
The Washington City Council met in a continued session on Thursday, May 9, 2013 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; William Pitt, Councilman; Doug Mercer, Councilman; Edward Moultrie, Councilman; Richard Brooks, Councilman; Josh Kay, City Manager and Cynthia Bennett, City Clerk.

Also present were: Matt Rauschenbach, Chief Financial Officer; Stacy Drakeford, Fire and Police Services Director; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Utilities Director; John Rodman, Community/Cultural Resources Director; Kristi Roberson, Parks and Recreation Manager; Susan Hodges, Human Resource Director; Gloria Moore, Library Director; David Carraway, IT Department and Mike Voss, Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council approved the agenda as presented.

BUDGET: UTILITY FUND DETAILED DISCUSSION

Budget Questions Submitted by Members of City Council Prior to May 6th Meeting

Water Fund

1. Why include the EDA grant fund in the income when we have no indication that our application will be awarded. Wait until we are awarded the grant and then amend the budget. This will reduce the need to have such a large fund balance appropriation or eliminate the need for the transfer from the Water Reserve. (p 143)
 - a. Reasoning for including this in the budget, both on the revenue and expenditure side, was to make Council aware of the costs involved in the projects now rather than later. Staff is very comfortable that the grant will be approved by the EDA. These projects could be removed from the operating budget and transferred to a capital project account as they may be multi-year projects. The City has received a conditional letter of approval, we do have additional steps to follow to received funding. This will be removed from the budget until funding is actually received.
2. Why the significant increase in unemployment compensation? (p 147)
 - a. The state changed from government entities on a pay as you go basis to contributing to a State reserve based on \$209 per employee per year. The first year will reflect the funding of this reserve as well as replenishing it for actual claims. 2014/2015 Budget will return back to our normal level.
3. The Admin charges to the Electric fund provide for more than the total budget for the Electric Meter Service when Water and Electric charges are added. (p 147)
 - a. The administrative charge to the Electric Fund from Water and Sewer can be found on p. 335 of the budget. Utility Communications and Meter Services are allocated as follows: Electric 80.3%, Water 13.3%, Sewer 6.4%.
4. Increase the funds for replacement of the meters with AMR meter to \$200,000. This will cover the one and one and a half inch meters. I had been under the impression that the 12-13 budget would complete the change out of meters, but it appears we still need about \$350,000 more (including the suggested \$200,000). (p 153)
 - a. Staff is comfortable with increasing the dollar amount for this line-item. The current replacement program (12/13) was for residential sized meters only. Increasing the amount budgeted for the larger meters will potentially provide increased revenue if any of the existing meters are "under reading." Replacing meters in large quantities like this means that they will have to be replaced in large quantities again in the future.
5. Why do we have a contract for sludge removal in this area when we have not had one in the past? (p 155)

-
- a. In the past, we have been able to dispose of the water plant sludge at EJE at no cost. EJE has now started charging for disposal at a rate of \$46.50/ton.
 6. Can we split the painting over a two year period by timely awarding of the contract or designating as a capital project? Painting not in CIP until 2015. (p 158)
 - a. We can split this but will need to calculate the split – it will not be 50/50. Possible increased costs associated with double mobilization costs, unless we tie the PO up at the end of next year with the promise of the 14/15 budget having the remaining balance appropriated. Staff's proposal is to paint it all at one time to avoid paying mobilization costs twice.
**Straw poll –By consensus Council agreed to paint all at once.*
 7. Delete the EDA project until grant funds have been awarded. (p 158) \$606,000
 - a. See answer to question #1.
 8. Why do we need cameras at well sites? (p 158)
 - a. This is a continuation of addressing the issues from the vulnerability assessment the City performed started in 2002 and completed in 2004.
**Straw poll to install cameras at well sites - unanimous*
 9. I was under the impression that water tank maintenance needed to be done every two years, but this is second year in a row we have a contract. Also, last year we had a valve insertion project, please explain. (p 161)
 - a. The maintenance performed here is on all three tanks, not just one. Contractor allows us to spread payments out for tank maintenance over multiple years. The valve insertion program is similar to the manhole rehab that we do in the sewer fund and is annual continued maintenance. Frankie Buck explained that tank maintenance is performed every year, part of this is state mandated. The 3rd Street tank is in the 2013-2014 budget and needs a complete lead abatement and repainting. No further discussion needed.
 10. What is the request to complete engineering for lead abatement, when did project start and what is total cost? (p 161)
 - a. This is for work being performed by the tank maintenance contractor. The lead abatement is in reference to the paint. This tank, being 80+ years old, was originally painted with lead based paint.
 11. Delete the EDA project until the grant funds are awarded. (p164)
 - a. See answer to question #1.
 12. The Summit Ave water line replacement was in CIP for 2014. \$179,000 budgeted and \$150,000 in CIP. (pg 164)
 - a. Staff wanted to move forward with this project in 13/14 Budget; however, staff is also comfortable removing and waiting until next budget year. CIP is based on estimates, not quotes. We try to firm those prices up better prior to submitting them in the budget.
**Mr. Kay explained the project has revenues to cover the expenses now and is a project that has been in the CIP in the past and has continued to be moved. Fund Balance is used to cover the EDA projects. Councilman Mercer suggested delaying the Summit Ave. project and use those funds to pay for replacing the 1" and 1 ½" meters to AMR meters. Councilman Brooks felt the need to fund the Summit Avenue project. Allen Lewis, Public Works Director explained the need for the project stating there is an existing 2" galvanized water line under Summit Avenue that has been patched numerous times. The current waterline is undersized for fire flow protection. Discussion was held regarding use of Fund Balance.*
**Straw Poll*
**Keep Summit Avenue project with no increase in number of meter installations 4-1*
**Delay Summit Avenue project and increase number of meter installations 1-4*

Sewer fund

13. If we delete the EDA projects until grant funds are available, we eliminate the need for Fund Balance and Sewer Reserve transfers. (167)
 - a. See answer to question #1.
14. There is a significant increase in Admin charges to GF. (pg 171)
 - a. Planning & Inspections are now included, which is a \$34,687 impact. Miscellaneous items such as workers comp and property insurance were added, which is a \$40,517 impact.

-
15. We budgeted the replacement of Desktop for Administrative. Assist. last year. (pg 174)
 - a. The justification is inaccurate, should state that it is for the Engineering Technician.
 16. Move painting from Non-Capital to Maintenance. (pg 185)
 - a. Staff will move this expenditure.
 17. Delete EDA project until grant funds available. (pg 185)
 - a. See answer to question #1.
 18. Why are we replacing sludge pump? (pg 185)
 - a. The current pump has been in service since 1987. The pump runs 24 hours a day 7 days a week and gets a complete rebuild (internal parts, bearings and seals) every 2-3 years at a cost of approx. \$8,000 per rebuild (parts only). The pump casing has worn very thin, and has had to be patched with putty several times over the past four years. Replacement with the same kind will cost around \$30,000 (last priced 3 years ago). The replacement as proposed would cost \$21,000, plus rebuild, based on the same 2-3 year schedule, would cost approximately \$4,000 per rebuild based on current parts pricing. We replaced its sister pump last year with a similar set up as proposed. It has been running flawlessly, and has a more efficient and lower hp motor driving the pump.
 19. Delete EDA projects until grant funds are available. (pg 188)
 - a. See answer to question #1
 20. The platform and switch for the Fountain Pump station is not in the CIP at all. Why do we need to do this work next year?
 - a. On page 33 of CIP, project number S-8200-4 for \$83,000. This station's current back-up power consists of a portable generator with a manual transfer switch. When a tropical system threatens the area, the generator is removed from this location to prevent the unit from being flooded, leaving the station without back up power. The generator is usually taken back to the station, if power is still out, after the storm system has passed and the tide recedes. This move is usually many hours and sometimes even days after the storm passes, because crews are busy with recovery efforts at higher priority areas in the system. Waiting to complete this project is an option and/or could be broken into phases (platform first then generator set and switch gear). This is the last existing sewer pump station we will be installing generators at, however we would be smart to develop a plan to begin installing automatic transfer switches at existing fixed generator sites.

Electric Fund

21. If we assume the total power purchase shown on p220 of \$28,160,620 with a markup of 23.5%, the income from sale of electric should be \$34,778,365 minus 4% or 33,387,230. If markup is greater than 23.5%, this is even larger. (pg 201)
 - a. Markup is not used to estimate power purchases. The estimates for sales and purchases are based on estimates of energy usage/purchases and the rates in place at the time. Proposed budget came from Booth forecast based on last 12 months as of December 2012. Most recent forecast through March shows a \$165,255 improvement in net revenue from proposed.
22. The projected interest earned is significantly higher. (pg 201)
 - a. \$3,200,000 has been invested in 12, 24, and 36 month CD's at .55%, .65%, and .75% respectively. \$1,260,000 is invested in a money market account at .35%. Based on today's invested balances the annual interest would be \$26,010, \$22,000 was budgeted.
23. As pointed out in Water Fund the total Admin. charges for Meter Service (p335) are greater than area budget. This is a 34% increase over last year. (pg 201)
 - a. This was recalculated this year to reflect true cost. Has not been recalculated in 6 to 8 years and now includes two Field Service Reps. who were recently transferred from Customer Service to Meter Services.
24. Is staffing three or five people. (pg 215)
 - a. 6 FT and 1 PT due to the addition of the Field Service Reps last year.

25. Delete parking lot pavement (pg 217)
a. Removed

26. Both Non-Capital and Installment Purchases are for meters. Why borrow money for inventory? What is current inventory of meters and how many do we normally use in a year? (pg 218)
a. Narrative was not updated and is from 2012/2013. Corrected narrative is as follows:

35-90-8370-1500	MAINT/REPAIR BUILDING		\$4,500
	General Building Maintenance	\$1,500	
	Jack's Creek Roof Replacement	\$3,000	
35-90-7250-7000	NONCAPITALIZED PURCHASES		\$8,750
	Motion F5t Tablet PC	\$3,500	
	MVLT XI Software	\$4,000	
	Desktop PC Replacement	\$1,250	

- b. Yearly Usage for new and change outs: 600

- c. Meter in Stock
- | | |
|--------------|-----|
| Residential: | 240 |
| Form 2S: | 44 |
| Form 4S: | 9 |
| Form 10A: | 56 |
| Form 16S: | 104 |

27. Why do we expect a 30% decrease in generator fuel cost for next year? (pg 222)
a. Revised estimate for 2012/2013 is \$234,000, in line with prior years. \$235,000 in proposed budget.
**Matt Rauschenbach has annualized this year expenses and will forward analysis to Council. Ed Pruden explained that we may be coming in under budget by \$35-\$40,000.*

28. We currently have about a six month's supply of LM switches in the warehouse. Our average installation is about 65 per month, so an additional purchase will give us about a 20 month supply. Cut this request to 500 at \$35,000 (pg 228)
a. We get a price break to \$65/unit with purchasing a quantity of 1,000. The price goes up to \$110 for less than 1,000. Lead time 16-18 weeks. Delivery time stock is 300 units. We have approximately 500 in stock.

29. Do we need to cut the Chocowinity right of way every year? Let's skip a year and see what happens? (pg 233)
a. Yes. This distribution line is the only source of power for the City. The ROW must be maintained. We have tried this and we almost could not get in there the next year.
**Leave in budget*

30. Budgeted replacement of Engineering Tech computer last year. So why do we need two more for only one Tech. (pg 236)
a. The unit last year was a laptop for the vehicle. These are the office units/desktops.

31. Delete parking lot pavement. (pg 237)
a. Removed

32. Delete addition of two bays to storage building. (pg 237)
a. We have fiberglass equipment that stays out in the weather and severely shortens the life of the equipment. \$42,000
**Straw poll – By consensus, leave request in budget*

-
33. Do the engineering requests also include the actual rebuild? If not, the costs of projects are substantially above CIP estimates. (pg 237)
- a. The engineering projects in the budget are for engineering only.
**2nd St./5th St. rebuild consists of \$100,000 for engineering and in 2014-2015 in the CIP estimated at \$300,000 for actual rebuild.*
34. The High School feeder relocation is not in the CIP and the Booth plan estimated this project at \$100,000, why the significant increase of 80%? (pg 237)
- a. The Booth estimate did not include the underground portion of the feeder out of the substation and also was placed in the Booth report as a replacement at the current location and not relocation of the line as needed.
**the onetime cost to clear right-of-way is close to amount of moving the feeder to a new location*
**remove parking lot repairs – \$50,000 -straw poll – removed by consensus*
**reduce load management switch purchases and reduce line item by \$30,000 – straw poll – by consensus, leave in budget as requested due to cost savings*
**right-of-way maintenance for Chocowinity transmission line – straw poll – by consensus, leave in budget*

Cemetery Fund

35. I thought that 2 years ago we had a Kawsaki mower that we surplused in only two years because of poor performance and were going to standardize on Toro mowers. Why are we asking for Kawasaki? (pg 264)
- a. The mower surplused a few years ago was a Kubota. The mower proposed to be purchased is a Toro mower with a Kawasaki engine, as are all of recently purchased mowers.
Tractor #520
36. How many weed eaters are we buying for \$1,000? (pg 264)
- a. 3.
37. John Deere tractor is not in CIP anywhere. Justify replacement. (pg 264)
- a. The tractor was included in the C.I.P. as C-4740-1 for \$35,000. This tractor has 5,370 hours on it as of May 7th. The transmission is shot and needs to be re-built at a minimum. We currently have a front load bucket on this machine, but not a digging bucket. This small back-hoe will allow us to work in small confined areas that we cannot get to sometimes with the larger backhoes as well as prevent us from having to borrow a back-hoe from other departments every time we need one which is what we have to do now as there is not currently a back-hoe at the cemetery

Budget Questions Submitted at or after May 6th Meeting

38. What is the residential load management saturation rate?

Total Residential Customers:	11,050
Saturation	57%
Potential Water Heater Controls:	5,465
Current Water Heater Controls:	2,926 (54%)
Gross Annual Savings:	\$264,898
100% Saturation Gross Annual Savings:	\$494,760
Potential Air Conditioners Controls:	5,305
Current Air Conditioner Controls:	3,238 (61%)
Gross Annual Savings:	\$168,127
100% Saturation Gross Annual Savings:	\$275,452
Current Heat Pump Heat Strip Controls:	1,489
Gross Annual Savings:	\$148,680
Current Baseboard / Electric Furnace Controls:	303
Gross Annual Savings:	\$40,340

Grand Total

Gross Annual Savings:	\$622,045
Customer Credits	\$222,123
Net Benefit (excludes investment)	\$399,922
Unrealized Savings	\$469,262
Unrealized Credits	\$167,566
Unrealized Net Benefit	\$301,696

39. Provide recommendation for load side generation credits that fully cover City's costs.

a. See attachment #1

Attachment #1 - Load Management

Background

In their review of all fees and rates, the Council-appointed Fee Subcommittee reviewed the load management credits provided to customers. The particular concern was that the City is not currently covering the maintenance and operation of the generation units provided to the customer prior to the provision of credits to customer's utility account.

Staffs initial review of the load management cost-benefit analysis is attached for your review.

As noted, LM Rider 112 customers are the most "out-of-balance" of all customers in that the net savings to the City is a loss of approximately \$173,000 annually.

Recommendation

It is recommended by City Staff that City Council authorize the engagement of Booth & Associates to review these credits and to develop a rate schedule that provides a benefit to the customers and allows the City to recoup its costs to operate, maintain, and eventually replace the generation units.

It is estimated that this work would cost a maximum of \$15,000 to \$20,000 and could be complete in less than six months.

Load Management Analysis

5/8/2013

Service Class	Wholesale Benefit	Cost	Gross Savings	Customer Credits	Net Savings	Recommended Credits	% of Net Savings	Reduction	% Reduction	Credit/kW Shed
Residential	435,123	211,475	223,648	244,253	(20,605)	244,253	109%	-	0%	
LM Rider 3	4,707	-	4,707	3,059	1,648	2,354	50%	706	23%	8.16
LM Rider 1/2	609,837	511,864	97,973	271,437	(173,464)	48,987	50%	222,450	82%	2.50/5.85
LM Rider 4	1,092	338	754	305	449	377	50%	(72)	-24%	3.50
Industrial Park	25,772	21,632	4,140	-	4,140	-	-	-	-	
Total	1,076,531	745,308	331,223	519,054	(187,831)	295,970	89%	223,084	43%	

Load Management Cost:

35-90-8370-1600	Maintenance	105,270	
35-90-8370-3101	Fuel	200,970	
35-90-8375	Load management dept.	211,475	
	Property Insurance	14,544	
	Interest Expense	3,149	1.5%
	Capital Replacement	209,900	30 year useful life
	Total	745,308	

**Council directed staff to engage Booth & Associates to review these credits and to develop a rate schedule that provides a benefit to the customers and allows the City to recoup its costs to operate, maintain, and eventually replace the generation units. \$15,000 was allocated for this project.*

Budget Questions Remaining from General Fund Budget

40. Virtualization of Library computers.

a. Quote to complete Library virtualization will be provided on Thursday.

This project was funded FY 2012-13 in the amount of \$45k. Currently we have installed a new Dell Power Edge R820 server with operating system and licenses. Have updated the support software from TLC (cataloging software) as well as Envisionware (PC Reservation). Test has been completed in this phase of the project. The current desktop systems were tested and found to work however due to the age of several desktop systems; they might show 'out of order' when in the library. Brown Library staff has been working with Soundside Group (SSG) within the support contract to correct.

As you are aware, this project is to replace each public desktop system with a virtual (thin client) system. Currently, testing has been on going with a Dell Wyse Thin Client. For several weeks, SSG has been working with Envisionware & TLC concerning the inability of the thin client to remain connected to the server. Another issue which has been discovered is when the thin client goes into hibernate status; it will shut down the server. As stated, SSG has been working with

both TLC & Envisionware with these issues. The conclusion for these issues is Envisionware software is currently not able to work in the virtual environment which SSG has purposed for the library. The purposed setup for Brown Library is for each thin client to remote desktop into the server. This would enable each user to have an image (which is stored on the server) to be pulled down to the thin client. When completed, the user would log out of the thin client, the image in which the user had been using would then be closed. The next user would log on to the server and a new, fresh image would then be used. After speaking with other libraries which are using both TLC & Envisionware in a virtual environment, they are using another setup which is more costly. With this setup (I am told), TLC & Envisionware work well. This set up would evolve purchasing VMware View (which is purchased in a bundle of 10 licenses at a cost of approx. \$4500/ each bundle. Also, needed would be license for each of the 10 public thin clients from Microsoft totally approx. \$2300. The current server set up would handle the 10 public thin clients; however to include the staff systems as well as another server would need to be added along with more storage at a cost of approx. \$30K. If we break down each group, for public (only) set up we are looking at approx. \$12K additional cost. If you add the staff, we are looking at an additional \$55K.

Speaking with SSG if Envisionware were removed, they feel the thin clients would work within the scope of this project with all systems (public & staff) being replaced with the funds currently budgeted (funds FY 12-13 & funds budgeted FY 13-14).

**Straw poll – Unanimously, Council agreed to remove the \$10,000 for virtualization from the budget due to issues with PC Reservation and/or Thin Client being incompatible with the virtualization server.*

41. Senior Center decking

- a. Contractor reduced price from \$40,000 to \$34,000. The Senior Center deck is 85' vs. 310' (27%) for Civic Center & includes handrail on Main St. entrance (\$1,800). Civic Center cost \$125,000 and at 27% equates to \$33,750. Current deck and ramp do not meet code.

**Straw poll – Council, by consensus, agreed to go ahead with the project as presented in the budget*

42. Privilege License recommendation.

- a. See attachment #2

Background

City Council, by a unanimous straw poll, instructed staff to develop a privilege license structure to:

- Greatly reduce the fee structure for all businesses in the City, and develop a structure more in keeping with a registration fee based on gross sales;
- Enable businesses providing services in multiple categories (wholesale, retail, and/or service) to be able to combine their gross sales; and
- To eliminate the fee for manufacturing businesses.

Council also instructed staff to identify ways to cover the loss of revenue within the General Fund due to the restructured privilege license fees.

The remaining portions of this attachment will outline:

1. Proposed privilege license structure; and
2. Propose 2 options to manage the loss of General Fund revenue due to the privilege license change.

Proposed Privilege License Structure

City staff worked to create a structure that was equitable to all businesses while also meeting the conditions outlined by City Council. As a reminder the current Privilege License schedule generates approximately \$146,623 in annual General Fund revenue and is as follows:

- For businesses with less than \$25,000 in gross sales, fee is \$50
- For businesses that have over \$25,000 in gross sales, fee is \$0.80 per \$1,000 of sales
- The maximum for any business is \$1,500 per category (retail sales, wholesale, service, and/or manufacturing)

The proposed schedule provides an estimated \$48,900 in General Fund revenue and is as follows:

- For businesses with less than \$5,000,000 in gross sales, fee is \$50
- For businesses with gross sales between \$5,000,001 and \$25,000,000, the fee is \$1,000
- For businesses with gross sales in excess of \$25,000,001, the fee is \$5,000
- The maximum fee is \$5,000
- Manufacturers are exempt from the fee

-
- Businesses providing services in multiple categories at one location (retail, service, and/or wholesale) can combine their gross sales into one category and pay the respective fee.

Options to Cover Loss of General Fund Revenue

The proposed 2013-2014 Budget was developed with a privilege license proposal that generated \$367,447 of General Fund revenue; therefore all changes to the proposed General Fund budget must cover a difference of \$318,547. City staff has identified two scenarios in order to cover the reduction of \$318,547, and they are as follows:

OPTION 1

Decrease various General Fund expenditures and increase certain General Fund revenue sources, including installment financing for General Fund capital purchases:

- Eliminate \$90,906 in General Fund expenses
 - Pay & Classification study- \$35,000
 - Warehouse parking - \$25,000
 - City Hall basement kitchen refurbishment (to be completed in 12/13)\$5,000
 - Inspections vehicle (to be purchased in 12/13) - \$20,000
 - Defer one police vehicle purchase - \$33,000
 - Eliminate fire ladder truck tires (purchased in 12/13) - \$4,500
 - Eliminate dock dogs contribution (made in 12/13) - \$5,000
 - Eliminate mobile/vehicle radio - \$700
 - Eliminate Domestic Violence shelter contribution - \$2,000
 - Reduce Principle & Interest payments on Installment Financing due to elimination of soccer field lights and streetscape project - \$8,234
 - Reduce Principle & Interest payments on Installment Financing due to defer streetscape & increase wayfinding - \$528
 - Reduce Principle & Interest payments on Installment Financing due to Sr. Center cost reduction - \$318
 - Increase housing demolition - \$15,000
 - Increase Purpose of God \$6,000, Eagles Wings \$1,000, & Cornerstone Worship Center - \$15,000
 - Reclassify Parks & Grounds Maint. Tech to fulltime - \$11,372
- Eliminate, through attrition, 3 Firefighter/EMT positions (formerly paid for by SAFER grant that has expired) - \$72,194 (50% of budget to allow time for attrition)
- Transfer capital purchases to Installment Financing - net \$110,824
 - Increased revenue of \$117,000
 - Increase principle and interest payments - \$6,176
- Increase Revenues - \$45,217
 - Beaufort County EMS - \$2,642
 - State Reimbursement for Medicaid - \$20,000
 - Admin. Library Trust - \$75
- PEG Channel Expense from Restricted Fund Balance - \$22,500

OPTION 2

Decrease various General Fund expenditures and increase certain General Fund revenue sources, including Electric Fund transfers:

- Eliminate \$90,908 in General Fund expenses
 - Pay & Classification study - \$35,000
 - Warehouse parking - \$25,000
 - City Hall basement kitchen refurbishment (to be completed in 12/13)\$5,000
 - Inspections vehicle (to be purchased in 12/13) - \$20,000
 - Defer one police vehicle purchase - \$33,000
 - Eliminate fire ladder truck tires (purchased in 12/13) - \$4,500
 - Eliminate dock dogs contribution (made in 12/13) - \$5,000
 - Eliminate mobile/vehicle radio - \$700
 - Eliminate Domestic Violence shelter contribution - \$2,000
 - Reduce Principle & Interest payments on Installment Financing due to elimination of soccer field lights and streetscape project - \$8,234
 - Reduce Principle & Interest payments on Installment Financing due to defer streetscape & increase wayfinding - \$528
 - Reduce Principle & Interest payments on Installment Financing due to Sr. Center cost reduction - \$318
 - Increase housing demolition - \$15,000
 - Increase Purpose of God \$6,000, Eagles Wings \$1,000, & Cornerstone Worship Center - \$15,000
 - Reclassify Parks & Grounds Maint. Tech to fulltime - \$11,372

-
- b. Eliminate, through attrition, 3 Firefighter/EMT positions (formerly paid for by SAFER grant that has expired) - **\$72,194** (50% of budget to allow time for attrition)
 - c. Increase Transfer from Electric Fund to \$564,000 - **\$111,000**
 - d. Increase Revenues - **\$45,217**
 - i. Beaufort County EMS - \$2,642
 - ii. State Reimbursement for Medicaid - \$20,000
 - b. Admin. Library Trust - \$75
 - c. PEG Channel Expense from Restricted Fund Balance - \$22,500

**300 businesses will see a decrease in fees, while only 3 will see an increase.*

**Straw poll – by consensus Council agreed to go with Option 1 as presented.*

**Council by consensus, agreed to include the purchase of two police vehicles instead of one. Which will increase installment purchases by \$33,000.*

**Councilman Pitt questioned the effect on the ISO rating with the reduction of the SAFER Fire Dept. positions. Mr. Kay reviewed the ability to cross train Police/Fire employees. Councilman Pitt stated he was opposed to the reduction in those staffing positions.*

43. Why transfer funds from the Water Capital Reserve Fund?

- a. Water Capital Reserve fund balance \$143,499, proposing a transfer of \$100,000. Funds are to be expended or encumbered within 6 years of collection or returned to payer with interest. Projects qualify for use of the Capital Reserve funds.

44. Why transfer funds from the Sewer Capital Reserve Fund?

- a. Sewer Capital Reserve fund balance \$122,334, proposing a transfer of \$100,000. Funds are to be expended or encumbered within 6 years of collection or returned to payer with interest. Projects qualify for use of the Capital Reserve funds.

FYI - ITEMS

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council moved the May 27th Committee of the Whole meeting to May 20th at noon in order to adopt the budget. May 27th is Memorial Day.

Councilman Mercer informed Council that Beaufort County Commissioners received their budget. The City had requested \$15,732 in funding from the County for recreational services. The County recommended \$0 in funding to the City. It is incumbent upon us to go to the County Commissioners and voice concern that they are funding all other recreational activities in the County and we have the largest recreational program and they are not providing any funding to us.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council authorized the City Manager to write a letter to Beaufort County, to be signed by the Mayor, that requests funding for recreational programs.

Mayor's Association Meeting is May 16th in Aurora.

ElectriCities Regional Meeting is June 4th in Belhaven.

ADJOURN – UNTIL MONDAY, MAY 13, 2013 AT 5:30 PM IN THE COUNCIL CHAMBERS AT THE MUNICIPAL BUILDING

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council adjourned the meeting at 7:00 pm until Monday, May 13, 2013 at 5:30 pm in the Council Chambers at the Municipal Building.

Cynthia S. Bennett, CMC
City Clerk