

The Washington City Council met in a continued session on Wednesday, February 22, 2006 at the Civic Center at 5:30 p.m. Present were: Judy Jennette, Mayor; Ed Gibson, Councilman; Richard Brooks, Councilman; Archie Jennings, Councilman; Mickey Gahagan, Councilman; Darwin Woolard, Mayor Pro tem; James Smith, City Manager; Fred Holscher, City Attorney; and Rita A. Thompson, City Clerk.

Also present were: Carol Williams, Finance Director; Jimmy Davis, Fire Chief; Bobby Roberson, Community Development Planning Director; Allen Lewis, Public Works Director; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order and thanked everyone for coming.

Councilman Gibson delivered the invocation.

AMENDMENTS TO AGENDA

On motion of Mayor Pro tem Woolard, seconded by Councilman Gahagan, Council unanimously accepted the agenda as submitted.

Councilman Gibson asked that the meeting be adjourned at 8:30 p.m. Council will try to finish at that time.

DECISION – ON CITY’S PARTICIPATION IN PHASE II OF TREESHADE SUBDIVISION (JOHN WEHRENBURG)

Before discussing the City’s participation in Phase II of Treeshade Subdivision, Jim Smith, City Manager, passed out some figures he worked up on residential tax revenue vs. tax supported service costs, as follows:

Residential Tax Revenue vs. Tax Supported Service Costs

Assessed Values		Residential	Business	Utility	Total
Revenues	Assd Value Real	\$273,917,158	\$164,5296,148		
	Assd Value Persnl	\$4,995,995	\$78,847,640	\$7,562,354	
	OAEmp	(\$3,667,564)	(\$1,223,485)		
	Ag Def	(\$1,764,922)			
	Net	\$273,480,667	\$242,220,303	\$7,562,354	\$523,263,324
	Tax Rate \$.55/100	\$1,504,144	\$1,332,212	\$41,593	\$2,877,948
		52.26%	46.29%	1.45%	100.00%

Expenses

General Fund	\$15,139,878
Appropriated Fund Bal	\$666,223
Fire Stn Grant -< Cap proj	(\$1,058,920)
Debt Fire Stn & Apparatus	\$269,237
	\$15,016,418

% Advalorem Taxes \$3,168,086 / \$15,016,418 21.10%

Housing Units

Year 2000	4399
Est growth 2000-2005	88
Est Units 2005	4487

Averages

Residential Assed value	\$60,950
Average Market value	\$68,016
Revenue per unit	\$335
Cost of Gen Fnd services	<u>\$1,749</u>
Net Deficit	\$1,414

2005 Ratio of Assessed to Market 89.61%

Break Even Point	\$318,020	Assessed value
	\$354,893	Market Value

Mr. Smith stated this is an overall analysis of what kind of revenues are produced by residential development vs. actual service costs. One of the ways you can look at fiscal impact is to divide your tax values into residential, business, and utilities that you have available to you. We have a number of residential, businesses and utilities. The City's tax base is made up of 52.26% residential, 46.29% business and 1.45% utilities. Advalorem taxes generate 21.10% of the revenue needed to cover General Fund FY 05-06 expenses of \$15,016,418.

He stated that there 4,487 estimated housing units in 2005, and if you divide the assessed value by the number of housing units, you come up with an average residential assessed value of \$60,950. The average of assessed market is 89.61%, property taxes per housing unit is \$335 and the cost of General Fund services are \$1,749, leaving a net deficit of \$1,414. Therefore, most housing units in the City do not pay for itself in terms of costs of providing services.

Mr. Smith stated he also looked at the breaking point. It would require an assessed value of \$318,000 per household or market value of \$355,000 to cover the cost of service. He stated this information helps contribute to decisions you have to make on whether you want to subsidize or not. He stated he has not seen this done before, but the City has had to do this to get developments going.

Councilman Jennings stated that what we are talking about is strictly on tax revenue alone; that there are other revenues that make up the deficit. He asked is there a value somewhere between this average and the break even point on the advalorem taxes alone where the services provided and charged for makes sense? Mr. Smith stated that we collect various fees to balance the budget. If the City's electric system was privately owned it would pay taxes. The water and sewer and electric pay their costs of their share of billing, writing checks, etc. Councilman Jennings asked is there a value between this average and the \$355,000 where things start getting better for us? Mr. Smith stated that somewhere closer to the \$350,000 because a lot of the fees charged are based on user services.

Councilman Gibson asked what's the answer? Mr. Smith stated that your operations like DWOV that generate tax revenue and you have to grow that part of the tax base that doesn't need much services. He stated we talked about "Smart Growth," where the development pattern is smaller. Large communities are one and one-half acre lots and are more expensive and require more water and sewer lines. You can mitigate some of those services by going to "cluster" developments on 100 acre sites with multifamily dwellings vs. travel time, less expensive, less children, and less street frontage.

Councilman Gibson asked about annexing 264 West where the water and sewer lines are already in, and wouldn't it be cheaper to take in (annex) an area like that? Mr. Smith answered usually not, you have to have some non-resident development which brings in tax base with very little service costs. He stated we could buy the land and keep it as open space, pay the debt service, that it is less expensive than allowing developers to develop smaller communities. Mr. Smith stated if you look at marginal costs and look at annexation next to existing services, your return would be better than to do satellite residential annexations. When you look at annexation, you need to analyze the marginal

costs. Mayor Jennette stated a separate session will be called later to talk about annexation.

Councilman Jennings asked Council what was the prior Council's recollection on the extent of the commitment to Mr. John Wehrenberg on the City's participation in Treeshade Subdivision's street construction? Mayor Jennette stated that we committed \$55,000 (40% of construction) for Phase I, and in her opinion, we have met the obligation on what we said we would do. Since that time, construction costs went up and Council was asked to increase their 40% share to a not to exceed figure of \$65,000. (She stated she has received a similar request from Chris Furlough for development help).

Councilman Gahagan stated that Mr. Wehrenberg is caught in the middle, that he has been upfront with us. He stated he has good feelings about what Mr. Wehrenberg is doing. He stated that Chris Furlough is calling for help and at some point we have to say we have reached a point that we cannot do this...we have reached a point in our budget where we cannot economically continue to do this.

Councilman Jennings stated that the corner we back ourselves into is we are aggressive with recruitment, give incentives for new businesses on the economic development front, and then we are confronted in the community with people who have been here for a period of time, who have invested over time, and they want some assistance too. Are we favoring new people over people who have been here for a long time?

Councilman Gahagan stated that we have helped companies on two occasions with incentives.

Councilman Jennings stated we need to have a clear policy. Mayor Jennette stated we will have a session on that later on, but right now, Mr. Wehrenberg needs an answer.

Councilman Gibson stated he wished the City was in a position to boost development like this, but the fact of the matter is the City is not able to do it, even if we want to do it. He stated we need to stop all this. We need to quit dipping into the reserves. Mayor Jennette stated that if we decide to do this, the funding will come out of FY 06-07 anticipated Powell Bill money to be received.

Allen Lewis, Public Works Director, stated that we receive about \$320,000 annually in Powell Bill funding. Of this \$160,000 is used towards street paving which will pave between two and two and one-half miles annually. He stated this past year we had \$202,000 to be used toward street paving, however, \$58,000 was set aside for Treeshade Subdivision, Phase I street improvements. Next year with debt service on the new street sweeper, and Mr. Wehrenberg's request for \$70,000 for Phase II street improvements, leaves around \$90,000 in Powell Bill funds for street paving. If we don't commit for anything else we could pave a mile or mile and one-half. The \$70,000 represents 44% of what we had planned for street paving next year. (Mr. Lewis pointed out that a petition has been received on paving Pamlico Street which will cost \$120,000.)

Councilman Jennings stated that we have three alternatives: (1) yes, (2) no or (3) give a lesser amount in regards to Mr. Wehrenberg's request.

Councilman Gibson stated he thought there was an implied commitment.

Mr. Wehrenberg stated that he understands that the Council has no legal obligation to participate in Phase II, but it was implied...if the City had said they would not participate, he would not have started this subdivision.

Councilman Gahagan stated that Mr. Wehrenberg stated he would still do it, that it wouldn't stop him from doing Phase I. He stated that the Council said they would look at it. Mr. Wehrenberg stated that the Council made no promises. Mr. Wehrenberg stated that a lot of his costs will be passed on to his customers in Phase II, especially water and

sewer costs. He stated it was difficult for him to make a decision to start with, but he did it on the basis that there would be a good possibility to get money for Phase II. He knew that, but he started on the basis, that would be part of the equation on Phase II.

Councilman Gahagan stated that if we do this for Mr. Wehrenberg when we have no obligation to do it, what are we going to say when somebody else comes up? Are we going to do it on a case by case basis?

Mayor Jennette stated that we need to have a firm policy in place so we won't have to go through this every time. Councilman Gahagan stated that this sets the precedence for the future.

Councilman Jennings stated that the discussion is around "implied" commitment or "not implied"...you can say from here forward we will not do it. Councilman Gibson suggested rather than say "\$0" maybe we could do half. Mayor Jennette stated that we have \$58,000 committed with approval up to \$65,000 for Phase I. Mr. Wehrenberg stated that Phase II is estimated to be \$61,000 up to \$70,000. He stated if he can get the contracts signed quickly, it will be \$61,000. Right now on Phase I, it is around \$51,000.

Councilman Gibson stated that we could go part way, but then no more. Mr. Smith stated that Council could put a special assessment on the property and collect the money over a period of time. Councilman Gahagan asked how does that work? Mr. Smith stated that people pay it through their mortgage, electric, water, or infrastructure. It could be an added assessment. Mr. Wehrenberg stated that we are getting into a guessing game on how much we are getting for a lot. He stated that the City needs to figure out why the Council put 40% on this to start with and if the City wants to continue it for some reason, then continue in a way with an objective in mind. Developers in New Bern and Greenville don't have to do this because the lot prices are high enough because of profit margin. As a developer, you need to be consistent with your policies, or change them with a specific objective. Mr. Wehrenberg stated he did it because of the 40% participation from the City. He suggested Council listen to Chris Furlough's request too and see how to set a policy.

Councilman Jennings commented that suppose we cap the City's participation at \$50,000 and for every lot Mr. Wehrenberg sells, \$2,000 is paid back to the City. The City is in a difficult position to just give the money away. Mr. Wehrenberg stated that the reason the City did this was to get voluntary annexation and receive the tax benefit. Another thing, the minimum average value of a house out there is \$300,000, with a max of \$400,000. He suggested that Council decide to contribute something in between \$50,000 and \$70,000 and then he will make up his mind what he can do.

Councilman Gibson moved that we allow Mr. Wehrenberg, in lieu of an applied commitment, the sum of \$50,000 towards finishing his project at Treeshade, and at this point, put a moratorium on any further payment from the City in this respect. There was no second to the motion. –Motion died due to the lack of a second.

Mayor Jennette stated she liked Councilman Jennings' idea. Mr. Smith pointed out that the City will have to borrow the money either way. Mr. Lewis stated that it would be \$2,328 a month payment on a \$350,000 loan; \$300,000 loan would be payment of \$1,995 monthly; the difference in \$350,000 and \$353,000 over thirty years is about \$20.00 a month. Mr. Smith stated that the question is how much incentive is that? Mayor Jennette stated we would be giving him \$8,000 plus interest.

Mayor Jennette asked could the money be taken out of Powell Bill funds? Mr. Smith answered that depends on whether you cut the other street improvements.

After discussion, on motion of Councilman Jennings, seconded by Councilman Gibson, Council unanimously agreed to front \$50,000 under the condition that as each lot is sold, one twenty first of that is repaid. He also commented that we put that out there in the same fashion for him to make a business decision.

Councilman Gahagan asked how are we going to pay for it? Mr. Lewis stated if it comes out of the Powell Bill money, as the money comes in, it will go back in Powell Bill money.

Councilman Jennings suggested that payback be capped at 5 years. If there are any lots left after five years, each lot would have to be paid for, at no interest.

Councilman Gahagan suggested that a policy be written on this and brought up at the meeting next month.

On motion of Mayor Pro tem Woolard, seconded by Councilman Gahagan, Council unanimously approved putting a moratorium on any future residential development incentives until a full review of our policy is completed.

UPDATE ON LAND FOR SECOND FIRE STATION

Jimmy Davis, Fire Chief, passed out and reviewed an email from the architectural firm, Stewart, Cooper and Newell. Chief Davis stated that the estimated cost when we started was \$1,530,000, and now is at \$1,861,000 which is basically the land purchase, and fees for soil borings associated with changing sites. The higher number \$2,296,000 is coming from the unknown at what construction costs will be coming in at.

Chief Davis stated that in Mr. Phil Fieler's e-mail, he states that they feel it is important at this time to do a comprehensive budget review of the project given all the potential project and site changes. The budget below is an estimate of anticipated costs to date.

Construction Cost Estimate	
Building Costs: 11190 SF (Building Area as drawn with mezzanine space) x \$120-\$150 / SF	
= \$1,342,800.00 - \$1,678,500.00	
Contingency: 5%	= \$67,140.00 - \$83,925.00
Design Fees:	= \$96,300
Anticipate Purchase Cost for Site 3	= \$250,000.00
Additional Grading Cost Estimate 15,000 cubic yards @ \$4.50 - \$10.00	7,500 - \$150,000.00
Additional Flood Studies Design Fees:	= \$18,000.00
FEMA Application Fees Estimate:	= \$3,500.00
Additional Soil Borings and Subsurface Testings Estimate:	= \$6,000.00
Additional Survey Cost Estimate to Survey Site 3:	= \$?
Additional Design Fees Incurred Due to Site Change:	= \$16,000.00
Total Hard Cost Estimate:	= \$1,861,240.00 -
\$2,296,225.00	

Mr. Fieler stated in his email that they realize one of the most troubling numbers in this group is still the building cost estimate. As they discussed at the kick-off meeting, building prices are very volatile right now and within the last two months they have had stations bid from \$112 / SF to \$200 / SF. They really have no definitive way of knowing where the City of Washington's station will bid.

Councilman Jennings pointed out there is a 25% range possible in the cost per square foot of the new station.

Chief Davis stated there are a lot of unknowns at this point. Mr. Lilley has just hired a surveyor to stake the property out, then soil borings can be done.

Councilman Gibson inquired if there are any more prices on any more locations. Chief Davis stated that the locations and prices are the same that had been discussed before, but it puts us back in the situation of the location, looking at a third Fire Station sooner than what we want to. Councilman Gahagan stated that we moved away from the Page Road site because it would cost \$180,000, so now we will have \$111,000 just to change sites. Chief Davis stated that the Page Road site was \$150,000 for the site plus \$288,000 for the road. Mr. Smith stated that the state won't pay for the road. Mayor Jennette stated she had discussions with the Brileys about the County, the Briley's and the City paying for the road and he seemed interested. Chief Davis stated some of the costs you will have no matter what the difference, is the fill dirt. Mayor Jennette stated that she grasps the concept of putting it in that area but she thinks we can find cheaper land.

Chief Davis stated he will do whatever Council wants him to do, but he has beat the bushes trying to find land.

Mayor Jennette stated that Chief Davis will proceed to look at the 2 acres of Lilley property and getting the survey done, and borings done while still looking at other property.

In conclusion, Mr. Smith stated that they will move ahead and finalize the costs on specific sites.

REVIEW PUBLIC COMMENTS ON PROPOSED FY 2006-2007 BUDGET

Copies of comments received at the Public Comment Session and from emails and letters received were passed out to the Council. Mayor Jennette stated since we are running short on time, does Council want to wait. Most of the requests are from outside agencies. She stated Carol can set aside a certain amount in the budget for outside agencies. She stated she and the City Manager are going to put together a form for outside agencies to fill out.

Mr. Smith stated that certain amounts have been provided in the past, and read what had been appropriated in the past, totaling \$412,000, and we can use that lump sum number as a holding number in the budget. The \$412,000 includes Arts Council and Tourism. She asked Council to look over the comments prepared by Carolyn Stroud.

VISION ISSUES FOR WASHINGTON

Service

Consider a “Commitment to Service” policy, training, customer surveys and incentives for employees

Mayor Jennette referred to a “Commitment to Service” policy from Staunton, Virginia she had sent to the Council members for their review. She stated that if we adopt this policy we need to be prepared to do the training and attach incentives. Mayor Jennette stated that sometimes we lose sight of the fact that we all have jobs because of the taxpayers and reviewed the draft policy for Customer Service Commitment:

CUSTOMER SERVICE COMMITMENT

The City of Washington is committed to providing prompt, responsive and courteous customer service.

We will respond promptly.

When you request a City service or action described by code, we will inform you of the process involved and the normal schedule for such requests. When you have any other requests, questions or complaints, we will respond immediately, tell you when we will be able to respond, or respond within two work days. If we cannot resolve the problem or provide the needed information within two days or the time promised, we will contact you, explain the delay, and tell you when we will have a resolution or explanation to you.

We will listen carefully.

We will listen to your requests, comments or questions carefully and courteously. We will explain our response clearly and completely.

We will not make you wait longer than necessary.

If you come to any City customer counter or department office, we will see you within 5 minutes, or we will explain the reason for the delay and, if appropriate, offer you an appointment in the near future. On special days close to City tax or other deadlines, we will do all we can to serve customers as fairly, efficiently and promptly as possible.

We will provide you with consistently reliable service and information.

We will do what we say we will, or clearly explain why we can't. We will give you straight, accurate information on all our operations, and work to keep you informed on matters that interest you.

We will respond, not give you a run-around when you call.

If you call a City phone, we will answer promptly or we will respond to your message as soon as we receive it. If your call must be transferred, we'll give you the name and number destination. If we say we will call you back, we will.

We will listen to any complaint and do what we can to make things right.

If you have a complaint and the response of the City department involved doesn't satisfy you, you will be told how to contact Washington Customer Relations. If Customer Relations cannot bring about a solution you find acceptable, you'll be told how to appeal to the City Manager, and ultimately to City Council.

We will do all we can to meet your special needs.

If you have a disability, we will do all we can to provide information and service to you in ways convenient to you.

We will be friendly and professional in all our dealings with you.

You deserve courteous, appropriate service. You will get it.

Councilman Jennings stated that it would lead to better morale's, but it has to start at the Council level. Councilman Gibson stated referred to how nice a lady is in a local restaurant and makes you feel like you are the only person in the world worth talking to, and that's the spirit we need.

Mayor Jennette stated that Susan Hodges will look at the policy and come up with a proposal and plan to adopt it in July. Mr. Smith stated there are ways that employees listen to what the person has to say, repeat what they have to say, our employees can use it.

Finance

Consider – Standardized outside agency request forms and preliminary goal to retain current funding level

Discussed previously under "Review Public Comments on Proposed FY 2006-2007 Budget."

Preliminary FY 07 Budget Discussion

Mr. Smith stated that Carol has done a lot of work and we have some preliminary numbers on the revenues v. expenditures. Mr. Smith reviewed the figures with Council, as follows:

Revenues v. Expenditures FY 2007

Est. General Fund Revenues	<u>\$12,630,000</u>
Short Term Fixed Costs	\$10,830,000
Operating & Maintenance @+5%	1,786,450
Capital expense	\$0
Additional Debt Service	<u>450,000</u>
	\$13,066,450
Shortfall	- 436,450
Minimum Tax implications	\$0.08
Percent Increase	15%

He stated that based on revenues and expenditures, it is close to what you can expect. Assuming that we keep the people on board and pay our debt service and existing commitments, it is a pretty firm number. He stated it will be a very tight budget at \$13,066,450, giving us a shortfall of \$436,450. Council needs to recognize that we can't continue to take money out of fund balance. This is about \$0.08 on the tax rate. A transfer from the Electric Fund is \$738,000.

Councilman Jennings asked what is the likelihood of putting a budget together with no capital expense? Mr. Smith answered not likely, we didn't get police cars last year. We would have to pull money out of operations and curtailing operations of facilities. There has to be a combination of reduction somewhere. He stated we will have to have some kind of increase in revenue.

Consider Privatization of applicable services

User Fees

Evaluate current fees

Water
Wastewater
Solid Waste
Storm Water

Implement new fees if needed

Mr. Smith stated that Council has some options...we have a number of fees we charge: (1)garbage collection (2) emergency medical services, and (3) stormwater. Each one of those receives significant subsidy in the General Fund. If you increase fees to cover costs then you can reduce that part of the subsidy that comes from the General Funds revenues. In the stormwater fund, the technician is paid for by that existing fees charged, therefore it is revenue neutral. Some fees were raised last year to balance the budget.

Mr. Lewis stated that when we raised the garbage collection to \$7.00, we said we would try to keep that fee at approximately 75% of what it actually cost to provide the service. Mr. Smith stated that you can change the way the fee is charged...instead of having a flat fee, you can charge by the throw. For example, charge \$9.00 for garbage and \$1.00 for recycling. People will then have more incentive to put more in recycling. Mayor Jennette stated that we haven't done much with recycling and asked what percentage of people are recycling now? Mr. Smith stated we will be mandated to go to 20%. Mayor Jennette stated she thought it was around 12% when we first started. Mr. Lewis stated he thought it is somewhere around 25% of the households served. Mayor Jennette suggested we check with other communities in North Carolina to see what they have done to get recycling increased and start some type of campaign. Councilman Gibson suggested we put a flyer in the utility bill. Mr. Lewis stated that Public Works Department did something at "Career Day" and gave the children some recycling stickers. Mayor Jennette stated that Russell Waters told her it was geared to certain neighborhoods.

Taxes

The next tax re-evaluation will be in 2010, it is done every eight years. We are bound by the County's decision. Mr. Holscher stated that the City has not taken advantage of a re-evaluation. Mr. Smith stated that in doing a revaluation, you're making sure everybody is paying their fair tax in proportionate for the value of their property, you don't do it to raise revenue. Statically, one third of the properties in the community go up, one-third goes down and one-third is the average amount.

Councilman Gibson stated that we got to look around for some guts without affecting services to the City. It's up to each department head.

Mr. Smith stated that Department Heads were asked to target a 7% reduction from the current year to get under the \$1.8 deficit number. That is not providing any allowance for increases. You will see how the departments are proposing to deal with a significant cut. Some of those things he will have to make a decision on and some of those things Council will have to decide. A conservative budget will be presented.

Councilman Gahagan asked if meeting the pay study and any kind of cost of living is included in the numbers? Mr. Smith stated a 3 one-half percent cost of living and meeting the pay study is included in the fixed cost number.

Mr. Smith stated that it is his philosophy that you have to live within the resources you have available. If you have 100 employees, he would rather have 90 employees that are paid well and work hard and do a good job than 100 employees not working hard because of no increase. He stated they will put together a budget and may have to cut some positions.

Councilman Gahagan stated that is why we hired a manager with 30 years of experience...experience and fresh eyes.

Councilman Jennings stated to sharpen the pencils and there are no sacred cows.

Councilman Gibson stated that he doesn't know how we got like this. Mr. Smith stated that activities have expanded...aquatic center, sports complex, waterfront docks, etc. Mayor Jennette stated there is the possibility of a tax increase, that we haven't had one in a long time and Council needs to think about it seriously. It has been fourteen years since taxes were raised.

Mr. Smith stated that you can contract solid waste, mowing of park lands, custodian services...do this by privatization. He stated that if you have a highly paid work staff and a lot people doing the job that two people can do, you can save money by contracting it out. He stated, however, we don't have a highly paid work staff.

Councilman Gibson asked about the City property that can be sold. Mr. Smith stated that we need to get some information from FEMA as to what they will allow us to do. Also, we need some information on the Comprehensive Plan to look at where we have a need for open space. We need to look at what and where our future needs are and what we are allowed to dispose of.

Mr. Smith asked Council if they want to look at contracting anything out? Mayor Jennette asked that mowing and garbage be looked at. Mr. Lewis stated that when you do away with the services and the equipment, then a couple years down the road, prices are jacked up and it cost more to get back into the business.

Councilman Gahagan stated that we have areas where we are duplicating services...cutting grass, etc.

Councilman Jennings stated we need to look at doing a better job. Each department head is in charge of their own facility, that puts a department head in the facilities business. We might be able to do it better if one department was to be in charge of all facilities. Mr. Smith stated you can take a crew and move them around from one building to the next and get a better job than one person who has no supervision. He stated we need to get down to some specific proposals.

Growth/Planning

Define and embrace "Smart Growth" for Washington

Select a tentative date to invite Smart Growth Institute representative to return to Washington for a work session

Mayor Jennette stated that we don't have time to do this tonight. She suggested that Harriet Tregoning come back for a one day session with the Council on Smart Growth and how we want to approach some planning issues. She stated she asked Mr. Smith if we should wait until we have the Comprehensive Plan ready, but he suggested not to wait. When the plans are ready then Council will have the mindset with the Smart Growth issues to tackle those plans.

Councilman Jennings stated that Harriet Tregoning's experience and strategies will give us a lot of thought on not just focusing on downtown, but extending the vision out into the town and Smart Growth plays right into that.

Mr. Smith stated that Ms. Tregoning talked about a "checklist" on the Smart Growth website where they are doing that kind of things, or a "scoring" system.

Councilman Brooks stated that we need to look at areas that need help in.

Council agreed.

**Economic Development
WTDA (Tourism)
Civic Center**

Mayor Jennette stated we talked previously about putting the management of the Civic Center under the Tourism Authority. We need to get some real numbers on what it cost to fix up the Civic Center (desirables, meeting space, customer friendly, etc.) We need an architectural person on call so that when we have renovations/improvements like this they can come in and take a quick survey and give us a recommendation or guidance. Mr. Smith stated that this person would get to know your facilities.

Councilman Jennings stated that brings up the point, going back to the budget, this is a good example of things that concerned him the most. When he hears "\$0" capital expense and sees the possibility of losing the opportunities available, like the Civic Center. One of the ways we can make money is to lose less money. If we can get back on our feet, that will help the budget. If we are going to own this facility, we need to make the most of it. It will take some money to get it back up to speed.

Councilman Gibson stated that we need to look at the Aquatic Center, to "lose less money." Councilman Jennings stated that we have got to break new ground.

Boat Slips

Mayor Jennette asked Councilman Gahagan if he had met with the subcommittee? Councilman Gahagan stated he met with Mike Bradley from the State and DWOV folks on how to move forward. The first challenge is the immediate request for more docks. Knowing that need is there should spur us on. The bigger issue is everything out there on the other side of the river also. Bring in everybody and come up with a vision on what to do, including the property across the way (Tim Forest and Julian Moore). We need to look short term but also need to find out the real story on the channel, what can we do and what can't we do. Determine the will of the community.

Councilman Jennings stated that Department Heads are taxed to the max, but at the same time we get a lot of heartburn on Main Street every time we bring in a consultant and pay them \$20,000, \$30,000 or \$40,000, \$60,000 and they come back and tell us what we knew already. He stated the general feeling (as discussed in the Parking Committee), is to not pay anybody anymore money to count cars, etc. if we can do it ourselves. Mayor Jennette stated, but, if something doesn't get done, we can't blame Department Heads.

Councilman Gibson stated that we need to not talk about so many projects at one time and pick four or five and prioritize them. Councilman Jennings stated that Harriet

Tregoning will help us prioritize them. Councilman Gahagan stated that we were in stagnant growth for years and now we have a lot to react to. Councilman Jennings stated that we need to chase the projects that do fit.

Councilman Brooks stated that sometimes when we have events going on the waterfront, people cannot see because of the boats parked in front of them. Councilman Jennings stated that is why we originally only put the number of slips as we did, so we wouldn't cover the waterfront in boatslips. Councilman Gahagan stated we need to think about it. He stated that DWOW will handle the Waterfront Committee. Mr. Smith asked what function do you want the waterfront to play? Do you want people to tie up to go to a restaurant? What activity level do you want to draw people to the waterfront?

Councilman Gahagan will keep Council informed on Waterfront Committee meetings.

Events and Event promotion

Airport

Hangars

Industrial integration of surrounding properties

Mr. Smith stated that a consultant has been hired and the City is in the process of getting information to the new consultant. The new firm, Talbert & Bright, will get Request for Proposals from other cities on airport management and specifications for corporate hangars, etc.

Also, he stated that Tom Thompson, Economic Development Director, is working with the Committee of 100 to line up funding to build hangars. Councilman Gibson stated this needs to be put on priority.

Council discussed existing fees that are being charged for hangars and the need to see if we are charging enough.

Mr. Smith stated that you need someone at the Airport to be able to call and get a plane ready. He also stated that the rest of the fence could be installed next year.

EDC

Incentive Policy

And

Public Works

Water and Sewer extensions

Coordinate with industrial development

Strategic growth to enhance the customer base

Mayor Jennette stated that Harriet Tregoning will help with these items when she comes back.

DWOW

Seek resources to implement selected components of the W.K.Dixon Plan

Coordinate events and participate in event promotion and production

Coordinate development between property owners, DWOW, and City of Washington

Develop and maintain communication between downtown interests

Mr. Smith stated that he met with Carolyn Stroud and Steve Tanner. Steve Tanner will be moving to City Hall on the Third Floor in Carolyn's old office and Carolyn will retain a desk in the outer area because some equipment needs to stay there right now for the City's cable channel.

Mr. Smith stated that there is not an effort to take Steve Tanner away from DWOW, but to have him close to get projects executed. Mr. Tanner should be involved in every meeting we have.

Mr. Smith will contact Jay McRoy, Chairman of the Beaufort County Commissioners, to let him know about the move.

Library

Explore the possibility of combining library services

Mr. Smith stated that a consultant has been hired to look at the possibility of combining the BHM Library and the Brown Library.

Public Safety

Fire, Rescue, and Police

Work with public officials to combine City and County E911

Initiate and assign phases to building a new public safety facility

Mayor Jennette stated that she will talk to Sheriff Alan Jordan about an agreement between the City and County on E911.

Mr. Smith stated that a “Reverse 911” demo will be held on March 9th at 10:00 a.m.

Mayor Jennette stated that when the City and County previously combined dispatched, the Police Department closed down at night. She stated that if we combine the two again, we still need to maintain some desk personnel around the clock at the Police Station.

Councilman Jennings stated it will be a cost savings.

Mr. Smith stated that the key is “who” will manage it...it won’t work if its managed by the Police Chief or Sheriff. It should be managed by an emergency group of the County with a Board of Directors.

Inspections/Code Enforcement

Must be “user friendly” and uphold the spirit of the City Code

Be committed to code enforcement

Mr. Smith stated that we need to re-engineer the development process. He recommended the Inspections/Code Enforcement remain in the Fire Department right now, but physically they need to get them in the same space. Enforcement of weeds, junk cars, etc. will go to the Fire Department.

Communication

Public appearances by Council Members and Mayor

Regular, face to face meetings, between developers and project related

Department Heads

Communicate with County

Mr. Smith stated that meetings with developers started in March, where everyone sits at the table together and discusses proposed developments. (Al Klemm’s name was suggested to help with flow charts).

Human Resources

Implement Phase 3 of the MAPS Study to maintain competitive wages

Discussed earlier in the meeting.

Explore and implement new benefits if possible

Not discussed.

Provide training that enhances work performance and promotes safety

Not discussed.

**ADDED ITEM TO AGENDA – CLOSED SESSION – ECONOMIC
DEVELOPMENT**

On motion of Councilman Gahagan, seconded by Councilman Jennings, Council unanimously agreed to amend the agenda to add a Closed Session.

On motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously agreed to go into closed session under G. S. 143-318.11(a)(4) Economic Development.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously agreed to come out of closed session at 8:55 p.m.

On motion of Mayor Pro tem Woolard, seconded by Councilman Jennings, Council unanimously adjourned the meeting at 9:00 p.m.

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