has to be negotiated down? Mr. Thompson stated that the offer stands, but he is

suggesting that the offer included basically no cost for the land and that will probably be changed, you will get some money back.

Mr. Holscher stated that this does not qualify to go into closed session...you are selling a piece of property, we are not a party to a lawsuit, or a potential party to a lawsuit. If there is a problem with something to do with that building, the City does not have any contract. Mr. Holscher stated that Council is being asked tonight to tell the County Commissioners that it is okay if they sell that facility we built on land that we are jointly paying for but don't hold title to, at a purchase price of \$1,387,466.09, that presently the cost of the facility is somewhere in the neighborhood of \$1.2, and that could go down.

Mr. Smith stated that potentially the Council is authorizing disposition of the land in which it is not a titled owner, but has invested about \$38,000 in currently.

On motion of Councilman Jennings, seconded by Mayor Pro tem Woolard, Council unanimously approved the sale of the Quick Start Building #1 officially owned by the County, which is located on land jointly owned by the City and County.

EGRET BOAT COMPANY – TOM THOMPSON

Mr. Thompson stated that Egret has just about finished their facility in the Industrial Park and he would like to petition for a boat slip at the waterfront and that Council consider a six month abatement of the lease. Councilman Gibson asked how much money that would involve? Mr. Thompson answered \$2700 on an annual basis, so it's half of that.

Mr. Smith stated that after the six months they would become a permanent renter like anyone else.

On motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously agreed to provide one of the free boat slips to Egret Boat Company even though the City is not in a good financial position for six months.

IMPACT FEES FOR EGRET BOAT – TOM THOMPSON

Mr. Thompson stated that EDC has \$40,000 in fund balance from previous years and he would like to request that Council approve paying the impact fees out of that fund balance for Egret Boat since Council owns 45% of that. He stated they were unaware of them and he was too and that's his fault. It would be \$10,000. The County will have to approve it as well.

On motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously agreed that the impact fees for Egret Boat Company be paid out of EDC's fund balance.

REPORT - RECREATION ADVISORY COMMITTEE

Mrs. Cathy Boyd, with the Recreation Advisory Committee, thanked the City Council for their patience while a resolution has been tried to work out regarding the proposed ordinance. She stated the Advisory Committee basically agrees that the League should take over their programs; however, they still think there needs to be some accountability. If the City will not back the Advisory Committee it is better to let this Athletic League Executive Committee be the one to hold the Leagues accountable. However, they do feel that Committee is composed of the very people who have presented them with the problems they have. It's like letting the fox guard the henhouse. The Committee is confused as to where all this is coming from. They did agree that the Leagues take over running their own programs, but they never really thought that included taking over the problems presented by parents, children, etc. She stated they have only had three incidents in nine years since the agreement was put in place.

Mrs. Boyd stated the Advisory committee is involved in more things than athletics, such as Skateboard Park, Beebe Park, Veterans Park, Recreation Master Plan, and Budget. She stated they are open to the change.

Mr. Mobley passed out a Youth Sports Agreement prepared by the Recreation Advisory Committee if the Council amends the ordinance, as follows:

**Youth Sports Agreement
Washington Parks and Recreation Department**

The general philosophy of the program must have the following components followed by the Leagues in agreement with the City.

- | | |
|-------------------------|---|
| Participation – | Each child who registers must be placed on a team and provided an opportunity to play. Equal playing time rules are encouraged. |
| Positive Environment – | The program must avoid the “win at all costs” attitude. Children and adults must be encouraged to show good sportsmanship. |
| Good Citizenship – | It must be understood that our purpose is to produce good citizens through sport's activities, not just good ballplayers. |
| Coach's Training – | The League is committed to properly train all coaches. |
| Drug and Alcohol Free – | The program should be completely free of drugs and alcohol. This includes players, coaches, league administrators, and spectators. |
| Parent's Rights – | It is the right of all the parents in the program to be provided with the proper communications concerning their children's participation in the program. |

The League agrees to perform the following:

- Organization and administration of the local program. This includes setting fees, registration, drafting teams, and recruiting, assigning, and supervising coaches.

- Providing the proper equipment, uniforms, and supplies needed to conduct the program in accordance with approved guidelines by the chartering agency.
- Conduct a coaches training program for all head coaches.
- Establish a volunteer Board of Directors that is the decision making body for the League. Board members should be elected by a vote of the general membership of the League.
- Conduct all Board meetings open to the general public.
- Support the general philosophy and guidelines listed above.
- Adhere to all City Ordinances, State and Federal Laws, including the American With Disabilities Act, which pertain to the operation of the League.
- Establish By-laws for the League which will be reviewed by the Washington Parks and Recreation Department.
- Name the Washington Parks and Recreation Department in all written materials as a co-sponsor. This includes all flyers, schedules, advertisement, and articles produced by the media or in media publications.
- Provide the Department with a yearly Financial Statement by the first day of the second month after the last regular season game or tournament game.
- Send the Department of Parks and Recreation, by opening day one check to cover the money collected as user fee written documentation.
- Follow all IRS guidelines pertaining to employees and/or the collection and distribution of money.
- Offer scholarships to low-income participants. No one should be turned away because they cannot pay.
- Perform background checks on all coaches and board members in the League.
- Name the City of Washington on your liability insurance as an additional insured and provide certification of insurance by the first game of the season.
- Obtain approval from the Department for all games schedules.
- Obtain approval from the Department for any physical improvement to facilities.

If the League does not adhere to this Youth Sport Agreement, the League may lose the opportunity to use City facilities, as determined by the Athletic League Executive Committee.

It is understood that in order for the program to be successful, that the Department and the League must work together for the common good. Both have specific duties that must be done in order for this to happen.

Therefore, the Department agrees to provide the following:

- Maintenance of all facilities, accessible restrooms and concession stand, press box, grounds, fields and operation and maintenance of all ball field lights. Financial responsibility for utility costs, major improvement to the property, and maintenance of the facilities.
- Insure that the concession facility meets all applicable Health Department regulations, not including operational matters that are the League's responsibility.
- Assign a staff person to the Complex or Gym for overseeing the responsible for assuring fulfilling the Department's responsibilities.
- Establish field use priorities and approval of schedules. The Department will work with the League to insure enough facility space to conduct the program and to provide facility use priority for the youth of the community.
- Technical assistance in the areas of scheduling, coaches training, along with other technical aspects of the program.
- The main concession stand at the Complex will be managed and maintain for operation by the Leagues.

The Department understands that over the next year or more, the Department will work with those Leagues that will need assistant in being able to fully operate their League.

With these responsibilities understood, it is important to note that both the League and the Department must support one another in this effort.

We the undersigned, agree to follow the terms of this agreement. If either Co-Sponsor wishes to terminate the agreement, notice of termination must be in writing 30 days prior to termination.

Agreement Date: _____ **2006**

Washington Parks and Recreation

Philip Mobley, Director

League President

Councilman Jennings asked if not two of the committee advisory members were not in violation of that agreement? Mrs. Boyd answered only in this last incident, and not knowing to them. She stated she personally does not feel that they were in violation and there are different views of that. Councilman Jennings stated that his point is to say the agreement, from what he has seen the last few weeks, was not as iron clad and as smoothly running as it was thought to be. His personal opinion is we take the committee's advice and work on this draft agreement and that is how the Recreation Department gives input to the leagues as to the flavor of that league...sportsmanship, citizenship, etc., all those things need to be incorporated in the League's

philosophy as dictated by the Recreation Department. Also, if we need some sort of Grievance Committee, the Athletic Leagues Executive Committee should have some authority.

Mrs. Boyd stated the Advisory Committee feels they have done a good job and put extra time in. Mayor Jennette stated Council is not disputing that, Council is trying to save money, and not being so labor extensive. Mrs. Boyd stated that has nothing to do with this. Councilman Jennings stated it does and it doesn't, that this is not a stripping of authority. The Council is half in and half out with the Leagues. When you go out there as a participant, or a coach, or a parent, they are one of the same. By doing this, we are saving money in the budget. Mrs. Boyd commented, "and the children had nothing to do with it," it sounds like a matter of money and not discussing what is the best thing for the children. Councilman Jennings disputed that 100%.

Mayor Jennette asked Mrs. Boyd if the Advisory Committee want it to stay status quo just like it is? Mrs. Boyd stated that they feel there has to be more accountability. The Athletic League Executive Committee will be composed of the people who are causing the problems. We've had embezzlement in the Leagues; there have been many fights, disputes with parents, etc. It's been in the last year that the Advisory Committee has had problems and they had no City backing. Their decisions were overturned by the City (City Manager).

Councilman Brooks asked what does the Advisory Committee recommend on how to proceed from here? Mrs. Boyd stated that is what they were working on. It was their feeling that the Council was intent on going the way the new ordinance was drafted. They will go along with whatever Council wants to do.

Mayor Jennette stated that she thought that was the intent in meeting at the Library that night, and she thought that would be incorporated into an ordinance and you all would come back. Mrs. Boyd stated that the meeting at the Library was on the Budget. Councilman Jennings stated that he asked during the budget conversations on June 26th if we would have some input on the ordinance that we were considering. Councilman Jennings stated that what the Committee is saying is because you felt that Council was heading in this direction that you would head down that path with them and offer some advice in terms of the agreement. Mrs. Boyd answered yes, and the fact that they felt that the City had not backed them in the way they would be going anyway.

Mr. Smith stated that he hears the same contradictions, on one hand the Advisory Committee only took up three issues since 1997, but then he hears there have been fights, embezzlement, etc. Mrs. Boyd stated that was before the League agreement, those issues were years ago.

Mayor Jennette asked if the Advisory Committee wants these comments incorporated into a new ordinance to be voted on in July? Mrs. Boyd stated yes, that's what they want and would like for Council members to review.

Mayor Jennette stated that we do care how the programs affect our children. Councilman Jennings stated that we have fought very hard in the budget to maintain dollars and facilities for

the children. Because we have a different opinion or approach doesn't mean Council cares any less. Those are his children too and he volunteers his time too. We all need to agree that is what we are trying to do.

Mayor Pro tem Woolard asked if the Advisory Committee would like for things to stay as they are? Mrs. Boyd stated that if disputes cannot be resolved by the League, maybe this Athletic Executive Committee could meet and resolve the problems. There needs to be somewhere outside the League for people to go to who can't get answers through the League, or not satisfied with what the League comes up with.

Councilman Brooks stated, you said someone outside the League, have you got someone in mind? Mrs. Boyd answered no, she was just referring back to the Recreation Advisory Committee. In the proposed ordinance, that is not the way it would be. She thinks it is a good thing, but you can't stop there. If they don't get an answer, they will be calling on Council.

Councilman Jennings stated that the provision is made for grievances to be taken above the League and it goes to the Recreation Advisory Committee and that's what we hear on the street. This last episode doesn't seem to end. We are looking for a better way to deal with this sort of thing so the City is not on the hook for those resolutions. The Manager does not need to have to do this.

Mayor Jennette asked if there is another City that has an agreement that works really, really well. Mr. Mobley stated that each town does something different. Mayor Jennette stated that we look towards them for advice. Mr. Mobley stated they would like to report back to Council. Mayor Jennette stated we are asking that you come to the table.

Councilman Jennings stated that we need to know how things are going, season by season maybe, and if we run into a problem we can deal with it. How about a staff person from recreation being on the League board. Mr. Smith stated they don't need to be on the board, that is basically what happens now.

Councilman Gibson asked why can't the people who head up these sports, along with the league President, be given irrevocable authority to settle disputes? Mrs. Boyd stated that is what the Athletic Committee is going to do.

Mayor Jennette stated this still needs some examination. We don't need to rush to do this. Something needs to be prepared to look at in July.

RESOLUTION APPROVING REIMBURSEMENT OF EXPENSES FOR FIRE TRUCK

Carol Williams stated that as part of the closing documents for the installment financing agreement with Bank of American, Council needs to adopt a resolution stating that we intend to reimburse ourselves for the expenditure of the fire truck with the funding upon closing the loan agreement.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously adopted a Resolution approving reimbursement of expenses for the purchase of the fire truck.

**City of Washington, North Carolina
RESOLUTION APPROVING REIMBURSEMENT OF EXPENSES**

WHEREAS, the City of Washington, NC (the "Borrower") has made certain capital expenditures in connection with the acquisition of certain equipment, including a Firetruck (the "Equipment"), prior to the date of this Resolution.

BE IT THEREORE RESOLVED, as follows:

1. That the Borrower intends to reimburse itself for all or a portion of such expenditures, to the extent permitted by law, with the proceeds of bonds or other obligations to be issued by a political subdivision or other governmental entity for the benefit of the Borrower (the "Obligations").
2. That the maximum principal amount of Obligations expected to be issued for the Equipment is \$763,929.00.

Adopted this the 26th day of June, 2006.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

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The undersigned hereby certifies that the foregoing Resolution was duly adopted by the City Council of the City of Washington, N.C. June 26, 2006.

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

APPROVE AIRPORT T-HANGAR FEES FOR FY 06-07

Mr. Smith stated that the present fee for the rental of T-hangars is \$150.00 a month. He is proposing to raise the rates to \$175.00 a month. A survey was done of other smaller airports. In addition, a clause is being added to the lease that provides an expectation that people who rent the hangars purchase an average amount of fuel from the City next year. The amount of \$1200 for fuel would have to be purchase in a year or there may be grounds for canceling the lease.

Mayor Jennette asked that the NCDOT Aviation be asked about doing this. Council will be provided a copy of the lease.

On motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously agreed to increase the Airport T-Hangar fees from \$150.00 per month to \$175.00 per month.

Mr. Smith stated that the N. C. Department of Resources has a different type of arrangement which is at \$175.00 this year plus the CPI increase next year, and needs to be exempt from this motion.

Councilman Jennings amended the motion to exempt the Department of Forestry Services prearrangement from the prior motion. Councilman Gibson seconded the amended motion.

On motion of Councilman Jennings, seconded by Mayor Pro tem Woolard, Council approved the Lease with the Forest Services for two years at the same rate, with CPI, as stated.

ADOPT BUDGET ORDINANCE AMENDMENT FOR YEAR END FY 05-06

Ms. Williams stated that revenues were increased by \$3,409,179, mostly from the Electric fund for purchase power. Overall increases were: General Fund \$63,310; Economic

Development Capital Reserve Fund \$21; Electric Fund \$3,238,650; Airport Fund \$107,000 and the UDAG Grant Fund \$198. In addition the ordinance allocates funding between various departments within the designated funds.

On motion of Councilman Brooks, seconded by Councilman Jennings, Council unanimously adopted the budget ordinance amendment for year end FY 05-06 in the amount of \$3,409,179.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2005-2006**

GENERAL FUND

Section 1. That the Estimated Revenues in the General Fund be increased in the following amounts and accounts as follows:

10-00-3270-1110	Local Occupancy Taxes	\$45,000
10-00-3360-8405	Contributions Veteran Park	100
10-00-3970-1500	Adm. Charges from TDA	2,110
10-00-3970-1600	Adm. Charges from DWOW	1,100
10-40-3612-4101	Recreation Insurance Sports	3,500
10-40-3612-4104	Recreation Materials	1,500
10-40-3612-4801	Recreation Concessions-Complex	<u>10,000</u>
	Total	\$63,310

Section 2. That the following appropriation accounts in the General Fund departments listed be increased in the amount shown:

DWOW Director

10-00-4122-0200	Salaries	\$1,000
10-00-4122-0500	FICA Taxes	50
10-00-4122-0700	Retirement Contributions	<u>50</u>
	Total	\$1,100

TDA Director

10-00-4124-0200	Salaries	\$935
10-00-4124-0300	Salaries Part-time	900
10-00-4124-0500	FICA Taxes	50
10-00-4124-0700	Retirement Contributions	25
10-00-4124-1100	Telephone	<u>200</u>
	Total	\$2,110

Athletics & Programs

10-40-6122-4503	Contract Services-Sports Insurance	\$1,600
10-40-6122-4800	Concession Purchases	10,000
10-40-6122-5600	Materials	<u>3,400</u>
	Total	\$15,000

Parks & Grounds

10-40-6130-1502	Maint./Repair Parks	\$100
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Outside Agencies

10-40-6170-9100	Tourism Authority	<u>\$45,000</u>
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Grand Total **\$63,310**

Section 3. That the following appropriation accounts in the Legal Services Department of the General Fund be decreased in the amounts shown:

10-00-4150-0400	Professional Services	\$49,890
10-00-4150-0401	Other Attorney Fees	<u>41,000</u>
	Total	\$90,890

Section 4. That the following appropriation accounts in the General Fund departments listed be increased in the amounts shown:

City Council

10-00-4110-0100	Salaries-Officials	\$790
10-00-4110-0400	Professional Services	2,000
10-00-4110-3300	Departmental Supplies	<u>1,000</u>
	Total	\$3,790

Finance Director

10-00-4130-0400	Professional Services	\$4,700
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Revenue Collections

10-00-4133-4503	Contract Services-Credit Card Fees	\$7,000
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Municipal Building

10-00-4260-1100	Telephone	\$350
10-00-4260-1301	Natural Gas	1,800
10-00-4260-1500	Maint./Repair Building	3,000
10-00-4260-1502	Maint./Repair HVAC	3,000
10-00-4260-3300	Custodial Supplies	<u>200</u>
	Total	\$8,350

Police Department

10-10-4310-0400	Professional Services	\$7,500
10-10-4310-1700	Maint./Repair Vehicles	<u>5,000</u>
	Total	\$12,500

Welding/General Maintenance

10-20-4251-0200	Salaries	\$4,400
10-20-4251-0500	FICA Taxes	325
10-20-4251-0700	Retirement Contributions	<u>225</u>
	Total	\$4,950

Sanitation

10-30-4710-1700	Maint./Repair Vehicles	\$30,000
10-30-4710-4502	County Tipping Fees	<u>15,000</u>
	Total	\$45,000

<u>Cemeteries</u>		
10-30-4740-0200	Salaries	\$3,000
10-30-4740-1300	Water & Electric Services	300
10-30-4740-1600	Maint//Repair Mowers	1,000
10-30-4740-1700	Maint./Repair Vehicles	<u>300</u>
	Total	\$4,600
	Grand Total	\$90,890

Section 5. That the following appropriation accounts in the General Fund departments listed be decreased in the amounts shown:

<u>Billing Department</u>		
10-00-4134-7401	Installment Note Purchases	\$475
<u>Police Department</u>		
10-10-4310-7402	Installment Note Purchases	\$17,289
<u>E-911 Communications</u>		
10-10-4311-7401	Installment Note Purchases	\$141
<u>Fire Department</u>		
10-10-4340-7401	Installment Note Purchases	\$25,815
<u>EMS Department</u>		
10-10-4341-7401	Installment Note Purchases	\$440
<u>Planning & Zoning</u>		
10-10-4910-7401	Installment Note Purchases	\$1,416
<u>Cemeteries</u>		
10-30-4740-7401	Installment Note Purchases	\$454
<u>Aquatic Center</u>		
10-40-6126-7401	Installment Note Purchases	\$1,871
<u>Parks & Grounds</u>		
10-40-6130-7401	Installment Note Purchases	<u>\$220</u>
	Grand Total	\$48,121

Section 6. That the following appropriation accounts in the General Fund departments listed be increased in the amounts shown:

<u>Purchasing/Warehouse</u>		
10-00-4131-7401	Installment Note Purchases	\$91
<u>Information Services</u>		
10-00-4132-7402	Installment Note Purchases	\$20,528
<u>Revenue Collections</u>		
10-00-4133-7401	Installment Note Purchases	\$195
<u>Street Maintenance</u>		
10-20-4510-7401	Installment Note Purchases	\$23,994
<u>Sanitation</u>		
10-30-4710-7401	Installment Note Purchases	<u>\$3,313</u>
	Grand Total	\$48,121

Section 7. That the following appropriation accounts in the Police Department portion of the General Fund be increased in the amounts shown:

10-10-4310.0201	Salaries Overtime	\$10,000
10-10-4310.1700	Maint./Repair Vehicles	<u>15,000</u>
	Total	\$25,000

Section 8. That the following appropriation accounts in the E-911 Communications Department portion of the General Fund be decreased in the amounts shown:

10-10-4311-0200	Salaries	\$13,000
10-10-4311-0201	Salaries-Overtime	2,000
10-10-4310-0500	FICA Taxes	1,000
10-10-4311-0600	Group Insurance	2,000
10-10-4311-7400	Capital Outlay	<u>7,000</u>
	Total	\$25,000

Section 9. That the following appropriation accounts in the Equipment Services portion of the General Fund be increased in the amounts shown:

10-20-4250-0200	Salaries	\$8,000
10-20-4250-3101	Gasoline Purchases	35,000
10-20-4250-3102	Parts & Fluids Purchases	<u>2,500</u>
	Total	\$45,500

Section 10. That the following appropriation accounts in the Miscellaneous Non-Departmental portion of the General Fund be decreased in the amounts shown:

10-00-4400-9208	Transfer to CDBG Grant	\$35,000
10-00-4400-9200	Transfer to Governor HWY Safety	2,500
10-00-4400-0200	Salaries-Merit Pay	<u>8,000</u>
	Total	\$45,500

Section 11. That the following appropriation accounts in the Parks & Grounds portion of the General Fund be increased in the amounts shown:

10-40-6130-0200	Salaries	\$2,000
10-40-6130-0201	Salaries Overtime	500
10-40-6130-0300	Salaries Part Time	3,500
10-40-6130-1300	Water & Electric Services	3,000
10-40-6130-1501	Maint./Repair Grounds	1,000
10-40-6130-1600	Maint./Repair Equipment	1,000
10-40-6130-1700	Maint./Repair Vehicles	<u>5,000</u>
	Total	\$16,000

Section 12. That the following appropriation accounts in the Debt Service portion of the General Fund be decreased in the amounts shown:

10-50-4020-8000	Proposed Installment Note Payments	\$16,000
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ECONOMIC DEVELOPMENT CAPITAL RESERVE FUND

Section 13. That the Estimated Revenues in the Economic Development Capital Reserve Fund be increased in the amount of \$21 in the account Interest Earned, 21-60-3831.0000.

Section 14. That account number 21-60-4492.3500, Transfer to Electric Fund, portion of the Economic Development Capital Reserve Fund be increased in the amount of \$21.

WATER FUND

Section 15. That the following appropriation accounts in the Water Fund departments listed be decreased in the amounts shown:

<u>Water Maintenance</u>		
30-90-8140-7401	Installment Note Purchase	\$2,061
<u>Contingency</u>		
30-90-9990-9900	Contingency	\$23,200
Grand Total		\$25,261

Section 16. That the following appropriation accounts in the Water Fund departments listed be increased in the amounts shown:

<u>Water Treatment</u>		
30-90-8100-7401	Installment Note Purchases	\$2,061
<u>Water Maintenance</u>		
30-90-8140-1700	Maint./Repair Vehicles	\$6,000
30-90-8140-5600	Materials	<u>4,000</u>
	Total	\$10,000
<u>Water Construction</u>		
30-90-8180-0200	Salaries	\$500
30-90-8180-0201	Salaries Overtime	2,100
30-90-8180-0500	FICA Taxes	150
30-90-8180-0700	Retirement Contributions	150
30-90-8180-1700	Maint./Repair Vehicles	300
30-90-8180-5601	Materials New Taps	<u>10,000</u>
	Total	\$13,200
Grand Total		\$25,261

SEWER FUND

Section 17. That the following appropriation accounts in the Sewer Fund departments listed be increased in the amounts shown:

<u>Wastewater Maintenance</u>		
32-90-8200-1700	Maint./Repair Vehicles	\$3,000
32-90-8200-5600	Materials	<u>2,000</u>
	Total	\$5,000
<u>Wastewater Lift Stations</u>		
32-90-8230-1300	Water & Electric Services	\$21,000
32-90-8230-1700	Maint./Repair Vehicles	5,000
32-90-8230-7401	Installment Note Purchases	<u>3,080</u>
	Total	\$29,080
Grand Total		\$34,080

Section 18. That the following appropriation accounts in the Sewer Fund departments listed be decreased in the amounts shown:

<u>Wastewater Construction</u>		
32-90-8210-7401	Installment Note Purchases	\$1,298
<u>Wastewater Treatment Plant</u>		
32-90-8220-7401	Installment Note Purchases	\$1,782

Debt Service

32-90-4020-8003 State Revolving Loan Payment \$31,000

Grand Total **\$34,080**

ELECTRIC FUND

Section 19. That the Estimated Revenues in the Electric Fund be increased in the amounts and accounts as follows:

35-90-3350-8000 Miscellaneous Revenue \$38,650
35-90-3710-5100 Sale of Electricity 3,200,000
Total \$3,238,650

Section 20. That the following appropriation accounts in the Electric Fund departments listed be increased in the amount shown:

Purchase Power

35-90-8320-4800 NCEMPA \$3,173,000
35-90-8320-4801 USSEPA 27,000
Total \$3,200,000

Power Line Construction

35-90-8390-5607 Materials-Special Projects \$38,650

Grand Total **\$3,238,650**

Section 21. That account number 35-90-6610.0800, Unemployment Compensation, Miscellaneous Non-Departmental portion of the Electric Fund be decreased in the amount of \$8,000.

Section 22. That account number 35-90-7220.0400, Professional Services, Electric Director portion of the Electric Fund be increased in the amount of \$8,000.

Section 23. That account number 35-90-7230-7401, Installment Note Purchases, Load Management portion of the Electric Fund be decreased in the amount of \$953.

Section 24. That account number 35-90-8390-7401, Installment Note Purchases, Power Line Construction portion of the Electric Fund be increased in the amount of \$953.

AIRPORT FUND

Section 25. That the Estimated Revenues in the Airport Fund be increased in the amount of \$107,000 in the account Fuel Sales, 37-90-3453.0000.

Section 26. That account number 37-90-4530.3101, Fuel Purchases, portion of the Airport Fund be increased in the amount of \$107,000.

SECOND FIRE STATION CAPITAL PROJECT FUND

Section 27. That account number 63-10-4340.9900, Contingency, portion of the Second Fire Station Capital Project Fund be decreased in the amount of \$28,000.

Section 28. That the following appropriation accounts in the Second Fire Station Capital Project Fund be increased in the amount shown:

63-10-4340-5700 Miscellaneous Expenses \$25,000
63-10-4340-7100 Land Acquisition 3,000
Total \$28,000

UDAG GRANT

Section 29. That the estimated revenues in the UDAG Grant Fund be increased in the amount of \$198 in the account Interest Earned, 67-60-3831.0000.

Section 30. That account number 67-60-8280-9700, Façade Grants, portion of the UDAG Grant Fund be increased in the amount of \$198.

INDUSTRIAL PARK WATER AND SEWER LINE EXTENSION CAPITAL PROJECT FUND

Section 31. That the following accounts in the Industrial Park Water and Sewer Line Extension Capital Project Fund be decreased in the amounts shown:

68-90-8000-4500	Water Construction	\$922
68-90-8000-4501	Sewer Construction	<u>1,105</u>
	Total	\$2,027

Section 32. That the following accounts in the Industrial Park Water and Sewer Line Extension Capital Project Fund be increased in the amounts shown:

68-90-8000-9100	Transfer to Water Fund	\$922
68-90-8000-9101	Transfer to Sewer Fund	<u>1,105</u>
	Total	\$2,027

Section 33. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 34. This ordinance shall become effective upon its adoption.

Adopted this the 26th day of June, 2006.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

DISCUSSION – SURPLUS/TRADE DEPARTMENT VEHICLE

Fire Chief Jimmy Davis stated that the Fire Department has a 24 foot boat purchased by the volunteers and the Department does not have a vehicle to pull it safely. The boat is wider than the jeep and it is hard to see behind the vehicle. He stated that Chief Robbie Rose and himself spoke with Steve Lee at Lee Chevrolet and told him about their needs to see what he could work out. They negotiated with Mr. Lee for him to take the department's vehicle #238, a 2001 Jeep Cherokee valued at \$8,000 and trade it in for at least a 2004 crew cab truck that will service two purposes: (1) pull the boat, and (2) it will be a truck to haul hose, etc. Mr. Lee will do this at no cost to the City, other than surplus our vehicle and trade it in. The value of our vehicle would increase \$18,000 to \$20,000. The only accommodation for Mr. Lee is to put some verbiage on the truck giving Lee Chevrolet recognition. He praised Chief Rose for thinking outside the box.

On motion of Councilman Jennings, seconded by Councilman Brooks, Council unanimously declared surplus city vehicle #238, a 2001 Jeep and approved a trade-in of that vehicle for a 2004 Chevrolet crew cab truck from Lee Chevrolet.

BROWN LIBRARY FEES

Mrs. Julie Hicks stated that the Friends of the Library will go before the Beaufort County Commissioners' meeting to request funding for the Library on July 10th.

Mayor Pro tem Woolard stated that we need to table this fee and give us some time to work in this area some more. Maybe there is a possibility to get some more money from the County, at least for next budget time. Councilman Jennings stated he would support that but he would like to see a Blue Ribbon Committee formed with representatives from the Library staff, Friends of the Library, Trustees of the Library, as well as someone from city staff or Council. We need to have this work done, or we will up against it again next year. This work needs to be done in this calendar year so we are ready for next budget year.

Mayor Jennette stated that she talked to Jay McRoy, Chairman of the Beaufort County Board of Commissioners, and told him that we need to address the Brown Library and BHM merger.

Mrs. Hicks stated that the report is being prepared now. Councilman Jennings stated that report can be taken to that Committee and work it towards some meaningful contributions from the County, some combination of the County and City system, or some fee structure. Hours

should be reimplemented, services should be upgraded, there should not be a budget with less books in it (like this year), and that should be our goal. Mayor Jennette asked Ms. Hicks to talk to staff, Friends of the Library, and Trustees Board, and we need some people with energy.

TURNAGE THEATER

Fred Holscher, City Attorney, stated that the City signed a Deed of Easement several months ago to help the Turnage Theater on the building and a handicapped ramp. A paragraph #3 was included that said the City would grant the easement as long as they owned and operated the facility as adopted by Resolution on August 8, 2005, and if the property was transferred and no longer needed, this easement would be null and void. The Attorneys for the lender objected to that paragraph and asked him to ask the Council to reconsider and delete that paragraph and redraft the easement. Mr. Holscher stated that they provided him with the N. C. Historic Preservation's restrictions on the property and can't see a problem with dropping that paragraph.

On motion of Councilman Gibson, seconded by Mayor Pro tem Woolard, Council unanimously authorized the City Attorney to redraft the Turnage Theater Easement, deleting paragraph 3.

LENGTH OF TERMS FOR MEMBERS ON BOARDS

Councilman Jennings suggested that Council strongly consider limiting the number of terms for people serving on boards to not more than two (2) terms. He stated there is a value in the exchange of people and the problems he has seen when people stay on too long. He stated that Council needs to be recruiting additional people instead of automatically reappointing members.

APPOINTMENTS – PLANNING BOARD

On motion of Councilman Brooks, seconded by Mayor Pro tem Woolard, Council unanimously reappointed Steve Moler, John B. Tate, III and Dot Moate to the Planning Board, terms to expire June 30, 2009.

APPOINTMENT – ENLARGED PLANNING BOARD

On motion of Councilman Brooks, seconded by Mayor Pro tem Woolard, Council unanimously reappointed Marie Freeman Barber to the Enlarged Planning Board, term to expire June 30, 2009.

APPOINTMENT – BOARD OF ADJUSTMENT

On motion of Councilman Brooks, seconded by Councilman Gibson, Council unanimously appointed Claud Hodges to the Board of Adjustment, to fill the expiring term of Melinda Moore, term to expire June 30, 2009.

APPOINTMENT – ENLARGED BOARD OF ADJUSTMENT

On motion of Councilman Brooks, seconded by Councilman Gibson, Council unanimously reappointed William Polk to the Enlarged Board of Adjustment, term to expire June 30, 2009, subject to the concurrence of the Beaufort County Board of Commissioners.

APPOINTMENTS - BOARD OF LIBRARY TRUSTEES

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously appointed Mima S. Dixon to the Board of Library Trustees to fill the expiring term of Dave Taylor term to expire June 30, 2012.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously appointed Mara Graves to the Board of Library Trustees to fill the expiring term of Bernice Marle, term to expire June 30, 2012.

APPOINTMENT – WASHINGTON HOUSING AUTHORITY

On motion of Councilman Gibson, seconded by Mayor Pro tem Woolard, Council unanimously reappointed Tim Ware to the Washington Housing Authority, term to expire June 30, 2011.

**APPOINTMENT - AT-LARGE MEMBERS - RECREATION ADVISORY
COMMITTEE**

On motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously reappointed Lisa Williams, Guy Stowe and Cathy Boyd to the Recreation Advisory Committee, terms to expire June 30, 2009.

On motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously appointed Wayne Harrell to the Recreation Advisory Committee to fill the unexpired term of Gray Hodges, term to expire June 30, 2007.

Note – There is one vacancy left by Ed Cherry, Jr.

APPOINTMENT - HISTORIC PRESERVATION COMMISSION

On motion of Councilman Jennings, seconded by Councilman Gibson, Council unanimously reappointed Katerie Leach to the Historic Preservation Commission, term to expire June 30, 2009, leaving the second position vacant pending his discussions with one of the applicants on the Planning Board that was not appointed.

Mayor Jennette asked that an appointment for the expiring term of Shay Trainer – on the Historic Preservation Commission be delayed until the August meeting.

**APPOINTMENT - WASHINGTON TOURISM DEVELOPMENT
AUTHORITY**

Mayor Jennette stated there were several good applicants and the board is considering expanding the membership from seven (7) to nine (9) members. Council discussed getting legislative authority to have the membership changed. Councilman Jennings suggested that the TDA invite Mark Hamblin and Thomas Miller to attend their meetings and ask them to consider the idea of increasing their membership, pending Council's decision to petition the legislature in the fall.

NOTE: It will take legislative action to change anything regarding the Washington Tourism Development Authority since this Authority was established under legislative authority.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously reappointed Gary Tomasulo to the Washington Tourism Development Authority, term to expire June 30, 2009.

On motion of Councilman Jennings, seconded by Councilman Gibson, Council unanimously gave direction to the Mayor to consult with that board and provided they approve, invite those two individuals, Mark Hamblin and Thomas Miller, to participate in the meetings as advisory members, pending our petition of legislation to increase the size of that board from seven to nine.

APPOINTMENTS - AQUATICS CENTER COMMITTEE

On motion of Council Gibson, seconded by Mayor Pro tem Woolard, Council unanimously reappointed Arnold Barnes, Grace Lekson and Frances Hulbert to the Aquatics Center Committee, terms to expire June 30, 2007.

APPOINTMENT - HUMAN RELATIONS COUNCIL

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously reappointed Emma Howard and appointed Wanda Woolard Harvey to the Human Relations Council, terms to expire June 30, 2009.

Victoria Gachuz did not resubmit an application so Mayor Jennette asked that this vacancy be delayed.

APPOINTMENT – ANIMAL CONTROL APPEAL BOARD

The term of Inez Kosto was postponed until the City Clerk talks to Laura Strickland.

On motion of Councilman Jennings, seconded by Mayor Pro tem Woolard, Council unanimously agree to table the appointments until they talk with the Codes Enforcement Officer as to its makeup, need, etc.

COUNCIL LIAISON

Councilman Jennings stated that Council needs to make sure that each assigned liaison is still energetic and enthusiastic and wants to keep advising that board. Mayor Jennette asked that Council members call her and let her know if they want something different.

On motion of Councilman Brooks, seconded by Mayor Pro tem Woolard, Council unanimously adjourned the meeting at 6:45 p.m.

Mayor Jennette thanked Council for their hard work during the budget process.

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