

The Washington City Council met in a continued session on Monday, May 5 2008 at 4:30 p.m. in the Council Chambers at the Municipal Building. Present were: Judy Jennette, Mayor; Doug Mercer, Mayor Pro tem; Richard Brooks, Councilman; Darwin Woolard, Councilman; Archie Jennings, Councilman; Gil Davis, Councilman; Jim Smith, City Manager; Reatha Johnson, Acting City Clerk; and Franz Holscher, City Attorney.

Also present were: Anita Radcliffe, Acting Finance Director; Allen Lewis, Public Works Director; Bobby Roberson, Planning and Community Development Director; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Susan Hodges, Human Resource Director; Keith Hardt, Electric Director; and Greg Katski, of the Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

On motion of Councilman Woolard, seconded by Councilman Jennings, Council unanimously approved the agenda as submitted.

PRESENTATION – REID BRODIE FOR RURAL CENTER GRANT

Mr. Reid Brodie, Senior Owner with Pacific Seacraft purchased a company from California in September of this year and temporary located at National Spinning and looking for a permanent home. Mr. Brodie was made aware of a Restoration and Reuse Grant program on Thursday afternoon that was being handled by the Rural Center in Raleigh.

Mr. Brodie stated they will require special renovation to a building to allow them to fiberglass the haul of boats. Mr. Brodie said they are being called a start-up company although they have dealer established products.

Mr. Brodie was given an extension on applying for the grant until Wednesday, May 7, at 5:00 p.m. Mr. Brodie has met with Bobby Roberson, Planning and Community Development Director, and the majority of the material required to apply for the grant has been pulled together. The 3% investment required by the City, can be paid in full with administrative cost and no cash outlay will be required from the City. There are some restrictions or guidelines in regards to a building being partially occupied and the National Spinning building is partially occupied. The director has said this is an exception and will consider the application, but the approval itself will be part of the review and approval of the package itself.

Mr. Brodie is requesting the City to agree to apply for the grant. Mr. Brodie stated his intent is to hire 25 people within the next 18 months.

On motion of Councilman Jennings, seconded by Councilman Woolard, Council unanimously agreed to authorize the Mayor to sign the application and in kind match of the grant and to offer any kind of assistance to the Brodies.

ACCEPT – EMERGENCY GENERATOR CHANGE ORDER

Jim Smith, City Manager, stated this was the change order that Chief Davis mentioned to Council last week. Initially, in order to provide some room under the borrowing, Council asked that we reduced some things. The generator was reduced and the project has now come in about \$149,000 under budget and we are now in a position to put the emergency generator back into the project. The price of the generator is \$129,671 and we will still be under budget.

On motion of Councilman Brooks, seconded by Councilman Woolard, Council unanimously agreed to accept putting the generator in at Fire Station 2 for \$129,671.

APPROVAL – TO FILL VACANT POSITIONS

Jim Smith, City Manager, stated that Council asked for us to come back to seek authority to fill vacant positions which are presently:

- Utility Maintenance Technician
- Finance Director
- City Clerk
- Aquatic Center Director

Mr. Smith stated that in addition, we need to appoint an acting City Clerk which is a Council appointed position and he recommends the appointment of Reatha Johnson, who is currently the Assistant City Clerk. Mr. Smith said that Councilman Jennings also mentioned that Council will need to pull together a process to permanent fill the position of City Clerk.

VACANCY - CITY CLERK POSITION

Mayor Jennette asked if Council could go ahead and make a decision about the appointment of acting City Clerk first.

On motion of Councilman Brooks, seconded by Councilman Woolard, Council unanimously appointed Reatha Johnson as acting City Clerk.

Mayor Pro tem Mercer stated that Susan Hodges, Human Resource Director, gave suggestions last week on advertising for a City Clerk. Mayor Pro tem Mercer stated that basically the suggestion was the Mayor, Manager, and a Councilman bring back to the Council a candidate for the position. Mayor Pro tem Mercer expressed concern about that because he feels all five Council members should be involved in that process. The process also suggested that we would have a new Clerk in place by July 1, and he also have some reservations about this. Mayor Pro tem Mercer said once the applications are in, he would not object to a small group of individuals screening those to remove the ones that are unqualified. After this point, he feels:

- Entire Council should be involved
- Once the group has been narrowed down all applicants be sent to all five of the Council members
- Council members rank the applicants
- Council should either meet together or the applicants be given to Susan Hodges
- Susan Hodges comes back to Council with a copulation of the top five applicant's based on Council assessment from the resumes
- Council has whatever discussions are appropriate to select one or two for final consideration

Councilman Jennings asked Ms. Hodges if Council was really not bound by any statutory process as to how this process is done; Ms. Hodges agreed. Councilman Woolard asked that with that in mind, can they do the same type of process they used when hiring the City Manager. Mayor Jennette pointed out that in hiring the City Manager, everyone received the applications and then narrow it down to their top 10 picks and then narrows it further. They did not have a sub-committee.

Following discussions, Councilman Jennings proposed that Ms. Hodges would be the first filter then to the smaller group culminating with a three to five finalists for the full Council to review very vigorously including interviews and this

will be considered the intermediate step. Mayor Jennette recommended the sub-committee consist of two Council members and herself this way you would not have a quorum. Council agreed to this recommendation.

Subcommittee Members:

Judy Jennette, Mayor
Archie Jennings, Councilman
Richard Brooks, Councilman

Susan Hodges asked when the committee should meet and Councilman Jennings stated when she gets it down to a percentage of the full field. Ms. Hodges will be ruling out applicants she feels are not qualified for the position.

Mayor Jennette asked that the whole Council look at and approve the advertisement.

On motion of Councilman Woolard, seconded by Councilman Jennings, Council unanimously agreed to unfreeze the City Clerk position and begin advertisement.

Councilman Woolard asked where the job would be advertised.

Suggestions

City Clerk List Serv
Southern City
NC League of Municipalities - Website
NCACC website – League Letter & Southern City
Advertise Locally
News & Observer
Minority Publications
Employment Security Commission
City 9 TV Channel
City of Washington – bulletin boards & website

Mayor Jennette asked to have the job description as soon as possible and the list of where it will be advertised.

Mayor Pro tem Mercer stated that it had been brought to his attention that Ms. Rita Thompson could work for the City on a contract basis. Mayor Pro tem Mercer stated he had spoken with Ms. Thompson and she stated she would consider doing the minutes. Mayor Pro tem Mercer would like for Council to consider the possibility of hiring Rita on a contract basis to do the minutes during this interim period. After discussion, Mayor Jennette asked Mr. Smith to contact Ms. Thompson and find out what it would cost to do this. Mayor Pro tem Mercer said Council needed someone that is knowledgeable of the Council needs and willing to work on an hourly basis for a short period of time and this should be considered. Council agreed to have Mr. Smith look into it. The retirement system prohibits anyone to come back to work until they are out of work a month. Mr. Smith stated this would be great if Ms. Thompson will consider coming back but in the meantime, we will still need someone to come during the short term because it is a lot of work for one person.

VACANCY - FINANCE DIRECTOR POSITION

Jim Smith, City Manager, stated they were going to start advertising for this position and in the meantime Anita Radcliffe is Acting Finance Director.

On motion of Mayor Pro tem Mercer, seconded by Councilman Davis, Council unanimously agreed to unfreeze the Finance Director position and begin advertisement.

VACANCY – AQUATICS CENTER DIRECTOR POSITION

Mayor Pro tem Mercer asked if this position was vacant and Mr. Smith stated it will be the 16th of the month.

Councilman Jennings stated considering the budget situation around the pool, and Council had been dealing with year to year, he would like to hold off on this position. Mayor Jennette said this was a discussion Friday between she and Mr. Smith, there may be a way of restructuring the pool.

Councilman Davis asked if there was anyone else on staff that is a certified pool operator. Mr. Mobley stated he has two employees qualified to operate the pool, this is required by law, one full time and one part time.

Council decided to hold off unfreezing this position until after budget discussion for the Aquatic Center at the May 27th meeting.

UTILITY MAINTENANCE TECHINCIAN POSITION

Mayor Pro tem Mercer had several questions that needed to be answered tonight before making any decisions. Mayor Pro tem Mercer was satisfied with the response from Mr. Lewis and Ms. Hodges.

On motion of Mayor Pro tem Mercer, seconded by Councilman Woolard, Council unanimously agreed to unfreeze the Utility Maintenance Technician Position.

CLOSED SESSION – UNDER G. S. 143-318.11(a)(3) ATTORNEY/CLIENT PRIVILEGE AND G.S. 143-318.11 (a)(6) PERSONNEL

On motion of Councilman Woolard, seconded by Councilman Jennings, Council unanimously agreed to go into closed session at 5:05 p.m. under G.S. 143-318.11(a)(3) Attorney/Client Privilege and G.S. 143-318.11(a)(6) Personnel.

At 6:00 p.m., on motion of Councilman Jennings, seconded by Councilman Woolard, Council unanimously agreed to come out of closed session.

BUDGET OVERVIEW

Jim Smith, City Manager, stated that the budget message had been delivered to Council and suggested unless there are any questions from Council not to go through the overview and go straight to the departments. Mr. Smith did state that this is a very tight budget. The Finance Director makes her best estimate and Department Heads are given a target; this year no departments were able to meet their target.

BUDGET WORKSHOP

Human Resources Department

Council reviewed the Human Resources proposed budget. Discussion was held on:

- Health insurance
- 401K

- Benefit Consultant – Is there any way we can alternate and not do this yearly. Ms. Hodges stated this is part of the League program that we are not self funded.
- Wellness, Aquatic Center – can we tie these programs together? This is being implemented now. Employees will be required to pay a portion of their health insurance.
- Health assessment – will the City require employees to take part in this program? Yes, or they pay.

Mayor Pro tem Mercer had a general question for all departments concerning the cost of telephone lines and the need for standardization, Mr. Smith stated some of the lines have voice mail. Anita Radcliffe, Acting Finance Director, said we have a fixed cost with ITS per line (ITS is a state contract). Long distance is allocated by the line user. Keith Hardt, Electric Director, said there are a lot of variables on the telephone lines. Also, there was a general question on cost of computers, printers, and the cost of Blackberry's. Mrs. Radcliffe stated that all lap top computers are \$2,000 and all desk top are \$1,500.

Mayor Pro tem Mercer noticed that maintenance on cell phones were \$20 per month which is \$480 a year.

Councilman Jennings inquired about having a local based company to come in and speak with all Department Heads and looked over everything to list in their department to make sure it is still in use. Mr. Smith stated we had Robert Seagull CPA firm to come in and he checked the phone lines and pretty much looked at everything to bench mark. Councilman Jennings asked did they find anything and Mr. Smith said not much, a couple of phone lines not in use.

Mayor Pro tem Mercer requested for a breakdown of insurance as to cost per policy.

There were no changes made in this department at this time.

City Council

Council reviewed the City Council proposed budget with Jim Smith, City Manager, and Mr. Smith stated the budget was down about \$5700 since there is no election this year.

Mayor Pro tem Mercer said he had another general question, that the budget message suggested there was a 3% cost of living across the board. He noticed in calculating some of the increases that it ranged from 3.7% to 5.2%. Mayor Pro tem Mercer did not have a problem stating it was a 3% increase, but felt they all should be the same. Mr. Smith said they are all the same; one of the differences could be someone coming off probation. Anita Radcliffe, Acting Finance Director, stated that it would also be any kind of merit or job maturity in between now and the end of year. Mr. Smith stated twice a year you may be entitled to an increase – in July for cost of living and during you annual evaluation and this can range anywhere from 1%- 5% it is also possible you will not receive anything.

Councilman Woolard had a question concerning the cost of insurance on their line item. Mrs. Radcliffe stated the stenographer insurance is also prorated to this account.

Mayor Pro tem Mercer stated he would like to see \$200 on International City Clerk dues removed. Mr. Smith stated this is one that actually provides all the training for the City Clerk to become a certified clerk. Mr. Smith said he believes it's the one where the state provides the training but it is designed by the International Clerk Association; Mr. Smith will check to make sure.

There were no changes made in this department at this time.

Mayor

Council reviewed the Mayor proposed budget with Jim Smith, City Manager. Mr. Smith said the Mayor budget was unchanged for the current year.

There were no changes made in this department at this time.

City Manager

Council reviewed the City Manager's proposed budget with Jim Smith, City Manager. The budget was unchanged except for new computer and printer for the Administrative Support Specialist.

Mayor Pro tem Mercer inquired about the increase in the 401K contributions for the City Manager. Mr. Smith stated when he first came, he had a disability program and last year Council approved a dollar per dollar swap; dropping the disability and putting it all in ICMA/RC 357 Plan. Mr. Smith will check into the figures for Mayor Pro tem Mercer.

Mayor Pro tem Mercer inquired about the Internet for the City Manager's home being \$900 did this include cable and Mr. Smith said yes, but it is kept separate for everything else at his home. The difference in the cost from Suddenlink is the type of software installed to protect the financial system. Mr. Smith stated he has web access and direct access at home.

There were no changes made in this department at this time.

Finance Director

Council reviewed the Finance proposed budget with Jim Smith, City Manager. Councilman Jennings asked the going rate for a Finance Director. Mr. Smith said the going rate for a Finance Director is at least what the City was paying Ms. Williams.

Mayor Pro tem Mercer requested the League of Municipalities 07 survey release of salaries. Mayor Pro tem Mercer said he would again like to make a notation on dues. Also, Mayor Pro tem Mercer inquired about the purchase of the three (3) desk and three (3) chairs. Ms. Radcliffe explained that the accounting clerks are in cubicles now and the desk was with the intention of moving to 3rd floor and the employees will be going into separate offices. This is also important for privacy with employees changing payroll information.

Councilman Woolard asked who made up the five (5) full time employees and Mrs. Radcliffe provided that information.

There were no changes made in this department at this time.

Purchasing

Council reviewed the Purchasing proposed budget with Jim Smith, City Manager, and Anita Radcliffe, Acting Finance Director. This department is moving smoothly after the transition of eliminating the position last year. The \$4,000 in Maintenance and Repair Building is for the warehouse portion only. The additional cost will come out of the other four (4) departments.

There were no changes made in this department at this time.

Information Services

Council reviewed the Information Services proposed budget with Anita Radcliffe, Acting Finance Director.

Mayor Pro tem Mercer asked if the \$6,000 in Capital Outlay be delayed. Mr. Smith stated we will still need the software in order to use it. Councilman Jennings asked if we can check into running the fiber underground.

There were no changes made in this department at this time.

Revenue Collections

Council reviewed the Revenue Collections proposed budget with Anita Radcliffe, Acting Finance Director. Mayor Pro tem Mercer asked since the contract services-credit card equipment will not be included in this budget, should not the \$70,000 be decreased? Mr. Smith stated this was a good question, he believes this amount should be \$10,000 less and will check into it.

Billing Department

Council reviewed the Billing Department proposed budget with Jim Smith, City Manager. Mr. Smith stated the major increase here is postage.

There were no changes made in this department at this time.

Customer Service

Council reviewed the Customer Service proposed budget with Jim Smith, City Manager, and Anita Radcliffe, Acting Finance Director.

Mayor Pro tem Mercer was concerned about the purchase of the two trucks in the budget. Mayor Pro tem Mercer asked if one could be replaced this year and the other one next year. Mrs. Radcliffe stated that one had a transmission problem and Mayor Pro tem Mercer stated then replace that one. Mr. Smith stated he will check into it.

On motion of Councilman Woolard and seconded by Councilman Brooks, Council unanimously adjourned the meeting at 7:30 pm, until Monday, May 12, 2008 at 4:30 p.m. in the Council Chambers at the Municipal Building.

**Reatha B. Johnson
Acting City Clerk**