

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; Archie Jennings, Councilman; Gil Davis, Councilman; Jim Smith, City Manager; Reatha Johnson, Acting City Clerk; and Franz Holscher, City Attorney. Darwin Woolard, Councilman, was absent.

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

Mayor Jennette called the meeting to order and Councilman Brooks gave the invocation.

### **APPROVAL/AMENDMENTS TO AGENDA**

On motion of Councilman Brooks, seconded by Councilman Davis, Council unanimously approved the agenda as submitted.

### **BUDGET WORKSHOP**

Mayor Pro tem Mercer asked to make a general observation before Council starts on the Budget Workshop. Mayor Pro tem Mercer stated he has a list of suggested modifications that will total approximately \$600,000 just in the General Fund. He had also gone through the fee schedule in the back of the book and felt that Council will need to take the time one day and revise the whole fee schedule.

Mayor Jennette stated she was sure we will need one more meeting and asked Mayor Pro tem Mercer to provide Council with a copy of the list to look over prior to the meeting.

Mr. Smith stated along the same line, he and Ms. Radcliffe are working on the suggested changes received from Councilman Jennings on delaying Capital Outlay and are also reviewing the draft of the Capital Improvement Plan. Councilman Jennings stated "good".

Councilman Jennings stated the Manager had spent some time with him and Mayor Pro tem Mercer. Before they agree upon a concept, he would like to tie that ideal with the Capital Improvement Plan. There are some things that can wait a little while and some things that can wait indefinitely. Councilman Jennings said the other thing he would like to get on the table, is to take this opportunity to go back and address those positions that had been moved from the general fund to the stormwater fund. Councilman Jennings suggested using the fees the way they should be used and he would like to get those positions moved back into the general fund; Council would need to have some time carved in the budget to discuss this also.

Mayor Pro tem Mercer suggested looking into the 401K. Mayor Pro tem Mercer suggested as a change this year the City contributes 1% and the employee contributes 1%. Mr. Smith received a survey of all communities of the Southeast and most of the municipalities' average 3.77% which is \$1,379 which would be equivalent to the \$50. Mayor Pro tem said they all have the voluntary component of 1% to 2%. If each employee contributes, it would be further matched. Mr. Smith stated to be fair, this recognizes the low income employee – every employee with the exception of the Police gets \$1,300. Mayor Pro tem Mercer stated the policy book says 401K contribution will be made if funds are available. Councilman Brooks said we need to look at everything else before we cut employees benefits. Councilman Brooks said our employee's are the key

and heart of the City. Councilman Brooks said when citizens see City employees, they are representing Council and Council needs to represent the employees. Councilman Davis agreed with Councilman Brooks but also feels the employee should contribute to the 401K. Councilman Jennings stated benefits are not an entitlement and they warrant review. Mr. Smith said it has taken nine (9) years to get where we are now. Mayor Jennette stated \$50 was a goal when we first started. Following more discussions:

Mayor Jennette stated she was sure we would have another budget session and hopefully we will resolve those issues. Mayor Jennette called Council attention to the budget.

### **Outside Agencies**

Council reviewed the Outside Agencies proposed budget and Mayor Jennette asked for questions.

Mayor Pro tem Mercer asked to have the money under Beaufort County – Animal Control moved to the Police Department budget. Council was in agreement.

### **DWOW**

Council reviewed the DWOW proposed budget and Mayor Jennette asked for questions.

Mayor Pro tem Mercer asked why \$60,000 was in DWOW's budget. Mayor Jennette said she was told it was there to fix up the alley way. Councilman Davis asked if alleys are not allocated to the Public Works Department. Mr. Smith informed Council that the cost was split between Electric and Public Works, Electric paid for the lighting and electrical infrastructure and Public Works paid for draining (etc.). Mayor Pro tem Mercer suggested the money be placed under the correct department and Councilman Jennings agreed. Councilman Jennings suggested allocating enough money in DWOW's budget to have the design work done by Allison Plat. Council asked Mr. Roberson what was the cost on the design work for Ayers Lane; Mr. Roberson stated \$15,000.

Council agreed to decrease DWOW's budget to \$15,000.

Councilman Brooks stated Council had requested \$10,000 from the County for Beebe Park and did the City need to match it. Council agreed we need to get this project finished and we still have the shelter to construct.

\*Note: Council agreed to increase Beebe Park budget to \$40,000 (located on page 178 in the budget book).

Councilman Jennings asked to see documentation of in-kind services in the budget (a number for forgiving revenues).

### **Economic Development Commission**

Council reviewed the Economic Development Commission proposed budget with Jim Smith, City Manager.

Mayor Pro tem Mercer thought when the County asked the City to change our representation with the Economic Development Commission Board; there would be a smaller percentage of EDC's budget in our operating budget. Mr. Smith stated we agreed to pay 32% and Jim Chrismon, Assistant Manager and Finance officer with the County, had supplied this dollar amount as the City portion. Councilman Jennings asked if we could find out what the operating

budget is. Mr. Smith stated \$123,328 and that it use to be \$98,000. Councilman Jennings asked to have the County break down the expense.

Mayor Jennette inquired about line item #4511, the Turnage Theater Tax Incentive and was informed it was the Job Creation Grant.

Councilman Brooks inquired if line item 4505-4509 had been paid off. Ms. Radcliffe stated "yes". Ms. Radcliffe stated the County paid for line item #4509 Shell Bldg. and #4510 Shell Bldg. #1 had been sold.

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

### **Airport Fund**

Council reviewed the City Manager's proposed budget with Jim Smith, City Manager.

Mayor Jennette informed Council that in the handouts placed in front of them was a letter from the State verifying that the City would get a \$200,000 Grant.

Councilman Jennings suggested having someone assigned to the Airport to make the Mayor and Council aware of what is going on. Councilman Jennings would like to see someone with more focus, oversight, and a vested interest. Mayor Jennette suggested preparing a questionnaire to hand out.

Following items discussed and answers were provided:

- Maintenance/Repair Grounds – questioned it should cost \$600 a month
  - **Council directed the Manager and Acting Finance Director to find out what exactly is being mowed**
- Contract Lease – Processing fees
- Farming Lease

Mayor Pro tem Mercer requested to have someone sit down with him and explain administrative charges schedule in the budget.

Councilman Jennings asked a general question about employees being provided with a car allowance; Mr. Smith stated it was just Department Heads. Mr. Smith explained the policy on car allowance and Councilman Jennings stated he was ok with it now.

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

### **Electric Fund**

Council reviewed the Electric proposed budget with Keith Hardt, Electric Director and Jim Smith, City Manager. Mr. Hardt stated what was included in the wholesale side was 5% and it could go higher, it is just a preliminary cost. The retail sales do not include any adjustments. Mr. Smith stated our situation is up in the air; the original plan was a 4% increase. At this point in time, we recommend leaving the budget alone and not making any adjustment until August. Keith Hardt, Electric Director, passed out the last's Power Cost Summary and stated Council will know the actual adjustment on June 27<sup>th</sup>.

Councilman Jennings asked if we have our numbers that we can anticipate passing through that rate increase instead of tacking on some adjustments. Mr. Smith stated we need to get the Cost of Service Adjustment that Council approved.

Mayor Pro tem Mercer suggested the whole Cost of Service Adjustment be reevaluated. Mayor Pro tem Mercer feels Council need to sit down and have an in depth discussion of how we arrived at some of these cost and then make the adjustments to our rate schedule.

Councilman Jennings inquired "if we eat our loss power or do we pass it along to cost of goods sold". Mr. Hardt stated we don't eat it; it is embedded in the retail rates.

Mr. Smith stated we would like to wait until July when we will have the final Power Agency rate increase finalized. Mayor Jennette stated we had talked about having a separate meeting maybe in July to discuss rates.

Council discussed the Electric Revenue & Power Cost Summary in depth. Mayor Pro tem Mercer stated ten (10) years ago we had a Rate Stabilization Fund that had several million dollars in it so that when you got a small increase of 1% or 2% it was buffered out of the rate adjustment and that is gone.

Mayor Pro tem Mercer suggested reading meters every other month. Mr. Hardt said the system we have will not allow us to do this but we are looking at into it. Mayor Pro tem Mercer asked Mr. Smith to ask the County about contracting the out of town meters. Mr. Smith also addressed that we need to get the GIS system in place.

Councilman Jennings asked if the City could switch territory with the local electric co-op and try to get a more cohesive customer base. Mr. Hardt stated they had also looked at doing this. He and Mr. Smith had a meeting with the local electric co-op in February and they are received mixed signals from the board members and the Chief Executive Officer.

Mayor Pro tem Mercer asked to have a line item for Insurance and Bonds in every department. Mr. Smith said it can be done and he will look into it. Mr. Smith checked before we left that meeting and it is already being done this way.

Councilman Jennings asked Mr. Hardt to provide a report showing how much it would cost to have underground wires installed. Councilman Jennings requested a five (5) block area to start with (Bridge Street from the base of the bridge).

Other questions from Council that were discussed and addressed:

- Professional Services – Pole Attachment Engineering and Contracts
- Part time employees
- Main Sub-station Transformers
- Bath Circuit

Mayor Pro tem Mercer requested to be provided with a report on how many part time employees the City has. Mayor Pro tem Mercer questioned the move of Customer Service employees to Finance Department stating there is a substantial difference in some of the numbers.

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

### **Special Revenue Funds**

Council reviewed the Special Revenue Funds proposed budget with Jim Smith, City Manager.

Councilman Jennings stated he had one question, why don't we have any? Mr. Smith stated he did not feel we need to appropriate any money this year.

Mayor Pro tem Mercer inquired about the 911 budget. The County is 911 compliance already. Councilman Jennings said the consideration for this Council is maybe to say we will take care of this one more year but going forward we want to transfer the 911 business to the County. Councilman Brooks stated he would like to see the pros and cons and Mr. Smith was tasked with providing a report.

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

**DISCUSSION – CONTRACT PROPOSAL FOR MINUTES SERVICES**

Mayor Jennette asked Council to discuss the contract that Ms. Rita Thompson had proposed. Mr. Jim Smith stated Council has three options:

1. Contract proposal from Ms. Rita Thompson
2. Carolina Court Reporter, Inc. – Rates and Policies
3. Continue as we are now

Mayor Jennette asked if Council felt it was being covered as it is now. Mr. Smith stated it was requiring some overtime and some part time assistance from Ms. Desmetress Howard.

Mayor Pro tem Mercer stated he had contacted Ms. Thompson for a couple of reasons: (1) She is a long time employee and a walking encyclopedia (2) Felt we needed to keep that kind of knowledge and the new person could learn from this vast amount of knowledge. Mayor Pro tem Mercer asked Council to consider giving Ms. Thompson a three (3) month contract. Councilman Davis felt that Ms. Thompson had the experience and knowledge of where to look and find things that the current staff would be handicapped in. Councilman Jennings stated he understands about the knowledge, but he wish to informalize knowledge transfer since Ms. Thompson would not be in the office. Both Councilman Jennings and Mayor Jennette felt sure Ms. Thompson would help us when needed. Councilman Jennings felt that when we find a Clerk then we could formalize; it would be of value to have a transition enhancement. If we have a three (3) month agreement and we have not found anyone, then we loss that option with Ms. Thompson.

Mayor Pro tem asked the Manager why he had not change the wording of the City Clerk advertisement before it was published. Mayor Pro tem Mercer stated the request was from himself, Councilman Davis, and Mayor Jennette. Mayor Jennette said she only agreed to change the top portion; she did not read down through the bottom. Mr. Smith said he only had a response from two Council members and it was not the majority but he would be pleased to follow Council direction. Mayor Jennette stated the only reason we are having this discussion tonight is Ms. Thompson would like to start on the 9<sup>th</sup>.

Council discussed the proposed contract rate including the comparison cost of a court reporter and options utilizing current staff. Utilizing current staff will help keep the cost down until a City Clerk is hired.

On motion of Councilman Brooks and seconded by Councilman Jennings, Council voted two for two to keep utilizing current staff for City Clerk duties.

Vote was taken on the motion, as follows:

AYES:           Councilman Brooks  
                    Councilman Jennings

NAYS: Mayor Pro tem Mercer  
Councilman Davis

Councilman Woolard was absent, therefore, Mayor Jennette voted for the motion to break the tie.

On motion of Councilman Brooks and seconded by Councilman Jennings, Council unanimously adjourned the meeting at 7:10 pm, until Monday, June 9, 2008 at 4:30 p.m. in the Council Chambers at the Municipal Building.

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**Reatha B. Johnson  
Acting City Clerk**