

The Washington City Council met in a continued session on Monday, November 27, 2006 at 5:30 p.m. in the Council Chambers at the Municipal Building. Present were: Judy Jennette, Mayor; Ed Gibson, Councilman; Richard Brooks, Councilman; Archie Jennings, Councilman; Mickey Gahagan, Councilman; James Smith, City Manager; Franz Holscher, City Attorney; and Rita A. Thompson, City Clerk. Mayor Pro tem Woolard came in at 6:00 p.m.

Also present were: Keith Hardt, Electric Director and Leanne Smith, of the Beaufort Observer.

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

#### **APPROVAL/AMENDMENTS TO AGENDA**

Councilman Jennings added two items to the agenda, STIP and Doug Mercer's comments on the Electric Fund. Councilman Gahagan added hiring a business person for the Enterprise Fund.

On motion of Councilman Gahagan, seconded by Councilman Brooks, Council unanimously approved the agenda with the added items.

#### **TRADEWIND AVIATION PRESENTATION**

Mr. Chris McLendon, as a member of the interviewing subcommittee and former Airport Commission member, spoke to the Council regarding the committee's recommendation to hire Tradewind Aviation as the airport manager. The committee recommended Tradewind mainly because of their successful track record in New Bern, along with having a maintenance department, an avionics business, and parachute school, flight school, and hang-gliding school. The committee felt they were most qualified and would promote the Airport.

Mr. Thomas Dolder, of Tradewind Aviation, thanked the Council and spoke generally about what they plan to do, as Mr. McLendon had pointed out. Mr. Dolder came from Switzerland and has had operations in New Bern for seven years. He felt that Washington has great potential and will draw people to Washington, and can compete easily with Greenville. Mr. Dolder requested that he have a hangar which would revert back to the city at the end of the relationship.

Mr. John Hayes of Tradewind Aviation was present in the audience to answer any questions.

Mr. Patrick Nash, a member of the interviewing subcommittee and former Airport Commission member, spoke on the things that stood out with Tradewind Aviation: (1) years of experience (2) understanding the business (3) a sound business plan with flight training school, maintenance department, avionics, etc.

Council discussed periodically getting a report on the progress of the Airport. Mayor Jennette reported that there was nothing found in the background check.

Mr. Franz Holscher stated that he will try to get the prepared contract document to the Council for the December 11<sup>th</sup> Council meeting.

#### **EVANS SEAFOOD PROPERTY**

Mayor Jennette indicated that someone wants to make a presentation to the Council on the Evans Seafood property at the December meeting.

Councilman Jennings and Councilman Gahagan expressed their feelings that doing something with the Evans Seafood property is not a high priority at this time and needs a feasibility study and warrants full planning, probably in a closed session.

Councilman Brooks felt that Council should sit down and see what they want to do with the property. Councilman Gibson felt the Council should listen to their presentation and he preferred to not go into closed session. Mayor Pro tem Woolard wants to know exactly what they would do with the property.

Councilman Gahagan state he doesn't have a problem going into closed session as long as they abide by the General Statutes. Mayor Jennette stated we need to let them know that Council is not prepared to negotiate anything.

#### **CLOSED SESSION – ATTORNEY/CLIENT PRIVILEGE**

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously agreed to go into closed session under G. S. 143-318.11(a)(3) Attorney/Client Privilege.

At 7:25 p.m., on motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously came out of closed session.

#### **STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)**

Councilman Jennings questioned the northern bypass route at Wharton Station (SR 1409) to SR 1600 Braddy Road at Douglas Crossroads. He suggested Council work with DOT to do something at Douglas Crossroads at the same time because of it being a dangerous intersection. Also, Councilman Jennings suggested that 3<sup>rd</sup> Street and Grimes Road be connected as an alternative to traveling on 5<sup>th</sup> Street and have an east-west route.

Mr. Smith stated that Allen Lewis is reviewing the draft now and will be presented to Council at the December meeting.

Council discussed protection of the 264 corridor and extending the ETJ to the County line.

#### **PROPOSED REST STOPS**

Council reviewed the four locations for rest stops along Highway 17 Bypass proposed by DOT. The most preferred site by DOT is site #3, however, Council seemed to feel more secure with site #4. The amount of \$4.4 million is being allocated for rest stops along the bypass.

Mr. Smith stated that the City might have a site that is donated to the City. The truck parking requirement by DOT would take up too much acreage. DOT does not want a Visitor Center separate from truck stops. Environmental work has already been started on the other sites.

After discussion, Council agreed to send it to the Tourism Development Authority for a recommendation by January, with the Council initiating the actions with DOT.

#### **DOUG MERCER'S COMMENTS ON ELECTRIC FUND**

Councilman Jennings stated that Doug Mercer brought the Council some good numbers on the electric rate shortfall at the November Council meeting. He feels Council should revisit this and see if our rates are accurate. Also, Councilman Jennings stated we need a financial analyst to look at all our enterprise funds. He commented he is surprised Council has not had more discussion on it.

#### **FINANCIAL ANALYST FOR ENTERPRISE FUNDS**

Mr. Smith stated he would love to do more financial planning but his time gets eaten away. He stated he thinks we need a financial analyst to work on the enterprise funds and they could strategically work together scrunching the numbers. He stated that he and the Finance Director don't have time with their other duties they have. He stated

we have an excellent accounting function in the City. He stated this would be a small investment. He commented that there are requests pending from other communities i.e. Whichards Beach, Bath, etc. for water services, and we need to be careful what we are doing. He feels the city needs someone dedicated to the enterprise funds. He stated that last year we have to raise water rates, sewer rates, etc. The expense would be shared between the enterprise funds.

Councilman Jennings agreed and stated that we should have answers to our questions without collecting a lot of data. Councilman Jennings wanted existing staff to be assured that their work is more than sufficient, that this is not a reaction to some deficiency.

Mayor Pro tem Woolard asked what this person's duties would be? Mr. Smith answered this person would do financial analysis, rate analysis, five year capital improvements, negotiate services for other municipalities and look at existing capacities and future costs of replacing infrastructure. Mayor Pro tem Woolard wants to make sure the public knows why we are doing this, to make things better.

Councilman Jennings stated we need someone dedicated to the enterprise funds. We would have to stop our accounting operation and chase down a possible business arrangement, referring to current infrastructure in place for possible annexations or developments. This person could have the answers already at hand. We are a long way to avoid surprises.

Councilman Gibson stated you still have to raise the rates for operating expenses and power costs. That is a simple question and why don't our present Finance Director take care of that and all of a sudden we have decided she can't take care of it. Has anybody asked her to? Also, the Manager's forte is finance and he should take hold of it...hold her hand.

Mr. Smith stated that another option is to hire an Assistant City Manager to take over some of the mundane stuff but he is not proposing an Assistant City Manager that focus needs to be on the enterprise funds. Councilman Gibson asked Mr. Smith was he saying he is not capable of managing a city of 10,000? Mr. Smith stated that what he is saying is that people expect to talk to the City Manager and gave two examples that happened today (an insurance question on Tradewind and a Police Department matter). Councilman Gibson asked him could that not be delegated? Mr. Smith stated that people coming in are expecting to see the City Manager.

Councilman Gibson stated that the man who says you need to raise rates needs to be held accountable for it. Councilman Gibson stated we are adding another layer of bureaucracy and he doesn't agree with that. He feels our employees should be given the empowerment to take charge of the mundane stuff.

Councilman Gahagan stated that this person's job is the enterprise funds and if they don't pay for themselves every year...like the \$2.1 million we don't know where it went. This will be his/her job.

Councilman Gibson stated it is apparent we have a problem in mathematics, a problem with communications between the financial end and either the City Manager and/or the Council. Councilman Gibson stated that we don't need to lay on an estimated \$100,000 payroll man to come in and tell us the very things people in charge needs to be doing themselves, with his financial oversight. He should be running a popularity contest with this Council, not the public, and if this is the way he chooses to spend his time, we have a problem.

Councilman Gahagan moved to direct the City Manager to come back to the Council with a proposal for this person at the next meeting. Councilman Jennings seconded the motion. Councilman Gibson voted against the motion. –Motion carried by majority vote.

On motion of Councilman Brooks, seconded by Councilman Gibson, Council unanimously adjourned the meeting at 8:15 p.m.

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