

The Washington City Council met in a continued session on Monday, June 4, 2007 at the Municipal Building at 4:30 P.M. Present were: Judy Jennette, Mayor; Darwin Woolard, Mayor Pro tem; Ed Gibson, Councilman; Richard Brooks, Councilman; James Smith, City Manager; and Rita A. Thompson, City Clerk. Councilman Jennings was absent.

Also present were: Carol Williams, Finance Director; Keith Hardt, Electric Director, Gerald Galloway; Interim Chief of Police, Mick Reed, Police Chief; Joey Toler; Interim DWOW Director; Gloria Moore, Interim Library Director; and Mike Voss of the Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

Mayor Jennette stated that the items for the agenda today are (1) DWOW (2) Electric and (3) Library.

DISCUSSION – DWOW

Mayor Jennette stated this is not a public hearing so she assumes Council will ask questions of the representatives in the audience. She stated at the FY 07/08 budget public hearing that there were so many comments about DWOW and Council funding the organization that she and Jim Smith met with DWOW board members on two occasions. Mayor Jennette stated they met with three downtown merchants and they are interested in maintaining a Main Street Program, but would like to see changes in the way DWOW is run so the merchants could have more say. The DWOW board voted to turn over the operation of the Boat Show to World Class Events.

Mayor Jennette asked Dot Moate to discuss the Boat show. She stated the Boat Show has been turned over to World Class Events. The executive board wants to take their response to the next DWOW board meeting before talking to Council about it. At this point, the Boat Show is tentative.

Joe Toler, Interim DWOW Director, stated that DWOW has participated in the Flotilla, Saturday Market, and Farmers Market. As far as development projects, there have been no building projects, as there are no funds to do that. They have been working on the alleyway project. DWOW has raised money, but it has taken money to put events on.

Craig Newton stated that DWOW is working on a Parking Study and is about two-thirds complete, to be finished in August. There is a building inventory to keep track of the square footage of what is occupied and what is vacant downtown. They are working on a list of other projects DWOW can get behind. The restructuring committee is close to finalizing the parking study which won't cost the City a dime, except for \$150 in travel for commerce staff. They are looking at holding a Beautification Day twice a year. DWOW's final gross income as of April was \$34,528.00.

Councilman Gibson pointed out that the two organizations, DWOW and the Downtown Merchants, need to work together. He stated it might be good to do something drastic and ask the members to resign and reappoint new leadership as a condition of the City's finance.

Mayor Jennette stated that new leadership has been discussed and everyone seemed willing to allow the City Council to have far more input into the selection process. Also, there are a number of positions that will be expiring at the end of this month and the Council can review the new applicants.

Ms. Moate stated her term is up and she does not plan to run for reelection. It's a cooperative effort on their part to make this work. She stated they have tried to include all the merchants and had discussed having a position on their board to allow for an additional merchant. She stated they have not tried to exclude anyone. DWOW's books are open for anyone to look at; they don't have anything to lose, and everything to gain if everyone works together.

Mayor Jennette stated that once a new director is in place, that person will be a city employee and we can oversee the day to day activity. Mr. Smith stated that the new director could staff DWOW instead of being their Executive Director. Councilman Gahagan stated that you need to look at DWOW's By-laws.

Mr. Smith stated that Council's role in appointing members of the Board and the role of the Executive Director would require changes to the By-Laws. We are looking at making it work.

Mayor Jennette stated that we could keep DWOW funding in the budget as is, and come up with a new leadership structure.

Ms. Moate stated that no one has objected to Council having a say on the people who have applied for the positions; no one is turned away.

Councilman Brooks asked if the City supports DWOW in this coming year's budget, can they support themselves next year?

Mr. Newton stated that it depends on the Boat Show. DWOW needs to work with the City and the downtown merchants to make it a success. Mayor Jennette stated we need to give them more strength and security.

Mayor Jennette stated that the new Director can work for the City until we get the new board in place and get things stabilized. Mr. Smith stated that the position is a city employee position.

Councilman Gahagan expressed a couple of reservations he has, for example, the position like Lynn Lewis' is convenient because of benefits. We're still stuck with an employee. Once you're an employee, you're always an employee. The Executive Director is an employee of DWOW, then a City of Washington employee. Mayor Jennette stated we can look at other organizations and see if we need to modify the By-Laws.

Mr. Smith stated that we should set some benchmarks for the Director to accomplish and his or her continuance will be based on those benchmarks.

Mayor Jennette asked Gary Tomosulo and Bob Martin if they could live with what the Council has been talking about? They said they had no problems with the Director being a City employee.

NEW POLICE CHIEF

Mayor Jennette introduced the new Police Chief, Mick Reed.

LIBRARY

Mr. Smith stated that he has had discussions with the Director of the State Library, and she has interpreted our collection program at the Brown Library as a fee. We had initiated a policy that we would get a social security number, a \$25 donation, or a City of Washington utility bill for a person to receive a library card. That has been interpreted as a fee to use the library which is a violation of a free public library. If we maintain this policy, we lose the \$12,600 the State contributes to the Library. The \$7,800 that we give the BHM Library could have

consequences also. The State is giving us 30 days to return the money collected (\$75.00).

Discussion was held on the \$15,000 owed to the Library for lost books, overdue fines, etc. Records are not kept over three years. It was suggested that we change our record keeping.

Council agreed that no one can check any books out if they owe any money. Also, if we need to take anyone to court, we should take them.

After discussion, on motion of Councilman Gahagan, seconded by Councilman Brooks, Council unanimously agreed to increase the maximum fine for books not returned to \$35.00 and recognize that adults are responsible for books checked out by children and enforce the new book fine.

Councilman Gibson left the meeting at 6:00 p.m.

ELECTRIC FUND BUDGET

Mr. Smith passed out three pages from the study performed by Cherry, Bekaert & Holland. He stated that there are some questions staff wants to ask them. It has been our concern that the difference between our Purchase Power and the revenues we receive. That difference wasn't large enough to accommodate operating expenses. He stated the report has a lot of apples and oranges. Councilman Gahagan stated it looks like we have over estimated our revenues each year.

Mr. Smith stated that the problem is our actual revenues are coming in under the projected revenues. We need to be more conservative in revenue estimates. We could just use Booth's numbers and not adjust the numbers.

Mr. Smith stated we cut \$400,000 in this year's budget. Even today we were still \$10,000 short and are at the point where there is not much left to cut.

Mr. Doug Mercer pointed to a recent handout, Schedule 3, that the collection rate for 2005 was 2.2% uncollected, 2004, 2.5%. Mr. Hardt stated that the bad debt reported to the collection agency is .4 of 1%, the difference between what we bill and what we collect is not in Booth's report. Mr. Mercer stated that if you don't collect all that, you're \$1 million short. Councilman Gahagan stated that we are talking about two different things.

Mr. Hardt reviewed all the Electric Fund divisions with Council.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously adjourned the meeting at 7:00 p.m.

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