

The Washington City Council met in a continued session on Monday, June 1, 2010 at 4:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Jim Smith, City Manager; and Cynthia Bennett, City Clerk.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Ray Midgett, Information Technology Director; Susan Hodges, Human Resource Director, Lynn Lewis; Tourism Director, Mike Voss, of the Washington Daily News and Delma Blinson, of the Beaufort Observer.

Mayor Jennings called the meeting to order and Councilman Moultrie delivered the invocation.

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

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council approved the agenda as presented by a vote of 4-1. Councilman Mercer opposed.

#### **COUNCIL REQUEST ADDITIONAL \$1.2 MILLION BUDGET REDUCTION**

City Manager, James C. Smith stated the presentation was being presented in two forms: (1) Council's request to have the \$500,000 reduction in the Electric Fund as part of the 2% reduction and (2) the 2% reduction in all funds. Councilman Mercer noted the overall budget would be reduced by 2% and this 2% would include the reduction in revenues in the Electric Fund by approximately \$500,000 which left approximately \$700,000 to come from the rest of the funds; therefore, he considers this presentation to be unacceptable. Councilman Mercer felt that staff had not accomplish what Council directed them to do. Mayor Jennings emphasized Councilman Mercer's point, when Council has given a directive; it needs to be adhered to.

Councilman Mercer suggested the ultimate exercise was to reduce cost of electricity to our consumers. Mr. Smith noted the cost includes cost of NCEMPA plus cost to maintain lines, debt service, etc, the markup on our cost is very small. Councilman Mercer suggested we could reduce operating expenses to reduce cost to our customers and Mr. Smith suggested we have presented a 10% reduction of non-fixed cost.

Councilman Mercer stated he was opposed to staff cutting the \$122,000 allocated to help facilitate the transfer of E911 from the proposed budget and Councilman Davis agreed. Mr. Rauschenbach advised Council that appropriations for E-911 could be cut because the transfer likely would not occur in the next fiscal year and would likely take place in the fiscal year 2011-12. Council rejected the \$122,000 cut.

Money given to outside agencies has been reduced by 2% in the proposed budget. Mayor Pro tem Roberson expressed his concerns over funding any new request from outside agencies and stated Council should review all funding in the upcoming years from outside agencies. Mayor Jennings inquired if the Arts Council number was inclusive of the rent and Mr. Smith replied 'no'. Mayor Jennings recommended this be reflective for in the budget. Councilman Mercer was concerned about the E-911 transfer of \$122,000 when Council had approved the transfer to the County and asked to have it stricken from the budget. Mr. Smith stated that it was not logical to do that transfer at this time. Funding was reduced for street paving and a full-time Police Officer was removed from the budget.

Mayor Pro tem Roberson noted the staff's proposed budget includes "the best numbers I've ever seen" in regard to revenue projections. Mayor Pro tem Roberson believes the proposed spending plan does not over-estimate projected revenues as previous budgets have done and was happy no positions had been cut.

Discussion followed concerning whether Council could proceed without Mr. Rauschenbach doing Revenue reductions according to Councilman Mercer's statement "reduce revenue for sale of electricity". Councilman Mercer suggested removing the \$10,000 going to the Salvation Army and the Catholic Church and combine the contributions..

Following discussion, Mayor Jennings recapped the following items of discussion: Revenue as stated in the Electric Fund, \$122,000 E-911, Outside Agencies, \$10,000 allocation to the Salvation

Army and the two scenarios presented by the City Manager. Mayor Jennings called for a vote from Council members for the final directive to be given to staff: Mayor Pro tem Roberson stated he would like to go with the Manager's recommendation of the 2% minus the items discussed. Councilman Davis agreed with Mayor Pro tem Roberson, Councilman Moultrie and Councilman Pitt agreed with the City Manager's proposed budget recommendations. Councilman Mercer asked to have the grant positions included in the funding scenario (Project Next Step & Special Projects). Mayor Jennings suggested if we have a good program and funds are available why would we want stop the program in order to honor a policy. Mayor Jennings stated to place on record the partial year funding for current grant funded positions.

By consensus, Council was in agreement to use the yellow scenario as a base and work out the contingencies. Contingencies consisted of \$500,000 as stated in the Electric Fund, \$10,000 Salvation Army for Project Help, \$122,000 E-911 and Outside Agencies or accept the 1.88% reduced budget vs. 2% proposed reduction (approximately \$76,000 for E-911 with Mr. Rauschenbach explaining that it won't be a full year and it would be 1.88%). Councilman Mercer suggested the 1.9% budget with the \$122,000 for E-911 staying in the budget and not the \$76,000.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council unanimously accepted the yellow scenario with an amendment of 1.9% challenge providing that the \$122,000 remains in E-911 when the final budget is presented. If there is an amended amount then the dollar amount will come back before Council. Also, Council agreed to leave in the \$10,000 for Project Help simply because it is in the yellow scenario. Comments received by Councilman Davis will happen after the budget is approved.

2010/2011 2% Budget Reduction

6/1/2010

		Budgeted	2% Reduction	\$500k El. Reduction	2.00% Target	Budget
<b>2% Reduction Target</b>						62,149,438
<b>Upfront Reductions:</b>						
County 911	E911	122,014	(122,014)	(122,014)		
Outside Agencies	OS Agencies	183,940	(8,547)	(4,110)		-4.65%
Harbor District Alliance	Electric	60,000	(3,000)	(3,000)		5.00%
<b>RZEDB vs Cash Capital</b>						
Fire Dept Roof	General Fund	42,000	(42,000)	(42,000)		
Charlotte Street/Jacks Creek	Storm Water	465,000	(465,000)	(465,000)		
City Hall Maintenance (Municipal Building)	General Fund	25,000				
Old City Hall Structural (Misc.)	General Fund	25,000				
Facade Grant	Econ. Devl.	15,000	(5,000)	0		
BB&T Note (unspent escrow)	Electric	160,000	(160,000)	(160,000)		
Landlord Weatherization	Electric	40,000	(40,000)	(40,000)		
<b>Total Upfront Reductions</b>			<b>(845,561)</b>	<b>(836,124)</b>		
<b>Remaining Target</b>						397,428

		Budgeted	2% Reduction	\$500k El. Reduction	2.00% Target	Budget
HR	10 40 4125				2,768	276,821
	3300 Department Supplies	3,000	(500)	(100)		
	4500 Welfare	15,000	(1,500)			
	1401 Employee Development	3,500	(500)	(100)		
	1200 Printing & Publishing	1,000	(267)	0		
	<b>Total</b>		<b>(2,767)</b>	<b>(200)</b>		

		Budgeted	2% Reduction	\$500k El. Reduction	2.00% Target	Budget
Council	10 00 4110					60,117
Mayor	10 00 4111					13,539
City Manager	10 00 4120					<del>288,594</del>
					3,623	362,250
	10 00 4120 7000 Non-capitalized Purchases	1,500	(1,500)	(1,500)		
	10 00 4110 3300 Dept. Supplies	3,600	(600)			
	0400 Professional Services	10,050	(3,760)			
	<b>Total</b>		<b>(5,860)</b>	<b>(1,500)</b>		

		Budgeted	2% Reduction	\$500k El. Reduction	2.00% Target	Budget
Library	10 40 6110				3,885	388,504
	3300 Dept. Supplies	10,000	(2,385)	(500)		
	7000 Non-capitalized Purchases	1,500	(1,500)	0		
	<b>Total</b>		<b>(3,885)</b>	<b>(500)</b>		

		Budgeted	2% Reduction	\$500k El. Reduction	2.00% Target	Budget
Finance	10 00 4130					477,502
Billing	10 00 4134					158,599
Customer Service	10 00 4135					<del>697,015</del>
					13,331	1,333,116
	10 00 4135 1201 Marketing	22,000	(7,000)			
	10 00 4135 4502 CC Processing Fees	70,000	(2,000)			
	10 00 4130 4504 Software Maintenance	46,030	(2,080)	(2,080)		
	10 00 4130 1400 Employee Development	6,000	(1,000)	(1,000)		
	10 00 4130 0400 Professional Services	11,500	(1,275)	(1,275)		
	<b>Total</b>		<b>(13,355)</b>	<b>(4,355)</b>		

2010/2011 2% Budget Reduction

6/1/2010

			Budgeted	2% Reduction	\$500k El. Reduction	2.00% Target	Budget
<b>Planning</b>	10-10-4910	0400 Professional Services	15,000	(1,750)	(1,000)	3,186	318,555
		1200 Printing & Publishing	6,000	(500)	(500)		
		1400 Employee Development	2,500	(336)	(336)		
		3300 Departmental Supplies	4,000	(300)			
		4502 Contract Services- Zoning Map	1,000	(100)			
		5300 Dues & Subscriptions	1,600	(100)			
		5704 Amortization Expense	1,000	(100)	0		
	<b>Total</b>			(3,186)	(1,836)		
<b>Code Enforcement</b>	10-10-4350	1400 Employee Development	1,800	(300)	(300)	2,035	203,547
		3300 Departmental Supplies	700	(36)	(36)		
		4300 CS- Housing Demo	15,000	(1,000)			
		4501 CS Vacant Lots	9,000	(500)			
		7000 Non Capitalized Purchases	3,043	(200)	(200)		
	<b>Total</b>		(2,036)	(536)			
<b>IT</b>	10-00-4132	4500 CS- GIS Map Layer	48,070	(2,822)	0	2,822	282,244
<b>Summary:</b>			<b>Budgeted</b>	<b>2% Reduction</b>	<b>\$500k El. Reduction</b>	<b>2.00% Target</b>	<b>Budget</b>
General Fund				(411,400)	(231,115)		
Water				(30,263)	(30,263)		
Sewer				(16,611)	(16,611)		
Storm Water				(465,000)	(465,000)		
Airport				0	0		
Solid Waste				0	0		
Cemetery				0	0		
Electric				(319,715)	(500,000)		
Special Revenue Funds				0	0		
<b>Total</b>				(1,242,989)	(1,242,989)		

2010/2011 2% Budget Reduction

6/1/2010

			Budgeted	2% Reduction	\$500k El. Reduction	2.00% Target	Budget	
<b>Parks &amp; Recreation</b>	10 40 6121	0300 Part Time Salaries	37,000	(3,080)	(400)	13,963	1,396,329	
	10 40 6122	0300 Part Time Salaries	15,450	(3,000)	(500)			
	10 40 6124	0300 Part Time Salaries	52,754	(3,180)	(500)			
	10 40 6130	4501 Contract Services Grounds	11,850	(4,740)	0			
		<b>Total</b>		(14,000)	(1,400)			
<b>Public Works</b>			<b>Budgeted</b>	<b>2% Reduction</b>	<b>\$500k El. Reduction</b>	<b>2.00% Target</b>	<b>Budget</b>	
	Street Maintenance	10 20 4510					462,262	
	Powell Bill	10 20 4511					271,916	
	Street Lighting	10 20 4512					131,500	
	Storm Water	10 30 5710					290,944	
	Public Works Directo	10 30 4700					78,347	
	Garage	10 20 4250					147,205	
						13,822	1,382,174	
	Street Maintenance	10 20 4510	201 SALARIES - OVERTIME	13,000	(3,000)	0		
	Powell Bill	10 20 4511	5600 Powell Bill Materials	63,964	(63,964)	0		
			4500 STREET PAVING	80,000	(53,273)	0		
	Water	30 90 4020	8000 Debt Service- Hwy 17	30,263	(30,263)	(30,263)	29,585	
		30 90 6610	9200 Admin Charges to GIF	273,570			2,958,537	
	Sewer	32 90 4020	8000 Debt Service- Hwy 17	16,611	(16,611)	(16,611)	29,850	
		32 90 6610	9201 Admin Charges to GIF	28,055			2,985,014	
	Storm Water	34 90 5710	9210 Admin Charges to GIF	100,955			8,695	
	Airport	37 90 4530	9710 Admin Charges to GIF	29,746			4,379	
	Solid Waste	38 90 4710	9200 Admin Charges to GIF	184,802			14,135	
	Cemetery						2,600	260,036
	<b>Total Public Works</b>				(167,111)	(46,874)	103,067	10,306,672

Outside Agencies

6/1/2010

Fund #		Pr. Year Actual	Amended Budget	Expended/ Encumbered	% Spent	Est. Exp. Entire Year	Dept Head Request	Manager Recommends	2% Reduction	\$500k El. Reduction
		08-09		09-10	09-10	09-10	10-11	10-11		
10	GENERAL FUND									
	10-40-6170									
	OUTSIDE AGENCIES									
	CULTURAL & LEISURE									
9100	TOURISM AUTHORITY	247,622	0	0	0.00					
9101	ARTS COUNCIL	25,900	22,500	22,500	100.00	22,500	20,000	20,000	1,000	500
9102	B.H.M. LIBRARY	7,800	0	0	0.00					
9104	ARTS COUNCIL CONCERTS	6,000	5,600	5,600	100.00	5,600	6,000	6,000	400	200
9105	BOYS & GIRLS CLUB	25,000	23,250	23,250	100.00	23,250	33,100	23,250	1,162	500
9107	ZION SHELTER	10,500	10,500	10,500	100.00	10,500	10,500	10,500		
9108	WRIGHT FLIGHT	5,000	0	0	0.00		4,250	4,250	4,250	2,125
9109	EAST CAROLINA WILDLIFE GUILD	1,900	7,650	8,743	114.29	8,743	8,750	8,750	450	
9110	THE BLIND CENTER	3,000	2,800	2,800	100.00	2,800	3,500	2,800		
9111	VIETNAM MOVING WALL		2,950	5,474	185.56	2,950				
9112	CHRISTMAS PARADE	2,500	2,325	2,325	100.00	2,325	2,800	2,325	120	120
9115	TURNAGE THEATER PROJECT	160,248	100,000	100,000	100.00	100,000	100,000	100,000		
9116	EAGLE WINGS	2,000	2,000	2,000	100.00	2,000	5,000	2,000	100	100
9117	DWOW	0	0	0	0.00					
9120	HUMAN RELATIONS COUNCIL	925	1,265	753	59.53	1,265	1,265	1,265	65	65
9131	HIGHWAY 17 ASSOCIATION	7,500	0	0	0.00					
9136	PURPOSE OF GOD	2,000	1,800	1,800	100.00	1,800	5,000	1,800		
9137	ALBEMARLE FOOD BANK				0.00			1,000	1,000	500
	TOTAL	507,895	182,640	185,745	101.70	183,733	200,165	183,940	8,547	4,110

Council recessed for a break and reconvened at 6:10 pm.

### REVENUE NEUTRAL TAX RATE

Mr. Smith explained how they arrived at an equivalency of 48.56 cents. Mr. Smith and Chief Financial Officer, Matt Rauschenbach reviewed the proposed tax rate of 0.5002. Mr. Rauschenbach determined that the revenue-neutral tax rate for the City in the upcoming fiscal year would be 47.44 cents per \$100 valuation.

Budget 2011 CRAB

Mr. Rauschenbach suggested they are targeting 50 cents per \$100 valuation as the City's property-tax rate for fiscal year 2010-2011. Mr. Rauschenbach's calculations show that the revenue-neutral tax rate, adjusted for growth, comes to 48.56 cents per \$100 valuation. The target property-tax rate of 50 cents per \$100 valuation reflects concerns the City could see some of its revenue sources not generate as much revenue as expected. The new tax rate includes 2 cents per \$100 valuation that's earmarked to provide revenue for the City's public-safety Capital Reserve Fund, used to help pay for items such as new public-safety buildings and equipment. Mr. Rauschenbach noted several scenarios as a result of revaluation.

Councilman Davis addressed concerns that not knowing what the County and the General Assembly might do leaves "a lot of question marks" surrounding some of the City's revenue sources.

Councilman Mercer suggested that allocation, now at slightly more than \$120,000 a year, should be derived from the 48.56 cents per \$100 valuation tax rate instead of the 50 cents per \$100 valuation tax rate.

Mayor Pro tem Roberson expressed concern that the Beaufort County Board of Commissioners may change the way it distributes sales-tax income to the municipalities in the County. That change could result in those municipalities receiving less in sales-tax revenues. Mayor Pro tem Roberson suggested the City might need that difference between the 50 cents per \$100 valuation rate and the 48.56 cents per \$100 valuation to offset possible loss of revenue from other sources.

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council set the tax rate for FY 10-11 at 0.5002. Councilman Mercer opposed the 0.5002 because it is inappropriate to set the tax rate before we have a budget and know the numbers we are shooting for.

Amended motion: By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, amended the motion to set the 0.5002 as a target rate and set the tax rate when the budget has been officially adopted. Motion passed by 4-1 vote with Councilman Mercer voting against. Councilman Mercer did not have a problem with the target concept but his problem was with the 0.5002.

Neutral Property Tax Increase			City of Washington			
Revaluations as of: January 1, 2010 and 2002						
Fiscal year	Assessed Valuation as of June 30	Annexation (Deannexation)	Total Adjusted for Annexation or Deannexation	Valuation Increase	Percentage change	
2010-11	823,609,391	(1,934,897)	09-10 825,544,288 08-09 651,166,443			
2009-10	651,166,443	160,482	08-09 651,005,961 07-08 639,275,270	11,730,691	1.83%	
2008-09	639,275,270	333,750	08-09 638,941,520 07-08 619,972,410	18,969,110	3.06%	
2007-08	619,972,410	343,932	08-09 619,628,478 07-08 605,185,152	14,443,326	2.39%	
2006-07	605,185,152	813,699	08-09 604,371,453 07-08 589,114,135	15,257,318	2.59%	
2005-06	589,114,135	111,830	08-09 589,002,305 07-08 577,120,521	11,881,784	2.06%	
2004-05	577,120,521	177,892	07-08 576,942,629 06-07 574,570,043	2,372,586	0.41%	
2003-04	574,570,043	599,040	06-07 573,971,003 05-06 550,577,101	23,393,902	4.25%	
2002-03	550,577,101	804,711				2.37% Average growth % Doesn't include reevaluation increase
Last year prior to revaluation 2008-10				651,166,443	Tax rate 0.6000	Estimated tax levy 3,906,999
First year of revaluation 2010-11				823,609,391	Tax rate to produce equivalent levy 0.4744	3,906,999
Increase tax rate for average growth rate 2010-11				823,609,391	Revenue neutral tax rate, to be included in budget ordinance, adjusted for growth 0.4856	3,999,605
120,000 2002 Public Safety Capital Reserve 82,381 \$0.01 of Property Taxes					Increase In Tax Levy 92,605	Average Percentage Increase 2.37%
0.0148 Capital Reserve 0.4858 Revenue Neutral Tax Rate 0.6002 Proposed Tax Rate						

**Revenue Neutral Tax Rate**

GS 159-11(e):

In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to

improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, deannexation, merger, or similar event.

Summary:

1. Determine a rate that would produce revenues equal to those produced for the current year using the reappraisal valuation.
2. Increase that rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal
3. Adjust the rate to account for any annexation, deannexation, merger, or similar event.

Property Owner Impact:

While the revenue neutral rate will generate the same revenue as the previous year adjusted for average growth it will not result in the same real property tax bill as the previous year for each property owner for the following reasons:

1. Real property owner's change in valuation is more or less than the City wide average change of 35.87%.
2. Average rate of growth of 2.37% is included in revenue-neutral tax rate
3. In a revaluation year, the assessed value of real property equals its market value as of January 1 of that year. In each subsequent year, the assessed value of real property (other than new construction) remains constant, though its market value typically increases. Personal property,

in contrast, is valued at its market value each year. In a revaluation year realignment occurs in the tax burden between real and personal property when both are reset to current market value. As a result, many individual real property owners receive increased tax bills in revaluation years. (UNC School of Government Property Tax Bulletin #144)

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council set the 50 cents per \$100 valuation as its preferred property tax rate.

The new property-tax rate is scheduled to be set later this month when the City Council adopts the FY 2010-2011 budget.

Property Valuation

6/1/2010

2009 Property Valuation						\$ Levy
Description	Real	Personal	Public	Vehicles	Total	
Tax Billing	492,364,969	103,988,813	9,770,794	56,599,303	662,723,879	3,976,343
Real Deferred	(1,381,586)				(1,381,586)	(8,290)
Personal Exemptions	(4,797,048)				(4,797,048)	(28,782)
Tax Releases		(4,453,412)		(912,837)	(5,366,248)	(32,197)
Tax Misc. Dr. Cr.				(4,570)	(4,570)	(27)
Write-off		(2,666)			(2,666)	(16)
Tax Refund	0	(5,318)	0	0	(5,318)	(32)
<b>Total</b>	<b>486,186,335</b>	<b>99,527,417</b>	<b>9,770,794</b>	<b>55,681,897</b>	<b>651,166,443</b>	<b>3,906,999</b>
% of Total	74.7%	15.3%	1.5%	8.6%	100.0%	
<b>Subtotal Adj. Above</b>	<b>(6,178,634)</b>	<b>(4,461,396)</b>	<b>0</b>	<b>(917,407)</b>	<b>(11,557,437)</b>	

  

2010 Property Valuation					
Description	Real	Personal	Public	Vehicles	Total
Property Valuation	683,628,243	103,988,813	9,770,794	56,599,303	853,987,153
-3.370% Appeal Adjustments	(23,038,272)				(23,038,272)
Warren Airport		(1,960,688)			(1,960,688)
Tax Releases & Other Ad	0	(4,461,396)	0	(917,407)	(5,378,803)
<b>Net 2010 Property Valuation</b>	<b>660,589,971</b>	<b>97,566,729</b>	<b>9,770,794</b>	<b>55,681,897</b>	<b>823,609,391</b>
% of Total	80.2%	11.8%	1.2%	6.8%	100.0%
<b>% Change</b>	<b>35.87%</b>	<b>-1.97%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>26.48%</b>

2009 65,117 =.01  
2010 82,361 =.01

Property Tax Revenue Neutral 2010

**GENERAL FUND REVENUE ESTIMATES**

This item was addressed during the Revenue Neutral Tax Rate discussion.

**ADOPT – BUDGET ORDINANCE AMENDMENT FOR LOAN APPLICATION FOR THE MAIN AND RESPESS PUMP STATION IMPROVEMENTS (\$10,000)**

Public Works Director, Allen Lewis stated as discussed at the May 24 council meeting, we have the opportunity to pursue State Revolving Loan funds, including principal forgiveness for up to 50% of the project, for the Main and Respepp pump station improvements. Originally we were under the impression that the other 50% of the project would be available for 0% interest loan. Unfortunately, the only projects funded with the 0% interest are “green” projects. Still, with the interest rate being half of the prime, this potentially will allow us to construct this project at a total cost less than the current dollars with a 20-year pay back. At 3% interest (current rate is only 2.22%) and half the estimated cost being financed (\$300,000), the annual payments are approximately \$20,165.

Unfortunately, the parallel water line project out of the water treatment plant that was also discussed at the May 24 meeting is not eligible for the same type of funding. The only funding available at this time for this project is the low interest loan for the entire amount. As a result, we have decided not to pursue these funds at this time.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council unanimously adopted the Budget Ordinance Amendment for loan application for the Main and Respepp pump station improvements in the amount of \$10,000.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2009-2010**

**BE IT ORDAINED** by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the Sewer Fund be increased in the amount of \$10,000 in the account Fund Balance Appropriated, account number 32-90-3991-9910.

Section 2. That account number 32-90-8230-0400, Professional Services, Lift Station Department portion of the Sewer Fund appropriations budget is increased in the amount of \$10,000 to provide funds for Main and Respass pump station grant application.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 1st day of June, 2010.

**ATTEST:**

s/Cynthia S. Bennett  
City Clerk

s/N. Archie Jennings  
Mayor

**REPORT – REALLOCATION OF FUNDING – GENERAL FUND (\$6,000)**

Mr. Smith shared this was a standard form. The following reallocation of funding between divisions within the General Fund had been approved by the City Manager: This was FYI information presented to Council no action required.

- Decreased Senior Programs Department (10-40-6123-0200 by \$6,000)
- Increased Parks & Grounds Maintenance Department (10-40-6130-1502 by \$6,000)

Shelters at Havens Gardens were in need of emergency repairs.

Councilman Mercer noted the Department Head should sign off on the Transfer of Funds form.

**INFORMATION RECEIVED FROM CITY COUNCIL AND THE CITY MANAGER**

- Opportunity for question on the meeting of June 14 concerning the Aquatic Center fees.
- Councilman Mercer mentioned WITN web cam, can we do without this – if so we could be saving approximately \$500-\$600 per month.

**ADJOURN**

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council adjourned the meeting @ 6:45 pm until June 14, 2010 at 5:30 pm in the Council Chambers at the Municipal Building for a Regular meeting and to Adopt the Budget.

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**Cynthia S. Bennett**  
City Clerk