

The Washington City Council met in a regular session on Monday, March 27, 2017 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Virginia Finnerty, Mayor Pro tem; Doug Mercer, Councilmember; Richard Brooks, Councilmember; Larry Beeman, Councilmember and William Pitt, Councilmember. Also present: Bobby Roberson, City Manager; Franz Holscher, City Attorney and Cynthia S. Bennett, City Clerk.

Mayor Hodges called the meeting to order and Councilmember Pitt delivered the invocation.

APPROVAL OF MINUTES:

By motion of Councilmember Mercer, seconded by Councilmember Brooks, Council approved the minutes of March 6 & 13, 2017 as presented.

APPROVAL/AMENDMENTS TO AGENDA:

Mayor Hodges reviewed the requested amendments to the agenda:

- Add: Under Closed Session: NCGS 143-318.11 (A)(3) Attorney/Client Privilege (City of Washington v. William Keith Manning et al 17-CVS-262) and (A)(5) Property Acquisition
- Add: Under Items from Mayor & Council: Historic monument at Gladden Street, Power Agency update, Town Hall Day update, NCLM update

By motion of Mayor Pro Finnerty, seconded by Councilmember Brooks, Council approved the agenda as amended.

CONSENT AGENDA:

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council approved the Consent Agenda as presented.

- A. Approve – Audit Contract for fiscal year 2016-2017

COMMENTS FROM THE PUBLIC:

Gerald Seighman –203 N. Reed Drive urged Council to think about City staff before funding outside agencies.

James Gaynor – 405 W. 15th Street is opposed to 15th Street project and said this project will destroy his business parking lot. He asked Council to vote no for project.

Yazan Zokari – 160 W. 15th Street – asked if 15th Street can be modified similar to 5th Street.

Tom Atkins – 1468 Carolina Avenue is opposed to the 15th street project. He is President of The Rich Company and is asking Council to vote against this project. He suggested the installation of turn lanes at major intersections would remedy many of the problems on 15th Street.

Floyd Brothers – 1406 Washington Street is opposed to the 15th Street project. Citizens are asking Council to do something for them. They do not want this project – vote no.

Katherine Burroughs– 169 Archibald Road is opposed to the 15th Street project. She lives in County and travels 15th street and is opposed to project. Asking Council to vote against this project. 15th street impacts everyone not just city residents.

Liz Barnhardt – West 13th Street is opposed to the 15th Street project. She presented flooding photos of drainage concerns in this area.

Robert Crisp – 106 E. 15th Street is opposed to the 15th Street project, as it will remove the majority of parking at his business (Edward Jones Investments).

Linda Witchell – 114 E. 12th Street is opposed to the 15th Street project. She feels the problems could be resolved with additional traffic lights and dedicated left turn signals. She urged Council to vote against the project.

William Taylor – 639 W. 15th Street - First Bank, stated he is concerned with the proposed NCDOT design and is opposed to the project.

Ramey Kemp –has an office at 5808 Farrington Street in Raleigh. Regardless of Council's vote, the money allotted for this project is there only for this project. If Council votes against the project, the money will go away, but will not affect future projects in Washington or Beaufort County.

Brian Hudak –906 W. 15th Street – is a Chiropractor on Minuteman Lane & 15th Street. He said he does not see any reason for this project. Most accidents are because people are not paying attention not necessarily the current design of the street. There are already several vacant businesses in this area of Washington, how many more small businesses will have to close if this project is approved.

Break for 6:00pm public hearing regarding 189 West Main Street

PUBLIC HEARING – ZONING - 6:00PM: NONE

PUBLIC HEARING – OTHER – 6:00PM:

**PUBLIC HEARING – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROGRAM TO PROVIDE FUNDING FOR 189 WEST MAIN STREET**

Mayor Hodges opened the public hearing. John Rodman, Community & Cultural Services Director presented the following information regarding the public hearing. This is the second required public hearing for the Community Development Block Grant-Downtown Redevelopment Program. The purpose of the public hearing is to explain the CDBG- Downtown Redevelopment grant, which will provide funding for up-fit and renovation the Fowle Building located at 189 West Main Street. The \$500,000.00 grant represents 71.4% of the project costs. The businesses has committed to spending up to \$200,000.00 on the project for a total project cost of \$700,000.00.

The three-story building is approximately 11,800 square feet and was constructed in 1900. It has been vacant for many years. The first story will house Castle Island Brewery and a restaurant. There will also be dining on the roof. The second and third floors will be residential, but will be outside the scope of the CDBG project. The funds will assist with up-fit of the building.

After the public hearing is closed, Council will need to pass

1. The Resolution to Apply
2. The Program Manual containing the federally required plans. Which include:
 - Fair Housing Plan
 - Anti-displacement and Relocation Assistance Plan
 - Section 504 of the Rehabilitation Act of 1973
 - Section 3 Requirements
 - Equal Opportunity
 - Procurement
 - Citizen Participation
 - Language Access Plan

Mayor Hodges opened the floor for comments. There being no comments from the public, Mayor Hodges closed the public hearing.

Councilmember Pitt inquired to the number of apartment units. Mr. Rodman answered eight apartments.

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council adopted the Resolution to Apply for Community Development Block Grant Downtown Redevelopment Funds in the amount of \$500,000 to up-fit and renovate 189 West Main Street.

By motion of Councilmember Mercer, seconded by Mayor Pro tem Finnerty, Council adopted the Program Manual containing the federally required plans.

RESOLUTION FOR THE CITY OF WASHINGTON
APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT-
DOWNTOWN REDEVELOPMENT FUNDING
FOR THE CASTLE ISLAND PROJECT

WHEREAS, the City Council has previously indicated its desire to assist in economic development efforts within the City; and,

WHEREAS, the Council has held two public hearings concerning the proposed application for Community Development Block Grant funding to benefit Castle Island; and,

WHEREAS, the Council wishes the City to pursue a formal application for Community Development Block Grant funding to benefit Castle Island; and where the Company will invest up to \$200,000.00 into the project as shown in the application.

WHEREAS, the Council certifies it will meet all federal regulatory and statutory requirements of the Small Cities Community Development Block Grant Program,

NOW, THEREFORE BE IT RESOLVED, by the City Council that the City of Washington is authorized to submit a formal application to the North Carolina Department of Commerce for approval of a Community Development Block Grant for Downtown Redevelopment to benefit Castle Island.

Adopted this the 27th day of March, 2017 in the City of Washington, North Carolina.




J. MacDonald Hodges, Mayor

CITY OF WASHINGTON- CDBG-DR- CASTLE ISLAND
PROGRAM MANUAL

A Resolution Authorizing the Adoption of the Program Manual for the City of Washington Community Development Program.

WHEREAS, the City is participating in the Community Development Block Grant Program under the Housing and Community Development Act of 1974, as amended, administered by the North Carolina Department of Commerce; and

WHEREAS, the following documents are required under this program:

- **Fair Housing.** Grant recipients are required to comply with fair housing and nondiscrimination laws. The plan must include a list of fair housing promotional activities to be undertaken each quarter over the two-year period of the grant as well as a complaint procedure.
- **Anti-displacement and Relocation Assistance Plan.** A plan for residential anti-displacement and relocation must be documented.
- **Section 504 of the Rehabilitation Act of 1973.** The local government applicant must complete a Self-Evaluation plan. Units of government as well as private firms are required to comply with certain provisions of the Americans with Disabilities Act (ADA).
- **Section 3 Requirements.** Section 3 of the Housing and Urban Development Act of 1968, as amended, contains requirements governing programs providing direct financial assistance to public recipients and related contractors (or subcontractors).
- **Equal Opportunity.** Applicants are required to insure that CDBG aided projects comply with equal opportunity and nondiscrimination laws and that people in protected categories are not excluded from project participation.
- **Procurement.** The grantee must have a written Procurement Policy that meets the requirements specified in 2 CFR Part 200. The procurement procedures must reflect applicable State and local laws, promote free and open competition, and describe efforts to encourage minority and female owned businesses to submit bids/proposals. Loan funds awarded to a private company are not subject to procurement regulations.
- **Citizen Participation.** Applicants must certify in their application that they are following a written citizen participation plan that provides for citizen access to information and participation in all stages of the project.
- **Language Access Plan.** Title VI of the Civil Rights Act of 1964 requires local governments receiving federal assistance make special accommodations for persons with limited English proficiency.

NOW, THEREFORE, BE IT RESOLVED, that the City Council, of the City of Washington, North Carolina, hereby adopts the Program Manual to be used throughout the implementation of the City of Washington's Community Development program.

Adopted this 27th day of March, 2017.


J. MacDonald Hodges, Mayor



CONTINUED PUBLIC COMMENTS – 15TH STREET

Phyllis Schulti lives at 14th and Bonner. She is opposed to the 15th Street project. She suggested slowing down the traffic and installing sidewalks.

Tomp Litchfield – The Rich Company is opposed to the 15th Street project. This will destroy the quaint small nature of not only 15th Street but of the entire City of Washington.

Shawn Conlin – store manager of Badcock Furniture at 618 W. 15th Street. He understands there are issues on 15th Street but is opposed to the design with medians and limited access. He suggested extending the timing of the left turn signal.

Nita Byrum – 11th and Market Street stated her property is listed on the National Register of Historic Places. This project will put more traffic on Market Street. She is opposed to the project and is asking Council to vote against it.

Wells Armstrong – Pharmacy Manager of Tayloe's Hospital Pharmacy. He is opposed to project, as it will negatively affect all of the businesses along 12th and 15th Street. He asked Council to oppose project.

Brad Jackson – Dentist at 509 W. 15th Street is opposed to the project and is asking Council to vote against it.

Bill Kincannon – NCDOT Project Development Engineer for District 2 acknowledged that if the project goes forward there would be an impact for the property/business owners. NCDOT will work with the businesses regarding access to their property - their policy is to keep one driveway open for the businesses at all time. He noted changes have already been made to the design such as removing medians in several areas (in front of Tayloe's out to Hwy. 264). The plans are preliminary and can continue to be modified. They will consider every single property and do what they can to mitigate those issues into the final design. Concerning the 12th Street cul-de-sac, the design team has worked out five different options for this area. There is a multitude of inaccurate information floating around the neighborhood. The crash data cost over the five year period was over \$2 million. That is more than a minor fender bender at an estimated damage of \$1,000 or less. They are considering leaving the traffic signal at Washington Street and not moving it to Pierce Street.

Mr. Kincannon noted that if Council votes against the project, it would neither hurt nor help any other projects in Washington. This project was submitted by Mid-East which is Washington's RPO (regional planning organization). Discussion was held regarding the process

used by the RPO and NCDOT for scoring projects. This project as well as the previous safety project were discussed in the Council meetings and he has the minutes of those meetings. The project is designed with dropped medians so emergency vehicles can maneuver through traffic in emergency situations. They are also looking at areas between turn arounds to accommodate vehicles. Design possibilities were discussed including the repainting of the lane lines to make 15th Street similar to 5th Street – with a dedicated turn lane. Mr. Kincannon stated there is too much traffic in this area for a two-lane road with a turn lane.

CORRESPONDENCE AND SPECIAL REPORTS: NONE

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES: NONE

APPOINTMENTS: NONE

OLD BUSINESS:

ADOPT – RESOLUTION EXPRESSING SUPPORT FOR THE NCDOT PROPOSED IMPROVEMENTS TO 15TH STREET AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE ENGINEERING AND UTILITY AGREEMENT ALONG WITH THE ADOPTION OF THE CAPITAL PROJECT ORDINANCE AND SUBSEQUENT PURCHASE ORDERS FOR IMPLEMENTATION

Background and Findings: As a result of the proposed NCDOT improvements to 15th Street, the City of Washington must remove and relocate all water and sewer utilities located along the approximately 1.5 mile corridor of 15th Street. The NCDOT gave the city the option to use the water and sewer engineer of record for the project. The NCDOT will be responsible for the engineering, design and construction costs per the Utility Preliminary Relocation Agreement. The preliminary project cost estimate for the total project, including associated engineering fees, is estimated to be \$4,140,200.00

Councilmember Mercer said the citizens have spoken and they do not want this project and he is prepared to make a motion.

By motion of Councilmember Mercer, seconded by Councilmember Finnerty, Council voted not to adopt the resolution as presented (expressing support of U-5860 Project – 15th Street Widening) and not adopt the Capital Project Ordinance nor the subsequent purchase orders. Voting for the motion: Mercer, Finnerty, Brooks; against: Beeman, Pitt. Motion carried 3-2. (The project will not move forward.)

APPROVE – PURCHASE ORDER FOR PAINTING CLEAR WELLS AT THE WATER PLANT

BACKGROUND AND FINDINGS: The current Water Treatment Plant line item 30-90-8100-1600 – Maintenance/Repair of Plant Equipment under the justifications indicates \$28,000 to paint the clear wells. The lowest quote received was \$33,705 or \$5705 above the current budgeted amount. The difference of \$5705 is available in the same line item of Maintenance/Repair of Plant Equipment to cover the overage.

This budget cost was estimated in February 2016. The following quotes were received.

- 1) Ameritec Industrial Coatings-\$ 33,705*
- 2) All Around Painting-\$ 34,300*
- 3) McGowan Painting-\$ 56,500*
- 4) T & G Industrial Services-\$ 58,500*

By motion of Councilmember Mercer, seconded by Mayor Pro tem Finnerty, Council approved the purchase order to Ameritec Industrial Coatings to paint the clear wells at the Water Treatment Plant in the amount of \$33,705.

AUTHORIZE – MAYOR TO EXECUTE THE WORK AUTHORIZATION FOR PROFESSIONAL SERVICES RUNWAY 5-23 PAVEMENT REHABILITATION OVERLAY (DESIGN PHASE ONLY) AND APPROVE CORRESPONDING PURCHASE ORDER

BACKGROUND AND FINDINGS: The Washington Warren Airport received a grant from the N.C.D.O.T. Division of Aviation to fund the design portion of this project. The total estimated cost for the design phase of the project is \$179,899.50 and the appropriation of funds for this grant were included in the current FY 16-17 airport fund budget.

By motion of Councilmember Pitt, seconded by Councilmember Mercer, Council authorized the Mayor to execute the Talbert & Bright Work Authorization for design and bidding of the Runway 5-23 Pavement Rehabilitation-Overlay Project, and approve the corresponding purchase order for \$179,899.50.

SCHEDULED PUBLIC APPEARANCES:
DEBRA TORRENCE – ARTS OF THE PAMLICO

Debra Torrence, Arts of the Pamlico discussed a public art project with Council. She noted Matt Sopher (Turning Point Construction) will install the artwork and is insured to do so. Lighting will only light the artwork and not project on any other properties. The City Manager noted this is a private alley and does not belong to the City.



Project Overview

The Arts of the Pamlico (AOP) was granted \$10,000 from state funding received by the City of Washington to create a public art installation. Over a two month period, AOP explored varying options that would fit within the budget including tiled concrete forms, painted benches, outdoor musical instruments and metal artwork. In concert with the City of Washington, AOP developed a public art project that would provide a high quality art installation that would

- fit within the budget
- engage local artists and companies in using state funds to complete the project
- align with the historic approach to design in the city
- reflect the water and history of Washington
- serve as lasting infrastructure that would allow for flexibility, updates and multiple uses

Project Budget

AOP	\$1,843.57
Artists	\$6,800
Hardware	\$559.43
Art hardware	\$847
Installation	\$150
Total	\$10,000

Artists & Companies

Maryalice Johnston, Local Washington Artist

Maryalice designed the partial archways with Advanced Metal Fabricators to use as the infrastructure for a display of metal cut out fish and tulips made from three types of metal: carbon, steel and aluminum. Maryalice used local Pamlico River fish species as inspiration. She also designed tulips to reflect on the history of Washington's tulip festival. Maryalice also painted the fish and is in process of painting the tulips with metallic paint to pick up the light at night and natural light during the day for an attractive display at any time of day.



Oak Ridge Industries, 1228 Page rd. Washington, NC, 27889



Oak Ridge industries created the fish and tulip metal cutouts designs drawn by artist, Maryalice Johnston that would be displayed in the Harris Lane alley on the building that houses the Bardot hair salon with

permission from owner, Sam Wall. The alleyway connects Main Street and the waterfront parking lot providing a lighted corridor between these sections of the city. They used laser cutter technology to create the 12 fish and 12 tulip cutouts.

Advanced Metal Fabricators, 1054 E. Main Street, Washington, NC, 27889

Advanced Metal Fabrication partnered with us to supply the archways that the artwork will hang from. Advanced Metal made over 10 arches for in a classic black paints style to blend with the historic look of downtown.

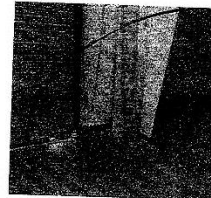
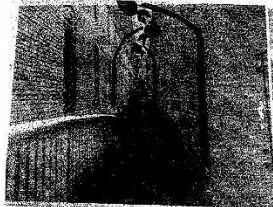


Allan Weaver - Local Washington Artist

Allan Weaver designed the sculptures that are to hang in the Alley adjacent to the Turnage Theatre. These outline sculptures will hang, painted in blue and silver Pamlico colors, and be illuminated by rope lights at night.



Representational look of completion



APPROVE – FUNDING APPROPRIATION FOR OUTSIDE AGENCIES – FY 2017/18

Background and Findings: The City Council has requested agencies to complete an application for funding for fiscal year 2017/18. We have included the list of agencies with their request on the attachment. Funding of "Outside Agencies" has been an on-going process for over eleven (11) years.

Councilmember Mercer noted the BHM money is only a pass through. By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council moved the \$7800 from Outside Agencies and will have it shown as revenue in the General Fund and shown as an expenditure under Brown Library's budget.

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council moved the funding for Hwy 17 Association in the amount of \$7,500 from Outside Agencies and moved it to the same category that other lobbying memberships are listed (such as NCLM, etc.).

Council members discussed the membership for this association and asked the City Clerk to review the prior minutes to determine the length of time the City has belonged to this organization as well as the dues for membership in the association.

Mayor Hodges discussed the funding request for Cornerstone, noting they asked for funding five years ago for only one year – and we are still funding them. A motion was made by Councilmember Mercer and seconded by Councilmember Beeman not to fund Cornerstone for the upcoming fiscal year. Motion failed 2-3; voting for the motion: Beeman and Mercer; against: Pitt, Brooks, Finnerty.

Councilmember Beeman inquired if staff sent the requesting agencies a letter advising them of the possible reduction in funding. Mr. Roberson noted they are aware of that possibility and he further noted over the years, Council has consistently reduced funding by 10%. Mayor Pro tem Finnerty stated this reduction was agreed upon before she joined the Council.

Mayor Pro tem Finnerty made a motion to leave the funding as requested by the agencies. Motion failed for lack of a second.

Councilmember Pitt made a motion to table this discussion until April 10th. Motion failed for lack of a second.

Councilmember Brooks made a motion to reduce funding to each agency by 50% in FY17-18. Motion failed for lack of a second.

Councilmember Beeman made a motion to reduce funding by 50% with the exception of Zion Shelter, Eagles Wings, Christmas parade, Open Door Community Center, and Estuarium funding at \$10,000. Councilmember Mercer seconded the motion. Motion failed 2-3. Voting for the motion: Beeman, Mercer; against: Pitt, Brooks, Finnerty.

Councilmember Mercer suggested a 25% reduction. No motion was made.

Dot Moate stated she sits on two boards that have submitted funding requests. Her organizations submitted funding applications knowing that we may or may not get funded or we could be funded at a reduced rate. We are expecting to get something but not what we asked for. Harold Robinson, WHDA stated his organization could not survive off of memberships.

By motion of Councilmember Beeman, seconded by Councilmember Brooks, Council voted for a 20% reduction on outside agencies funding requests (with the exception of the two previously moved agencies: BHM and Hwy. 17). Motion carried 3-2. Voting for the motion: Beeman, Brooks, Mercer; against: Pitt, Finnerty.

Councilmember Mercer made a motion to instruct the City Manager to write each agency a letter noting the funding level will be cut by at least 25% again next year. Councilmember Brooks and Mayor Pro tem Finnerty disagreed with that. Motion failed for lack of a second.

Councilmember Mercer suggested that the City Manager draft a letter to each agency noting their approved funding request for the FY17-18 and note that it may be reduced in the FY18-19. Mr. Roberson will forward the draft letter to Council for their review.

NEW BUSINESS: NONE

ANY OTHER ITEMS FROM CITY MANAGER: NONE

ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:
HISTORIC MONUMENT AT GLADDEN STREET

Councilmember Mercer discussed an article he read regarding the placement of a Historic Monument near the caboose at Gladden and Main St. The City Manager explained that no one had spoken with City officials regarding this. Councilmember Mercer noted he was ok with the monument, but they need approval from Council.

POWER AGENCY UPDATE

Councilmember Mercer reviewed the latest power agency updates with Council, noting there will be a modification on the purchase power agreement with Duke. This will reduce wholesale electric from Duke and could reduce wholesale cost from Duke by \$1 million a year, which will ultimately reduce our cost. Councilmember Beeman noted that there would also be a 3% increase in three years.

REMINDERS – COUNCILMEMBER PITT

Town Hall Day – March 29th
NCLM Spring Regional - April 20th

**CLOSED SESSION: UNDER NCGS §143-318.11 (A)(3) ATTORNEY CLIENT
PRIVILEGE AND (A)(5) ACQUISITION OF PROPERTY**

By motion of Councilmember Pitt, seconded by Councilmember Beeman, Council agreed to go into closed session at 8:00pm under NCGS§143-318.11 (A)(3) Attorney/Client Privilege and (A)(5) Acquisition of Property.

By motion of Councilmember Brooks, seconded by Councilmember Beeman, Council agreed to come out of closed session at 8:40 pm.

ADJOURN:

By motion of Councilmember Pitt, seconded by Councilmember Beeman, Council adjourned the meeting at 8:45pm until Monday, April 10, 2017 at 5:30pm, in the Council Chambers.

**Cynthia S. Bennett, MMC
City Clerk**