

CITY OF EDEN, N. C.

A special meeting of the City Council, City of Eden was held on Saturday, August 29, 2009 at 8:30 p.m., in the City Hall Conference Room, 308 East Stadium Drive. Those present for the meeting were as follows:

Mayor:	John E. Grogan
Mayor Pro Tem:	Wayne Tuggle, Sr.
Council Members:	Christine H. Myott
	Donna Turner
	Darryl Carter
	James Burnette
	Jerry Epps
	Jerry Ellis
City Manager:	Brad Corcoran
City Clerk:	Sheralene Thompson
City Attorney:	Erin Gilley
Administrative Staff:	Deanna Hunt
Department & Division Heads:	

MEETING CONVENED:

Mayor Grogan called the special meeting of the City Council to order and welcomed those in attendance. He then asked Council Member Epps to give an invocation. Mayor Grogan then asked the City Manager, Mr. Brad Corcoran, to begin the presentation.

Review and Consideration of Information Concerning Various Service Rates:

Mr. Corcoran began with the first item. He noted that during the annual budget/planning retreat on March 7, 2009 they discussed the fact that the unprecedented economic conditions facing the nation were increasingly straining the ability of cities to meet their financial needs.

It was noted that the February 5, 2009 closing of HanesBrand will result in the annual projected net loss of approximately \$3,235,691 in water/sewer revenue every year based on FY 2007-08 usage data. Fortunately, the City continues to have a contract with HanesBrand that is not set to expire until June 30, 2011. As a result, the full impact of this projected lost revenue will not be felt until FY 2012-13 as long as HanesBrand continues to honor their contractual obligations. Currently, the City of Eden anticipates receiving a reduced take-or-pay payment from HanesBrand during FY 2009-10 (for FY 2008-09), FY 2010-11 (for FY 2009-10) and FY 2011-12 (for FY 2010-11).

During the retreat and at subsequent meetings they discussed the need to develop a plan of action that would allow them to raise their water and sewer service rates over a period of time on an incremental basis rather than waiting until July 1, 2012 and then hitting the citizens with a “huge” increase all at one time.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Another topic of discussion from their March 7, 2009 budget/planning retreat centered around the recommendations set forth by the Citizen's Solid Waste Committee previously appointed by the City Council. As they were aware, the committee recommended the elimination of the PAYT Rate Structure and that all customers pay a monthly bill of \$18.75 for their comprehensive solid waste services being offered and received by July 1, 2010. While the City Council has already moved forward with the first two steps of the three step plan of implementation there remains a need to implement the final step by July 1, 2010 as recommended by the Citizen's Solid Waste Committee.

He noted that he had included a chart for their review and consideration that outlines various increases in water and sewer service charges and solid waste service charges over the next few years. The recommendations as set forth include an allowance for inflation and implement the recommendations of the Citizen's Solid Waste Committee by July 1, 2010 and put the water and sewer service charges for the City where they need to be by July 1, 2012 so as to offset the annual revenue being lost due to the departure of HanesBrand.

He noted that the average monthly water, sewer and garbage bill (5,000 gallons of usage per month and residential solid waste services) would increase by a total of \$7.38 on January 1, 2010, January 1, 2011, January 1, 2012 and July 1, 2012 and an average of \$2.68 on July 1, 2010.

The charges the City Manager had mentioned is listed below:

Effective January 1, 2010

Water

Base Charge \$/month	\$7.31
Consumption \$/1000 gallons	\$2.69

Sewer

Base Charge \$/month	\$5.60
Consumption \$/1000 gallons	\$3.13

Effective July 1, 2010

Solid Waste

All Residential Customers/month	\$18.75
---------------------------------	---------

Effective January 1, 2011

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Water

Base Charge \$/month	\$8.15
Consumption \$/1000 gallons	\$3.21

Sewer

Base Charge \$/month	\$6.64
Consumption \$/1000 gallons	\$3.71

Effective January 1, 2012

Water

Base Charge \$/month	\$8.99
Consumption \$/1000 gallons	\$3.73

Sewer

Base Charge \$/month	\$7.68
Consumption \$/1000 gallons	\$4.29

Effective July 1, 2012

Water

Base Charge \$/month	\$9.83
Consumption \$/1000 gallons	\$4.25

Sewer

Base Charge \$/month	\$8.72
Consumption \$/1000 gallons	\$4.87

Council Member Turner stated that she thought they all knew that they need to do this, but she thought that the question from the citizens will be, what am I paying taxes for. She knew that these were services but again she thought people consider basic services from the city and that was the fire, the water, the sewer, the garbage, and they think they are paying taxes for this, so how do you educate the public to understand that their taxes are going for other things and that you basically have to pay for your services.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Mr. Corcoran replied that he thought that the big thing was as far as the water and sewer rate they were a little different than the solid waste rates. The water and sewer rates operate in the Enterprise Fund and by law your revenue that you generate from your water and sewer rate have to equal the expenses that you spend, so taxes cannot be used at all for water and sewer.

Council Member Turner commented that she did not think people know that.

Mr. Corcoran replied no, they would just need to do a series of news articles in Eden's Own explaining that and also as people come in, explain that to them as well. As far as solid waste rates, they have talked about this before. The City of Reidsville had a much higher tax rate. But, their solid waste rate was lower, so they have just decided that they will pay for the bulk of their solid waste through their taxes and they could have done the same thing. The City of Eden could raise taxes by 9 cents and then have a real small solid waste rate. If they did they however, all of their renters and transient people then were not really contributing to that solid waste and they were putting all the burden on the homeowners. So, what they have decided was to sort of split the burden and let the taxes do a portion of the work but then also as the solid waste fee, and hey, if you are a home owner, you are going to pay that money either way whether it was the tax or the solid waste, but this way you will get those renters who were not paying anything on the taxes.

Council Member Turner stated that she agreed, she just thought that it was a problem...to which Mr. Corcoran agreed and noted that no one wants to do it and also, this would be a plan that would be put in place if Council adopted it, the rates would go into effect at those times, having said that, if they were fortunate enough to land a large water and sewer user between now and then, then obviously the Council at that time could revisit the issue. He explained that this was a plan of action based on what they know today and it includes an inflationary factor.

Mayor Grogan commented that he thought they were being extremely optimistic, they did not know what the economy was going to be next year and also he noted this was covering HanesBrand.

Council Member Burnette added that anything that you get in additional you would work from the back end.

Council Member Ellis commented that one of the biggest things they would see on this increase was the fact that they keep raising the rates on their water bills and that was the only thing they ever see. Now, for the past two months they have seen an increase of where it goes up \$5.00 and now it has gone up another \$5.00 and they wonder when it was going to stop. He suggested that they send a letter out to every one of them telling them what they have here and let them know what was really going on and why they had to do this. He pointed out that a lot of them (citizens) did not understand what they were getting and had no comprehension of what was going on. He added that a lot them did not get the Eden's Own journal or the Eden News, they do not get that daily paper; it was either on Sundays or none at all. He pointed out that they did get word of mouth and that was the worst thing in the world. He stated that they could either teach their people or tell them what was going on or they were going to get bad mouthed the whole time from the City Manager all the way to the City Council.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Council Member Carter commented that a lot of the citizens did not like monthly billing. He then questioned the back part of the bill and asked if it was one base rate charge or two.

Mr. Corcoran explained that it was always two. You always paid your base rate per month but you received two month's worth of bills on one bill. So if you were paying \$5.00 base rate per month on your bi-monthly bill that would include \$10.00. Now it only includes \$5.00. He noted that the big thing was and now even out here soon, when they were on the bi-monthly billing sometimes there may have been 45 days between readings and sometimes there may have been 60 days between readings. He asked them to think about the fluctuation there, 45 to 60, now if it was every 30 days it will be pretty consistent, in terms of the number of days in a reading cycle. He also added that it was like he may have told some of them, in August he got his bill for the month of May and June and that was how far behind with bi-monthly billing they were. He explained that was part of the reason they were losing so much money with these transients and renters because when they left (moved out) they were only still paying for May and June and then they were walking out in August and the city had not even billed them yet.

Council Member Ellis pointed out that they were playing catch up.

Mr. Corcoran explained that even in their own lives, no one likes a change and it was hard to get used to. Going from a bi-monthly to a monthly was rocky, but in 2 or 3 months from now, once they get through the initial time period, everyone will get used to it. The other thing, people tend to forget they use more water in summer than they do in winter. So you just get your May-June bills and it was a lot higher than March-April. Now they were getting summer bills that may even be higher. He noted that he had looked at a lot of bills over the last few weeks and they would see that people were trying to keep their plants or their grass alive to people washing vehicles and those types of things.

Council Member Burnette stated that he agreed about the education but he did not think sending this information out was the answer. He added that he did not know what that education process would be (but) they tried this with the solid waste...Council Member Ellis stated that he thought one of the biggest things right there was to show them where the downfall really was.

Council Member Burnette replied that the point was they had tried to do that, they held a meeting on the whole thing and questioned how they got to the people.

Council Member Turner agreed that it was a huge problem and Mr. Corcoran added that they had public meetings and no one showed up. Council Member Burnette pointed out that they will not come until after the fact.

Mayor Grogan stated that he appreciated what they all were saying but when you start dealing with the public they were going to see a monthly bill and no matter, education-wise, you do well to get them to get their kids to go to school, much less read a paper. He explained that what did hurt, those who do read, they take it and turn the numbers around and try to blow it out of the water. He added that he thought the plan was outstanding and you could understand it but it was

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

like trying to fill this prescription and telling people how to take it....they did not like it and here again everybody wants services.

Ms. Latala Payne of the Reidsville Review entered the meeting at about this time.

Council Member Tuggle commented that he had been through this budget from top to bottom and they have cut as much as they possibly could and still run the city and he guaranteed them that nobody in there wanted to raise any type of rates at any time but unfortunately water and sewer was subsidized for so many years by Fieldcrest and all the water industries that when they lose somebody and lose \$3 million out of water and sewer you have to make it up somewhere but it really was better to at least spread it out than lay it on everybody at one time. The rates were never raised over decades and when you look back, there comes a time when you have to pay the piper.

Council Member Burnette added that they were in a bad position because they lost HanesBrand but they were in a good position that there was enough forethought to have a contract and it did not happen all at once as it did in Mayodan. He also added that he agreed that he did not want to have to pay more but there was no alternative.

Mayor Grogan complimented the City Manager on what he has come up with. He noted that Mr. Bob Harris, a former senior vice president at Fieldcrest (*and former Council Member*) once told him that when he left Council that if they would just increase the rates about 3% every year nobody would ever get hurt. Well, they would not even look at a water rate until Santee went belly-up.

Council Member Tuggle added, and then they (*current Council*) end up with \$93 million worth of water and sewer problems that nobody took care of over the years because they never wanted to raise anything.

Council Member Epps stated that when he first came on City Council 8 years ago the water and sewer was a real disaster, just as he said, nobody did anything. He did think that in the last 8 years a tremendous amount of effort has been put forth and a lot of projects have been made.

Mr. Corcoran stated that if you look at the 2008 average water and sewer bill in the State of North Carolina it was \$50.77. The average in the State of Virginia for an average residential user was \$50.24. The current average water and sewer bill in Eden was \$34.63. Even though the proposal he had set out before them, on January 1, 2011 the average bill in Eden at that point in time would only be \$49.39 which would still be below the average across the State of Virginia and North Carolina.

Council Member Carter pointed out that those (*State averages*) would be increasing as time goes.

Mr. Corcoran added that he thought that from a staff position it was easier to manage it if they know what was going to happen. From the staff's perspective, they were not going to change the recommendation. They have already got it done and it was in place.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Council Member Ellis commented that if they do get a water user where they may have in the future...to which Mr. Corcoran replied that they were doing all sorts of things. They were trying to work with Pittsylvania County in Danville on the possibility of providing water and sewer to their industrial park. He added that it would be constantly evolving and on the other hand if Karastan up and shuts down, that was another thing. You have to look at either way, what you get and what you lose. He pointed out that his plan does (1) it implements the recommendations of the Solid Waste Committee and (2) it replaces what you have lost from HanesBrands.

Mayor Grogan commented that the Solid Waste Committee at that time was made up of citizens and some City Council people.

Mr. Corcoran added that in fact the members of the Council that were on the Committee asked the citizens to go out in the community and ask friends and neighbors if they would rather see their services reduced and rates reduced or their services left in place and their rates increased and every single person they talked to had rather their rates be raised as they did not want their services cut.

Grogan then asked them to move along to the next item.

Review and Consideration of Information Concerning Insurance Benefits – Work Related Disability:

Mr. Corcoran turned this portion of the meeting to Ms. Erin Gilley, Staff/City Attorney. She explained that she had previously sent out a memo containing information she had gathered on “*Insurance Benefits – Work Related Disability*” and this was basically information on their policy (HR-3) as it was now and how it works.

She noted that practically from the time an employee was injured on the job or had an illness caused by work on the job, as soon as that employee was injured they file a Workers’ Compensation claim. The City’s Workers’ Compensation Insurance is provided by the North Carolina League of Municipalities. If it is determined that the employee is able to come back to work then they begin on something like light duty. If Workers’ Compensation determines they are not able to work then they will retire from the city on a Workers’ Compensation settlement where they will get some type of settlement and the city’s current policy now states that once that occurs then any sort of injury that was contestable from Workers’ Compensation the city will pay the employee’s insurance or will provide medical benefits until that person turned 65 or was eligible for Social Security. Sometimes that was 65 and what that means was that the employee was not required to apply for Social Security disability. So in fact even if they were eligible for benefits the city would cover them until they turn 65 on their insurance and she thought that the city’s insurance was preferable to Medicare/Medicaid that people were not given the incentive to apply, so the city will carry them even though the Federal Government provides that they will pay for that if they were eligible.

Ms. Gilley asked if anyone had questions.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Council Member Tuggle stated that the essence of this, the policy that they want would require them to apply for Social Security disability immediately as opposed to not applying.

Ms. Gilley replied that was correct and she also had the proposed policy. The drafted policy will give the employee 30 days from the day that it is determined that they will retire from the city to apply for Social Security disability and they have to keep the city updated every six months because that process can last more than 4 years.

Council Member Ellis questioned who took care of insurance here at the city or who handles the policies for their employees. Mr. Corcoran replied that would be a third party administrator. Council Member Ellis replied that he understood, but who here took care of it.

Ms. Gilley replied that it would be Tammie (McMichael) *HR & Finance Director* or Teri (Sentiff) *Personnel Specialist*.

Mr. Corcoran added that all they do at the city was sign you up but beyond that they really had nothing to do with it.

Council Member Ellis questioned that a lot of these people now will not take the claim with Workers' Comp to which Mr. Corcoran explained that it was handled totally by the insurance company, Workers' Comp. Council Member Ellis questioned if they were asking for 30 days.

Ms. Gilley replied 30 days to apply and Council Member Burnette added that it was after you have been deemed disabled.

Mr. Corcoran also noted that the big change was that currently, if you become disabled Workers' Comp says you were disabled, the city covers your health insurance benefits until you turn 65. The city does not require you to apply for Social Security disability; it just allows you to stay on the city's policy. He explained that what they need to understand was that the people who make the decision on whether or not you were disabled under Workers' Comp, and it was a comprehensible injury, they were the same people who handle the claim so there was some benefit to them as the insurance company to cut their losses maybe at times and say okay, "Joe is disabled so if we can go ahead and reach a settlement with Joe then that alleviates future claims on us for future injuries or medical bills." He explained that what they want to do with the city's current policy was to say that if Workers' Comp says you are injured, the city was not going to cut you loose or abandon you, the city would still continue to provide you insurance but as a condition of that you have to apply for Social Security disability to see if you qualify, within 30 days. He added that as long as it takes them to make a determination the city would be there for you and cover you and in the end when Social Security makes their final decision, "Joe is disabled" then you would go on Social Security disability. On the other hand if they say no, then you would be allowed to go on COBRA for 18 months as long as you paid the premium and then the city would cut you loose because according to Social Security you are not disabled.

Council Member Burnette added that you could come back and have a job to which Mr. Corcoran agreed, if one was open and you may have to apply. He asked them to understand that if any of them have been told by Workers' Comp that they were disabled they would probably

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

expect Social Security to also say they were disabled. So he did not think that anyone who made an application to Social Security thinks that they were going to be turned down and eventually go back to work, but you never know.

Ms. Gilley also pointed out that there were two different people who determine that.

Mr. Corcoran stated that for instance, they had an employee who was in their 30's and was disabled as Workers' Comp. The City of Eden will cover that person for the next 30 years. Under this scenario, worst case, even if it took 4 years, the City of Eden may have covered that person 4 or 5 years.

Ms. Gilley added that often times you have 3 rounds before you are actually approved for Social Security disability which could involve 4 or 5 years.

Council Member Burnette agreed that it did take that and he knew of some instances where it did take 3 hearings to get that disability, for that reason the disabled person was very reluctant to go into that plus they do not always have the guidance. Therefore, his recommendation would be that they include in this policy that the city assigns them a case manager that helps them walk through this process and it will also expedite the final decision.

Mayor Grogan asked if that case worker could be someone from the Department of Social Security to which Council Member Burnette replied that it should be someone from the city because the city had a vested interest.

Council Member Ellis commented that was the reason he had asked who handled the insurance for the city.

Mayor Grogan asked if the city's employees have that capability to which Ms. Gilley replied that she did not think their employees were trained at this point.

Mr. Corcoran noted that again when you have a Workers' Comp case it was totally handled by the insurance company and they make the decision. He explained that they did not call and say "hey, Joe's knee went out and do you want to settle?" That was why he was saying it was their money and their decision.

Ms. Gilley added that it was easier to pay someone a lump sum of \$20,000 today than have to pay their injury related claims until they were 65. There was also some guidance with the Social Security administration.

Council Member Burnette pointed out that Duke (*Energy*) found that this was a very valuable thing. They had a lot more folks he was sure than the city, but he had talked with folks who were very appreciative in having that advocate, if you will, for them as well.

Mr. Corcoran stated that under the new policy, the attorney and the people in personnel would be a lot more involved because now they would need assurances that they were doing what they were supposed to do to get the Social Security disability. Currently they do not have that

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

requirement so once Workers' Comp says they were disabled that was the end of the story, but going forward under this new policy their approach would be that the City of Eden will cover you as long as you are making a concerted effort to get Social Security disability.

Council Member Epps asked how many they currently had who were past 65.

Mr. Corcoran explained that the way it was set up now once you get to age 65 you were cut free so he was sure that everyone who was 65 was on Medicare. The problem was the individual who was 30 years old and gets injured and Workers' Comp may look at it and decide to pay him a settlement then they would be cutting their losses because if he has already had one back problem at 30 then how much more do you think he will have in the next 30 years. It was also noted that you could not ask about pre-existing conditions, their own health problems or even their families.

Council Member Carter added that the way it was now, Workers' Comp decides if you are able to go back and do that particular job that you were on at that time and not any job in the city, it was job specific.

Mr. Corcoran explained that now everyone who Workers' Comp has said was disabled has had the right to apply for Social Security disability and none of them have done so because what the city offers is so much better. He pointed out that in the end the tax payers foot that bill for however long they were here.

It was the consensus of Council that it made sense.

Council Member Burnette commented that he was in favor of it with the addition of a case manager assigned to each person who applied.

Mayor Grogan stated that he thought they could look at the case manager with a joint effort of the attorney and people already in personnel to get that type of training to which Council Member Burnette agreed and explained that he was not implying that they hire someone new at all.

A motion was made by Council Member Burnette seconded by Council Member Epps that they accept the recommendation to adopt the policy along with the addition that a case manager is assigned from the city staff. This motion carried.

Review and Consideration of Request to Add Two Additional Days of Annual Leave for FY 2009-2010:

Councilman Carter has requested that City Council consider the allocation of two additional days of annual leave during FY 2009-10 for all employees who are eligible to earn annual leave.

Due to the economic downturn the FY 2009-10 budget increased the amount of money each employee is now contributing for their health insurance as well as the monthly premiums they pay for any dependent coverage. In addition, the 401K contribution was reduced by 20% (for all

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

employees but sworn law enforcement) and the budget did not include any funds for a pay increase. Councilman Carter feels the allocation of two additional days of annual leave per employee for FY 2009-10 would not disrupt the daily operations of the City and would not be cost prohibitive. He feels this gesture would be a way to express the City Council's thanks and appreciation for the work being done by the City employees.

The two additional days of annual leave would be limited to the current 2009-10 fiscal year.

Council Member Burnette questioned the cost.

Mr. Corcoran explained that the only cost was the lost productivity of the people that day. No operations will cease or shut down.

Mayor Grogan suggested that the 2 days should be approved by the Department Head to which Mr. Corcoran replied that they already were.

Council Member Myott questioned how many total days they were talking about.

Mr. Corcoran explained that it would be 2 times however many employees you have. He added that this would probably benefit the employees that you would really like to see benefitted. A lot of people, because they were using comp time, do not use the vacation time anyway because they work so many hours and because there was a limit on the number of vacation days you can carry forward each year, they always have days left over so his feeling is for a lot of employees, they probably will not use these 2 days and they will be converted to sick leave at the end of the year. The people who will use this was field personnel who do not hold onto their vacation who use each year to go on hunting trips and this and that.

Mayor Grogan stated that the whole thing was perception. They were going to give them something that has a benefit that will not cost the city.

Council Member Burnette pointed out that the one caveat it will cost if they let it carry over so if they could implement that these 2 days have to be taken this year or lose it then he was in favor of it. If you carry it over there was a cost that goes with you that increases the retirement.

Council Member Ellis asked if they were going to be able to use it with their vacation also.

Mr. Corcoran replied yes it will just be two days added and Mayor Grogan added that they could not use those 2 days forward to increase retirement days. Mr. Corcoran agreed. If he got 10 days then he would say, the first 2 days he used this year were the 2 days they gave him. What he was saying is that every employee will have to use at least 2 days of vacation this year and that will take care of it.

Council Member Burnette questioned how they would designate the 2 days to which Mr. Corcoran replied it would be annual leave.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Mayor Grogan pointed out that they were already into the fiscal year so this will go from now to June 30th.

Mr. Corcoran replied that the Council could do whatever they wanted with the benefits.

Council Member Myott questioned calling it vacation and asked if you could not carry over vacation days.

Mr. Corcoran replied yes but in his motion he will have the requirement that you cannot carry these 2 days over.

Council Member Myott agreed but she questioned calling it "vacation days" to which Mr. Corcoran replied that they could call it whatever they want.

Council Member Turner commented that what he was saying was, if somebody was going to take 10 days of vacation, now they were still going to take 10 days but it will only show up as 8 because 2 of those were going to show up as these days.

At this time everyone was discussing it and agreeing that it did not matter.

Council Member Burnette noted that where it did matter was they were going to take 5 days and take 2 additional days and not take those that cost of 2 days increase at the end of the year.

Mayor Grogan stated that they would just have to tell Ms. McMichael that those 2 days will not go forward.

Council Member Burnette asked if there was a way to add the 2 days and say that these were specific days that will have to be taken this year and this year only.

Council Member Turner suggested they call them furlough days and then they really cannot be carried over as they have to be taken by a certain date and they do not go into annual leave or sick or anything. They would still be showing some appreciation which was what Council Member Carter intended.

Mayor Grogan pointed out that if you call it furlough they will still get paid, two personal days this year and this year only.

A motion was made by Council Member Burnette seconded by Council Member Ellis to accept the recommendation of 2 days with the understanding that these 2 days have to be taken in the current FY2009-2010 year and cannot be used towards retirement (one year only). This motion carried.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Review and Consideration of Comparison of Fringe Benefits & Personnel Practices for Eden and Other North Carolina Municipalities:

The City Manager explained that recently he was asked to do some research to see how the fringe benefits and other personnel policies for the City of Eden compared to other municipalities throughout the State of North Carolina. This report and the included recommendations is the result of that effort.

In December, 2008 the North Carolina League of Municipalities (NCLM) published report number 403B "*North Carolina Municipal Fringe Benefits & Personnel Practices As Of July 2008*". The report was compiled on the basis of specific capsule descriptions of each benefit category so that the user can make a reasonable and legitimate comparison of fringe benefits. In each of the categories presented he included the information compiled by the NCLM and in italicized print he outlined the information applicable to the City of Eden. Finally, he stated that he met with various members of staff to review the entire content of Chapter 10 "Personnel" of the Eden City Code.

An entire copy of the document entitled "**Comparison Of Fringe Benefits And Personnel Practices For City Of Eden & Other North Carolina Municipalities**", prepared by the City Manager, is located in the office of the City Clerk.

Council Member Burnette questioned *Staff Recommendation Concerning Paid Sick Leave & Related Policies* - Section 10-6.15 Transfer of Sick Leave. He noted that one of the things the City Manager was recommending to change was written request transfer of sick leave must be made to the director and to strike where it says "within the first year of employment by the city". He questioned why he would do that.

Mr. Corcoran explained that they discussed it and if the intent was to allow someone to bring sick leave forward, [then] what did it matter when they do it. He questioned what if they did not hear it during the orientation or what if it was left out during orientation. They tried to see if there were things that just did not make sense and the way they looked at it from a staff's perspective was either they allow them to bring it forward or they do not and if they do allow them then make sure it was verifiable. For instance, if Mr. Asbury (Environmental Services) worked 3 years at another state agency and he did not bring that forward for 4 years, did it really matter if he really worked 4 years as long as the 3 years can be verifiable.

Council Member Burnette replied that he agreed with the flexibility but you just do not want them waiting until retirement.

He then asked if the city did not provide the optional death benefits (concerning *Staff Recommendation Concerning Group Life Insurance*).

Mr. Corcoran replied that a lot of places offer the optional death benefit and a life insurance benefit, but they just offer a life insurance benefit and feel comfortable with that.

Under Group Health & Dental Insurance, Council Member Burnette noted that the City of Eden

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

through reduction of various benefits required the full time employee to contribute \$50 a month...to which Council Member Ellis commented that was what they just did.

Council Member Burnette clarified that he just wanted to make sure that he understood that correctly.

Mr. Corcoran explained that the survey will probably look very familiar because that was the survey he had shared with them when they made the changes and now in italicized print underneath there was basically what the Council implemented. He added that since they were talking about benefits and he was putting the document together he thought it was better to have it there rather than in another location.

Concerning Military Leave, Council Member Epps stated that he used to be a reservist and they would go every year and take a week...to which Mr. Corcoran explained that the city did allow you to have 10 days a year but sometimes the military year may be different than the budget year so they also have a provision that if you have to go for an additional 10 days in the same calendar year that was also allowed, and of course all the normal things, your job was protected if you are gone on military leave.

Council Member Epps questioned, and if you were sent overseas it covers them to which Mr. Corcoran replied that was correct.

Council Member Burnette questioned how their pay compares overall with the Rockingham County pay.

Mr. Corcoran replied that they were a whole lot better than they had been. The Council in the last several years has made previous strides to catch them up; however several upper management level positions in the police department were behind the pay of the County as well as in Reidsville but that was what it is. He added that the pay today was a whole lot better than it used to be.

Council Member Burnette stated that he understood the top positions, but the patrolman to which Mr. Corcoran replied that he thought they were fairly competitive but they may be just slightly behind.

Under *Group Health & Dental Insurance*, Council Member Burnette commented that he had a legal question. Where it notes "The Survey Results Indicated That Communities Do Not Allow Changes To Dependent Coverage For Life Altering Events After An Employee Retirees", he asked if it was legal if you offered that, that those costs could be different, that they become a competitive cost with other outside insurance...

Council Member Ellis made a comment about disability to which Council Member Burnette replied that he was not talking about disability, he was talking life altering events such as marriage or additional dependants.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Ms. Gilley replied that he did not see why it would not be legal as you can set your rates and premiums as you want.

Council Member Burnette questioned that they would be different than the person that has the same coverage that retired and did not change.

Ms. Gilley clarified it was like if you were to remarry, then the retired employee who had a spouse...she did not see a reason why it would not be legal. You would just have to specify.

Council Member Burnette noted that he would like for them to look at that at some point because things change in the world and he thought that was a benefit that could be offered to the retirees but it needed to be a competitive cost as they did not need to be looking at incurring a lot of cost.

Mr. Corcoran asked them to pretend that they had an employee who retired and was married and then unfortunately his spouse passed away. Then he decided to get remarried. Maybe they could have something in there that said, if you had that dependent coverage when you retired initially you can have it if you have a life altering event.

Ms. Gilley added that was already in there.

Mr. Corcoran explained that if you were already covering your family before and something happened and you lose your whole family and you get a new family [then] you can cover them. But, if you retire and you are not carrying your wife today, did the Council really want to let them carry the spouse 2 to 3 years later.

Council Member Turner pointed out that the new wife may not have had the benefit that the previous wife had and maybe the first wife had benefits with her company and you did not need to cover her.

Mr. Corcoran agreed and that was a tremendous benefit and that was why they have in the city's policy that if you want your spouse or your children to receive benefits when you retire they have to be on the city policy at least a year before retirement.

There was brief discussion as to if the spouse died before the employee retired and the employee retired and then remarried and also what about divorce.

Mr. Corcoran replied that was another thing, they can divorce and get remarried...he added that he had done a lot of research and what he had noticed, communities do all sorts of things and they really tailor it to whatever their mood was so as long as it was very specific and as long as it outlines in your code what you want done and how that rate would be calculated you can probably do it.

Council Member Ellis referred to page 22, *Volunteer Firefighters*, and stated that as he understood it, now when they get paid, when they were on call for a certain amount of time they still get paid by the hour.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Mr. Corcoran replied, no they get paid per call, 71% of the communities pay for a call and the city pays for a call, no hourly rate and Council Member Carter asked if it was correct that training was at hourly rate to which Mr. Corcoran replied he did not know.

Council Member Carter commented that he thought something changed in that.

Mr. Corcoran explained that the calls were per call and that all equals out. He explained that for instance the fire alarm goes off today, they show up at the call, everybody signs the roster, and they were sent right back, that was a call. But, if they were called out tonight and were fighting a fire for 4 hours that was a call. He asked them to remember that previously they were given a lump sum for the month.

Council Member Carter pointed out that he thought that Council Member Ellis was probably told the same thing he was told. You have a volunteer firefighter and one of them was a city employee and the other was not. They were told that the one that was not a city employee was on a fire scene, training expo, for hour to hour and was almost double as far as the pay.

Mr. Corcoran replied that did not make sense.

Council Member Carter agreed that it did not make sense. He added that he still did not understand when they told him [about it]. He did remember it came up once before years ago before they had this current plan in place. They had an employee who worked in wastewater and he thought that he was asking for or wanting to know about hourly pay or something.

Mr. Corcoran replied that he thought it was a lot about the 1099 to which Council Member Carter stated that he did not understand what that was based on. Mr. Corcoran noted that he would check with Ms. McMichael.

Council Member Carter added that he had never heard of it when he was there.

Council Member Turner asked what if it was a daytime city employee, already on the clock...to which Mr. Corcoran replied that he did not get anything.

Council Member Ellis commented that he understood that they were limited to the amount of money that they made per call and like he said, if they were on call for, say 6 hours, and then that person, the volunteer was making so much an hour, the paid person for the city was not making the amount of money...to which Mr. Corcoran replied he did not think that was right.

Council Member Carter added that they say that it was something that the former Fire Chief [Cline] had changed to which Mr. Corcoran replied that he would find out.

Council Member Burnette stated that he knew they had a reason for doing this and overall, it was a great benefits package. He noted on question 11, at the bottom of page 10, "*are you self insured*", 19 of the respondents were not. Eden was and they were incurring costs...he asked if there were reasons they should look at that again.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Mr. Corcoran replied that they actually look at it every year. Actually when he first got here in 2001 he had never been in a self insured community. He added that he was one of the biggest naysayers. The first year they really put in a lot of effort and got several private insurances quotes. Each year they get quotes both ways, and honestly thanks to the good claims they have had in the last 5 years they have saved hundreds of thousands of dollars. So, they do look at it every year and he thought that if they got to a point where it did not make financial sense they would bring it to the Council.

Council Member Burnette questioned what he thought about the others to which Mr. Corcoran replied that he thought you get used to it and it was a huge change to go from private insurance to self insurance. It would take a whole lot of initiative and a lot to implement. The other problem, because he knew of some places that have gone from self insured to fully insured, it would be interesting to see what happens 2-3 years from now. Those private insurance companies come in and say "here is what we will offer you", but then how many years did they guarantee that premium. He stated that he did not know if they all had a chance to read their weekly report from yesterday, but if they would look at it the first quarter results of this year on the drug program since they all made some changes and how now they had a reduction in expenses, the increase in generic drug uses, they were now leading in every medical group that the company administers for.

Mayor Grogan noted that just giving them the generic drug made all the difference in the world.

Council Member Burnette stated that when the City Manager looked at the benefits and he knew he looked at the comparisons locally, some of the comparisons he made on certain benefits were compared with the North Carolina League's report. He asked if he compared their health benefits as well.

Mr. Corcoran explained that the league reports did not go into near the detail and that was why he included it. He then noted that if they looked at page 12, the two charts, he explained that was really all they did in their study so he included what he had done because he had really gone into a lot more detail with those 20 some odd communities, but basically they have those 2 charts on page 12 and that was all the League really offered and it did not get into the specifics of breaking all of it down.

Council Member Burnette asked if the dental cost was a conditional pay, pointing to page 12 "*Change 10-6.3 (B) Health Insurance to 10-6.3 (B) Health And Dental Insurance*".

Mr. Corcoran replied that was correct, they just add the word "dental". He explained that he never knew why it was not in there because they already offered dental. That was just a cosmetic thing because it talks about retiree life and health insurance previously and dental and health were two separate things, two separate policies so they should go ahead and add the word dental because they do offer dental.

Council Member Burnette noted that on page 13 he was recommending a pretty drastic change in the retirement (*Staff Recommendations Concerning Group Health & Dental Insurance*).

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Mr. Corcoran explained that basically that made it more in line with what he found in the survey and he pointed out that he did add, if they look on page 9, what Rockingham County, Mayodan, and Reidsville had and Reidsville was very similar to Eden. But if you look at Rockingham County, after ten years of service you are entitled to 50% of coverage.

Council Member Burnette explained that was why he asked about the pay, because again they have to compare the total benefits package.

Mr. Corcoran replied that their pay, compared to the County and Reidsville as a whole, and it was hard to talk about it as a whole, but in all of the previous studies they have done it was under but they have made great strides over the last couple of years to try to close that gap, but they were still behind them.

Council Member Burnette questioned how he came up with 50, 75 and 100%.

Mr. Corcoran explained that he looked at what a lot of other places did throughout the State and he looked at Rockingham County and Mayodan and it just seemed that a lot of places honestly were at 100% after 20 years, and he just could not see that. The other thing, he did not think that this would be that big of a deal while bringing it into compliance because they have only had 2 employees who have retired at 25 years of service. He stated that he had found that most people are not going to retire prior to 30 years because you take such a huge hit on your retirement benefit. Today, they have had 18 people that were at 30 years and 2 people who retired at 25 years so he would be very surprised if you had many people retire at 20 years because even though they would be entitled to this health insurance benefit if they did so, they were losing so much on the other end from their retirement.

Council Member Burnette pointed out that what you do get into, they can retire from one job at 20 years and go work another job at 20 years and retire again to which Mayor Grogan replied that they could do that at 30 years now and Council Member Carter agreed. Council Member Burnette also pointed out that a lot of them did not get double retirement. He questioned what the cost was.

Mr. Corcoran replied that it was a projected thing. He explained that it was like they did when the Council first implemented this several years ago. He thought they showed them a chart by 12-13, 12-14 when you would peak with these people who were eligible to hit that 30 years it would start to go down. Obviously it was hard to qualify the cost, it was not just what you pay in the premiums it was the cost of whatever their claims were. So who knows, if it was a healthy person it was nothing, but if it was an unhealthy person it could be a lot. The big thing was how many people they thought would exercise that 20 year option and his guess would be you probably would not have many. Some people may want to do it but why would they want to leave one profession making 100% of their pay and 100% benefit to take just 50% of their pay and 50% of their benefits and then have to go get another job. That was how he approached it and this just brings them more in line with what he found in the survey without probably impacting a lot of people. The other thing was if they look on page 12 where it shows under (2) "*An employee retiring on or after September 1*", that would be going forward. So the two people that were in your 25 year category today, they would stay exactly as the benefit would step

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

forward when they retire, which was 50%, it would only be going forward, it would only impact anyone else that hit that 20 or 25 year mark.

Council Member Epps asked if there were any who were close to it.

Mr. Corcoran replied that they have some people close to it but the last 20 people who have retired, 18 of them went to 30 years and why did they do that, because there was such a drop off in your retirement pay if you do not work the 30 years so he just thought the number of people that will retire with 25 or 20 years was probably going to be a very small figure. Whereas, if you do like some communities and pay 100% after 20 years then you would be opening up a floodgate.

Council Member Burnette asked if the pre tax deductions did not cost them anything to which Mr. Corcoran replied it did not.

Mayor Grogan asked if he was looking for any action from the Council to which Mr. Corcoran replied no this was information, all the action will move to the next item.

Council Member Burnette turned to page 18, "*The City of Eden allows the maximum accumulation of compensatory time as follows*", and stated that they talk about non-exempt employees. He stated that he was under the impression from previous work, which he was taking it to mean hourly employees could not receive comp time and that was in opposition to the labor law.

Mr. Corcoran replied that they could as long as they elect it, you just could not force it.

Council Member Burnette agreed and questioned that where he said they must request...to which Mr. Corcoran explained that if they work over they were going to get overtime unless they say they had rather and what they have found was that people who were just starting out and maybe they did not have any vacation time accumulated, maybe they were one, two, three year, and maybe they were big hunters, they had rather have that comp time than the overtime pay. That was why their hours were so low compared to police and fire. He noted that you could go up to the maximum by 240 hours but they just capped it at 40 because most of them take the overtime pay. There was a provision in the code too where the Manager, in extreme circumstances, can temporarily waive those requirements in the event of a natural disaster that took several days, but no they do not dictate to them, they would have to go to their department heads and ask not to be paid but to be put down as comp time.

Council Member Burnette asked if they have to take that time within the same week.

Mr. Corcoran replied no they can take the comp time whenever. Now, the supervisor had the right to make you to adjust your work schedule and that was what they try to do but again it was not always possible, for instance most of the field personnel work on a two week cycle. So, assume that on the second day of the pay period they have a water break and worked everybody six extra hours, well they have plenty of time in the next 12 days to say, "hey Jim why don't you take a couple of hours off on Friday and Wayne you take a couple of hours on Thursday", to

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

reduce the liability to overtime. He asked them to pretend it happened the night before the pay period ends and the period ends the next morning. Then they were stuck and they have to go ahead and pay them for those six hours, or if they request it to go to comp time. They were allowed to do that up to 40 hours.

Council Member Burnette stated that again, his past experience was, you had to take the comp time.

Mr. Corcoran stated that you did not have to according to the Fair Labor Standards Act and actually they did not even do everything they allowed. He explained that they would allow them to put that number at 240, but they have kept it at 40. It would allow them to change the public safety personnel under fire and police as 480 and as noted on page 18. He noted that as a non-exempt employee, if he had 40 hours or if he was a firefighter and retired tomorrow with 240 hours, the city had to pay him for all of that. That was why it behooves them to try to keep those numbers down as much as they can.

Mayor Grogan asked if there were any other questions. As there were no more questions he then asked Mr. Corcoran to move to the next item.

Review & Consideration of Amendments To Chapter 10 “Personnel” of the Eden City Code:

Note: A complete copy of Chapter 10, Personnel Code is located in the Office of the City Clerk.

Mr. Corcoran explained that he had given them the entire Chapter 10. He explained that the recommended amendments (deletions and additions) have been highlighted in an effort to expedite their review of the information. He noted that all of the amendments have been reviewed by the Staff/City Attorney from a legal perspective and she has informed him that she did not have any concerns with the proposed changes and she feels they help to clarify the code.

He noted that there were a lot of small, minor, grammatical corrections and they would also see a concerted effort throughout the document to make it clear that any approval from the City Manager in several different instances must be in writing. He added that this was important because over the last 9 years he had come up with some occasions where he had asked someone and they said, “yes, you approved that”, and he was like, “where is that in writing” and they reply “don’t you remember telling me that?”. He explained that this made it very clear, if they do not have it in writing, whether it was to take a class or whatever, then it was not approved.

He pointed out that there were four main areas and one included the health insurance change (*that was discussed previously under Review & Consideration of Comparison of Fringe Benefits & Personnel Practices for Eden & Other North Carolina Municipalities*). Secondly, he noted that there was a change in the Christmas Allowance (*Section 10-6.13*) from a flat \$150 a year to whatever amount appropriated by the City Council on an annual basis. He explained that this allowed them some flexibility.

He then explained the uniform definition of immediate family and what he found in there, if they

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

have two, three or four different definitions of what an immediate family was, anywhere where immediate family was referred to whether it was under bereavement leave or family medical leave, they go to a uniform definition and lastly, under *Article XII: Safety Loss Control Committee* the changes that were in there now were at the request of a previous City Council Member. It just did not make sense requiring the City Council to appoint that committee and kind of ad-hoc run that committee when it was an employee committee. There was also a very sophisticated formula on how you appoint people and he got rid of that and just said it was the desire and intent to have a Safety & Loss Control Committee that was composed of both supervisory and non-supervisory employees and you know that the City Manager will appoint those individuals. He closed by stating that he would be happy to address anything but through those 85 or whatever pages, anything they see in yellow, those were the amendments or proposed changes. Anything that they do not see in yellow was already in place.

Council Member Turner questioned page 16, *Recruitment sources*. “*When position vacancies occur, department heads shall notify the City Manager or designee*”, he was not saying “their designee”...to which Mr. Corcoran explained that they had taken out “his” and inserted the word “their”. He added that it may not be a big deal, but he just tried to make it gender neutral.

Council Member Burnette asked about page 11, under *10-3.6 Performance Evaluation and Performance Pay Increases*, “*These performance evaluations shall be documented in writing*”.

Mr. Corcoran pointed out that he was looking at something they have not even recommended.

Council Member Burnette replied that was correct. He explained that he would recommend that they have “all performance evaluations documented”.

Mr. Corcoran replied that he could strike the word “be” and add the word “all”.

Council Member Burnette questioned what happened to sick leave and vacation while a person was on leave without pay. (*10-7.23 Family Medical Leave Policy, (FMLA)*).

Mr. Corcoran explained that typically if you go on a family medical leave act you continue to get paid and you have to use that leave. He explained further that it actually breaks down for sickness or a disability for either you or someone in your family and you have to exhaust the leave you have. If it was something like a military assignment, then a determination could be made and if you wanted to be without pay, then the leave would just freeze and you would not accrue leave when you were on leave without pay.

Council Member Burnette noted at the bottom of page 10, under *Demotions*, he was a little confused with that one and *10-3.4, (Trainee Designation and Provisions)* was demoted to a trainee, that was the way he was interpreting that but that may or may not be the case.

Mr. Corcoran replied yes, he guessed what it was saying under *10-3.4, (B)*, “*If the training is not successfully completed as planned, the trainee shall be transferred, demoted, or dismissed. If the training is successfully completed, the employee shall be paid at least at the minimum rate established for the position for which the employee was trained*”, so what that would do was

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

give them the option for dismissing them or for instance, they had hired them for job (a) and they just did not think they did good there but they did show promise, they could demote them to job (b) in a lower class.

Council Member Burnette asked if you had those options, you could demote them.

Mr. Corcoran explained that for instance, if you were a Water Plant Operator IV and you were not doing very good there but they thought you had promise and wanted to put you as an Equipment Operator I in the Street Department, but you were not qualified to be one yet, then you would be demoted to a Trainee Equipment Operator I and then you go on as a trainee for six months until you qualify.

Council Member Burnette questioned what the pay would be.

Mr. Corcoran replied that it would be one pay grade less than what the starting one was for that pay grade, and they talk about that in there. He explained that the reason they did the demotions, just so they know, he recently had a case where he was working with an employee that was going to be demoted and the way it was written previously it said they were to be decreased by 5% or to the maximum of the new range whichever decrease results in the largest decrease. Well their ranges were so widespread that it really did not make sense but what it did, in effect the way it was written, was limit the demotion to 5%. If you were in a pay grade 15 or 16 and you were being demoted to a pay grade 8, you need to be able to demote that person a lot more than 5%.

Council Member Burnette asked, so the 5% exempted the trainee pay.

Mr. Corcoran replied that was right, it put a limit on what he was allowed to do. So the dilemma he faced was either terminate the employee or put the employee in a new classification where they would be one of the higher paid people in that classification so it would just give you greater flexibility when you have to deal with those matters.

Council Member Burnette turned to page 13, *(10-3.11 Overtime Pay Provisions)*, item (D) at the bottom of the page, *“In emergency situations, where employees are required to work long and continuous hours, the City Manager may approve compensation at time and one half for those hours worked and/or grant time off with pay for rest and recuperation to ensure safe working conditions,”* and asked if they had a limitation on how many hours an employee can work.

Mr. Corcoran replied, no not really but he did not think they have ever had a problem with that. For instance with the Police Department, he had talked to some of their detectives and when they have had some really bad cases they will put 200 hours in a week...Council Member Burnette pointed out that he was talking about continuous hours. Mr. Corcoran used as an example snow weather, they go to 12 hour shifts and it would be very rare if they have anyone working more than 12 hours. The firefighters work 24 hours but they also get their rest periods.

Council Member Burnette explained that he was more concerned about the employee who was working...to which Mr. Corcoran replied that they have a contingency plan that they use in snow

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

and emergency events, for instance, if the weather tells them that a huge storm was coming in tomorrow, they will only bring in half of their work force, even if it was Wednesday, and they will tell the other half to come in tonight at 7:00 p.m., and they would convert to 12 hour shifts. They would go ahead and adjust their work schedules so they constantly have some well rested people. They would also do the same thing even if it was a natural disaster.

Council Member Burnette noted that on page 14, (10-3.12 *Call-back and Standby Pay*), on *Call-back* pay, he stated that he understood the 2 hours. He questioned what if that time merges in to either a scheduled overtime or a scheduled day pay, would they still get the guaranteed 2 hours in addition or in other words, if he was scheduled to come to work at 8:00 in the morning and he got a call out at 7:00 a.m., would he get 2 hours pay and then go to his...to which Mr. Corcoran replied yes, he would get 2 hours for being called out, regardless of it being five minutes or 2 hours or paid hours. Council Member Burnette asked if he would then get his 8 hours scheduled pay.

Mr. Corcoran replied that was correct and also noted that if he was called out at 10:00 p.m., and only worked 4 hours, then you only get 4 hours.

Council Member Burnette questioned if he would get overtime pay if it went beyond that.

Mr. Corcoran replied that was right and actually to take a step back, you get the overtime pay if you go beyond the 80 hours in a 2 week period. Mr. Corcoran added that vacation did not count. For instance, if he had vacation on Wednesday and then on Thursday he worked 8 hours of overtime, at the end of the period he only really worked 80 hours so, he earned no overtime. So vacation and sick leave hours do not count as hours worked in the computation of overtime.

Council Member Burnette turned to 10-4.4 (Probationary Period), item (B) that read, *“During the probationary period, supervisors shall monitor an employee's performance and communicate with the employee concerning performance progress. Before the end of the probationary period, the supervisor shall conduct a performance evaluation conference with the employee and discuss accomplishments, strengths, and needed improvements. A summary of this discussion should be documented in the employee's personnel file. The supervisor shall recommend in writing whether the probationary period should be completed, extended, or the employee transferred, demoted, or dismissed. Probationary periods may be extended for a maximum of six additional months.”* He questioned “should be documented” in the personnel file to which Mr. Corcoran asked if it should read “must be” to which Council Member Burnette replied “shall be.”

Council Member Burnette then moved to 10-4.5, (*Promotions*), *“However, if other applicants possess comparable qualifications and if the city would continue any historical discriminatory”*, he stated that he would recommend that they change that to “would create any discriminatory employment practices”...or something to that effect. He continued on to 10-4.7 (*Transfer*), *“Employees who request transfer shall serve a probationary period”*, and asked if probationary period was the same for everybody.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Mr. Corcoran replied no, if you were in law enforcement or were a department head it was a year.

Council Member Burnette noted that he needed a definition on page 22, 10-5.9 (*Residency Requirement*), item (B) where it says “*shall be terminated unless otherwise provided by the City Council*”. He asked if “provided” was the right word there. He questioned if it should be “approved” or something. He was fine with it but the one below it in item (D) said “provided for” so it was worded a little bit differently.

Council Member Myott commented that it says “unless otherwise provided for by the City Council” and she did not think there was anything wrong with that phrase...to which Council Member Burnette replied that he was fine with it.

He then moved to 10-6.2, (*Group Health and Hospitalization Insurance*), and asked if they were saying the “*employee will be responsible for full cost of any selected dependent coverage*”, and if that meant the premium or cost to which Mr. Corcoran replied it was the premium and Council Member Burnette stated that he was reading that as the cost.

Mr. Corcoran agreed to insert “will be responsible for the premium of any selected dependent coverage”.

BREAK

A short five minute break was called at this time.

Council Member Burnette turned to 10-6.3, (*Retiree Life, Health and Dental Insurance*), item (C), and questioned (c) “*The city's payment of premiums for group health and dental coverage for retirees will be discontinued when the retiree becomes eligible for Medicare (65th birthday) or disability.*” He questioned the disability and explained that he guessed he was confused because it already says that they discontinue when they go to disability.

Mr. Corcoran deferred to the City Attorney as that had been in there and he did not know if that should be reworded or not.

Ms. Gilley commented that it was the way their policy reads “eligible and entitled to”.

Council Member Burnette stated that he knew that, but his question was that it says that payments would be discontinued when they become disabled.

Mr. Corcoran asked if they should add “social security disability” to which Council Member Burnette replied that was what he was thinking it should be because this says right now you should not be paying anybody’s disability.

Council Member Carter asked if that was age 67 for some people to which Council Member Burnette questioned if Medicare changed or just social security and he pointed out that was

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

social security not Medicare, you were still eligible for Medicare at 65 regardless. He then moved to 10-6.6 (*Retirement*) and stated that he really did not like the word “normally” where it read “*Each regular employee of the city and each part-time employee that normally works for the city*”...Mr. Corcoran asked if he wanted “customarily” instead of “normally” to which Council Member Burnette explained that “normally” leaves the door wide open and he just thought it needed to be looked at.

Mr. Corcoran replied that he thought what it meant there was that if you have a part-time employee who consistently works at least 1,000 hours annually you have to add them to the retirement and that was what it was trying to say.

Council Member Burnette questioned why even have the word “normally” in there. He then continued to page 30, 10-7.7, (*Vacation Leave: Maximum Accumulation*). “*On December 31st of each year, any unused vacation leave in excess of 240 hours shall be converted to accumulated sick leave so the time is not completely lost.*” There is no maximum on accumulation that goes toward retirement, is that correct to which Mr. Corcoran replied that was correct.

Council Member Burnette asked if there was a requirement to take some vacation to which Mr. Corcoran replied no and explained that once you work under those 30 days, if you were here long enough, then you can use them or lose them or they go to sick leave. When a normal person leaves here, they will not get paid for it, the only thing they can do is use every 20 days to retire a month earlier and again it costs the city nothing, it just comes out of retirement.

Council Member Burnette pointed out that it did cost to which Mr. Corcoran replied that he thought what he would find, almost 100% (of the communities) allow unlimited sick leave, that was one of the most standard things out there and the school system also allowed it.

Council Member Burnette also questioned what annual leave meant to which Mr. Corcoran replied it meant vacation. He then moved on to 10-7.9, (*Vacation Leave: Payment upon Separation*). He stated that he had a real problem with this one, “*Employees who are involuntarily separated may receive payment for accumulated annual leave subject to the maximums established*”, and he stated that he thought that if you dismiss someone they did not have the rights to anything like that. That was saying that if you fire somebody, you were going to give them all of their annual leave.

Mr. Corcoran replied that he thought by law you had to allow them to do that.

Council Member Carter added, if it was time earned. He explained that if the city gives you all of your time at the beginning of the year, and that holiday [or vacation] has not come to pass before you are terminated or whatever, then they were probably not legally obligated to pay you for that holiday [vacation] as it had not occurred...and Council Member Burnette asked if they get all of their vacation at the end of the year for the year.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Mr. Corcoran replied no, they earn it. He explained that police and fire were the only ones, because of their unique schedule and it did talk about that in there [city code]. He added that for instance, Council Member Carter, if he received a whole year and at the 6 month mark he left, then they would pay him that final paycheck but deduct the advancement he received.

Council Member Burnette moved to 10-7.10, (*Vacation Leave: Payment upon Death*). He stated that this one blew his mind when he read it. “*The estate of an employee who dies while employed by the city shall be entitled to payment of all the accumulated vacation leave credited to the employee's account*”, and he pointed out that was a tremendous benefit, as he had never seen that.

Council Member Carter pointed out that this was time earned and Mr. Corcoran added that if it was time earned the employee would get it if he left, so why would his wife not get it.

Council Member Burnette explained that you do not see it anywhere else. He was just saying that it was a tremendous benefit.

Mr. Corcoran added that it had been there since 1994 and Council Member Burnette noted that if you listed all the benefits on one page or whatever it was and gave it to the employees, they would be amazed.

Council Member Turner pointed out that it was so spread out and Council Member Myott commented that they [employees] did not know the good things they were getting.

Mr. Corcoran added that he did think they have a lot better understanding today than they used to and Council Member Burnette agreed.

Council Member Carter also pointed out that you would be surprised [because] they [employees] realize they have a good benefits package.

Council Member Burnette turned to 10-7.13 (*Sick Leave: Medical Certification*) and stated that for the following, “*There will be no abuse of leave privileges*”; he would change that to “shall”.

Mayor Grogan pointed out that was just semantics was it not to which Council Member Burnette disagreed and explained that “will” and “shall” were totally different. He explained that “will” leaves the option and “shall” does not.

Council Member Myott pointed out that “will” was stronger than “shall” to which Council Member Burnette replied that “shall” was compulsory.

Council Member Carter commented that most of your code was written in “shall”.

Mayor Grogan asked the City Attorney for her thoughts.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Ms. Gilley replied that she thought they were both compulsory, legally, but to make it consistent “shall” was everywhere else.

Mayor Grogan stated that it was agreed that they make it “shall”.

Council Member Burnette asked them to turn to page 34, 10-7.18 (*Parental Leave*). He explained that he just needed some clarification here. He talked about parental leave so as it enters in it could coincide with FMLA and it could coincide with Leave without Pay. He stated that he just questioned that someone on parental leave may have to pay their health insurance.

Council Member Carter asked if he was talking about their own health insurance to which Council Member Burnette replied that they would pay their premiums for health insurance.

Mr. Corcoran replied that the first thing was, you were going to take your normal leave through the Family Medical Leave Act.

Council Member Burnette agreed, but once you have exhausted your paid leave, you have no more paid leave or sick leave, but you do have FMLA and you have to pay the premium and if you have to pay the premium then you were adding a dependent as well and that seemed wrong that someone was going to be out on family leave and you were making them pay the premium because they did not have any more paid time left.

Council Member Turner asked if he meant that normally the city would be paying “x” and now the person would be paying “x” to which Council Member Burnette replied yes, now paying his “x” because they were on a parental leave and they were paying the premium.

Council Member Turner stated that she thought the State does that also and she was pretty sure they did. She added that at least they were giving you the right to continue to pay that.

Council Member Burnette agreed and asked if that was routine to which Council Member Ellis asked, they were giving you 90 days, right.

Mr. Corcoran explained that the reality was, based on his 9 years here, no one would ever take parental leave. He explained that the employees here were very good about taking care of each other. For example, if Ms. Gilley needed an additional 2 weeks to care for her child, the employees will share their time before they will make her go on parental leave. He added that his point was, he did not know why it was in there but it was in there; however he did not think, from a practicality standpoint, it was never going to be used because he thought if someone gets in trouble, the employees around each other will donate the time necessary to cover that fellow employee.

Mayor Grogan agreed and recalled a young man who came to work for the city and he had kidney problems. He had a flare up after about 6 months and he had to have surgery and this and

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

that and the employees said they did not want him to lose anything so they contributed time to help cover him while he was out.

Mr. Corcoran also pointed out that the city did not lose anything because it was taken right off the books as it was time they were going to be paid for.

Council Member Burnette turned to page 35, 10-7.22 (*Educational Leave with Pay*), item (C) “An employee granted educational leave with pay shall agree to return to the service of the city upon completion of such employee's training and remain in the employ of the city for a period equal to twice the educational leave which such employee received or reimburse the city for all compensation received while on educational leave”. He asked if they did not pay for that education.

Mr. Corcoran replied that actually in the 9 years he had been there, no one has gone on the educational leave with pay. It was something that was in there if the rarity pops up but they have never seen it used.

Council Member Burnette asked, so they will get their pay but the city will not pay for their tuition or books.

Mr. Corcoran replied that it could and in fact, where he could see this being used the most was with the Police Department. For instance, all of a sudden the police department decided that they did not have a good enough pool of applicants who were certified and they wanted to hire somebody who was not certified. Then they come in and they send “Joe” to BLET and he will be at BLET for 3 months but they want to go ahead and pay “Joe’s” salary. That would be something that might fall under this code because he would be on educational leave to get his BLET with pay. The city would pay for that tuition. He added that if they got to that point, then they would develop a contract with “Joe” that basically said if he left early then he would pay a pro-rated portion of what the city paid for him to get that education.

Council Member Carter added that you also have to maintain a C.

Regarding 10-7.24 (*Bereavement Leave*), Mr. Corcoran explained that basically here they added aunt, uncle, nephew, and niece, to make it consistent and again you see here they have to attend the funeral. He noted that recently there was a case with an employee’s niece who was like a daughter and it was incredible, they did not have any allowance in that instance.

Council Member Burnette read, “the city shall provide up to three days bereavement leave” and he stated that his only question was the it was worded and should it be “department head”.

Mr. Corcoran pointed out that it was the city that was granting it.

Council Member Burnette asked who was making that approval of whether it was up to 3 days to which Mr. Corcoran replied that would be the department head or city manager. Council

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Member Burnette explained that he questioned “up to two, three days” or was it “one, two or three”.

Mr. Corcoran replied that they could strike the word “city” and just insert the word “department head”.

Council Member Burnette explained that up to three (3) did not mean three (3). He then moved to 10-8.2 (*Resignation*). “*Sick leave will only be approved during the final two weeks of a notice*”, he asked if that was the notice of resignation.

Mr. Corcoran agreed to insert the word “the” instead of “a” and then after the word “notice” put “of resignation”.

Council Member Burnette referred 10-8.4 (*Disability*), “*Americans with Disability Act (ADA), and the employee cannot perform the essential functions of his/her regular position*” and remove his/her and insert “their”.

Council Member Burnette moved to 10-9.2 (*Unsatisfactory Job Performance Defined*) where he had added in (L), “*The use of city owned, leased, or controlled computers and any internet facilities connected directly or indirectly to such computers by any employee for his or her personal use, pleasure or financial gain*”.

Mr. Corcoran replied yes, and explained that basically he took (L) and put it there. He added that everybody today goes on there and may check their email or this and that...to which Council Member Burnette commented that he did not know that it even needed to be there. Like he had said, you go in there and what was wrong with doing your online banking at lunch time....everybody does it.

Council Member Turner added that you would hate to have it in there and at some point in time it caused a problem for somebody.

Mr. Corcoran agreed and initially he had stricken it from the code, however Ms. McMichael (Director of Finance & HR) suggested that they put it there. He added that he did have the monitoring software and he did monitor it. It was the consensus of Council that (L) be stricken from the code.

Council Member Burnette moved to 10-9.3 (*Disciplinary Action*), “*When an employee's job performance is unsatisfactory, or when incidents or inappropriate actions warrant, the supervisor should meet with the employee as soon as possible in one or more counseling sessions to discuss specific performance problems and area for immediate improvement. A notation of these counseling sessions should be placed in the employee's file. An employee whose job performance is unsatisfactory over a period of time should normally receive at least two written warnings from the supervisor before disciplinary action resulting in dismissal is taken by the City Manager.*” He noted that everywhere you have “should” he recommended changing it to “shall”.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

At this time Council Member Tuggle had to leave the meeting (*approximately 11:00 a.m.*). Mr. Corcoran asked if they could take action on item 2 before he left.

A motion was made by Council Member Ellis seconded by Council Member Burnette to approve the rate structure as recommended by the City Manager. All Council Members voted in favor of this motion. This motion carried.

Council Member Burnette referred to the last sentence of that same item and recommended that it be changed to as follows: *“An employee whose job performance is unsatisfactory over a period of time should normally receive at least two written warnings from the supervisor before disciplinary action resulting in dismissal is taken by the City Manager”*, unless the violation is detrimental personal conduct. He explained that by adding that last part, you have the option for immediate dismissal still in there. In other words he did not have to receive 2 warnings for detrimental personal conduct and he also suggested that he remove “normally” again.

Council Member Burnette moved to 10-9.6 (*Pre-Disciplinary Conference*) item (B), *“At this conference, the employee may be represented by counsel and the city and the employee may present relevant witnesses and evidence.”* He asked if the employee was going to be represented by the city.

Mr. Corcoran replied no they can be represented by legal counsel.

Ms. Gilley clarified that she thought that meant that the city and the employee may present relevant witnesses and evidence.

Council Member Burnette explained that he did not know how to read it to which Council Member Turner suggested that it read “that the employee may be represented by private legal counsel”, as that would be specific as to the employee providing that counsel.

Mr. Corcoran agreed that he could do that.

Council Member Burnette stated that answered part of it but he also wondered if they could restructure it a little or maybe add a comma. He then moved to 10-9.8 (*Substance Abuse Policy*). He asked if they did not have a policy.

Mr. Corcoran replied that they chose not to because it was very long. He added that he had talked with the City Attorney and they decided to reference it here. It was agreed that the word “may” in the sentence, *“The city may establish policies and procedures related to employee substance abuse in order to insure the safety and well-being of citizens and employees, and to*

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

comply with any state, federal, or other laws and regulations” be removed as it implied that you did not have it.

Council Member Burnette moved to 10-10.4 (*Procedure*), and stated that this was sort of a recourse type of procedure he guessed, *“If the employee's complaint concerns the immediate supervisor the employee may first discuss the problem with the appropriate department head.”* He explained that it should be a little more definitive than to give it that option and he thought he ought to go to that one step up. In other words, there was no chain of command there if you did not do something.

Mr. Corcoran replied that if it says they have a work related problem they have to go to their immediate supervisor and if it concerned their immediate supervisor then they can skip that and go to the department head. There was also another place in there that says if they have a problem with the City Manager they have to bring it to the Clerk who brings it to the Council. So there were provisions to skip the immediate supervisor or the manager. He noted that over the last 9 years, during the one on ones (*one-on-one meetings with employees*) he stated that he had heard endless stories of grievances and problems but employees were scared to bring it to the department head because the department head would never bring it to the manager. So they have said that they should have the right to come to him if it involved their department head.

Council Member Burnette agreed but he just did not want them skipping their supervisor.

Mr. Corcoran explained that if it was their supervisor, they could skip the supervisor and go to the department head.

Council Member Burnette noted that was what he did not want them to do and that was to skip all the way to supervisor and department head and come directly to him (Corcoran).

Mr. Corcoran replied that they only come to him, for instance if “Joe” came in to talk to him and it was about his immediate supervisor but not his department head, he would tell “Joe” he would need to go talk to his department head, but they have had one department head who would tell his employees they were not allowed to go and talk to him and then when they did they felt there was retribution.

Council Member Burnette asked if HR reviewed personnel files as far as what was pertinent to keep in there.

Mr. Corcoran replied that they go through them on a regular basis. One of the things in there was that any write up automatically came out after 18 months. So they keep them clean for that and any time anything happens with a specific employee whether it was discipline or recertification and their files come out then they go through them as well. He added that a lot of employees keep up with their own files and to be honest, they will come up and ask to see their file, but they have to do it in the presence of HR staff so things do not walk out of the file.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

He had also recommended that they move the 18 months to 24 months. He explained that the only things that come out and he would tell them, he had started including a lot of things, but these verbal warnings or written warnings, they used to come out in 18 months. Now you will see in the language there that he recommended it to be 24 months and he had added a sentence that says, unless it was determined to be a part of the permanent file by the City Manager. For instance they had a case once where they had a police officer who shot at a car. That was a written warning. In his opinion that was significant enough that it needed to stay in that person's file to document that they did it. So he took that verbal warning and wrote in that he had determined this to be a part of that employee's permanent file and it was not to be removed. So if they did not want it to be removed ever, they could just take the section out and it just stays in there forever.

Council Member Burnette explained that he thought the problem you run into there was if you change a supervisor or department head and they go in and look at something that may have happened 5 years ago they may hold it against...to which Mr. Corcoran replied that typically the verbal and written warnings were supposed to be sort of minor things. If something comes to him and it was a pre-disciplinary conference it was never removed from their file. Only the verbal and written warnings (were removed) and anything more than that where he was involved, demotions, suspensions and all that stuff, that stays in there forever. He also noted that sometimes some written warnings...he could not tell them if they were a department head and they decided that "Joe" did something wrong but they wanted to give him a written warning, he as City Manager, could not come in and say he was going to overrule them as that was the department head's call. But, he could go in and say that he thought it was serious enough that he was going to make it a permanent part of his file and then he would have a talk with that department head to let them know he did not think that was the way they should handle it. The department head gets to make the initial call on the discipline and he only got to come in once they recommend demotion, suspension or termination.

Council Member Burnette referred to page 59, 10-12.5 (*Membership and Vacancies*) and noted that this was a question for the City Council and the Mayor. As important as safety was, he asked if there should be a Council Member on this committee.

Council Member Turner replied that she had sat on that committee once and it was really day to day and she did not have the background because she was not there every day to realize what was appropriate and what was not appropriate. Again, as the City Manager had indicated, there was once a time when there were Council Members who were very much obsessed with this particular committee.

Council Member Epps added that they had tried it and a lot of it was a waste of time, but once they got something together and recommended it to them, then they could do research.

Council Member Turner also added that they had to have the meetings to fit her schedule after 5:00 p.m., and it really cut into city time.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Council Member Burnette pointed to the very last item, 10-12.17 (*Safety Rules and Procedures*) and stated that Council Member Epps may have answered this one, “*Safety rules and procedures shall be developed and monitored by each department. The department heads, supervisors and employees should all contribute to this task for their respective area. All such rules and procedure shall be in written form, a copy of which shall be given to the City Manager and to the members of the committee. The discipline for failure to comply with the Safety rules and procedures shall be covered under the Progressive Disciplinary Program.*” He asked if there was any formal approval of those rules and procedures and did it come to the City Council.

Mr. Corcoran replied no and explained that each department has their own set of safety rules and procedures that they have developed that was unique to them and some have none. For example, the legal department, it probably did not have a ton of safety rules but fire or police do, so typically the City Manager signs off on those rules and regulations.

Mayor Grogan asked if everyone was comfortable with these changes and recommendations.

Mr. Corcoran added that they would get the updates out to them and also the City Clerk now has the capability to put them online.

A motion was made by Council Member Burnette seconded by Council Member Turner to accept the changes as discussed and amended to Chapter 10. All Council Members present voted in favor of this motion. This motion carried.

CLOSED SESSION:

Closed Session in Accordance with North Carolina General Statute 143-318.11(a)(4) to discuss matters relating to the location or expansion of business in the area served by the public body including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations:

A motion was made by Council Member Carter seconded by Council Member Ellis to go into Closed Session in Accordance with North Carolina General Statute 143-318.11(a)(4) to discuss matters relating to the location or expansion of business in the area served by the public body including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations. All Council Members present voted in favor of this motion.

OPEN SESSION:

A motion was made by Council Member Epps seconded by Council Member Burnette to return to Open Session. All Council Members present voted in favor of this motion.

ADJOURNMENT:

A motion was made by Council Member Burnette seconded by Council Member Ellis to adjourn. All Council Members present voted in favor of this motion. This motion carried.

August 29, 2009

Minutes of the August 29, 2009 meeting of the Eden City Council, Continued:

Respectfully submitted,

Sheralene S. Thompson City Clerk

ATTEST:

John E. Grogan, Mayor