

Wilmington City Council met in special session on Wednesday, August 31, 2011, at 8:00 a.m. with President Pro Tem Sandy Mongold presiding.

Roll Call: Jaehnig, present; Wells, present; Stuckert, absent; Wallace, absent (joined meeting later); Mead, present; Mongold, present; McKay, present.

President Pro Tem Mongold introduced the Auditor as the first agenda item. As David Hollingsworth was not in the meeting, she said they would move on and then let him speak later if he arrived.

Finance Committee: Mary Kay Vance announced that there were supplemental appropriations and transfers to go over and that she had included any requests she had received in the packet handed out. The first transfer was from Assistant Chief Weyand. It was from the supply line, which is in dispatch, to his incidental line of \$1000. Mary Kay said she thought it might be for uniforms. She explained that Assistant Chief Weyand was trying to arrange for uniforms for dispatch as part of working on the dispatch area to make it more professional.

Councilman Jaehnig said that he saw a uniform transfer later on the list.

Mary Kay Vance said that she was not sure exactly what the transfer was for and offered to call the Assistant Chief and come up to the meeting to explain exactly what the first transfer was for if the members present needed more information.

Mary Kay Vance said that the second transfer was from the community corrections program. She explained that they had originally given her the wrong information and this transfer was to correct that mistake.

Mary Kay Vance said that the next two transfers were from the permissive tax fund. She explained that this was the fund from which street repairs are paid. She explained that there was a line item that said transfer to bond retirement (which is the payment that would have been made on paying down the Lowes Drive/David Drive notes). She said that we did not pay down as much as we thought we would when we did the budget because we knew that the street paving situation was coming up. She also said that we are able to get the money out of the permissive tax fund at the county. She said that putting the two transfers in line gets the money into line to do the street paving that city wishes to do.

Councilman Wallace asked how much was sitting in permissive tax at the county.

Mary Kay Vance said she thought it was approximately \$120,000.

[Discussion about the amount of money in permissive tax]

Scott Kirchner asked what amount was left in the transfer to bond retirement fund after this.

Mary Kay explained that the city had already rolled the note and they paid the interest and whatever extra principal that was required as a minimum amount. She said she did not have the exact figures in front of her, but \$218,000 had been appropriated.

[Discussion of rolling the bond note]

Mary Kay explained the difference between the revenue line and the expense line. She also explained that transfers do not directly affect the revenue line. Supplemental appropriations are the items for which you need revenue to offset.

[Discussion of the logistics of appropriations, revenues and expenses]

Scott Kirchner reiterated that the transfer to bond retirement was originally put into the budget, but that the city was moving that money into another line item in order to do the street paving.

Mary Kay Vance agreed.

Scott Kirchner asked what amount was rolled over and Mary Kay said it was approximately \$1,102,500.

[Further discussion regarding city finance procedures]

Scott Kirchner asked if the decision to make this transfer would in any way damage the city's financial position in being able to roll the bond in future years and increase volatility of the city's financial status.

Paul Fear said that it was a possibility but he thinks it unlikely in the City of Wilmington.

[Further discussion of the bond market]

Mary Kay said the next item was the transfer from communications salaries to the uniform line item. She said the last transfer was to pay the bill for the company who administrates our Worker's Compensation program. She said the bill was \$35 more than what was expected so monies needed to be moved to pay this.

Councilman Wallace asked if they thought they would have to come back and do a supplemental on communication salaries at a later date.

Mary Kay explained that we had lost an employee in dispatch that had not been replaced, so there should not be a problem. She offered to call Assistant Chief Weyand for clarification.

Mary Kay said the first two supplemental appropriations reflected legislation that was passed two weeks ago for UDAG loans. The supplemental is required to put the money in line for the loans that were approved for The Cutting Room and for 14 N. South Street.

Councilman Jaehnig asked if the amount on the Amanda Boldman was an additional \$23,000. Mary Kay Vance said that the total amount was \$23,000 of the loan and that none of it had been previously appropriated.

Mary Kay explained that the next few were Direct Deductions. She said that this is the amount the County directly deducts as a charge to handle our money from the real estate tax. She further explained that we receipt in the full amount and then expense out the deduction. She said that we estimated this amount low this year and now have to adjust. She says that this means that we got a little bit more than we had expected so the percentage was larger.

[Explanation about how supplemental appropriations are taken out of specific funds, not just the General Fund]

The mayor entered the meeting to see if anything was needed.

Mary Kay said that the last supplemental was from the Police Fund to Vehicle Maintenance. She said this was for a reimbursement from Chrysler to fix a vehicle that was previously recalled.

Mary Kay said the last items are two then and now notifications. Mary Kay explained what a then and now is and what year's budget it comes out of.

[Discussion about the then and now and how it is a notification, not a permission]

President Pro Tem asked if there were any more questions. She also stated for the record that Councilman Wallace joined the meeting and would be voting.

A motion was made by Jaehnig and seconded by McKay to move the supplemental appropriations, miscellaneous transfers, and then and now notification to the September 1 council agenda.

Motion passed.

Items will be moved to council agenda for September 1.

A motion was made by Mead and seconded by Wallace to adjourn.

Motion passed.

Council adjourned.

ATTEST:

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President of Council

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Clerk