

The Washington City Council met in a continue session on Monday, May 19, 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; Jimmy Davis, Fire Chief; Mick Reed, Police Chief; Susan Hodges, Human Resource Director; Keith Hardt, Electric Director; Gloria Moore, Library Director; and Mike Voss, of the Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

Mayor Jennette moved #2. to #1. and all other items moved one space down. Mayor Jennette corrected #15. changing the word Power with Powell.

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

BUDGET WORKSHOP

Compensation Fringe Benefits

COLA

Council reviewed the Compensation Fringe Benefits proposed budget with Jim Smith, City Manager. Mr. Smith stated originally a 3.5% cola had been built into the budget; however, the League of Municipalities when doing their survey, used the National average was 4.1%. Unfortunately, funding wasn't available to cover the full 3.5%, so we have provided in the budget a 3.0% for all employees.

401K

Mr. Smith stated in addition, a small adjustment in the 401K has been provided for all employees to increase the contribution from \$45 to \$50. Mr. Smith stated we had tried to increase it \$5.00 per pay period until we hit our target of \$50 and this year we will meet the targeted amount. Mr. Smith said he is also suggesting there be a mandatory contribution from City employees of 10% which would equal approximately \$5.00. This will affect approximately 78 employees who presently do not contribute out of the 240 employees

INSURANCE

Mr. Smith stated we are experiencing a 10.9% increase in health insurance. We are proposing to keep the basic health plan that we now have. Mr. Smith stated that in the last several years, they have been concentrating on the insurance side of the formula. This year our focus will shift to the utilization side. Mr. Smith stated this year we will be asking employees to participate in a health care assessment and if they participate in the assessment then they will not have to pay the 10.0 % increase. If they don't participate then the employee will have to pick up the 10.0% increase in health care cost.

Mayor Jennette asked Mr. Smith to describe what a health assessment is? Mr. Smith said the City will provide the assessments, Blue Cross and Blue Shield have a team that will be coming in and the employee will be required to fill out a form. Also, Blue Cross and Blue Shield will draw blood from the employee and

will be receiving information about any sort of risks they may be facing. Mayor Jennette asked who would have that information. Mr. Smith said just the employees and the insurance company, everything will remain confidential. Mr. Smith stated in year one, it is only a matter of filling out the paperwork and learning what you can do. Year two, there would probably be some expectations of things that need to be addressed. Mr. Smith assured Council that it was not targeted at any particular illness, but to prevent or avoid people getting sick. Councilman Jennings asked if how was factored into the budget and Ms. Radcliffe stated 100%. Mayor Pro tem Mercer asked if the City participated in any way with an annual physical for our employees and Mr. Smith responded the employees have to pay the \$20.00 co-pay.

Mayor Pro tem Mercer feels that you either charge or don't charge for the Wellness Program because he feels the individual that will not participate are the lower paid employees and they will be penalized. We need a broader discussion of what the Wellness Program encompasses. Mayor Pro tem Mercer asked how much is dental and life insurance per employee?

- Dental, Vision, and Life \$ 27.83 a month
- Life – Non Department Head 1.60 a month
- Life – Department Head 2.40 a month
- Medical 3.83 a month

Councilman Davis asked what would be the difference in pay between the 3.0% - 3.5% cola. Ms. Radcliffe stated this would amount to approximately \$47,000.

Mayor Pro tem Mercer said our personnel policy stated that contribution will be made to 401K if money is available and made the following suggestions:

- 401k – Do away with the 401k for one year of the City match
- Contribute up to a max of \$25 per employee - whatever the employee contributes to 401K then the City will match

Mr. Smith, City Manager, asked to keep in mind that there is no such thing as a one-time expense. If you eliminated the 401K for one year that would mean a 5% tax increase next year to restore it and if you did the match it would be a 2% tax increase to restore. Mr. Smith stated that's the kind of thing that got us into the \$0.03 tax increase we are facing now, by doing the one-time adjustment it normally catches up to you in the subsequent year. Mayor Pro tem Mercer believes there is a fallacy thought pattern.

Councilman Jennings stated the COLA is mandatory this year. Also, that 401k is part of his world and he agrees with Councilman Mercer, as whereas, it may not be the main concern today but sooner or later it will become very important. Councilman Jennings asked for a side by side comparison so we can get a uniform strategy that will give us the opportunity to make adjustments. Mr. Smith stated this was the goal, the Police Department contribution is 5% and the goal was to get all employees up to \$50.00 because that is about what 5% was back then and that Councilman Jennings point was well taken.

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

Legal Services

Mr. Smith, City Manager, stated the Legal Services fees have increased from \$240,000 to \$265,000.

Mayor Jennette stated she was surprised to see the increase because we do not have the airport now. Hamilton Beach is almost settled and other issues are coming to a close.

Councilman Jennings asked what did it mean when we say we have extended our encumbered – what month is it through. Ms. Radcliffe stated it was through February.

Council recommended spending \$220,000 on professional services and \$15,000 on other attorney fees and make the total budget \$235,000.

General Fund Miscellaneous Non-Departmental

Council reviewed the General Fund Miscellaneous Non-Departmental budget with Jim Smith, City Manager. Mr. Smith stated most of this is calculation, the charge out and transfers based on the chart at the back of the budget book.

Councilman Jennings called Council attention to one category (line item #5701 Miscellaneous Expenses).

Mayor Pro tem Mercer asked what was the local match for the Airport fund \$25,000 grant – what grant? Mr. Smith stated 10% for the Vision 2000 Grant and 5% for the Rural Grant. Mayor Pro tem Mercer also wanted to know that the arrangement was for rebate on gas. Ms. Radcliffe stated \$0.60 per gallon. Mayor Pro tem asked that those numbers be looked at carefully before the City renews the contract.

Councilman Jennings recommended line item #5701 be removed or merged the \$25,000 into another account.

General Fund Debt Service

Council reviewed the General Fund Miscellaneous Non-Departmental budget with Jim Smith, City Manager.

Mayor Pro tem Mercer stated we would need to come back and look at the \$110,000 on installment notes due to suggested changes made within the budget.

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

Police Department

Council reviewed the Police Department proposed budget with Mick Reed, Police Chief. Mr. Smith, stated that everything in the Police Department budget was pretty much absorbing increase expenses. Mr. Smith said starting work on the new Police Station is the major initiative.

Mayor Pro tem Mercer stated it would be approximately \$3,800,000 to build a 19,000 sq. ft. station and we would not be looking at spending that \$3,800,000 until three (3) to five (5) years down the road; by then we may find out this design doesn't meet our needs. Mayor Pro tem Mercer suggested holding the \$150,000 until we are more in a time line to meet what we are looking for in terms of construction. Mr. Smith stated it will take considerable amount of time to do the design, find a site, financing, etc., we may need a closed session to discuss some of the issues taking place. Mayor Jennette inquired about grant funding. Chief Reed said they have already started that ball and have been actively pursuing a number of avenues; some of which through conversation seems promising. Councilman Jennings asked if we started the process now what would be a realistic time frame and Chief Reed said conceivable it could be done in 24 months but can't give a definite answer. Councilman Woolard pointed out that when you start looking at grant funding, they want to see that business

plan. Chief answered he had been in contact with architects and there are those out there that will make funding a part of the process.

Following more discussions, Council suggested coming back to the table to address some of the issues facing building a new police station and will make a decision at that time.

Mayor Pro tem Mercer asked Council to look at page 83 and his question was concerning the vacant position for two assisting police officers. Chief Reed explained that was due to the reorganization of the police department. Mr. Smith stated the positions used to be funded and was cut two years ago. Chief Reed stated that this would help cut down on the overtime by adding more man power to special events. Mayor Pro tem Mercer asked to look at the reorganization before we go out to hire people. Councilman Woolard asked if he was looking at eliminating a senior position, was he looking at helping establish good communication in some of our other communities. Chief Reed answered in the affirmative. Chief Reed said that the person will also be task with a full time policy and procedure writer. This may help take the Police Department to possible accreditation down the road.

Councilman Woolard asked how much does the three (3) grants total. Mr. Smith stated:

- \$180,000 Project Next Step
- 10,000 Overtime connected to the Project Next Step
- 8,279 Equipment

Councilman Jennings spoke on the difficulty in communication with the Schools and feels we should take the initiative to remedy that problem. Mayor Pro tem Mercer stated this brings him to the question of the cost of rent paid on a tower for communication, where is that tower? The tower is located on Harrington Street. Mayor Pro tem Mercer said he was curious "if we are paying \$9,000 for a tower" then can't we find one to get us to the school. Chief Reed pointed out the problem was not getting to the schools but getting out from the schools. Jimmy Davis, Fire Chief told Council that a system would cost \$80,000 to accommodate cell phones, fire, police, and sheriff. Mr. Smith shared with Council that the County had accepted this responsibility.

Mayor Pro tem Mercer had a question on the City match for the Sexual Assault Investigator? How much is the grant and Ms. Radcliff stated \$46,000. Mayor Pro tem Mercer also had a question about the \$7,000 for promotion under salary and the summer uniforms being asked for. Chief Reed explained the need for both, the \$7,000 was when they created the two new positions and the uniforms (light weight) was for special events etc., because of the excessive heat and the regular uniforms are hot and uncomfortable. Mayor Jennette and Councilman Woolard agreed the uniforms look like they are hot. Mayor Pro tem Mercer asked if the vehicle that was damaged and needed to be replaced was it not insured. Chief Reed and Mr. Smith stated it was insured but you don't get \$25,000 for a four (4) year old car.

Mayor Pro tem Mercer asked to be provided with a City wide policy for vehicle being driven home.

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

E-911

Council reviewed the Police Department proposed budget E-911 with Mick Reed, Police Chief. Mayor Pro tem Mercer asked how much money had been collected for 911 wireless funds. Ms. Radcliff stated this could be found on page

310 and it is \$33,471. Mayor Pro tem Mercer stated he can't see borrowing \$90,000 to go wireless compliance.

Councilman Jennings and Mayor Pro tem Mercer stated someone needs to sit down with the County and tell them they need to take 911 just as they told them a year ago. Also, a request was made for an analysis on savings vs. spending.

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

Council convened for a break and reconvened at 6:40 p.m.

**PRESENTATION – CHIEF DAVIS – UPDATE ON BUILDING CODE
ENFORCEMENT**

Jimmy Davis, Fire Chief, gave a presentation - update on building code enforcement. Chief Davis stated we would be looking at history of past, present, and future. Chief Davis presented the following material:

- #1 Purpose of building codes
- #2 Overview of Building Department as part of the Fire Protection System
- #3 Responsible State Agency for administering all Building Codes
- #4 Local Code Enforcement – Past, Present, Future
- #5 Summary

Chief Davis addressed each section individually and then summarized all of the material.

Councilman Woolard left the meeting at 7:05 p.m.

Fire Department

Council reviewed the Fire Department proposed budget with Jimmy Davis, Fire Chief.

Mayor Pro tem Mercer asked Chief Davis how many portable radios they have now. Chief Davis stated they have nineteen (19) which include the four (4) the command staff takes home with them. The portable radios and the pagers are for replacement, a policy was adopted to replace these items every year. Mayor Pro tem Mercer asked about the replacement of vehicle #248 and Chief stated the vehicle was over ten (10) years old and pushing ninety thousands miles and should have been replaced last year. Mayor Pro tem Mercer inquired if this was the station vehicle and Mr. Davis said it is currently used at the station and for training out of town.

Mayor Pro tem Mercer said he wanted to raise this question in general, he noticed Chief Davis was asking for a Jeep, but with gas prices approaching \$4.00 a gallon he would not buy a Jeep. Chief Davis stated actually the Jeep is too small; the department does not have an SUV type of vehicle that you can command an emergency scene out of. If this vehicle is replaced, then they should purchase one that you can command an emergency scene out of. Chief Davis stated they would probably need something like a Suburban, Tahoe, or Expedition. Councilman Jennings pointed out that gas would be more for one of those vehicles. Mayor Pro tem Mercer said he is not so sure we will see improvement in fuel cost and feels we need to start looking at smaller vehicle; we need to evaluate every vehicle in every department. Following more discussion – please see note:

***NOTE:** The EMS budget also has a replacement vehicle and Council asked Chief Davis to look at purchasing one vehicle and not two. If the one is

needed more for EMS then purchase this one and not get the one for the Fire Department.

Mayor Pro tem Mercer stated we say we have a Capital Improvement Plan and can he please see our CIP, every time he has ask for it, it is three months down the road.

EMS

Council reviewed the Fire Department proposed budget with Jimmy Davis, Fire Chief.

Mayor Pro tem Mercer asked Chief Davis to explain RAMS software. Chief Davis stated that the State of North Carolina required electronic recording, requiring your ambulance had to report to the State electronically. Now that the State has finalized the program, every squad must be compliant by January next year. What the RAM software will do since it is the same software used to do the billing will automatically interface with the billing software.

Councilman Jennings asked about the replacement of EMS #1 and did it have to be replaced this year. Chief Davis said it was leaking oil, diesel fuel, and ten plus years with ninety thousand miles. Chief Davis stated this was scheduled to be replaced last year and now that we have gone to two stations, it is now a front line vehicle. Mayor Pro tem Mercer asked if #431 was just sitting in the station and Chief Davis said it was an old ambulance they kept. Confine space rescue equipment is kept on it. Mayor Pro tem Mercer stated it only has 64,000 miles on it and can it be switched with #430 and saved the money for a year. Chief Davis stated it had been retrofitted for the confine space and don't know if you can change it back to use for an ambulance.

Councilman Jennings stated from this discussion it looks like EMS #1 is more important than an Expedition. Following more discussion – please see note:

***NOTE:** The EMS budget also has a replacement vehicle and Council asked Chief Davis to look at purchasing one vehicle and not two. If the one is needed more for EMS then purchase this one and not get the one for the Fire Department.

Council members and Chief Davis spoke about the Fire and EMS services Washington Park receive from the City. Chief Davis stated it is not so much the number of calls but the amount of money it cost to be prepared to go over there. Chief Davis also pointed out that the City does Washington Park inspection. Mayor Jennette asked Chief Davis if he could get some numbers on inspections that are being done in Washington Park or prepare a draft for Council to look at. Following discussion, Council directed Mayor Jennette and Jim Smith to meet with Washington Park.

On motion of Councilman Woolard and seconded by Councilman Brooks, Council unanimously adjourned the meeting at 7:50 pm, until Tuesday, May 27, 2008 at 4:30 p.m. in the Council Chambers at the Municipal Building.

**Reatha B. Johnson
Acting City Clerk**