

The Washington City Council met in a regular session on Monday, April 9, 2012 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Bobby Roberson, Mayor Pro tem; Josh Kay, City Manager; Cynthia Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Stacy Drakeford, Interim Fire and Police Services Director; Susan Hodges, Human Resources Director and Mike Voss, Washington Daily News.

Mayor Jennings called the meeting to order and Councilman Mercer delivered the invocation.

Josh Kay, City Manager introduced Stacy Drakeford as the Interim Fire and Police Services Director.

#### **APPROVAL OF MINUTES**

Councilman Mercer noted that staff has corrected an item on page 14 of the March 12<sup>th</sup> minutes. Correction as follows: (begin)Mayor Jennings reminded Council that the Housing Authority appointment is a Mayoral appointment. Mayor Jennings ~~nominated~~ **appointed** Donald Sadler to fill the unexpired term of John Morgan on the Washington Housing Authority.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, **Council endorsed the appointment of** ~~appointed~~ Donald Sadler to the Washington Housing Authority, to fill the unexpired term of John Morgan, term to expire June 30, 2012.(end)

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the minutes of March 12<sup>th</sup> as amended and March 26<sup>th</sup>, 2012 as presented.

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

Councilman Mercer requested adding an item under XII. B: Report from Power Agency Meeting.

Mayor Jennings made the following changes to the agenda:

1. Remove: IV.A: Public Hearing: Adopt Resolution authorizing submission of 2012 Public Waterfront Access Grant Fund application.
2. Add: Scheduled Public Appearances: (B) Dee Congleton (C) Beaufort County Pirates Club
3. Amended Ordinance: Consent D: Budget Ordinance Amendment Capital Outlay – Installment Purchases

By motion of Councilman Pitt, seconded by Councilman Brooks, Council approved the agenda as amended.

#### **CONSENT AGENDA**

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council approved the consent agenda with the Amended Ordinance for Consent D: Budget Ordinance Amendment Capital Outlay – Installment Purchases.

A. Approve – Youth Sports Agreement

**Youth Sports Agreement**  
**City of Washington**  
**Washington Parks and Recreation Department**

THIS AGREEMENT is made and entered into by and between \_\_\_\_\_  
(hereinafter "League") and the City of Washington (hereinafter "City").

**WITNESSETH**

WHEREAS, the League and the City share the vision and goal of providing a fun, learning, competitive and safe environment to enjoy youth recreational sport programs. This Agreement establishes the criteria and conditions under which the League shall use the City's facilities and outlines the respective responsibilities of the League and the City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements below, the receipt and legal sufficiency of which consideration are hereby acknowledged, the parties do hereby agree as follows.

- I. The League shall perform the following obligations.
  - A. Be governed by a nonprofit corporate entity registered with the North Carolina Department of the Secretary of State and shall observe those generally accepted and legally required corporate formalities that are necessary to maintain said registration and its nonprofit status.
  - B. Keep and maintain in full force and effect the following insurance coverages:
    - 1) general liability insurance with coverage at a minimum of \$1 million per occurrence as well as \$1 million aggregate and
    - 2) accident insurance coverage.The general liability insurance policy shall list the City of Washington as additional insured and all such policies shall provide that they are not subject to cancellation or reduction in coverage except after thirty (30) days written notice to the City. The League shall deliver to the City certificates of insurance for all insurance policies required hereunder. The League shall, within a reasonable time prior to the expiration of any such policy, furnish the City with certificates of insurance evidencing renewal thereof.
  - C. Require all participants to execute a full release, hold harmless, and indemnification agreement that includes a release of the City.
  - D. Unless the same are waived (see Section I.D.1. below), pay all fees that may be required by the City, including a per participant fee in the amount of \$30.00 (or the then current amount as established by the Washington City Council) two (2) weeks prior to its opening day. Payment shall be accompanied by a copy of the roster for each team. A copy of the roster for each team will not be required if said participant fee is waived. The

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League shall make good faith, reasonable efforts to assist the City in lowering and managing operational costs.

- 1) On June 13, 2011, the City Council approved motions that effectively waived the imposition of a \$30.00 per participant fee by the City upon the League on the condition that the League charge a participation or registration fee for its next, 2012, season that is \$30.00 less than the participation or registration fee that the League charged for its previous, 2011, season. Therefore, the League will be responsible for paying to the City a per participant fee in the amount of \$30.00 unless the League charges a participation or registration fee for its next, 2012, season that is \$30.00 less than the participation or registration fee that the League charged for its previous, 2011, season.
  - E. Obtain approval from the City for all practice, practice game, and game schedules two (2) weeks prior to the respective start dates.
  - F. Obtain approval from the City for any physical improvement to facilities.
  - G. Follow the "modified, League" Outdoor Special Events Policy when scheduling preseason as well as post season tournaments and events.
  - H. Operate any concession stand facility in accordance with policies established by the City. The League shall be solely responsible for staffing workers and maintaining an inventory of products sold and to be sold. The League shall also be solely responsible for performing any maintenance and repairs that may be needed to equipment purchased by the League, or equipment given to the League by the City, for use in any concession stand operated by the League.
  - I. The League may utilize certain equipment furnished to the League by the City. The League shall be responsible for the repair and replacement of any such equipment that is required as a result of damage caused by accident, misuse, or negligence on the part of the League, its participants, or spectators. The City shall be responsible for the repair and replacement of any such equipment that is required as a result of ordinary use and normal wear and tear.
  - J. Save as well as excepting and expressly subject to the City's maintenance obligation specifically described hereinbelow, the League hereby accepts the conditions of the City's facilities "AS IS".
  - K. With the exception of the foregoing and field maintenance, the League shall bear full responsibility for the organization and administration of the League's operation and its program in accordance with the applicable standards of any parent organization with which the League may be affiliated.
- II. In exchange for the foregoing, the City shall perform the following obligations.
    - A. Maintain all facilities, including restrooms, concession stands, press boxes, grounds, fields and ball field lights. The City shall make good faith, reasonable efforts to assist the League in lowering and managing
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- operational costs. The City will use its best efforts to fulfill reasonable maintenance requests from the League that are reasonably within the City's manpower and that are included in its then current budget.
- B. Incur financial responsibility for utility costs for ball field lights, major improvements to recreational facilities, and maintenance of the related facilities.
- C. Obtain any permits that are necessary from the Health Department and ensure that any concession facility meets all applicable Health Department regulations (includes setting policies and procedures to meet said regulations). *See attached Exhibit A, North Carolina General Statute § 130A-248(a4).*
- D. The City, in its sole discretion, may assign a staff person to the Susiegray McConnell Sports Complex, Bobby Andrews Recreation Center, or other City facilities used by the League for general oversight and facility supervision.
- E. Establish field use priorities. The City will use its best efforts to work with the League in order to ensure that there is adequate facility space to conduct the League's program within the limitations of the facilities then available and to prioritize facility use for the youth of the community.
- F. If requested, provide such technical assistance and guidance as may be within the City's experience or at its disposal.
- G. For every fifty (50) paying participants in the League during any one season, the City will exempt the League from paying one participant fee for a scholarship awarded by the League based on need. Said exemptions/scholarships shall not exceed ten (10) for any one league during any one season. This provision shall be inapplicable so long as the City waives the imposition of a per participant fee by the City upon the League and the League reduces its participation or registration fee by \$30.00 per participant as more specifically provided for in Section I.D.
- H. The City will reimburse the League \$5.00 for each paying participant who is a verifiable resident of the City of Washington. This provision shall be inapplicable so long as the City waives the imposition of a per participant fee by the City upon the League and the League reduces its participation or registration fee by \$30.00 per participant as more specifically provided for in Section I.D.

III. Other.

- A. The League shall consider the recommendations for best practices, and shall consider complying with the requests, contained in the Recommendations for Best Practices and Requests by the City attached hereto as Exhibit B, understanding that the recommendations and requests therein do not create any legal obligation on the part of the League.
- B. With the above responsibilities and obligations in mind, it is expressly understood and agreed by the Parties that they each must support one another in these efforts.

- C. In carrying out the responsibilities and obligations of this Agreement, the League is an independent contractor and/or entity separate and apart from the City and is not an agent or employee of the City.
- D. If either Party wishes to terminate this Agreement, notice of termination must be tendered in writing thirty (30) days prior to termination.
- E. The League does, for itself, its agents, successors and assigns, hereby unconditionally release, hold harmless, and will indemnify, acquit, defend and forever discharge (hereinafter "Release") the City, its respective present and former employees and elected officials, in both their individual and official capacities, agents, representatives, attorneys, insurers, successors, and assigns, and each of them, respectively, (hereinafter "City Indemnitees") of and from all and any manner of action or actions, cause and causes of actions, claims, demands, costs, expenses, attorney's fees, and consequential, general, special, and punitive damages or liabilities (hereinafter "Claims"), known or unknown, on account of, or in any way related to or growing out of this Agreement, the League's use of City property, or the League's programs.
  - 1) The foregoing Release does not include any Claims to the extent said Claims result solely from the negligence, an error, or an omission of or by the City Indemnitees.

IV. It is expressly understood that the League's use of the City's facilities is contingent upon the League's compliance with this Agreement. In the event either party fails, in the estimation of the other, to perform any of the obligations contained in this Agreement, the complaining party shall provide the other party with written notice of the same and reserves the right to take what action may be necessary to enforce this Agreement. The City reserves the right to, among other things, suspend, without recourse from the League, the League's right to use City facilities until such time as said obligation has been fulfilled or otherwise addressed to the satisfaction of the City. If the City suspends the League's right to use City facilities, the City will consider refunding, but is not obligated to refund, a portion of the fees described in section I.D. unless the same were waived (see Section I.D.1. above).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**CITY OF WASHINGTON  
PARKS AND RECREATION  
DEPARTMENT**

**LEAGUE**  
**Name:** \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Philip Mobley, Director  
P.O. Box 1988  
Washington, NC 27889

By: \_\_\_\_\_, President  
Address: \_\_\_\_\_  
\_\_\_\_\_

EXHIBIT A

§ 130A-248. Regulation of food and lodging establishments. ...

(a4) For the protection of the public health, the Commission shall adopt rules governing the sanitation of limited food service establishments. In adopting the rules, the Commission shall not limit the number of days that limited food service establishments may operate. Limited food service establishment permits shall be issued only to political subdivisions of the State, establishments operated by volunteers that prepare or serve food in conjunction with amateur athletic events, or for establishments operated by organizations that are exempt from federal income tax under section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code. ...

EXHIBIT B

Recommendations for Best Practices and Requests by the City

Recommendations for Best Practices

1. The League should affiliate with a generally recognized parent organization for its sport. The League should establish a volunteer board of directors that is the decision making body for the League and adopt By-laws for the League in accordance with the generally accepted principles of the nonprofit status of the League or otherwise in compliance with the applicable standards of the parent organization with which the League is affiliated. All League Board meetings should be publicized and open to the public with provision for public comment during each meeting.
2. Perform a criminal record check on all League officials, coaches, and team moms/dads before they assume any League duties. If necessary, the City is available for consultation concerning the type of criminal background check utilized.
3. In the event it is brought to the attention of any League official that any League official, coach or team mom/dad has subsequently been charged with a criminal offense other than minor offenses or traffic infractions, the League should take what steps are necessary to confirm such charge and, if confirmed, should consider whether suspension of such person from their position until such time as the charge is resolved without a conviction is warranted.
4. The City strongly recommends that the League obtain directors and officers insurance and provide a meaningful training program for coaches.
5. Ensure that each child who registers with the League and complies with the League's policies is provided a meaningful opportunity to play. Equal playing time rules are encouraged.

Requests by the City

1. In order to facilitate communications with the League's Board, the City requests that the League provide the City with a list of its Board members, their respective positions, and their contact information (addresses, phone numbers, and email addresses) prior to the first practice of the season.

- B. Authorize/Approve – Purchase of a Bucket Truck through the piggyback of the City of Washington's purchase order # 46840 **and** Approve the purchase order to be written

<u>Vendor</u>	<u>Cost Per Unit</u>	<u>Delivery</u>	<u>Less Trade-In</u>
Altec	\$183,033.00	180 days	N/A

- C. Adopt – Ordinance to Amend the Festival Park Capital Project

**AN ORDINANCE TO AMEND THE CAPITAL PROJECT ORDINANCE  
 FOR THE FESTIVAL PARK PROJECT CITY OF WASHINGTON, N.C.  
 FOR THE FISCAL YEAR 2011-2012**

**BE IT ORDAINED** by the City Council of the City of Washington, North Carolina:

Section 1. That the following accounts in the Festival Park Capital Project be increased or decreased by the following amounts:

62-40-6120-0400	Planning & Design	\$ 7,481
62-40-6120-8000	Construction	18,769

62-40-6120-9900	Contingency	(26,250)
	Total	\$ 0

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. This ordinance shall become effective upon its adoption.

Adopted this the 9<sup>th</sup> day of April, 2012.

**Attest:**

**s/Cynthia S. Bennett, CMC**  
**City Clerk**

**s/N. Archie Jennings, III**  
**Mayor**

D. Adopt – Budget Ordinance Amendment Capital Outlay – installment purchases

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE OF THE CITY OF  
 WASHINGTON, N.C. FOR THE FISCAL YEAR 2011-2012**

**BE IT ORDAINED** by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the General Fund be increased or decreased in the following accounts and amount:

10-00-3920-9101	Proceeds From Lease Purchase	\$(317,066)
10-00-3991-9910	Fund Bal. Appropriated	<u>254,251</u>
		\$( 62,815)

Section 2. That the General Fund appropriations budget be increased or decreased in the following fund accounts and amount:

10-10-4341-7403	Installment Purchases	\$(149,500)
10-20-4510-7403	Installment Purchases	( 85,066)
10-10-4310-7404	Installment Purchases	( 82,500)
10-10-4341-7400	Capital Outlay	147,000
10-20-4510-7400	Capital Outlay	85,066
10-10-4310-7400	Capital Outlay	40,000
10-50-4020-8100	Principal Payments Notes	( 10,730)
10-50-4020-8300	Interest Payments Notes	( 2,285)
10-50-4020-8000	Proposed Installment Note Pymt.	<u>( 4,800)</u>
		\$( 62,815)

Section 3. That the Estimated Revenues in the Electric Fund be increased or decreased in the following accounts and amount:

35-90-3920-9100	Installment Note Proceeds	\$(630,000)
35-90-3991-9910	Fund Bal. Appropriated	<u>584,646</u>
		\$( 45,354)

Section 4. That the Electric Fund appropriations budget be increased or decreased in the following fund accounts and amount:

35-90-7250-7403	Installment Purchases	\$( 35,000)
35-90-8370-7403	Installment Purchases	(255,000)
35-90-8375-7403	Installment Purchases	( 70,000)
35-90-8390-7403	Installment Purchases	(270,000)
35-90-7250-7400	Capital Outlay	35,000
35-90-8370-7400	Capital Outlay	255,000
35-90-8375-7400	Capital Outlay	70,000
35-90-8390-7400	Capital Outlay	260,000
35-90-4020-8300	Installment Note Principal	( 29,150)
35-90-4020-8301	Installment Note Interest	<u>( 6,204)</u>

\$ ( 45,354)

Section 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 6. This ordinance shall become effective upon its adoption.

Adopted this the 9<sup>th</sup> day of April, 2012.

Attest:

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

E. Authorize – City Manager to enter into a three year agreement with Compensation Claims Solutions (\$20,000)



SERVICE AGREEMENT FOR ADMINISTRATION  
OF WORKERS' COMPENSATION CLAIMS

This agreement (the "Agreement") is made and entered into this the 1st day of July, 2012 by and between Compensation Claims Solutions, ("C.C.S.") a corporation organized and existing pursuant to the laws of the State of North Carolina and City of Washington.

WITNESSETH

Whereas, pursuant to the North Carolina Workers Compensation Act, Chapter 97 of the North Carolina General Statutes, as amended (the "Act"), Self- Insurer is exempt from carrying workers compensation insurance coverage for its employees (the "Employees") due to its program of self-insurance for workers compensation claims; and

~~Whereas, C.C.S. is in the business of providing administrative and other services to entities which operate self-insurance programs for workers compensation claims.~~

Now, therefore, in consideration of the foregoing and the mutual terms, covenants and conditions set forth herein, the parties hereto agree as follows:

Section 1  
Reported Claims/Fees

- 1.1 Reporting. Self-Insurer shall promptly report to C.C.S. each workers compensation claim of an Employee which Self-Insured desires C.C.S. to administer.
- 1.2 Fees to C.C.S. Self-Insurer shall pay to C.C.S. fees (the "Fees") for services performed by C.C.S. pursuant to this Agreement in accordance with the following:
  - a. All claim functions will be handled for a flat annual fee of \$20,000.00 for each of the fiscal years, 07/01/12-06/30/13, 07/01/13-06/30/14 and 07/01/14-06/30/15.
  - b. Billing. C.C.S. shall deliver invoices to the Self-Insurer on a Quarterly basis requesting payment of Fees earned pursuant to this Agreement.

Section 2  
Administration of Reported Claims

2.1 Claims Administration. C.C.S. shall timely review all claims and loss reports made by the Self-Insurer to C.C.S. and process each Reported Claim in accordance with the Act, all rules and regulations promulgated pursuant to the Act, and all other applicable laws.

2.2 Investigation. C.C.S. shall conduct an investigation of a Reported Claim to the extent C.C.S. reasonably deems necessary in performance of its obligations. Such investigations may include the retaining of independent investigators, medical, or other experts to the extent reasonably deemed necessary by C.C.S., provided, however, that any and all cost and expenses incurred by C.C.S. shall be governed by the following:

Self-Insurer shall reimburse C.C.S. for the full amount of each "Authorized Expenditure". For the purpose of this Agreement, an "Authorized Expenditure" is any cost or expense incurred by C.C.S. pursuant to Section 2.2 hereof, subsequent to Self-Insurer's expressed or written consent.

2.3 Reserves. C.C.S. shall establish and maintain estimated reserve amounts for each Reported Claim.

~~2.4 Payment of Reported Claims. C.C.S. will pay all Reported Claims via use of a Checking Account System. Checking Account documents will be forwarded to the Self-Insurer the Check data will contain sufficient information so as to identify the Claim Number, Employee, Check Number, Payee, Amount Paid, Original Invoice Amount and applicable discounts.~~

2.5 Discretionary Settlement Authority Limit. Notwithstanding any provision to the contrary, without prior written or expressed consent of the Self-Insurer C.C.S. shall not make any settlement in connection with a Reported Claim in excess of Ten Thousand Dollars (\$10,000.00). This Discretionary Limit does not apply to the payment of Permanent Partial Disability Awards.

2.6 Reports to Self-Insurer. Within ten (10) business days after the end of each calendar month during the term of this Agreement, C.C.S. shall deliver to Self-Insurer statistical information which shall include, but shall not necessarily be limited to, the following:

- a. The exact nature of the reporting will be determined from a meeting with the Self-Insurer, prior to inception of the Agreement.

2.7 Notice to Self-Insurer. C.C.S. shall immediately notify Self-Insurer of each Reported claim which does or may involve Self-Insurer's reinsurance carrier. C.C.S. will report said claim to the reinsurance carrier.

2.8 Rehabilitation. C.C.S. shall immediately notify Self-Insurer in the event that any Employee has been referred to rehabilitation or retraining. C.C.S. shall assist Self-Insurer in arranging for rehabilitation or retraining of Employees in appropriate cases, with any expenses associated with such rehabilitation or retraining to be borne solely by the Self-Insurer.

2.9 Subrogation. C.C.S. will pursue, on behalf of the Self-Insurer, recovery of expended funds which were caused to be paid by the negligence of a responsible third party.

2.10 Records. C.C.S. shall create a file for each Reported Claim and shall maintain such file until final resolution and for an additional five (5) years thereafter.

2.11 Inspection. During the term of this Agreement, upon reasonable prior notice by Self-Insurer, and during C.C.S. normal business hours, C.C.S. shall provide Self-Insurer or its designated representative access to, and the opportunity to copy, all files pertaining to any Reported Claim and any and all other documents and information within the possession or control of C.C.S. pertaining to any Reported Claim(s), this Agreement, or matters contemplated thereby.

Section 3  
Indemnification; Defense of C.C.S.

3.1 Indemnification of C.C.S. Self-Insurer agrees to indemnify and defend C.C.S. for acts taken by C.C.S. at the express instruction of the Self-Insurer which cause C.C.S. to become liable to any third party.

3.2 Indemnification of Self-Insurer. C.C.S. agrees to indemnify Self-Insurer for acts taken by C.C.S. which cause Self-Insurer to become liable to a third party.

3.3 Assumption of Defense of C.C.S. Self-Insurer agrees to assume the defense of C.C.S. and/or its employees in any legal action filed in a court of competent jurisdiction against C.C.S. and/or its employees which seeks an award of damages pursuant to a Reported Claim and which does not allege any error, omission, tort, intentional tort, negligence or other breach of duty on part of C.C.S. and/or its employees, agents or representatives.

Section 4  
Term and Early Termination

4.1 Term. The term of this Agreement (the "Term") shall be for a period of three (3) years commencing on the date first above written. The Term of this Agreement may be negotiated for renewal for additional one-year periods thereafter. The pricing component of the Agreement is firm for a period of three (3) year.

4.2 Early Termination. This Agreement may be terminated by either party for any reason or for no reason upon ninety (90) days written notice. Ninety (90) day notice to City of Washington of material change in coverage.

4.3 Pending Reported Claims. If, upon the expiration or earlier termination of this Agreement, there are Reported Claims which have not reached a final resolution, at the option of the Self-Insurer, C.C.S. shall continue to perform its obligations under this agreement until each such Reported Claim has reached a final resolution, provided that Self-Insurer also performs its obligations pursuant to this Agreement during such time.

4.4 Return of Files. Upon the expiration or earlier termination of this Agreement, C.C.S. shall deliver to Self-Insurer all files created or maintained by C.C.S. pertaining to this Agreement, including all originals, copies and summaries.

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Section 5  
Notices

All notices given or required to be given pursuant to this Agreement shall be delivered via first-class mail as follows:

If to C.C.S.:

Compensation Claims Solutions  
1287 Old Charlotte Road  
Concord, NC 28027  
Attention: Doug R. Doreen

If to City of Washington:

City of Washington  
102 East Second Street  
P.O. Box 1968  
Washington, North Carolina 27889  
Attention: Bill Lurvey

Section 6  
Miscellaneous

6.1 Unauthorized Practice of Law. The parties acknowledge that C.C.S. shall not perform, and Self-Insurer shall not request to perform, any act or service in connection with this Agreement which does or may constitute the unauthorized practice of law.

6.2 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect and shall in no way be invalidated, void or voidable.

6.3 Entire Agreement. This Agreement, and any appendices and exhibits hereto which are incorporated herein by reference, constitute the entire understanding between the parties with respect to the subject matter hereof. No modification of this Agreement shall be valid unless in writing and signed by each party to the Agreement.

In Witness, the parties hereof have executed this Agreement as of the date first above written.

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IN WITNESS WHEREOF, after due authority given, the CITY OF WASHINGTON has caused this Agreement to be signed in its name by its Manager, and attested by its Clerk, and Compensation Claims Solutions has caused this Agreement to be signed in its name by

Doug R. Doreen, its Acct. Manager

PRE-AUDIT CERTIFICATE

This Agreement has been pre-audited pursuant to North Carolina General Statute € 159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

Matt Rauschenbach

Matt Rauschenbach, Chief Financial Officer  
City of Washington



CITY OF WASHINGTON

By:

Cynthia S. Bennett

Cynthia S. Bennett, City Clerk

Joshua L. Kay

Joshua L. Kay, City Manager  
City of Washington

DATE: 4/9/2012

Doug R. Doreen  
C.O.S.

Acct. Manager  
Compensation Claims Solutions

DATE: 4/2/2012

F. Adopt – Resolution Authorizing the Deputy Finance Officer to sign Pre-audit certificate

**RESOLUTION AUTHORIZING THE DEPUTY FINANCE OFFICER TO SIGN THE  
PRE AUDIT CERTIFICATE**

WHEREAS, G.S. 159-28 requires that the pre audit certificate be signed by the Finance Officer or a Deputy Finance Officer approved for this purpose by the governing board;

WHEREAS, there are times when the Finance Officer is not available to sign the pre audit certificate;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD THAT:

Section 1. The Governing Board hereby authorizes the Deputy Finance Officer authority to sign the pre audit certificate.

Section 2. This Resolution shall become effective upon adoption.

Adopted this the 9<sup>th</sup> day of April, 2012.

Attest:  
s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

G. Approve – Capital Improvement Plan FY 2012-2013

Fund	Manager Prioritization	Project	Total Project Amount	FY 12/13 Operating Cash - Estimated	CIP Page #
General Fund	1	Fire rescue truck replacement	\$350,000	\$17,500	12
	2	Civic Center decking replacement	\$125,000	\$35,000	1
	3	Replace 2 police cars	\$55,000	\$55,000	11
	4	Replace City Hall chillers	\$90,000	\$90,000	4
	5	Replace Logics server	\$45,000	\$45,000	4
	6	Install fiber to com center	\$65,000	\$65,000	6
	7	West-end restrooms on Stewart Parkway	\$300,000	\$50,000	28
	8	Replace street sweeper	\$240,000	\$52,000	21
	9	Replace 2 Library servers	\$48,000	\$48,000	26
	10	2nd (of 5) year boardwalk replacement	\$19,000	\$19,000	29
	11	Planning - Replace Ford Ranger (Vehicle #122)	\$19,000	\$19,000	10
	12	Streets - Replace 2-ton dump truck	\$70,000	\$70,000	
	13	New adult softball field at McConnell	\$102,000	\$20,000	31
	14	Fire - Replace support vehicle	\$19,000	\$19,000	13
	15	Civic Center restrooms repairs/updates	\$35,000	\$35,000	2
	16	Planning - Replace Ford Taurus (Vehicle #124)	\$19,000	\$19,000	9
	17	IT - Wireless Canopy Upgrade	\$35,000	\$35,000	8
Storm Water	1	Replace Vehicle #457 ('98 Pickup)	\$30,000	\$30,000	24
Water Fund	1	Parrallel Water Line	\$675,000	\$46,000	40
	2	AMR Meter Changeout	\$300,000	\$300,000	41
	3	Replace 3/4 ton pickup truck (#413)	\$40,000	\$40,000	49
	4	Chlorine disinfection at WTP and storage building (engineering)	\$40,000	\$40,000	42
	5	Replace Ford Tractor (#553)	\$40,000	\$40,000	50

Sewer Fund	1	Lift Station generator	\$32,000	\$32,000	53
	2	Replace sewer flusher (#4008)	\$90,000	\$90,000	62
	3	Degritter	\$45,000	\$45,000	56
	4	Water & Bonner Street lift station	\$500,000	\$33,276	57
Electric	1	Replace bucket truck (#606)	\$200,000	\$46,000	78
	2	Long Range & Sectionalizing Plans	\$80,000	\$80,000	64+65
	3	Wire tensioner	\$40,000	\$40,000	79
	4	Replace (#619)	\$50,000	\$50,000	80
	5	34 kV Substation Regulators	\$85,000	\$85,000	88
	6	Highland Drive circuit breaker	\$45,000	\$45,000	87
	7	Replace (#622)	\$30,000	\$30,000	81
	8	Terra Ceta Rebuild	\$325,000	\$75,000	69
	9	Engineering for 2nd & 5th Street rebuild	\$100,000	\$100,000	70
	10	Engineering for Grimesland Road rebuild	\$90,000	\$90,000	71
	11	Engineering for Whitepost to Slatestone 12kV tie	\$100,000	\$100,000	72
	12	Engineering for downtown improvements	\$100,000	\$100,000	86
Airport Fund	1	Drainage Repairs	\$383,000	\$38,000	94
	2	Vision 100 Grant projects	\$167,000	\$16,700	95
Solid Waste	1	Replace rear-load garbage truck (#483)	\$140,000	\$32,177	96
Cemetery	1	Replace '01 pick-up truck (#511)	\$15,000	\$15,000	102
	2	Replace '96 2-ton dump-truck w/1-ton (#513)	\$35,000	\$35,000	103

H. Declare Surplus/Authorize – Declare surplus and authorize the sale of the following vehicle through electronic auction using GovDeal Vehicle Make/Model Serial Odometer

Vehicle Number	Make/Model Description	Serial Number	Odometer Reading
#657 (511)	2001 Dodge Ram 1500 Truck	1B7HC16YX1S676765	135,631

I. Approve – Purchase Orders >\$20,000

\*Requisition #11045, \$23,182.50 to Talbert & Bright for design services of the pavement rehabilitation grant project at the airport, account 37-90-4530-45 12.

Mayor Pro tem Roberson thanked the City Manager and the Finance Department for the reduction in installment purchases, those items are now being paid for upfront, thus reducing finance charges.

**MS. DEE CONGLETON – INSTALLATION OF FENCE AT HARDING SQUARE**

Ms. Dee Congleton came forward asking for approval of a three foot, ornamental, black fence to be installed at the Harding Square Garden. The fence will help protect the garden from vandalism, which has occurred in the past. The Washington Area Historic Foundation and the Washington Garden Club, have adopted the Harding Square Garden as their yearly project. The fence will give a “complete” look to the garden and will affect the view of the garden. The fence will be located inside the brick area and will have a gate on each end. Ms. Congleton stated the gate will be closed at times when there are large crowds (Summer Festival, Music in the Streets, etc.) in order to protect the garden. The following groups have approved the fence: Parks and Recreation Department, Washington Area Historic Foundation, Washington Garden Club, Beautification Committee and the Historic Preservation Committee. The total cost for the fence is \$5500. To date donations from the following have been made: Washington Area Historic Foundation - \$3000; Don Stroud - \$1000; Washington Garden Club - \$500. Ms. Congleton asked if the if \$1000 could be found in the Parks and Recreation Department budget to cover the remaining balance. Philip Mobley, Parks and Rec. Director stated that this is a valuable project and their budget could cover the remaining \$1000.

Councilman Mercer explained that the fence could help direct pedestrian traffic along the walkway, instead of pedestrians walking through the garden.

Bill Sykes came forward and expressed concern with the operating practices of the fence, regarding locking the fence gate during major city events. Mayor Jennings explained that Council, via the Parks and Recreation Department, will determine how the gate/fence will be used.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the installation of the 3 foot, ornamental, black fence on public property (around the Harding Square Garden).

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council authorized staff to pull \$1000 from the Parks and Recreation Department budget to fund the balance of the cost of the fence.

**MR. KEVIN CLANCY - LITTLE WASHINGTON SAILING CLUB**

Mr. Kevin Clancy, Little Washington Sailing Club presented the following update to Council:

**2011 Highlights:**

- 79 students
- Offered 1 week all day beginner and advanced class
- Classroom across from Chamber of Commerce
- Ended season with a positive cash flow
- WUNC-TV segment on sailing school
- Article in Blue Water Sailing with international distribution, plus 2 articles in other sailing magazines(one in an East Coast publication, the other in a national publication)
- Received new major funding from PCS(Potash Corp) and Wells Fargo Bank
- Purchased new motor for one safety boat
- Lost 2 boats to Hurricane Irene(located 2 replacements boats to be delivered later this week)
- Considerable positive community feedback

**Plans for 2012**

- Hire lead instructor for season
- June - 2 week 1/2 day classes, July - 1 week all day classes, August - advanced classes
- Chartering Sea Scout program
- Replace boats lost in storm. Have located and in process now.
- Move away from WHDA. Partner with another 501c3
- Major emphasis on recruiting scholarship students.
- Maintain positive cash flow.

**Current Needs**

- New partner with 501c3 status or create our own
- 2 replacement sailboats
- Offseason storage space for boats and work area. (approx. 5000 sq.)

Councilman Pitt inquired about the requirements for students to participate in the class. Mr. Clancy noted the child must weigh at least 70lbs and pass the swimming test. The class costs \$200 each and the scholarship would cover the tuition for the class.

**MS. AMY WARD & MR. MAC HODGES-  
BEAUFORT COUNTY PIRATES CLUB – FESTIVAL PARK PARTNER**

Ms. Amy Ward, Beaufort County Pirates Club came forward to request being added to the Festival Park Partner list and discussed the upcoming Bluegrass Festival in May. Mayor Jennings stated that in setting precedent with granting partnership status to a certain organization, this will open up a line of people who want the same thing. He suggested that instead of granting the partnership to the Pirate Club, that maybe the partnership should be granted to the Bluegrass Festival instead. Councilman Mercer noted that he felt the Pirates Club should be added to the list of Festival Partners due to their previous contributions to events downtown and Mayor Pro tem Roberson agreed.

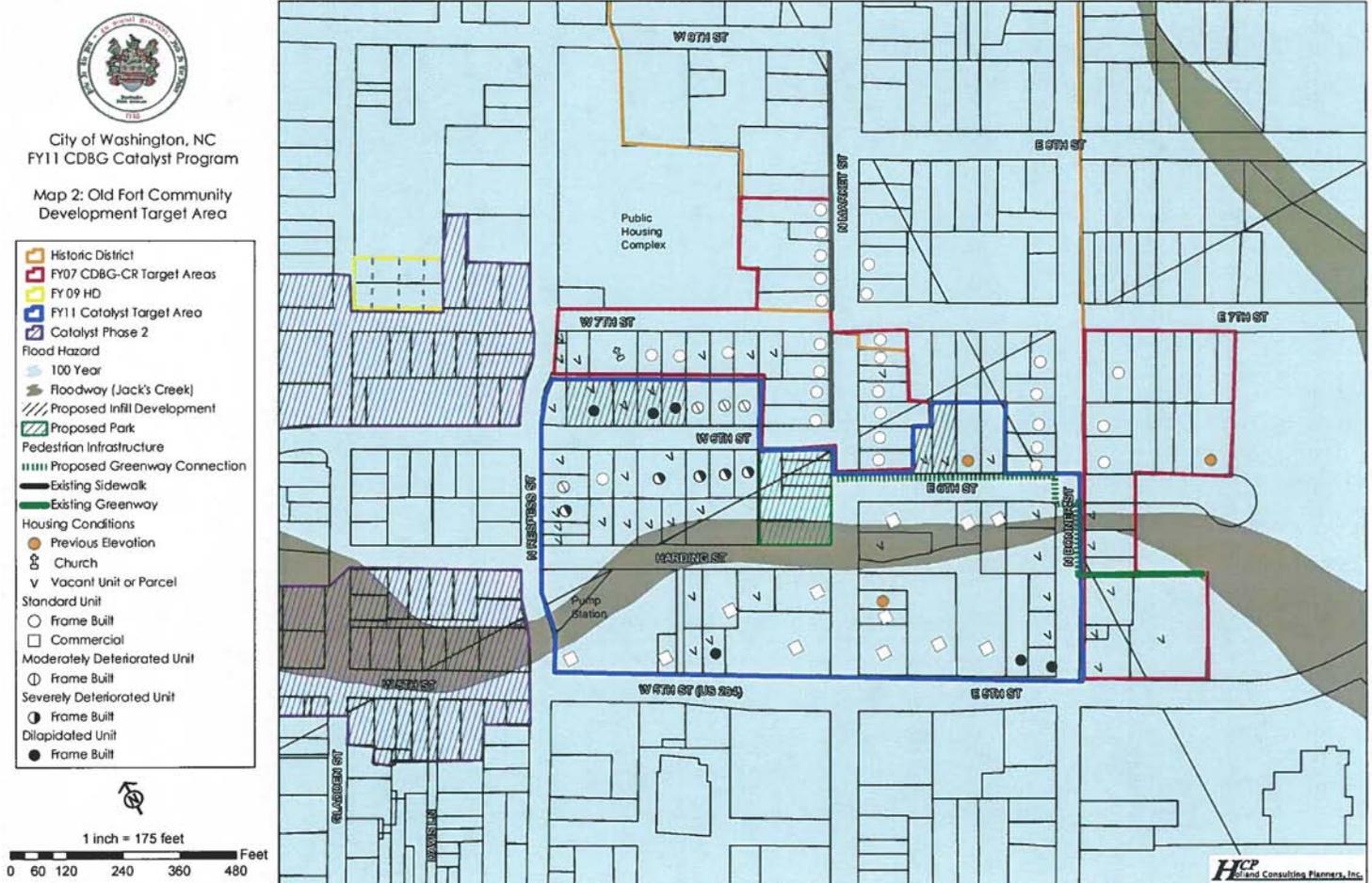
By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council added the Beaufort County Pirates Club as a Festival Park Partner.

**COMMENTS FROM THE PUBLIC (none)**

(Removed from Agenda) **PUBLIC HEARING – ADOPT RESOLUTION AUTHORIZING SUBMISSION OF 2012 PUBLIC WATERFRONT ACCESS GRANT FUND APPLICATION**

**PUBLIC HEARING – AUTHORIZE SUBMISSION OF FY 11 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS, CATALYST GRANT**

Mayor Jennings opened the public hearing. Reed Whitesell, Holland Consulting Planners explained to Council that this is the 2<sup>nd</sup> required public hearing in order for the City to submit a \$500,000 Catalyst Grant application. The purpose of the public hearing is to describe the activities that will take place, should the proposal be funded. Approved activities through the FY 11 Catalyst program limit the city to completing either housing activities (acquisition/clearance/rehabilitation) or public facility/parks and recreation improvements with these funds. \$500,000 is the maximum award. The City contribution is contingent upon receipt of a CDBG grant agreement and would be appropriated for the FY 2012-2013 and FY 2013-2014 budget years. The Old Fort Community is the optimum site for this grant. There will be no infrastructure with this project. Councilman Brooks inquired if areas outside of the target location could be addressed, more specifically, Market & 7<sup>th</sup> Street areas. Mr. Whitesell explained that housing needs can be addressed outside of the target area and can be addressed with City funds. Councilman Mercer inquired as to when the application was due and Mr. Whitesell noted the due date is April 30<sup>th</sup>. Councilman Pitt inquired if the dwellings had to be owner or renter occupied and Mr. Whitesell explained, owner occupied dwellings are preferred. Mr. Whitesell reviewed the distributed map with Council. The City has a historical pattern of expanding the Jack's Creek Greenway and this is also a component in this grant. There is also the possibility of acquiring land for proposed park space, this area will be left as open space and have no physical improvements.



Mayor Jennings asked for comments from the public at this time.

Dot Moate came forward and noted she was not for or against the submission of the grant, but commented that the audience couldn't hear the presentation. She asked that future presentations be projected so the audience could see the maps/presentation as well.

There being no further comments, Mayor Jennings closed the public hearing.

Councilman Mercer agreed that the acoustics in this room are terrible, even with the current amplification system. He noted that with the due date of the grant application being April 30<sup>th</sup>, Council will need to either act tonight or at the Comm. of the Whole. He expressed concern with some of the

elements of the grant and stated he would have preferred more time to review the application. Mr. Whitesell noted that two of the lots in the proposed open space/park space are Fran/Floyd FEMA properties and are vacant in perpetuity. Mayor Pro tem Roberson discussed potential program income. Mr. Whitesell estimated that over a ten year period, this grant could generate possibly \$20-\$25,000.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council voted to support the submission of a \$500,000 proposal to the North Carolina Department of Commerce, Division of Community Investment and Assistance's Catalyst grant program, and that the City of Washington approved a \$50,000 local commitment from the City General Fund to supplement CDBG acquisition funds.

***Memorandum***

To: John Rodman, Planning Director  
City of Washington

From: Reed Whitesell, AICP  
Holland Consulting Planners, Inc.

Re: City of Washington FY11 CDBG Catalyst Application

Date: March 29, 2012

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John: As you are aware, the City Council has agreed to submit an FY11 CDBG Catalyst application to the Division of Community Investment and Assistance on or before 4/30/12. The city has already held one public hearing to advise the public of the application process and is required to hold a second public hearing to present the specifics of the project – this public hearing has been scheduled at 6:00 PM on 4/9/11 (see attached PH advertisement).

The city is limited to completing either housing activities (acquisition/clearance/rehabilitation) or public facility/parks and recreation improvements with these funds. HCP has discussed several project alternatives with you and other city staff members and we feel that the most competitive housing target area is located in the southeastern quadrant of the "Old Fort" community development area. This area is adjacent to one of the FY07 CDBG-CR sub-areas, and also is adjacent to areas in which the city has acquired open space or provided elevation assistance in past flood mitigation programs. We will provide two maps for the agenda package going to the city clerk on Monday. I have attached rough versions of both maps, and Chris Hilbert is working on some refinements for Monday – please understand that we are in the process of surveying the actual target area bounded by Bonner and Respass and 5<sup>th</sup> and 7<sup>th</sup> Streets and will not have actual household survey data until mid-April.

We understand that the city has identified several priority rehab and demolition structures on 7<sup>th</sup> Street west of the proposed FY11 Catalyst target area. However, it is imperative that the City Council understand that this project area was selected over other potential areas in the larger "Old Fort" community development area because of the "community facilities" component allowed within this area. The proposed bikeway/greenway extension from Bonner to Market is listed as a high priority within the City's adopted Pedestrian Plan. The project also deals with city-identified demolition priorities and other substandard housing that is appropriate and cost-effective for rehabilitation (as well as reduction/elimination of flood hazards along the Jack's Creek floodway). The previous 6<sup>th</sup>/7<sup>th</sup> Street area CDBG-CR subareas were selected because of the availability of the "infrastructure" component allowed in the previous CR category (and that application was the highest rated application that fiscal year). These new "Catalyst" projects do not allow infrastructure improvements and they need to show some economic and public use benefit. That's why the greenway improvements and the removal of dilapidated units within the commercial zoning along US 264 & Market Street in the target area are

important to the competitiveness of the application. Those activities would not be possible if we focused on the West 7<sup>th</sup> Street area.

This project could be considered "Phase I" of a proposed Old Fort Community Development Initiative. We have budgeted \$15,000 in planning funds for the city staff to utilize to develop a Strategic Plan for redevelopment of the entire old Fort CD area – Phase II of the project would undoubtedly include elimination of priority housing needs along 7<sup>th</sup> Street west of the Phase I (FY11) area.

An important component of the proposed Catalyst project is acquisition and clearance to provide vacant parcels for future standard residential development to improve the overall neighborhood character and city tax base. We have contacted Metropolitan CDC and First South Bank to obtain letters of support for standard redevelopment of acquired parcels. Washington Housing Incorporated will be redeveloping three parcels to the west of the Catalyst target area on 7<sup>th</sup> Street with FY09 CDBG-HD funds concurrent to implementation of this project (if funded), which is a complementary element.

Obviously, there are not enough funds to provide a 100% treatment of the substandard conditions in the target area. A positive element of the Catalyst category is that the city is not required to address all needs in the target area – we can address the most pressing needs and also negotiate exclusively with owners who are supportive of the project, rather than engaging in prolonged negotiation/code enforcement as we have been dealing with in past CDBG target areas. We are in the process of pulling the tax cards and surveying the target area in order to prioritize needs/treatment as follows:

Acquisition/Clearance/Code Enforcement/Redevelopment

Acquire approximately 6-8 residential parcels within the target area for recombination of parcels and development of new housing. Also acquire some vacant commercial/dilapidated residential properties on 5<sup>th</sup> Street for sale to existing or new commercial owners. This could possibly involve trade-offs so the city could acquire some additional open space on the south side of Jacks Creek. This effort would include code enforcement if property can't be acquired or is unsuitable for redevelopment, and clearance of any dilapidated structures on these parcels. This component would also involve the displacement and relocation of 2-3 tenants to decent, safe, and sanitary housing.

Rehabilitation

Prioritization of approximately 5-6 potential owner-occupant rehabilitation beneficiaries based on a rating system that includes severity of housing need, income, special population, etc. (similar to HCP's CDBG Scattered Site rating system).

Parks/Recreation

Extension of bikeway/greenway from Bonner St. to Market St. as shown on target area map. Chris and Bianca are discussing the cost of this and attendant improvements such as landscaping and lighting/benches, etc., with the city's recreation and public works staff.

Planning

Budget approximately \$15,000 in planning funds to continue to develop the community development capacity of the city planning department, with particular emphasis on development of a Strategic Plan for the Old Fort community development area to guide in applying for future projects, active code enforcement, and partnership with the area's public housing. We would like to obtain a letter of support from WHA to include in the application.

**City Contribution:** I suggest that city commit a minimum of \$50,000 to this project. These funds would be used to supplement CDBG acquisition funds. I would appreciate it if you could resolve this with the city manager prior to Monday so I can prepare a resolution of commitment for the agenda package.

**PUBLIC HEARING – ADOPT RESOLUTION SUPPORTING SUBMISSION OF DIVISION OF COMMUNITY INVESTMENT AND ASSISTANCE'S SMALL BUSINESS ENTREPRENEURIAL ASSISTANCE GRANT PROGRAM (\$240,000)**

Mayor Jennings opened the public hearing. John Rodman, Planning Director and Bianca Gentile Shoneman, Community Development Planner came forward to explain the request to Council. The purpose of the public hearing is to describe the activities that will take place, should the proposal be funded. This grant was designed to assist local governments that are already in the process of developing a coordinated effort to support and grow their community's small businesses. The local government would identify small businesses ready to hire additional full-time people but in need of funding to make this possible. The Division of Community Assistance will provide the business with \$25,000 for each new employee hired. This money can go toward the following eligible activities, that will in-turn free-up some capital to allow them to hire new employees. There is no match required from the City,

but the participating businesses will provide a match. Five businesses submitted sufficient documentation. The grant provides working capital for existing businesses to be able to hire additional full-time employees.

**Eligible activities:**

- Infrastructure improvements (e.g., water, sewer, roads)
- Purchase of land
- Construction of a building or other improvements
- Renovation of an existing building to accommodate the business
- Construction of tenant improvements/finishes
- Leasing space in or purchasing an existing building
- Purchasing capital equipment
- Providing job training that can be linked to specific jobs at a specific firm.

In early 2012 planning staff released a “Call for Participation” to various media outlets including the Washington Daily News, Chamber of Commerce and the City’s website. Interest in the program was strong. Small businesses from as far away as Fayetteville called to inquire about participating. Potential participants were sent a letter requesting information to describe their need for participation in the grant program. In the end five businesses submitted sufficient documentation. The business has to provide a small business plan and include 2 years of financial documents. The businesses had to show that the new employee wages meet certain income requirements. The grant does not directly provide salaries for the new employees. The grant application is due on April 30<sup>th</sup>.

Councilman Mercer inquired what the funding will be used for by the five applicants. Mrs. Shoneman reviewed the list with Council.

Taylor Drug: working capital and offer additional training to existing employees

East Carolina Imports: purchase new equipment and make building improvements

Park Boat Company: purchase new equipment including a truck, two trailers, repairs to existing trailers, add new software to the computer system and a yard arm.

Pamlico Fence: purchase new equipment including a trailer

FRE Plumbing: purchase new equipment

Councilman Mercer asked, “What guarantee do we have that once the company hires the individual, that they will be there longer than the required one year?” Mrs. Shoneman stated the grant requires that the individual be hired for at least six months, while working a minimum of 35 hours per week. The business will enter into a legally binding commitment stating they will retain the employee for a minimum of six months. Councilman Mercer expressed concerns with a “give-away program” and he is not in favor of that. Mayor Pro tem Roberson stated he is in favor of helping businesses in the City. Councilman Brooks inquired how many jobs would be funded/created with the grant? Mrs. Shoneman explained 8 jobs would be created and if additional funding became available, more businesses could apply in the next round of funding. Councilman Mercer noted a correction to be made to the resolution “.....funding to benefit the previously named companies, *who will* invest....”

Company	Number of jobs	Salary of new employees	Total grant request	Company match	Project total
Tayloe Drug Company, Inc. AKA Hospital Pharmacy	2 FT: a. Pharmacist (shifting part-time to full time) b. assistant position	a. \$ 125,000 b. \$ 21,000 Full benefits (health, dental, vision) 3% retirement match	\$50,000	\$111,000, (Salary and Benefits)	\$161,000
East Carolina Imports	1 FT a. Mechanic	b. \$19.50 billable hours	\$25,000	\$500 (equipment)	\$25,500
Park Boat Company	3 FT: a. Mobile Serve Tech b. Parts and Service Salesman c. Yard Equipment Technician	a. \$25,000-\$35,000 b. \$25,000-\$35,000 c. \$20,000-\$25000 Some benefits;	\$75,000	\$25,000 (equipment)	\$100,000
Pamlico Fence	1 FT a. Fence salesman and estimator	a. \$25,000, no benefits PTO, 1 WEEK \$500	\$25,000	\$40,000	\$84,000
FRE Plumbing	1 FT: a. Plumber	a. \$20,000, no benefits	\$25,000	\$0.00	\$25,000
			Total job creation grant request	\$200,000	
			Grant administration	\$35,000	
			Planning	\$ 5,000	
			<b>Total grant request</b>	<b>Total Match</b>	<b>Project Total</b>
			<b>\$240,000</b>	<b>\$176,500</b>	<b>\$416,500</b>

*\*Pamlico Fence Company match was increased to \$59,000*

There being no comments from the public, Mayor Jennings closed the public hearing.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council adopted an amended resolution supporting the submission of a \$240,000 proposal to the North Carolina Department of Commerce, Division of Community Investment and Assistance Small Business Entrepreneurial Assistance grant program. Councilman Mercer opposed and the motion carried 4-1.

**RESOLUTION FOR THE CITY OF WASHINGTON'S APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR THE SMALL BUSINESS ENTREPRENEURIAL ASSISTANCE GRANT PROJECT**

WHEREAS, the Washington City Council has previously indicated its desire to assist in economic development efforts for small businesses/entrepreneurs within the City and,

WHEREAS, the City Council has held two public hearings concerning the proposed application for Community Development Block Grant funding to benefit Tayloe Drug Company, Pamlico Fence, Park Boat Company, East Carolina Imports and FRE Plumbing; and,

WHEREAS, the City Council wishes the City of Washington to pursue a formal application for Community Development Block Grant funding to benefit the previously named companies; who will invest monies in the amount of \$176,500 or 45% of the project total into the project as committed to in the application.

WHEREAS, the City Council certifies it will meet all federal regulatory and statutory requirements of the State of North Carolina 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 Small Business & Entrepreneurial Assistance to benefit Tayloe Drug Company, Pamlico Fence, Park Boat Company, East Carolina Imports and FRE Plumbing

Adopted this the 9<sup>th</sup> day of April, 2012 in Washington, North Carolina.

Attest:

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**MEMO – BEAUFORT COUNTY ARTS COUNCIL**

(memo)RE: NC SmART Initiative

In the fall of 2010, the North Carolina Arts Council established a Task Force to develop an arts-driven economic development plan for the cities and towns of North Carolina. The Task Force met over the course of a year and published The SmART Initiative, which details its research and recommendations. One of the key recommendations is to create The SmART Initiative Pilot Grant Program. The Beaufort County Arts Council, in conjunction with several community stakeholders, submitted a request for funding to this unique Pilot Grant Program. The proposal seeks to create an arts and cultural district with the same boundary lines as the harbor district.

If funded, NC Arts Council resource teams will work with each pilot community to develop plans for utilizing its arts and cultural assets to create arts-driven economic development on a substantial scale. The resulting plans will outline strategies for how to generate a greater investment in the arts, stimulate community vitality and economic growth, and develop cultural districts and other impactful place-making projects. Cities and towns that receive pilot funding will be eligible for further support during the next phase of The SmART Initiative grant program.

Grant amounts will range from \$20,000 to \$30,000. The majority of these funds will cover the costs of the resource team. Some funds may be used to begin project implementation. Respectfully, Joey Toler, Executive Director (Council accepted the memo as written.)

**MEMO – EAST CAROLINA WILDFOWL GUILD BUDGET TRANSFER**

The Budget Officer transferred \$487 of funding between the Miscellaneous and Outside Agency divisions of the General Fund to provide funds for reimbursement of fees and services billed to the East Carolina Wildfowl guild above the \$2,500 maximum for the Wildlife Arts Festival. NC GS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes. (Council accepted the memo as written)

	Department	Account Number	Object Classification	Amount
FROM:	10-00	4400	5701	\$487
TO:	10-40	6170	9109	\$487

For the purpose of: Transfer funds from miscellaneous department to reimburse the East Carolina Wildfowl Guild fees and services billed above \$2,500 annual max for event.

**HUMAN RELATIONS COUNCIL**

**Discussion** Ed Peed Commemoration held on Saturday, February 18, 2012. Chairman O’Pharrow noted the event was well executed and attended. If growth continues we need to discuss a change in venue.

**Appoint** Committee members to the Multicultural Festival working in conjunction with the Beaufort County Arts Council. By consensus, Board members agreed to the appointment of Vice-chairwoman Cherry and Board member Howard as committee members on the Multicultural Festival working in conjunction with the Beaufort County Arts Council.

**Approval/Discussion** “Taste of Washington”/Fair Housing event (inclusive of the material sponsored by the District Attorney’s office) and approval of the date hosting the event in April. Board member

Harvey advised that she had been in contact with a representative from Attorney General Roy Cooper's office. Ms. Lisette Whittington, Victims and Citizens Services, representing the Attorney General's office accepted the invitation to make a presentation during "A Taste of Washington". Council Liaison Pitt stated he would contact Ms. Katherine Keech, and Board member Howard suggested contacting Ms. Lisa Woolard, Director of Beaufort/Hyde Partnership for Children to combine the Week of the Young Child together and this event together. (April 10<sup>th</sup> at 6:30pm- Temple of Jesus Christ)

**Update** concerning the Domestic Violence Shelter Board member Barr advised of a meeting held with the Eastern Regional Director for Women on February 15, 2012. At present, they are ready to go; beds are in place, doctor on call as well as the building. Board member Barr shared they are waiting on Board member Davis to contact the gentleman who has offered a one-time start-up fee of \$50,000 \$100,000. Chairman O'Pharrow advised that Board member Davis resigned effective Tuesday, 3-14-12 due to health reason. He would contact Mr. Davis to see where we stand on this issue and would table further discussion until this issue can be resolved.

**Councilman Liaison Pitt shared ways of retooling/reorganizing Boards/Committees/Commissions** Chairman O'Pharrow requested having this as an action item on May 8, 2012 agenda. Mr. O'Pharrow stated what works for one Board may not work for the Human Relations Council; some events need to be kept in front of us. Vice-chairwoman Cherry suggested setting a schedule as to what the Board sponsors annually.

#### **FYI**

All reminders and announcements were discussed at this time, inclusive of March report submitted to City Council, proclamation signage and funding contribution received from Ms. Edith Jenkins. (Council accepted the report as written.)

#### **WASHINGTON TOURISM DEVELOPMENT AUTHORITY**

February-March 2012

- Branding Committee continues to progress. A presentation by Eye Integrated was made to the initial stakeholder group and met with much success. A proposed logo has been developed that can be used by various partners, but still presents a consistent image to the public. It is the hope of the committee that a presentation will be made to City Council in the near future.
  - The WTDA will participate in the effort being led by the Arts Council and City's Planning Department to apply for a SmART initiative grant from the Department of Cultural Resources.
  - The WTDA supported the proposed partnership between the Jeanie B and City of Washington, as having it docked on our waterfront will be an attraction to visitors.
  - This fiscal year the WTDA has awarded grants to various organizations for the purpose of marketing and promotion. Those organizations include: Pamlico River Quilter's Guild, Walk in the Light Productions, Washington Girls Fastpitch Softball League, and Finish Strong Series.
  - Planning continues for the upcoming Cycle North Carolina Spring Ride. Registration has exceeded 1100, with participants coming from 26 states. The organizers of the event anticipate this will be a record-breaking year. The WTDA has been working in conjunction with various City, County and State departments to coordinate this event locally, and ensure the safety of all who participate. Cyclists will begin arriving on Thursday, April 12, with the routes opening on Friday, April 13.
  - The WTDA is partnering with other communities and entities along Highway 264 to explore the feasibility of marketing the corridor. The group consists of representatives from Washington, Belhaven, and Hyde County.
  - Washington advertisements will be appearing in the April edition of Carolina Country and May edition of Our State magazine.
  - The WTDA and Civic Center staff continue to explore ways to increase bookings Monday Thursday. Very few Saturdays are available for rent the remainder of the year.
- WTDA board of director meetings are held monthly, on the 3rd Wednesday at noon in the Leff Room of the Washington Civic Center. (Council accepted the report as written)

#### **FINANCIAL REPORTS**

There were no comments regarding the Financial Reports at this time.

**APPOINTMENTS: – WASHINGTON HOUSING AUTHORITY AND  
PARKS & RECREATION ADVISORY BOARD**

Mayor Jennings appointed Gil Davis to the Washington Housing Authority to fill the unexpired term of Rosalind Bailey, term to expire June 30, 2014. By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council endorsed the appointment of Gil Davis to the Washington Housing Authority.

The appointment to the Parks and Recreation Board will take place at a later date.

**APPROVE/AUTHORIZE – DIRECTOR OF PARKS AND RECREATION TO EXECUTE  
WATERFRONT DOCKING AGREEMENT WITH NCSB, LLC FOR THE  
SCHOONER, JEANIE B**

On February 22, 2012, Dr. Lee Sutton, Owner of the schooner, Jeanie B presented a proposal of docking the Jeanie B along the Washington Waterfront to a group that included representatives from the Department of Parks and Recreation, Washington Recreation Advisory Committee, Washington Harbor District Alliance, Washington Maritime Team, Tar-Pam Guide Service and Carolina Wind Yachting Center. The group took the opportunity to ask questions and make suggestions to Dr. Sutton.

On March 5, 2012, Dr. Sutton presented the revised proposal to the Washington Recreation Advisory Committee. The Committee recommends the dockage of the 72' Schooner, Jeanie B at the Washington Waterfront Docks.

Josh Kay, City Manager reviewed the request with Council and stated that on March 12, 2012, Dr Sutton presented the proposal to City Council. The presented document solidifies previous Council action.

Councilman Mercer inquired about the phrase “in arrears” in the rental agreement. City Attorney, Franz Holscher explained “in arrears”, is his way of capturing the parties agreement. Most payments are due in advance. The owners agreed to pay \$2700 or 20% of the total revenues generated from any/all sailings from the waterfront. The only way to know what the total revenues, would be to wait until the end of the year. Council discussed various options for determining the amount due.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council approved and authorized the Director of Parks and Recreation or his designee to execute the Waterfront Docking Agreement with NCSB, LLC for the schooner, Jeanie B.

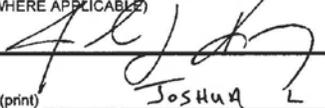
**AUTHORIZE – CITY MANAGER TO SIGN THE FY 2013-2017 TIP SUBMISSION FOR  
WARREN FIELD**

Josh Kay, City Manager stated that NCDOT Aviation Division has requested the submission of the FY 2013-2017 Transportation Improvement Plan for Warren Field. It is the recommendation of our engineer (Talbert & Bright) as well as staff's recommendation to approve the submission of this document. According the Talbert & Bright, by signing and submitting this form the City of Washington is not committing any funds to these projects. This submission is being made to allow the Division of Aviation to prioritize airport improvement projects throughout the state of North Carolina. Once the Division of Aviation awards grant funds to an airport sponsor, at that time only will you be asked to secure the local matching funds. Mr. Kay stated the transportation improvement plan is simply a capital improvement plan for the airport. Over a four year period, the estimated cost of improvements would be \$7.6 million and funding will be sought for these improvements. The list is revised on an annual basis.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council authorized the manager to sign the FY 2013-2017 Transportation Improvement Plan (TIP) submission for Warren Field.

WARREN FIELD TRANSPORTATION IMPROVEMENT PROGRAM (TIP) 2013 - 2017 PROJECT LISTING			
PROJECT	DESCRIPTION	FISCAL YEAR	TOTAL EST. COST
Division of Aviation Minimums:			
Total Cost to bring airport up to Division of Aviation minimums:			\$ -
Division of Aviation Recommended:			
1. Runway Length - Construction	A 500-ft extension of the Runway 5 approach end, along with the required RSA and parallel taxiways can be accomplished without acquisition of land beyond that owned by the airport and the City. The Threshold Siting Surface for a 500-ft extension is clear of obstructions. The 100-ft wide by 500-ft long runway and 1,000-ft long taxiway will be constructed of 30,000# DWL ACP pavement. The embankment needed for the runway, taxiway, and RSA will be approximately 700-ft long, 500-ft wide for the runway and taxiway, 300-ft wide for the graded RSA, and be approximately 20-ft high at it's maximum depth.	2014	\$ 1,100,000
2. Runway Protection Zone - Runway 5	Purchase Runway 5 RPZ in fee for extended runway. Includes purchase of 5 acres non-residential land, 6 homes and relocation of residents.	2013	\$ 950,000
3. Airfield Maintenance Equipment Storage Building	Building to provide storage for airfield maintenance equipment	2014	\$ 75,000
4. Standard Instrument Approach Procedure	Establish LPV and LNAV approach to extended Runway 5 (Survey and coordination costs only)	2013	\$ 50,000
5. Approach Lighting	Install an ODALS for Runway 5 to improve visibility minimums	2015	\$ 100,000
6. Taxiway and Apron Edge Lighting	Medium Intensity Edge Lighting for Taxiways A, B, and C.	2013	\$ 250,000
7. Runway Extension - Design	A 500-ft extension of the Runway 5 approach end, along with the required RSA and parallel taxiways can be accomplished without acquisition of land beyond that owned by the airport and the City. The Threshold Siting Surface for a 500-ft extension is clear of obstructions. The 100-ft wide by 500-ft long runway and 1,000-ft long taxiway will be constructed of 30,000# DWL ACP pavement. The embankment needed for the runway, taxiway, and RSA will be approximately 700-ft long, 500-ft wide for the runway and taxiway, 300-ft wide for the graded RSA, and be approximately 20-ft high at it's maximum depth.	2013	\$ 125,000
Total Cost to bring airport up to Division of Aviation recommended:			\$ 2,650,000
Additional Airport Requested Projects:			
8. Runway Protection Zone - Runway 35	Purchase RPZ for Runway 35 in fee (vacant land-Robin Moore land)	2013	\$ 150,000
9. Parallel Taxiway	Construction of 1,100 feet of parallel taxiway to service the 500-ft extension of Runway 5. The costs for the pavement and supporting embankment have been included in the costs for the runway extension.	2015	\$ 680,000
10. 6-Unit T-Hangar and Taxiway (Phase I)	Includes Construction of a new 6-Unit T-Hangar, Site Preparation, and T-Hangar Taxiway located south of the existing T-Hangar development	2014	\$ 540,000
11. Corporate Hangars (Phase I)	Includes Construction of one new corporate hangar, 80'x80'. Includes hangar foundation, floor slab, electrical and hangar door. Also includes construction of apron and vehicle parking lot. Does not include any office space for tenant or other utilities.	2015	\$ 820,000
12. 6-Unit T-Hangar and Taxiway (Phase II)	Includes Construction of a new 6-Unit T-Hangar, Site Preparation, and T-Hangar Taxiway located north of the existing T-Hangar development	2016	\$ 540,000
13. Glide Slope	Install Glideslope for Approach to Runway 5 to provide Precision Approach to Runway 5	2016	\$ 300,000
14. Corporate Hangars (Phase II)	Includes Construction of two new corporate hangars, 80'x80' Each. Includes hangar foundation, floor slab, electrical and hangar door. Also includes construction of apron and vehicle parking lot. Does not include any office space for tenant or other utilities.	2017	\$ 1,420,000
15. Runway 5-23 Edge Light System Replacement	Project will include design, bidding, construction and construction administration phase services for replacing the existing runway light system along Runway 5-23	2013	\$ 250,000
16. Terminal Building Improvements	Project will include design, bidding, construction and construction administration phase services for improvements to the terminal building	2013	\$ 150,000
Total Cost for airport requested projects:			\$ 4,850,000
Total all improvements			\$ 7,500,000

I CERTIFY THAT THE PROJECTS REQUESTED IN THIS 2013 - 2017 TIP SUBMISSION HAVE BEEN REVIEWED BY THE GOVERNING BOARD OF THE SPONSOR RESPONSIBLE FOR FUNDING THE LOCAL SHARE OF THE PROJECT AND THAT SAID BOARD HAS FORMALLY APPROVED THE SUBMISSION OF THESE REQUESTS FOR STATE AID TO AIRPORTS (AND THE STATE BLOCK GRANT PROGRAM WHERE APPLICABLE)

Signed 

Date 04/10/12

Name & Title (print) Joshua L. Kay, City Manager

**AUTHORIZE/APPROVE – CITY MANAGER TO NEGOTIATE AN ENGINEERING CONTRACT FOR PARALLEL WATER LINE FROM THE WATER TREATMENT PLANT AND APPROVE THE CORRESPONDING PURCHASE ORDER**

Mr. Kay explained that staff requested proposals from engineering firms to provide engineering services for design, construction administration, surveying, environmental studies and permitting. The proposal was for a 16” waterline from the water treatment plant to roughly Beaufort County Community College where a dual line is located. This will allow for parallel lines from the water treatment plant to our distribution center. The request for proposals on February 23, 2012, resulted in two proposals being submitted, one by The East Group and the other by Rivers and Associates, Inc., both out of Greenville, NC. After careful consideration of all both proposals, it is staff’s recommendation that Rivers and Associates be awarded this project. Rivers has far more experience with our existing system and this is the reason their firm was chosen for this particular project. In the current fiscal year budget, there is a line item of \$125,000, this would be the maximum used for engineering. Discussion was held regarding the hourly rates submitted with the proposals and noted there were different rates from each firm.

By motion of Councilman Pitt, seconded by Councilman Mercer, Council authorized the manager to negotiate an engineering contract with Rivers and Associates, Inc. not to exceed \$125,000 for a 16” parallel water line from the water treatment plant and approve the corresponding purchase order, not to exceed \$125,000.

**ADOPT/AUTHORIZE – ADOPT RESOLUTION TO LEASE PROPERTY OFF WATER STREET AND ADJOINING THE OLD “MCQUAY” BUILDING TO FRIEDMAN-RAVENWOOD, LLC AND AUTHORIZE CITY MANAGER TO EXECUTE A LEASE AGREEMENT WITH FRIEDMAN-RAVENWOOD, LLC**

Mr. Kay explained that Council has previously adopted a resolution and approved an agreement to lease this property to a prior business owner/restaurant. A new lease agreement needs to be executed to lease the property to Friedman-Ravenwood, LLC for a term of ten years for an annual rental payment

of ten dollars. Mr. Kay requested that Council approve the lease subject to the City Attorney and City Manager further defining what the use of the facility will be, specifically placing limitations on the use of City property. Mayor Jennings explained the prior agreement specifically stated “restaurant”, while the new agreement states “business” in regards to the lease of the patio and grease trap.

Dot Moate inquired as to why the wording was changed from “restaurant” to “business”? She also stated that we need to be very careful with what types of businesses are allowed on the waterfront. Franz Holscher, City Attorney explained that when he was advised this location would house an oyster bar, he was unsure if that was actually qualified as a restaurant, hence the reason to change the wording to business. Council reviewed the specifics of the lease agreement. Council, by consensus agreed to change the wording back to restaurant.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adopted a Resolution to lease property off Water Street and adjoining the old “McQuay” Building to Friedman-Ravenwood, LLC and Authorized City Manager to execute a lease agreement with Friedman-Ravenwood, LLC with the necessary changes to be made by the City Attorney to incorporate the word “restaurant” in place of “business”.

**STATE OF NORTH CAROLINA  
COUNTY OF BEAUFORT**

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** (hereinafter referred to as “Agreement”) is made and entered into as of the 17<sup>th</sup> day of December, 2011, by and between the **CITY OF WASHINGTON**, a municipal corporation of the State of North Carolina (hereinafter referred to as “Lessor”) and **FRIEDMAN-RAVENWOOD, LLC**, a North Carolina Limited Liability Company having an address of P.O. Box 1845, Washington, North Carolina (hereinafter referred to as “Lessee”).

**WITNESSETH**

**WHEREAS**, Lessor owns that certain property labeled Area of Patio & Grease Trap Ground Lease as more specifically shown on Exhibit “A” attached hereto and incorporated herein by reference (hereinafter referred to as “Premises”).

**WHEREAS**, Lessor has found said Premises to be surplus to its current needs.

**WHEREAS**, Lessee desires to lease said Premises from Lessor in order to utilize the same for an outdoor patio and grease trap in conjunction with a restaurant, including but not limited to oyster bar, to be operated on the property adjacent to the Premises (hereinafter may be referred to as “Restaurant”).

**WHEREAS**, Lessor desires to lease said Premises to Lessee in an effort to boost the local economy, including but not limited to downtown business and tourism.

**WHEREAS**, after proper, legal notice, the City Council passed a Resolution authorizing this Agreement.

**NOW, THEREFORE**, subject to the terms and conditions hereinafter set forth, Lessor does hereby lease and let unto Lessee and Lessee hereby takes and accepts, together with all privileges and appurtenances thereto, the Premises. In consideration of the mutual promises and covenants herein contained, the benefits to Lessor and Lessee, and for One Dollar (\$1.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows.

1. **Premises.** The Premises are as defined hereinabove.
2. **Condition of Premises.** Lessee’s taking possession of the Premises shall be conclusive evidence as against Lessee that Lessee has accepted said Premises as is and that Lessor is under no duty to repair anything, furnish any services for, or otherwise improve in any way the Premises.
3. **Term.** The term of this Agreement shall be for ten (10) years and shall commence as of the 17<sup>th</sup> day of December, 2011, and shall expire on the 16<sup>th</sup> day of December, 2021. This

Agreement may be terminated prior to the expiration of the term upon mutual consent of the parties. In order to effectuate said early termination by mutual consent, either party must give the other party written notice of its desire to terminate this Agreement at least sixty (60) days prior to any such termination; in which case, this Agreement shall terminate on the date contained in said notice if the other party provides written consent to such termination within the applicable time period. Notwithstanding the above or anything herein to the contrary, Lessor, in its sole discretion and without incurring any expense therefor, may unilaterally terminate this Agreement at any time by giving Lessee at least one hundred twenty (120) days written notice of such termination. Lessee shall have and make no claim, for damages or otherwise, upon Lessor should Lessor elect to exercise its right to early, unilateral termination hereunder.

4. **Rental.** Rental shall be Ten Dollars (\$10.00) per year and shall be payable in advance on December 17<sup>th</sup> of each year.

5. **Assignment.** Lessee may assign and/or sublease the Premises to a third party so long as Lessee enters into a written agreement with the assignee and/or sublessee that obligates the assignee and/or sublessee to be responsible for performing Lessee's obligations hereunder, including but not limited to the insurance requirements and use restrictions more specifically provided for herein. No assignment or subletting by Lessee shall absolve Lessee of its contractual obligations hereunder and Lessee shall remain legally responsible to Lessor for performing its contractual obligations hereunder regardless of any such assignment or subletting.

6. **Use of Premises.** Lessee shall use the Premises during the term of this Agreement for the purposes specified herein and none other. The Premises described herein may be used by Lessee only for purposes that are in furtherance of and consistent with Lessee's use of the adjacent property as a Restaurant, including but not limited to oyster bar. Lessor expressly authorizes Lessee to provide such access to the Premises as is necessary to and for third parties to patronize the Restaurant. Lessee shall not make any unlawful or offensive use of the Premises and agrees to keep the same in good maintenance and aesthetically pleasing appearance.

7. **Care and Maintenance.** Lessor shall not be responsible for any maintenance of the Premises and Lessee agrees, at Lessee's own expense as additional consideration for this Agreement, to maintain the Premises in an attractive manner, including but not limited to keeping the patio; grease trap; and any and all grass, bushes, shrubs, and trees in an aesthetically pleasing appearance and in compliance with any and all ordinances of the City of Washington, including but not limited to zoning and public nuisance ordinances. Lessee shall adequately secure the Premises when Lessee is not utilizing the same in order to prevent unsupervised access by the public. Lessee shall pay for the repair of any and all damages to the Premises caused by Lessee, its agents, employees, invitees, guests, customers, assigns, sublessees or their respective successors and assigns or any of them.

8. **Improvements and Alterations.** The parties recognize that Lessee has made and must make certain improvements and alterations to the Premises in order to use the Premises as herein provided. In addition to any other permitting or approval process that may be required, Lessee shall submit a written plan, including sketch, for all such improvements and alterations to and receive approval thereof from the City Manager. Lessee shall continually modify any

Lease Agreement With Friedman-Ravenwood, LLC (adopted by City Council on April 9, 2012)

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existing improvements and alterations to the Premises as may be necessary to conform with such approval. It is expressly understood that such approval is subject to modification, in the discretion of the City Manager, and that, if such approval is modified, Lessee shall modify its improvements and alterations as may be necessary to comply with such modified approval. Any alteration or improvement that is made by Lessee without written consent from Lessor or that is inconsistent, in Lessor's sole discretion, with Lessor's written consent shall constitute default hereunder. All such improvements and alterations made with Lessor's consent shall be properly maintained by Lessee, in Lessor's sole discretion.

9. **Inspections and Access.** Lessee does hereby agree that Lessor shall be allowed to inspect the Premises at any time. Lessee shall provide Lessor with such reasonable access over and across the Premises as may be necessary to enable and assist Lessor in the use, care, maintenance and improvement of Lessor's adjacent properties.

10. **Insurance.** Lessee, assignee, or sublessee, as the case may be, shall, at its expense, obtain and maintain the following insurance coverages for any period during which the Restaurant contemplated hereby is in operation or during which the Premises are otherwise open to the public.

- a. Statutory Workers' Compensation Insurance in amounts required by law and, unless exempted by applicable law, Employer's Liability Insurance at a minimum of \$100,000.00 for bodily injury by accident each employee and \$100,000.00 for bodily injury by disease each employee, with a policy limit of \$500,000.00 bodily injury by disease.
- b. Commercial General Liability Insurance, including contractual liability, personal and bodily injury, property damage, advertising injury, premises, and operations coverage at a minimum of \$1,000,000.00 per occurrence and \$1,000,000.00 aggregate.
- c. Liquor Liability Insurance at a minimum of \$1,000,000.00 per occurrence and \$1,000,000.00 aggregate, if applicable.

The Commercial General Liability and Liquor Liability Insurance policies shall list Lessor as additional insured and provide that they are not subject to cancellation or reduction in coverage except after thirty (30) days following notice to Lessor. Lessee shall deliver to Lessor certificates of insurance for all insurance policies required hereunder. Lessee shall, within a reasonable period of time prior to the expiration of any such policy, furnish Lessor with certificates of insurance evidencing renewal thereof. Lessor may, in its sole discretion, require Lessee to expand the form and/or increase the amounts of all such insurance.

11. **Taxes and Assessments.** Lessee shall be responsible for and promptly pay before default any and all real and personal property taxes or special assessments, if any, that may be levied or assessed against the Premises or any improvements or other property situated thereon, it being the mutual intention of the parties that Lessor shall not be required to pay any taxes on either real or personal property by reason of permitting Lessee to use the Premises as herein described. Lessee also agrees to indemnify Lessor against any loss or liability resulting from any

Lease Agreement With Friedman-Ravenwood, LLC (adopted by City Council on April 9, 2012)

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and all claims or liens in connection with such taxes and assessments.

12. **Utilities.** The provision of utilities, including water, sewer, and electricity, if any, shall be covered under a separate agreement; however, Lessee shall be responsible for all applicable charges, including but not limited to "hook-up" and customary monthly charges for the same. Notwithstanding the foregoing, it is expressly understood by the parties that Lessee shall be responsible for installing, in the manner required by Lessor, and paying for any additional lighting that may be required.

13. **Release, Waiver of Claims and Indemnity.** Lessee shall occupy the Premises at Lessee's own risk. Lessee for itself, its invitees, customers, guests, assigns, sublessees and their respective joint venturers, partners, parents, subsidiaries, affiliates, predecessors in interest, successors in interest, assigns and each of their respective officers, directors, employees, shareholders, agents, accountants, attorneys, insurance carriers, sureties, representatives, consultants and advisors, both past and present, hereby shall unconditionally waive, release, hold free and harmless, indemnify and defend Lessor and its present and former employees, officials, and elected officials in both their respective individual and official capacities, agents, personal representatives, attorneys, insurers, heirs, successors and assigns, and each of them, respectively, of, from, and for all and any manner of action or actions, cause and causes of action, claims, demands, costs, loss of services, expenses, attorney's fees, compensation and all consequential, compensatory, general, special and/or punitive damages or liabilities, known or unknown, which may result directly or indirectly from or be in any way related to, connected with or growing out of this Agreement, Lessee's occupancy as well as use of said Premises, including use by invitees, customers, guests, assigns, or sublessees of Lessee as well as patrons of and those served by the Restaurant. This provision shall survive the termination of this Agreement and shall be in full force and effect beyond the term or termination of this Agreement, however terminated.

14. **Adherence to Regulations.** Lessee shall comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, Courts, authorities, agents, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to Lessee, Lessee's operation of the Restaurant contemplated hereby, and Lessee's use of the Premises. Further, Lessee shall comply with any and all local, state, federal or other rules and regulations as well as all applicable environmental rules and regulations, including but not limited to such rules and regulations regulating hazardous or similar substances or conditions, their storage or disposal. Lessee shall not intentionally or knowingly use the Premises for any purpose or in any manner in violation of any law, ordinance, rule, or regulation adopted or imposed by any federal, state, county, municipal body, or other governmental agency. Lessee further agrees to indemnify and hold the City harmless for any and all damage of any kind arising from Lessee's failure to comply with the aforementioned rules and regulations, including, but not limited to, the cost of clean-up, restoration fees, mitigation costs, and attorney's fees caused or occasioned by Lessee.

15. **Reports.** If requested by the City Manager, Lessee shall provide a report of such matters involving the Premises or the Restaurant as may be required by the City Manager.

Lease Agreement With Friedman-Ravenwood, LLC (adopted by City Council on April 9, 2012)

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16. **Relationship of Parties.** In carrying out the terms and conditions of this Agreement, Lessee is an independent party from Lessor and is not an agent or employee of Lessor. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, or employee relationship between Lessor and Lessee.

17. **Waiver.** No waiver of any condition, covenant or restriction of this Agreement by either party shall be deemed to imply or constitute a further waiver of the same or any other condition, covenant or restriction of this Agreement.

18. **Surrender of Possession and Holding Over.** Upon the expiration or any other termination of this Agreement, Lessee shall quit and surrender the Premises to Lessor. Within ninety (90) days of any such expiration or any other termination of this Agreement, Lessee shall retain ownership of and shall remove any items of personal property and shall, upon notice from Lessor, remove any and all improvements and alterations described in such notice, including fixtures, made or placed on or about the Premises by Lessee and, consistent with such notice, return the Premises to its condition prior to any installation or placement of such item(s) or making of any such improvements or alterations thereon. Failure by Lessee to perform the obligations contained in this numbered paragraph 18 within said ninety (90) day period shall entitle Lessor to remove and dispose of said personal property, improvements, and alterations, including fixtures, and recover all of its costs and expenses in doing so from Lessee. If Lessee shall remain in possession of the Premises or any part thereof after the expiration of the term of this Agreement, either with or without Lessor's acquiescence, Lessee shall be deemed a tenant at will, and such holding over by Lessee shall in no way constitute a renewal of this Agreement.

19. **Lessee's Default.** Any default by Lessee in the performance of any of the promises, duties, or obligations herein agreed to by Lessee or imposed upon Lessee by law shall, at Lessor's option, constitute a material breach of this Agreement, giving Lessor, in addition to all other rights and remedies as provided herein and provided by law, the right without notice or demand at the option of the Lessor immediately to a) terminate this Agreement; b) reenter, without liability to anyone for trespass or otherwise, the Premises; and c) collect from Lessee any damages resulting from default, including the cost of repairing the Premises, returning the Premises to its original condition, and any reasonable attorney's fees incurred as a result of default. Upon any reentry pursuant to this paragraph, Lessor may, without liability to anyone, remove any personal property and fixtures located on or about the Premises, whether belonging to Lessee or otherwise, and dispose of the personal property and fixtures as Lessor deems proper or to store such property and fixtures at Lessee's expense. Lessor is further authorized to sell or cause to be sold any such personal property and fixtures so removed, the proceeds from which may be used to pay any storage charges against the property or to satisfy any delinquent rental or other obligation due Lessor by Lessee.

a. **Event of Default.** It is expressly understood by the parties that the following will constitute an event of default: should Lessee be unable to demonstrate, to Lessor's sole discretion and satisfaction, that Lessee has a legally enforceable interest in the adjacent property sufficient to authorize Lessee to operate the Restaurant on the adjacent property for a period of time equal to the term of this Agreement.

Lease Agreement With Friedman-Ravenwood, LLC (adopted by City Council on April 9, 2012)

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20. **Notices.** Any notices which Lessor or Lessee is required or desires to give to the other hereunder shall be deemed sufficiently given or rendered if, in writing, they are delivered personally, or sent by certified or registered mail, postage prepaid, to the following addresses.

If to Lessor:	If to Lessee:
ATTN: City Manager	ATTN: Mr. Stanley Friedman
City of Washington	P.O. Box 1845
P.O. Box 1988	Washington, N.C. 27889
Washington, N.C. 27889	

Any notice so given to either party hereunder shall be conclusively deemed to have been received upon delivery, in the case of personal delivery, or, in the case of proper mailing, on the third business day following the proper mailing thereof. Each party shall give written notice to the other of any change of address at least thirty (30) days in advance of the date such change is to become effective, whereupon the address so given shall control.

21. **Illegal Provisions and Governing Law.** If any provision of this Agreement shall be declared illegal, void, or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of North Carolina.

22. **Miscellaneous.**

- a. The headings of the paragraphs in this Agreement are for convenience of reference only and shall not be used to construe the meaning of the contents of such paragraphs.
- b. Should Lessor or Lessee institute any legal proceedings against the other related to this Agreement, the prevailing party in such action shall, in addition to any other recovery, be entitled to recover its costs and expenses from the losing party including its reasonable attorney's fees.
- c. This Agreement shall be binding upon the respective parties hereto and upon their heirs, successors and, if expressly permitted as provided for herein, assigns and sublessees.
- d. This Agreement was negotiated by the parties and each party had input into the terms and provisions of this Agreement. The provisions of this Agreement shall not be construed against the party who drafted the Agreement as a result of that party's drafting of the Agreement.
- e. The parties agree that this Agreement shall not be recorded. Upon demand by Lessor or Lessee, the other party agrees to execute a memorandum of this Agreement suitable for recording in the Office of the Register of Deeds of Beaufort County. The party requesting the recordation of the memorandum of this Agreement shall be responsible for the costs of the preparation thereof and the recording of the same. In the event of the recording of any memorandum of this Agreement, upon termination of the Agreement, the parties agree to

Lease Agreement With Friedman-Ravenwood, LLC (adopted by City Council on April 9, 2012)

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execute and record a memorandum of termination of agreement.

- f. The singular shall include the plural, and the masculine or neuter include the other.

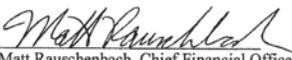
23. **Survival of Terms.** If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the expiration or other termination of this Agreement, it shall survive the expiration or other termination of this Agreement and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed. The parties expressly acknowledge that this survival of terms provision shall pertain to all applicable provisions of this Agreement including but not limited to the provisions of this Agreement which requires Lessee to remove the personal property and fixtures made or placed on or about the Premises by Lessee.

24. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto with respect to the Lessee's use and occupancy of said Premises and all prior and contemporaneous agreements are merged herein, and this instrument shall not be altered or modified except in writing signed by all parties hereto.

IN WITNESS WHEREOF, after due authority given, the parties hereto have executed this Agreement as of the date first above written.

**PRE-AUDIT CERTIFICATE**

This Agreement has been pre-audited per North Carolina General Statute § 159-28 in the manner required by the Local Government Budget and Fiscal Control Act.

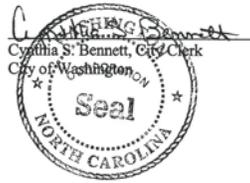
  
Matt Rauschenbach, Chief Financial Officer  
City of Washington

(Signatures On Next Page)

Lease Agreement With Friedman-Ravenwood, LLC (adopted by City Council on April 9, 2012)

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ATTEST:



LESSOR:  
 CITY OF WASHINGTON

By: Joshua L. Kay  
 Joshua L. Kay, City Manager  
 City of Washington

LESSEE:  
 FRIEDMAN-RAVENWOOD, LLC

By: Stanley Friedman  
 Stanley Friedman, Manager  
 Friedman-Ravenwood, LLC

STATE OF NORTH CAROLINA  
 COUNTY OF BEAUFORT

I, Reatha B. Johnson, a Notary Public of the State and County aforesaid, certify that CYNTHIA S. BENNETT, personally appeared before me this day and acknowledged that she is City Clerk of the CITY OF WASHINGTON, a North Carolina municipal corporation, and as the act of the corporation, the foregoing instrument was signed in its name by JOSHUA L. KAY, its City Manager, sealed with its corporate seal and attested by herself as its City Clerk.

Witness my hand and official seal, this the 2 day of May, 2012.

Reatha B. Johnson  
 NOTARY PUBLIC

My Commission expires: 12/11/2014

STATE OF NORTH CAROLINA  
 COUNTY OF BEAUFORT

Before me, a Notary Public in and for the County and State aforesaid, this day personally appeared STANLEY FRIEDMAN and acknowledged that he is Manager of FRIEDMAN-RAVENWOOD, LLC, and acknowledged the due execution by him of the foregoing instrument for the purposes therein expressed.

Witness my hand and official seal, this the 18 day of May, 2012.

Sarah C. Richards  
 NOTARY PUBLIC

My Commission expires: 4-12-13

Lease Agreement With Friedman-Ravenwood, LLC (adopted by City Council on April 9, 2012)

Lease Agreement With Friedman-Ravenwood, LLC (adopted by City Council on April 9, 2012)

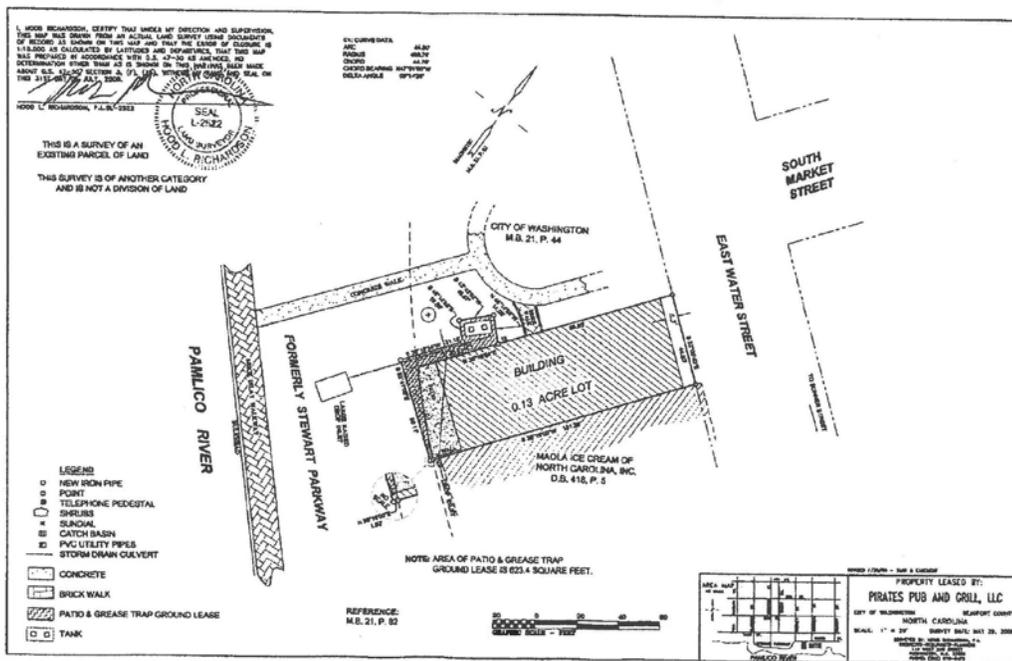


EXHIBIT "A"

**RESOLUTION TO LEASE PROPERTY  
 OFF WATER STREET AND ADJOINING THE OLD "McQUAY" BUILDING  
 TO FRIEDMAN-RAVENWOOD, LLC**

WHEREAS, the City of Washington ("City") owns property located at the intersection of Market and Water streets, including that certain property labeled "Patio & Grease Trap Ground Lease" as more specifically shown on Exhibit "A" attached hereto and incorporated herein by reference ("Premises"), which Premises the City finds it does not currently have a use for.

WHEREAS, the City Council therefore finds the Premises is currently surplus to the City's needs and will not be needed by the City for the term of the lease proposed hereby.

WHEREAS, Friedman-Ravenwood, LLC ("Lessee") desires to lease said Premises from the City in order that the same may be utilized in conjunction with a potential business to be operated on the property adjacent to the Premises.

WHEREAS, the City desires to lease said Premises to Lessee in an effort to boost the local economy, including but not limited to downtown business, and tourism.

WHEREAS, North Carolina General Statute § 160A-272 authorizes the City to enter into leases of up to 10 years upon a resolution of the City Council adopted at a regular meeting after 10 days public notice.

WHEREAS, the required public notice has been published and the City Council is convened in a regular meeting.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Washington that:  
The City Council hereby approves the proposed lease of said Premises owned by the City to Lessee for a term often (10) years as well as for an annual rental payment often dollars (\$10.00) and authorizes the City Manager to further negotiate, if necessary, and execute said lease.

Adopted this 9<sup>th</sup> day of April, 2012.

Attest:

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**ADOPT – ORDINANCE TO AMEND CH. 2 ADMINISTRATION, ARTICLE X, HOUSING AUTHORITY, AND ARTICLE XX, BOARDS, COMMISSIONS AND COMMITTEES**

City Manager, Josh Kay stated during the most recent City Code codification, it was determined that the City Code conflicted with NC General Statutes regarding the appointment, removal and election of Chairman of Housing Authority members. The City Code stated the Council will make appointments, while the NCGS states the Mayor makes appointments to the Housing Authority. In order to be consistent with NCGS, an amendment to Chapter 2, Administration, Article X, Housing Authority, and Article XX, Boards, Commissions and Committees will need to be adopted.

Mayor Pro tem Roberson asked staff/attorney to review payment in lieu of taxes from the Housing Authority and the legalities of the City taking over the accounting practices for the Housing Authority. Councilman Mercer followed up, by stating, the language being proposed tonight puts the City ordinances in line with the general statutes. He also stated that the Housing Authority is required to make an annual report to the Council and we should require that report include the information regarding payment in lieu of taxes. Staff will follow up with the Housing Authority regarding these issues.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adopted an Ordinance Amending Chapter 2, Administration, Article X, Housing Authority, and Article XX, Boards, Commissions and Committees, of the Code of the City of Washington, North Carolina to clarify certain provisions for the appointment and removal of Commissioners, and the election of Chairman, of the Housing Authority as provided for by State Statute.

**AN ORDINANCE AMENDING  
CHAPTER 2, ADMINISTRATION, ARTICLE X, HOUSING AUTHORITY,  
AND ARTICLE XX, BOARDS, COMMISSIONS AND COMMITTEES,  
OF THE CODE OF THE CITY OF WASHINGTON, NORTH CAROLINA  
TO CLARIFY CERTAIN PROVISIONS FOR THE APPOINTMENT AND REMOVAL  
OF COMMISSIONERS, AND THE ELECTION OF CHAIRMAN, OF THE HOUSING  
AUTHORITY AS PROVIDED FOR BY STATE STATUTE**

**WHEREAS**, North Carolina General Statute Chapter 157, Housing Authorities and Projects, Article 1, Housing Authorities Law, § 157-5, Appointment, Qualifications and Tenure of Commissioners, provides that a mayor shall appoint the commissioners of a housing authority established under Chapter 157.

**WHEREAS**, North Carolina General Statute Chapter 157, Housing Authorities and Projects, Article 1, Housing Authorities Law, § 157-8, Removal of Commissioners, authorizes and outlines procedures for a mayor to remove commissioners from a housing authority.

**NOW THEREFORE, BE IT ORDAINED** by the City Council for the City of Washington, North Carolina that Chapter 2, Administration, of the Code of the City of Washington, North Carolina shall be amended as follows.

Section 1. Article X, Housing Authority, Section 2-251, Created; composition; appointment; terms of office, is hereby amended by deleting the section in its entirety and replacing it with the following section.

**Sec. 2-251. Created; composition; appointment; terms of office; removal.**

(a) Pursuant to G.S. 157-5, on October 9, 1961, there was established a Housing Authority for the city. The Housing Authority is composed of seven (7) commissioners appointed by the Mayor in accordance with the provisions of G.S. 157-5. Commissioners are appointed for five-year terms of office, such respective terms to expire on June 30.

(b) Commissioners of the Housing Authority may be removed by the Mayor for the reasons, and following the procedures, provided for in G.S. 157-8.

(c) Unexcused absences shall be handled in accordance with section 2-531(b), except the Mayor shall appoint the replacement for any commissioner that is removed pursuant thereto.

Section 2. Article X, Housing Authority, Section 2-252, Organization and rules of procedure, is hereby amended by deleting the section in its entirety and replacing it with the following section.

**Sec. 2-252. Organization and rules of procedure.**

The Housing Authority shall elect its chairman at the annual meeting of the Housing Authority from among the appointed commissioners of the Housing Authority and create and fill such other offices as it may determine. The term of the chairman shall

be one (1) year with eligibility for re-election. Rules of procedure shall be established in accordance with section 2-532.

Section 3. Article XX, Boards, Commissions and Committees, Section 2-531, Members, is hereby amended by deleting the section in its entirety and replacing it with the following section.

**Sec. 2-531. Members.**

(a) With the exception of commissioners of the Housing Authority, all members appointed to boards, commissions and committees shall serve at the pleasure of the City Council. No city employee shall serve on any board, commission or committee other than as a liaison or ex officio.

(b) Any member who has three (3) unexcused absences in a twelve-month period shall lose his status as a member of the board, commission or committee and may be replaced, with the exception of commissioners of the Housing Authority, at the discretion of the City Council.

(c) Commissioners of the Housing Authority are appointed by the Mayor and may be removed as well as replaced by the Mayor in accordance with section 2-251.

Section 4. The spelling of the word "Authorities" shall be corrected in the State law references section that follows Section 2-253, Duties as redevelopment commission.

Section 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 6. Should any provision of this ordinance be declared invalid or unconstitutional by any court of competent jurisdiction, such declaration shall not affect the validity of the ordinance as a whole or any part thereof which is not specifically declared to be invalid or unconstitutional.

Section 7. This ordinance shall take effect and be enforced from and after the date of its adoption.

This the 9<sup>th</sup> day of April 2012.



*Cynthia S. Bennett*  
Cynthia S. Bennett, City Clerk  
City of Washington

A handwritten signature in black ink, appearing to read 'Archie Jennings, III', is written over a horizontal line. Below the line, the text 'N. Archie Jennings, III, Mayor' and 'City of Washington' is printed.

N. Archie Jennings, III, Mayor  
City of Washington

Recess 7:10pm-7:15pm

**REPORT – REVISED PROCEDURES FOR UTILITY CONSTRUCTION AGREEMENTS & PAYMENT PROCESS (NCDOT) – (COUNCILMAN PITT)**

MEMORANDUM TO: Mr. Terry R, Gibson. PE, State Highway Administrator

FROM: Robert Memory, State Utility Agent

SUBJECT: Revised Procedures for Utility Construction Agreements & Payment Process

Ms. Sandy Nance and I have recently undertaken a comprehensive review of the current guidelines for reimbursement for utility work performed by the Department at the request of another local entity. The guidelines have not been revised since May 2006 and with the current fiscal climate and economic constraints, we have received more frequent requests from local governments for various reimbursement conditions.

As part of this review, we have considered feedback from divisions and various units as well as the municipalities themselves. Over the past few years, we have had more frequent requests for extended repayment periods and difficulty in timely reimbursements after the agreement was executed. We recommend that the current payment process be simplified and ensure a more efficient reimbursement schedule to the department.

**Current Payment Process:**

Billing Procedures are based on the following:

- A. When the amount of work is \$200,000 or less the Department's Accounts Receivable Unit will bill the Governmental Agency and/or Utility Company upon completion of the Utility work.
- B. When the amount of work is \$200,000 up to one million (\$1,000,000) the Department will invoice 50% of the estimated utility cost (one) 1 year after Project Let Date with the remaining balance due upon completion of utility work and generate a pay item listing within 60 days of completion of utility work. Accounts Receivable will submit pay item listing to the Utility Agent for review and final approval prior to invoicing by the fiscal staff.
- C. When the amount of utility work is one million (\$1,000,000) or above, the Department will invoice 50% of the estimated utility cost (one) 1 year after Project Let Date and the remaining balance will be billed quarterly based upon contract quantities and prices as suited in HICams System.
- D. If a hardship situation is noted, the State Utility Agent may request exceptions to the billing terms noted above.

**Revised Payment Process**

Billing Procedures are based on the following:

- A. When the amount of work is \$250,000 or less, the Department's Accounts Receivable Unit will bill the Governmental Agency and/or Utility Company upon completion of the utility work.
- B. When the amount of work exceeds \$250,000, the Accounts Receivable Unit will invoice three (3) annual payments with the first payment due one year after Project Let Date. The first two equal payments will be based on the estimated amount due set forth in the agreement. The third and final payment (remaining balance) will be based upon actual contract quantities and prices for actual cost of completed utility work as stated in HICams and Resident Engineers cost submittals.
- C. If a severe hardship situation is identified, the State Utility Agent in coordination with the Manager of Local Program Management Unit may request to the Highway Administrator's office an exception to the reimbursement guidelines as noted above.

We believe that the recommended above revisions would simplify the process, keep reimbursement to a three-year period (which in most cases is the project timeline), and avoids lengthy reimbursement periods and interest payments. Agreements are now being prepared twelve months prior to the Project Let Date. With the first payment not due until one year after the project's been let (which allows time for costs to be incurred for the utility work), this gives adequate time for a Local government to budget and anticipate payment due to the department under the terms of the executed agreement. The revised guidelines should reduce the number of requests from the municipalities for exceptions to the payment process and avoids the department being placed in the role of the 'banker'.

Additionally, to avoid financial exposure by the department, utility work should not be included in a construction contract without an executed agreement with the other party. Future agreements (and those not yet executed) will be written by the Departments Local Program Management Office in accordance with these guidelines.

Thank you for your attention to this matter. If you have any comments or concerns, please contact me or Sandy Nance. (end memo)

Below are issues committee members identified as the top issues/areas for improvement in their communities. Many, but not all, are topic areas that fall under the General Government LAC's purview. Note that some issues may overlap with the work of the Tax & Finance LAC with regards to funding. For the General Government LAC, the number of committee members mentioning each topic is indicated in parentheses after the issue.

- **General Government**
- Transportation: Funding, utility relocation, DOT communication and processes, transit improvements, equity formula (12)
- Economic development: Downtown & small town revitalization and restoration, industrial recruitment and site development, additional incentives (11)

- Public safety: Crime prevention and reduction, funding for drug enforcement officers, equipment funding (6)
- Regionalism/intergovernmental cooperation (3)
- ABC system: Defense of current system, local input (2)
- Electronic notification of meetings (1)
- Sweepstakes (1)
- Hurricane preparation & recovery (1)
- **Tax & Finance**
- Water and wastewater infrastructure
- Economic/downtown development
- Parks and recreation funding
- Potential for sales tax reductions by the state
- **Planning & Environment**
- Minimum housing code enforcement
- Clean energy/sustainability
- Water and wastewater infrastructure
- Parks and recreation funding
- Zoning/land use authority & ETJ
- Municipal growth post-annexation reform

#### **ADDITIONAL AREAS OF DISCUSSION/CONCERN**

- State Budget and Economy
- ETJ
- Non-Voted Debt/Local Government Debt Transparency
- Annexation
- Hydraulic Fracturing (Fracking)
- Transportation/Road Maintenance
- 911/PSAPs
- Building Design Controls
- Municipal Incorporation
- Billboards
- Gun Control in Parks/Recreational Facilities
- Eminent Domain
- Town Hall Day June 6

#### **REPORT FROM NCEMPA MEETING**

Councilman Mercer reported that the NCEMPA agenda will be submitted electronically and he will forward the agenda to the other Council members. He also reported that during the NCEMPA meeting, a resolution supporting the issuance of \$500 million worth of bonds was discussed and voted on. \$370 million of the bonds will be for early refunding of bonds issued in earlier years. Ultimately, by refunding those bonds on an early basis, the Power Agency will save approximately \$3.7 million per year. \$110 million of the bonds are for capital improvements at the facilities. Although, the projected cost for all the capital improvements are \$220 million, the remaining \$110 million will come from wholesale rates. Councilman Mercer noted that he questioned the NCEMPA staff about what the \$3.7 million in savings could be used for and was advised there are limitations on the uses. He also explained that he voted against the resolution as he didn't agree with some of the conditions outlined in the resolution. We (members of NCEMPA) have accumulated an additional \$110 million in debt to be paid by the Power Agency, while Washington's portion of this additional debt is almost \$7 million.

#### **CLOSED SESSION – UNDER § NCGS 143-318.11(A)(1) DISCLOSURE OF CONFIDENTIAL INFORMATION AND § NCGS 143-318.10(E) THE PUBLIC RECORDS ACT**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council entered into closed session at 7:30pm under § NCGS 143-318.11(A)(1) Disclosure of Confidential Information and § NCGS 143-318.10(E) the Public Records Act.

By motion of Councilman Brooks, seconded by Councilman Pitt, Council agreed to come out of closed session at 7:45pm.

**ADJOURN**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting at 7:45pm until April 23, 2012 at 5:30pm in the Council Chambers at the Municipal Building.

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