

The Washington City Council met in a continued session on Monday, May 4, 2009 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; and Cynthia Bennett, City Clerk.

Councilman Darwin Woolard arrived at 4:45 p.m. and was made a part of the minutes.

Also present were: Matt Rauschenbach, Chief Financial Officer, Anita Radcliffe, Accounting Manager; Allen Lewis, Public Works Director; Susan Hodges, Human Resource Director; Bobby Roberson, Planning and Community Development Director; Keith Hardt, Electric Director; Ray Midgett, IT Director; Mike Voss, of the Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

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

ADOPT – AMENDED FY2009-2010 BUDGET WORKSHOP SESSION SCHEDULE

On motion of Councilman Jennings, seconded by Councilman Brooks, Council unanimously approved the amended FY 2009-2010 budget agenda as submitted.

BUDGET OVERVIEW

Jim Smith, City Manager touched on a few key points on the budget overview.

- Revenue down approximately 15%
- Sales tax down approximately \$340,000 (15%)
- Interest on investment approximately \$83,000
- New privilege license proposal
- Created Cemeteries as a new enterprise fund (proposing a perpetual care)
- No COLA
- Kept merit & job maturity for employees
- Kept \$50 in 401 (k) – equitable to the Public Safety Officers (Police Officers)
- Eliminated all scheduled overtime (few cases where this was not possible) 66% reduction
- Eliminated employee recognition luncheon
- Eliminated retirement parties
- Eliminated employees reward and incentives
- Two options offered on Health Insurance: PPO (Preferred Provider Organization) and HSA (Health Savings Account).

Mr. Smith stated in the HSA plan the City will contribute \$700 to each employee's account. Susan Hodges, Human Resource Director, updated Council on both options. Councilman Jennings inquired if the \$700 would be an annual cost for the City; Ms. Hodges said yes. Council was informed that there will be meetings with all employees to discuss both options. James Smith, Susan Hodges, and Matt Rauschenbach addressed all questions presented by Council concerning both options. Mr. Smith stated the City is recommending the PPO plan.

CITY COUNCIL DEPARTMENT

No changes were made to the City Council budget at this time. Mayor Pro tem Mercer questioned the \$1590 for hosting City Web-site for the City Code Book. Mr. Smith stated this project is underway and the \$1590 will cover the cost for the web-site, which will be provided through a link from the Municipal Code web-site. Councilman Jennings suggested deleting the \$1200 from Council refreshments line. (No action taken on this item).

MAYOR

No changes were made to the Mayor's budget at this time. The shared phone was discussed.

CITY MANAGER DEPARTMENT

Mayor Pro tem Mercer questioned the \$4,000 for a facilitator. Mr. Smith explained the staff had an annual retreat as well as the Council. The retreat is one day but the agenda prep, coordination, written report of the meeting, and lunch being provided totals the \$4,000 expense.

Mayor Pro tem Mercer questioned the 401(K) contributions on the two employees at \$4050 (\$1350 per person calculates to \$2700). Ms. Radcliffe agreed that this was incorrect the Manager also receives \$1350 (3 employees at \$1350 = \$4050). Council agreed to delete the \$25 for the Beaufort Observer.

Ray Midgett, IT Director explained the \$69 charge for the Manager's internet service. The City pays the bill; therefore, Sudden Link considers it a business account and charges the business rate.

Also, last year's budget requested a printer for the City Clerk's office and Ms. Radcliffe informed Council the printer was cut out of the budget in August.

HUMAN RESOURCES DEPARTMENT

Mayor Pro tem Mercer had a general question concerning all departments in the budget. Why does some salaries show increases and others don't. Anita Radcliffe explained there is a separate line for merit and job maturity for next year but if an employee has received merit or job maturity for the current year then it is built into the current salary. Future merit is listed on a separate line in non-departmental miscellaneous.

Mayor Pro tem Mercer questioned non-capitalized purchases. Mr. Smith and Ms. Radcliffe responded by referring to the purchases listed in the budget. Mayor Pro tem Mercer referred to the previous discussion referencing capitalized vs. non-capitalized purchases. Mayor Jennette asked Ray Midgett, IT Director if the list for computer purchases could be provided to Mayor Pro tem Mercer for next year and Mr. Midgett said yes. Mr. Midgett was able to provide the requested report this year and Council said it was a great report and requested to receive it each year.

Councilman Jennings asked for clarification on the merit increase process and Susan Hodges explained the merit is done by employee evaluation in some instances some employees may not receive an increase. Also, Councilman Jennings asked to be provided with a projection of the total anticipated increase for payroll this year. Ms. Radcliffe stated the increase in payroll would be approximately \$115,000.

FINANCE DEPARTMENT

No changes were made to the Finance Department at this time.

PURCHASING

No changes were made to the Purchasing Department at this time.

Washington Daily News subscription has been reduced to five this year; one for each floor, Library, and Parks & Recreation. Mayor Pro tem Mercer questioned the maintenance and capital improvement budget and answers were given. Councilman Davis requested information on the unused computers and Mr. Smith informed him they were being recycled.

REVENUE COLLECTIONS

No changes were made to the Revenue Collections at this time.

Mayor Pro tem Mercer raised a question on professional service. Ms. Radcliffe stated this covers the employees at the counter; there is an additional cashier to cut down the wait time of our customers. Mayor Pro tem Mercer questioned contract

services – credit cards (expected increase in use of credit cards due to new budgeted request for kiosk services) and Ms. Radcliffe stated kiosk needs to be removed. The increase is because of usages of customers by credit cards. Phones were discussed and Ms. Radcliffe was directed to check on a headset to replace the 3rd phone.

Council convened for a break at 6:10 pm and reconvened at 6:15 pm

BILLING DIVISION

No changes were made to the Billing Division at this time.

Councilman Davis questioned the vacant Revenue Collection Supervisor position and Mr. Smith stated the job has been split between Revenue Collection Supervisor and Customer assistance.

INFORMATION SERVICES

No changes were made to the Information Services at this time.

Councilman Jennings asked Ray Midgett the cost savings of automation for City Council agenda packages. Mr. Midgett did not have this figure available but he will take a look at it. Councilman Jennings volunteered for an automated agenda beginning with May 11, 2009 meeting.

Mr. Midgett made a correction under Program Enhancements line number 4501 citing the GIS Program upgrade & ARC Software upgrade was the same thing. Mayor Pro tem Mercer questioned the (3) licenses for Crystal Reports. Mr. Midgett explained that he and two employees in the Finance Department have the (3) licenses.

LEGAL SERVICES

No changes were made to the Legal Services Division at this time.

Councilman Davis inquired if it would be more advantages to hire a staff attorney. Mr. Smith stated this was a two-part question:

1. What is the value of the relationship with the existing firm?
2. The City uses more than one attorney with the current firm.

GENERAL FUND MISCELLANEOUS NON-DEPARTMENTAL

No changes were made to the General Fund Miscellaneous Non-Departmental at this time. Mr. Smith informed Council that overtime had been cut out for Friday night but they were not able to cut out Saturday overtime.

Mayor Pro tem Mercer questioned the \$118,334 transfer to Capital Reserve-PS under line number 1501 and Ms. Radcliffe explained how it was being handled this fiscal year.

GENERAL FUND DEBT SERVICE

Councilman Davis questioned the purchase of the Command Vehicle in the Fire Department. He thought Council had stated their position and voted not to purchase this vehicle. It was not in the CIP Plan when it was approved and therefore according to the agreement it can't be in next year's budget. Councilman Woolard was under the impression that it was suppose to come back to Council during budget discussion. Mr. Smith will have Cynthia check the minutes for clarification on the purchase of the Command Vehicle and will confirm the answer at the next Council meeting.

Mayor Pro tem Mercer inquired when fees and revenues would be discussed since it was not posted on the schedule. Council agreed to set it for May 18, 2009.

ADJOURN

On motion of Councilman Woolard, seconded by Councilman Jennings, Council unanimously adjourned the meeting until May 11, 2009, at 4:30 pm in the Council Chambers.

Cynthia S. Bennett
City Clerk