

The Washington City Council met in a regular session on Monday, August 12, 2013 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Edward Moultrie, Councilman; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Stacy Drakeford, Fire & Police Services Director; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Electric Utilities Director; John Rodman, Community/Cultural Resources Director; Kristi Roberson, Parks and Recreation Manager; Susan Hodges, Human Resources Director; Gloria Moore, Library Director; Lynn Lewis, Tourism Director; David Carraway, IT Department and Mike Voss, Washington Daily News.

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

APPROVAL OF MINUTES

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the minutes of July 1st and July 29th as presented.

APPROVAL/AMENDMENTS TO AGENDA

The following items were presented as amendments to the agenda:

- Add: Mayor and other members of City Council: Discussion of items for the August 26th Council meeting. (Hurricane Preparedness, Formal Update on WHDA – Enterprise Fund for docks, etc.)
- Move Consent Item B: Budget Ordinance Amendment Airport Vision 100 Grant - moved to Old Business Item C
- Clarification regarding Purchase Order for Load Management switches
- Mayor Jennings noted Closed Session will be moved just prior to the 6:00pm Public Hearings.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council approved the agenda as amended.

ANNOUNCEMENT:

Mayor Jennings noted that it is with great sadness to announce that Don Wilkinson, Washington Park Town Council member and longtime member of the Washington Electric Utilities Advisory Board, passed away this afternoon. A moment of silence was held in memory of Mr. Wilkinson.

CONSENT AGENDA:

By motion of Council Mercer, seconded by Mayor Pro tem Roberson, Council approved the Consent Agenda as amended.

- A. ADOPT – BUDGET ORDINANCE AMENDMENT – RELOCATION CITY MANAGER (\$3,175)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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

Section 1. That account number 10-00-4120-1702, Moving Expense, City Manager Department portion of the General Fund appropriations budget be increased in the amount of \$3,175 to provide funds for reimbursement of City Manager's moving expenses.

Section 2. That account number 10-00-3990-9910, Fund Balance Appropriated, General Fund revenue appropriations budget be increased in the amount of \$3,175.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 12th day of August, 2013.

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

s/N. Archie Jennings, III
Mayor

B. **Moved to Old Business: APPROVE** – BUDGET ORDINANCE AMENDMENT – AIRPORT VISION 100 GRANT

C. **APPROVE** – PURCHASE ORDERS >\$20,000

*Requisition #13241, \$65,600, to Converge Technologies, Inc., for load management switches, account 35-90-8375-7401.

*Requisition #13286, \$62,175, to Miller Supply Co., for AMR water meters, account 30-90-7250-7000.

*Requisition #13312, \$25,000, to SONDY'S ELECTRICAL, for energy efficient lighting in the library, account 10-40-6110-7405.

*Requisition #13356, \$28,000, to Baker's Waste Equipment, for solid waste containers, account 38-90-4710-7000.

*Requisition #13362, \$31,620, to Westinghouse Electric Supply, for a recloser, account 35-90-8370-7401.

*Requisition #13361, \$20,645, to Westinghouse Electric Supply, for a recloser, account 35-90-8370-7401.

*Requisition #13371, \$33,908.80, to Kubota Tractor Corp., for a tractor for the cemetery, account 39-90-4740-7401.

*Requisition #13409, \$23,200, to Capital Ford Inc., for a crew cab pickup to replace vehicle #651, account 35-90-8370-7401.

CLOSED SESSION – UNDER NCGS § 143-318.11(A)(1) DISCLOSURE OF CONFIDENTIAL INFORMATION; 143-318.10(E) THE PUBLIC RECORDS ACT; 143-318.11(A)(3)

ATTORNEY/CLIENT PRIVILEGE AND 143-318.11 (A)(4) ECONOMIC DEVELOPMENT

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to enter into closed session under NCGS § 143-318.11(A)(1) Disclosure Of Confidential Information; 143-318.10(E) The Public Records Act; 143-318.11(A)(3) Attorney/Client Privilege And 143-318.11 (A)(4) Economic Development at 5:35pm.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council agreed to come out of closed session at 6:00pm.

PUBLIC HEARING ON ZONING: NONE

PUBLIC HEARING – OTHER:

PUBLIC HEARING: CONTINUATION OF CLOSE OUT – FY05 CDBG HOUSING DEVELOPMENT PROGRAM (KEYS LANDING)

City Manager, Brian Alligood explained that during the July 1st Council meeting, the public hearing to close out the FY05 CDBG Housing Development Program (Keys Landing) was scheduled. During this time questions arose which contributed to the continuation of the final portion of the public hearing until August 12th. Mr. Alligood reviewed the history of the \$250,000 grant. A payment plan has been worked out with the state for the next ten years (\$25,000 per year due on July 1st). The question was would the city receive any credit if any homes were built and occupied by LMI tenants. Mr. Alligood has confirmation from Richard Self (DCA) explaining that for every home that is built and occupied by an LMI owner, the amount the City owes back to the state will be reduced by \$50,000. \$250,000 divided by five. This requires the City to stay on the payment plan until every one of the homes has been built. Any money the City has already paid will not be reimbursed. \$25,000 is due again each July 1st until all five homes are built.

Mayor Jennings opened the public hearing.

Rev. David Moore thanked Council for continuing the public hearing. He expressed that he has no reason to believe that all five houses cannot be built and occupied by LMI tenants in a timely matter. He can assure Council that the houses will be built and that Council will be proud of the neighborhood as well as the tax revenue.

Casey Cox (221 Alderson Road - Smallwood) expressed that his property is within 50 yards of the proposed project. He noted his opposition to the entire project, grant, loans or services provided to this development. When he purchased his home, he knew that Keysville Road was in the County. Mr. Cox acknowledged that he did purchase his home after Rev. Moore received approval for the development of Keys Landing. He feels multi-unit subsidized housing could lower the property value of his home. Mr. Cox referenced annexation procedures. He commends Rev. Moore on his housing accomplishments. He would like to see a study conducted regarding subsidized housing in Washington. Mr. Cox says the Metropolitan Housing is not a non-profit organization and their records are not public. He does not feel the City should execute any contracts for this project. He said that since Councilman Moultrie is on the Metropolitan Board, that he should not only abstain from voting on any issue regarding the company, but also should state the reason of vested interest prior to any vote taken. Mr. Cox said he feels the City Attorney can verify his statements.

Rev. David Moore noted that Mr. Cox's facts are not correct. Metropolitan Housing is a 501 (C) (3) (non-profit), all of the financial records are open for inspection at any time as this is the law in the United States of America. We have to be audited and every year a copy of the audit is sent to the City of Washington. Rev. Moore added this is not subsidized housing, but first time homeownership housing and it does support the tax base. We have an excellent track record. Audits are available and open for inspection dating back to 1990. The audits are available on the Secretary of State's website, at the City of Washington or at Metropolitan's office.

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

Councilman Moultrie clarified that he is no longer on the board for Metropolitan Housing. Mayor Jennings explained that Rev. Moore has requested that item X.E: Authorize – City Manager To Execute A Legally Binding Commitment With Metropolitan Housing And Community Development Company, Inc. be removed from the agenda until further notice.

Councilman Mercer explained that the state has defunded the grant, so it is essentially already closed.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council voted to formally close out the FY05 CDBG Housing Development Program (Keys Landing) and take whatever steps necessary to insure the recovery of City funds.

Mr. Cox apologized to Councilman Moultrie for his incorrect information pertaining to him being a member of the Board of Directors for Metropolitan Housing.

PUBLIC HEARING: & ADOPT RESOLUTION: JUMPSTART WASHINGTON COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECT COMPANY MATCH REDUCTION

City Manager, Brian Alligood explained the public hearing is held in order to hear comments on the resolution pursuant to a 12.5% reduction in CDBG project funding from the North Carolina Department of Commerce, Division of Community Investment and Assistance. The City is reducing the amount of funding to each project Company with the CDBG Program Amendment. With this Amendment the City is also proposing that the Company match amounts be equitably reduced by 12.5% across the board. The CDBG Program Amendment documents illustrate these changes in detail.

Mayor Jennings opened the public hearing.

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

Councilman Mercer expressed comments regarding the grant. When the grant was first presented, he thought the purpose was to produce a certain number of jobs. As one can see from tonight's presentation, six temporary jobs will be created along with one full time job. The majority of the funds from this grant appear to be going towards equipment. He doesn't feel it is appropriate to use taxpayer money to subsidize a business for purchasing equipment.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council adopted a resolution to amend the CDBG Jumpstart grant and authorized the Mayor to execute the amended agreement. Motion carried 4-1, with Councilman Mercer opposing.

**CITY OF WASHINGTON FY 11 COMMUNITY DEVELOPMENT PROGRAM
JUMPSTART WASHINGTON SBEA GRANT # 11-C-2340
AMENDMENT RESOLUTION**

This Resolution authorizes an amendment to the City of Washington FY 11 Community Development Program.

Be It Resolved by the City Council of City of Washington, North Carolina, That

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

WHEREAS, the City desires to amend the approved project activities and certifies that a public hearing, in accordance with the North Carolina CDBG Program Regulations, was conducted on Monday, August 12, 2013, at 5:30 PM to discuss the proposed amendment; and

WHEREAS, the City certifies that regulations relating to environmental review conditions have been followed. Environmental Review Documents have been reviewed to determine any changes to the original finding of no significant impact on the environment and no adverse impacts were discovered and the original FONSI is still valid; and

THEREFORE, BE IT RESOLVED, that the City Council of City of Washington, North Carolina, hereby authorizes an amendment to the FY 11 Community Development Program. The Mayor is directed to act on behalf of the City in executing amendment documentation as the Chief Elected Official under the provisions of the North Carolina Community Development Block Grant Program Regulations (4 NCAC 19L).

Adopted this 12th day of August, 2013.

ATTEST:

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

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

SCHEDULED PUBLIC APPEARANCES:

Robert Sollinger – Pamlico Internet Access – Privilege License

Robert Sollinger stated he is the owner of Pamlico Internet Access in Washington. He recently received his invoice for his business privilege license at cost of \$27,000. The fee per machine was \$250 per terminal, now the charge is \$1,000 per terminal. He has twenty-seven terminals. He explained this charge puts the viability of his business at risk. He inquired if there was an appeal process as he feels this charge is unfair and unjust.

Mayor Jennings suggested Mr. Sollinger meet with the City Manager. Mayor Jennings further explained the fee schedule is part of the budget ordinance, so we will not be unwinding that here tonight. If you want to talk with the manager that would be a great start, but we can't promise you a different outcome.

Mayor Pro tem Roberson inquired about the General Assembly doing away with business privilege license and Councilman Mercer explained that bill did not make it through the process.

COMMENTS FROM THE PUBLIC:

Steve Rader: ref. 312 Water Street

Steve Rader expressed his concern with historic preservation in the City of Washington and explained how the historic district is an asset to Washington. Losing houses in the district reduces the viability and character of the historic district. Mr. Rader's concern stems from the proposed demolition of the property located at 312 Water Street. He suggested that instead of condemning and destroying these structures, that liens and fines should be imposed. He suggested that the City "back off" of the request to demolish this structure. Mr. Rader submitted a petition with 51 signatures of Washington residents opposing the demolition of this structure. At this point, the City Council has asked the Historic Preservation Commission for permission to take this house down. Mr. Rader explained there are several people interested in saving this structure, although it will need some major repair. He is asking the

Council to consider looking at avenues other than demolition. Mr. Rader mentioned that his son is also interested in this structure.

Mayor Jennings suggested that the petition needs to be sent to the Washington Historic Preservation Commission. This is a preservation commission issue. Mayor Jennings noted that he is the Council liaison to the HPC and is the former chairman of that board. The City Attorney and Mayor Jennings went to an HPC meeting and pleaded with the board to become proactive in preservation. Right now, the HPC is simply reactive. Their approach thus far has just been to defer the demolition of structures for 365 days. If they have a true interest in preservation, then they need to get active in finding a buyer and finding an alternate resolution to demolition. He continued by stating that the City Council surely doesn't want historic structures torn down, hence the reason they passed the Demolition by Neglect Ordinance. The HPC has got to become a "preservation" commission.

Councilman Mercer explained that Mr. Rader did appear before the HPC last Tuesday evening and made essentially the same presentation to them. The HPC deferred action until a future date. Mr. Rader will need to forward his petition to the HPC.

Mr. Rader says the HPC does not have the authority to impose fines for Demolition by Neglect, that authority resides with City Council, hence his presentation tonight to Council. He continued by stating the Council is also the body that is asking the HPC to tear down the house. He is asking Council to reverse that request until an alternative can be found. Mayor Jennings noted the house is becoming a safety concern. Mr. Rader said maybe the HPC should formally request Council to enforce the fines on this specific owner. Mayor Jennings explained the demolition request is still pending and would be under a one year moratorium, Council will entertain any offers/suggestions to save this structure.

**CORRESPONDENCE AND SPECIAL REPORTS:
MEMO – ELECTRIC FUND BUDGET TRANSFER**

The following reallocations of funding between divisions in the Electric Fund were approved by the City Manager in order to cover additional principal payments on an installment note that occurred as a result of unspent escrow funds being applied to the outstanding loan. This inter-departmental transfer does not increase the overall appropriations budget for any fund.

Electric Fund:

- Increase Debt Service Department by \$5,000
- Decrease Miscellaneous Non-Departmental by \$5,000

REPORT – LOAD MANAGEMENT DEVICE INSTALLATION

Load Management Device Installation Report

Project Start Date : October 2010

	June 2013	Project to Date	Projected Annual Savings
Total Load Management Device Installations	79	2,067	
Total Accounts Added with Load Management	49	1,566	
Appliance Control Installations			
Air Conditioner / Heat Pump	49	1,584	\$77,591
Auxiliary Heat Strip	22	793	\$82,171
Electric Furnace	2	253	\$34,954
Water Heater	39	1,264	\$107,956
			<u>\$302,672</u>
Total Encumbrances to Date			
Load Management Devices		\$65,600	
Contractor Installations		\$220,000	
Total Project Encumbrances		\$285,600	
Total Expenses to Date			
Load Management Device Purchases		\$65,600	
Contractor Installation Expenses	\$6,265	\$212,725	
Total Project Expenses		\$278,325	
Average Cost per Load Management Device Installed		\$135	
Average Installed Cost per Controlled Appliance		\$71	

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:
HUMAN RELATIONS COUNCIL

SCHEDULED PUBLIC APPEARANCES: Criminal Justice Program Administrator, Kimberly Grimes provided updates on the Football Camp and the scheduled event planned for "National Night Out". Ms. Grimes voiced there were 241 applications received for the Saturday morning Football Camp. Also, "National Night Out" has been scheduled for Tuesday, August 6, 2013 at Beebe Memorial Park from 6:00 - 8:00 pm. Police and Fire Services are continuing their meet & greet program within the communities.

ELECTIONS:

By motion of Board member Howard, the Board nominated Board member Hughes to serve as chairperson of the Human Relations Council for a term of one (1) year with eligibility for reelection. Board member Hughes accepted the appointment of chairperson.

By motion of Board member Hughes, the Board nominated Board member St. Clair to serve as vice-chair of the Human Relations Council for a term of one (1) year with eligibility for reelection. Board member St. Clair accepted the appointment of vice-chair.

Discussion - Draft of proposed panel for the Ed Peed pedestrian marker. Several suggested changes were recommended and all Board members concurred with the suggested changes as recommended.

Discussion - Board Howard provided an update on conversation held with Mr. Recko regarding the Fair Housing event. Mr. Recko agreed with changing the Fair Housing Forum venue to one of the public housing community centers. He felt this way the housing forum will have better participation. Mr. Recko plans to attend one of the Human Relations Council meetings to discuss how we might share information with some of the more active public housing community groups.

COMMENTS:

Chair Hughes tasked the board with the following:

- ~ New look at everything
- ~ Review of By-laws and City Code (by-laws need to be in compliance with the City Code)
- ~ Review Mission Statement
- » Review - frequency of meeting dates (do we need to meet monthly - code & by-laws states that we meet as necessary)
- ~ Need to look at other projects

WASHINGTON HARBOR DISTRICT ALLIANCE

North Carolina Main Street Statistical Summary: FY12-13

WASHINGTON															
	Façades Redone	Bldg. Renovs.	New Jobs	Jobs Lost	Net Job Gain	New Business	Business Closed	Net Business Gain	Business Expansion	\$ Value of New Investment PUBLIC	\$ Value of New Investment PRIVATE	\$ Value of New Investment TOTAL	Number Public Improvement Projects	Number New Construction Projects	Volunteer Hours
Current Figures	10	4	50	16	34	10	7	3	2	24,600	1,244,497	1,269,097	0	0	2,981
Previous Cumulative	123	33	393	120	273	126	41	85	15	\$3,317,601	\$8,859,461	\$12,177,062	8	1	5,294
NEW CUMULATIVE	133	37	443	136	307	136	48	88	17	\$3,342,201	10,103,958	13,446,159	8	1	8,275
PROGRAM HIGHLIGHTS															
Created new Shop, Dine Play Campaign for Downtown with \$12,000 Budget. Helped initiate new "Joint Meeting of the Boards" with all key stakeholders/agencies involved in downtown. Instituted "Coffee with Council" in August 2012 and repeated in January 2013 Joined N.C. Festivals Association and National Main Street Center Instituted monthly lunches with key management for area; Chamber of Commerce Director, TDA Director, City Manager, County Manager, President of Community College, County EDC Director, Superintendent of Beaufort County Schools. Hosted key stakeholder viewing of Roger Brooks's webinar "20 Ingredients of an Outstanding Downtown". Gained more media attention with local channels, UNC's NC Now and NC Weekend reports. Hosted Spring Main Street Managers Meeting Continued with established events and added two new events; Taste the Good Life to promote Washington as a dining destination and Harmony on the Harbor concert series on Sundays in Festival Park. Raised \$45,400 in sponsor donations															

FINANCIAL REPORTS (EMAILED AS AVAILABLE)

Councilman Mercer noted that on the preliminary June report, the revenues in the General Fund came in about 87% while expenditures came in at 97%, again this year, not including transfers from Enterprise Funds, we have spent more than we have taken in. Mr. Rauschenbach noted that we continue to collect sales tax until September, this should even up the revenues and expenditures.

In regards to the financials that came out today, there is a wide disparity on the group insurance payments from one department to another. Matt Rauschenbach, CFO explained that charges are made per month, per employee.

In the Planning Department there was a \$19,000 unbudgeted expenditure. Mr. Rauschenbach explained this is most likely a purchase order for a truck from last year, that hasn't been brought forward and these purchase orders will be presented to Council in September.

Councilman Mercer noted in the budget concerning outside agencies, that Cornerstone Worship Center was budgeted \$15,000, but in the last month expenditures of \$24,000 was shown. Mr. Rauschenbach explained that \$9,000 was posted to the wrong account and that error has since been corrected.

APPOINTMENTS:

APPOINTMENT – BOARD OF COMMISSIONERS OF THE NORTH CAROLINA EASTERN MUNICIPAL POWER AGENCY

Councilman Mercer explained that this appointment is for the second alternate to the North Carolina Eastern Municipal Power Agency. This position is normally filled by the City Manager and was filled by former City Manager, Josh Kay.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council appointed City Manager Brian Alligood as Second Alternate Commissioner to the North Carolina Eastern Municipal Power Agency Board of Commissioners.

APPOINTMENTS – VARIOUS BOARDS, COMMISSIONS, AND COMMITTEES

Board of Library Trustees – Appointment continued by Mayor Pro tem Roberson

Washington Electric Utilities Advisory Commission - Appointment continued by Councilman Pitt

Mayor's Certificate of Appointment to the Washington Housing Authority

Mayor Jennings nominated Yvonne Saleem for reappointment as a member of the Washington Housing Authority term to expire June 30, 2018.

Mayor Jennings nominated Lex Mann for appointment as a member of the Washington Housing Authority to fill the expired term of Jo Ann Ingersoll, term to expire June 30, 2018.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council concurred with Mayor Jennings' nominations to the Washington Housing Authority.

Mayor Jennings thanked Jo Ann Ingersoll for her service to the Washington Housing Authority.

Warren Field Airport Advisory Board (Three members must be residents of the City)

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council appointed Thomas Saccio to the Warren Field Airport Advisory Board with a term to expire June 30, 2015. (non-resident)

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council appointed Jack Hill to the Warren Field Airport Advisory Board with a term to expire June 30, 2015. (resident)

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council appointed Patrick Nash (Councilman Mercer mistakenly stated Neil Partrick while the appointment should have been for Patrick Nash) to the Warren Field Airport Advisory Board with a term to expire June 30, 2016. (resident)

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council appointed Gilbert Alligood to the Warren Field Airport Advisory Board with a term to expire June 30, 2016. (resident)

5th appointment continued by Councilman Mercer.

OLD BUSINESS:

APPROVE – BUDGET ORDINANCE AMENDMENT TO ADD ADMINISTRATIVE CHARGES TO THE BLUE GOOSE CDBG GRANT

Brian Alligood, City Manager explained the request for administrative charges for the Mid East Commission which were omitted when the Grant Project Ordinance was initially established.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council approved a budget ordinance amendment to add administrative charges to the Blue Goose CDBG Grant.

AN ORDINANCE TO AMEND THE BUDGET ORDINANCE AND CAPITAL PROJECT ORDINANCE OF THE CITY OF WASHINGTON, N.C. FOR THE FISCAL YEAR 2012-2013

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

Section 1. That account number 10-00-4400-9208, Transfer to CDBG Grants, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased in the amount of \$30,000 to provide funds for payment of administration charges and application preparation fees for the Blue Goose CDBG Grant.

Section 2. That account number 10-00-3990-9910, Fund Balance Appropriated, General Fund revenue appropriations budget be increased in the amount of \$30,000 to provide funds for transfer to CDBG Grant.

Section 3. That account number 51-60-3352-0001, Transfer from G/F, CDBG Blue Goose Grant Capital Project Fund revenue appropriation budget line item be increased in the amount of \$30,000.

Section 4. That account number 51-60-4930-0400, Administration, CDBG Blue Goose Grant Capital Project Fund appropriations budget be increased in the amount of \$30,000 to provide funds for the administration contract and application preparation fees to Mid-East.

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 12th day of August, 2013.

ATTEST:

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

AUTHORIZE – CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE PARTNERSHIP FOR THE SOUNDS - COASTAL WARNING DISPLAY TOWER

Brian Alligood, City Manager explained that the agreement for the Coastal Warning Display Tower has been reviewed by the Partnership for the Sounds as well as City staff/attorney.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council authorized the City Manager to execute an agreement with the Partnership for the Sounds to locate the Coastal Warning Tower at the Estuarium.

Councilman Mercer inquired why the City assumes all liability for anything that happens to the tower. Mayor Jennings explained the Partnership is in a heightened situation with their budget dollars being cut and were wary of situations of the tower being damaged and they may be held responsible for repairs.

AGREEMENT CONCERNING COASTAL WARNING DISPLAY TOWER

WHEREAS, through a motion duly adopted by the Washington City Council on April 15, 2013, the City of Washington (“City”) accepted the donation of a Coastal Weather Display Tower (“Tower”) from Jim Miller and his family.

WHEREAS, said Tower has been located in Washington since before 1900 after President McKinley ordered the Weather Bureau to build a series of coastal weather display towers to “supply the needs of the more important ports not having regular Weather Bureau offices” and implement a hurricane warning system for ships in 1898.

WHEREAS, said Tower was used to display storm warnings with flags during the day and colored lanterns at night until the National Weather Service discontinued the use of the towers on February 15, 1989.

WHEREAS, it is believed that as few as five towers are still in use today, with two of them being located in North Carolina.

WHEREAS, the City has caused the Tower to be taken down, dismantled, refurbished, and painted and desires to reinstall the Tower at an appropriate location in Washington on the Pamlico River waterfront.

WHEREAS, the Partnership for the Sounds, Inc. (“PFS”) has graciously agreed to allow the City to locate the Tower on property over which the City granted PFS a non-exclusive easement. Said easement

is depicted and designated as Easement Area as shown on that certain survey of Waters Surveying, Inc. dated January 12, 2010 recorded in Plat Cabinet H, Slide 64-4.

NOW THEREFORE, in consideration of the foregoing and for and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, PFS and the City hereby agree as follows.

1. The parties hereto expressly recognize and acknowledge that the Tower is owned by the City, nothing herein shall be interpreted in any way as affecting or impairing said ownership interest, the Tower shall not be considered a fixture, and the City shall retain ownership of the Tower at all times and until as well as after the termination of this Agreement.
2. PFS shall allow the City to reinstall the Tower in a location agreed to by mutual consent of the parties in the above referenced Easement Area.
3. The City shall be solely responsible for reinstalling and maintaining the Tower at its sole cost and expense and may display such items from the Tower as are in keeping with the Tower's historical use.
4. Upon reasonable notice and not less than forty-five (45) days, the City may from time to time temporarily and/or permanently remove the Tower at its sole cost as well as expense and shall restore the area disturbed to its original condition.
5. Upon permanent removal of the Tower, this Agreement shall terminate.
6. When utilizing the above referenced easement, PFS shall exercise care so as to not disturb, damage or diminish the appearance of the Tower.
7. Should the Tower be damaged due to the negligence of PFS, PFS will be solely responsible for any care, repair, or restoration that is necessary to return the Tower to its condition prior to such damage, which care, repair, or restoration shall be accomplished at the City's direction.
8. The City fully acknowledges that PFS has no legal or operational connection to the Tower. Should the Tower damage other property from any cause other than due to the negligence of PFS, or should any individual be harmed on or by the Tower in any way (including through intentional misuse) that is not due to the direct negligence of PFS, the City will bear sole and complete liability for any resulting compensatory actions to the extent said liability or said actions are not covered and satisfied by any insurance applicable thereto. Notwithstanding anything in the foregoing to the contrary, the City may, in its sole discretion, deny and defend itself against any such liability and/or actions.
9. The City shall be responsible for any care, repair, or restoration of the Tower that is necessary for any reason, including normal wear and tear, other than that which is necessary due to the negligence of PFS.

IN WITNESS WHEREOF, after due authority given, PFS has caused this Agreement to be signed in its name by its Executive Director, and the City has caused this Agreement to be signed in its name by its Manager and attested by its Clerk.

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.

s/MATT RAUSCHENBACH,
Chief Financial Officer

S/CYNTHIA S. BENNETT,
City Clerk

S/BRIAN M. ALLIGOOD
City Manager

**Moved from Consent: APPROVE – BUDGET ORDINANCE AMENDMENT – AIRPORT VISION
100 GRANT**

Councilman Mercer explained that when you change the revenue stream and increase the expenditure stream, the numbers should balance. There is about a \$67,000 difference. Matt

Rauschenbach, CFO explained that when you add up the revenue the total is \$33,767 and the expenses are the same amount and hence offset each other.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council approved the budget ordinance amendment to balance the appropriations for the Vision 100 Grants and the State Aid to Airports Program Grants with the State. Motion carried 4-1 with Councilman Mercer opposing.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE AND CAPITAL PROJECT
ORDINANCE OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2012-2013**

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

Section 1. That the estimated revenues and expenses in the Airport Fund be increased or decreased in the amounts indicated to balance the appropriations for Vision 100 Grants with the State.

37-90-4530-4513	Vision 100 Grant 36237.38.9.1	(3,139)
37-90-4530-4515	Vision 100 Grant 36237.38.10.1	(273)
37-90-4530-4521	Vision 100 Grant 36244.51.8.1	(312,295)
37-90-4530-4522	Vision 100 Grant 36244.51.8.2	349,474
37-90-3453-0005	Grant Funds 36244.51.8.1	(281,996)
37-90-3490-0007	Grant Funds 36237.38.9.1	(3,255)
37-90-3490-0008	Grant Funds 36244.51.8.2	314,527
37-90-3490-0009	Grant Funds 36237.38.10.1	(244)
37-90-3991-9910	Fund Balance Appropriated	4,735

Section 2. That the estimated expenses in the Airport Terminal Capital Project Fund be increased or decreased in the amounts indicated to balance the appropriations for State Aid to Airports Program Grants with the State.

66-90-3490-0002	State Aid – NPE 2012	(100,967)
66-90-3490-0002	State Aid – NPE 2012	244
66-90-3352-0000	City Contribution	(244)
66-90-3490-0004	State Aid – 36237.38.12.1	100,967

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 12th day of August, 2013.

ATTEST:

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

NEW BUSINESS:

APPROVE – STREET CLOSURE OF STEWART PARKWAY FOR THE RIDE WITHOUT LIMITS CYCLING EVENT, OCTOBER 5-6, 2013

Brian Alligood, City Manager explained this is a request from the Tourism Development Authority. Easter Seals UCP has selected Washington as the home for its growing Ride Without Limits cycling event to be held on the first weekend of October each year. It is anticipated that approximately 500 people will be participating as either volunteers, riders, or support for this event. A request for the closing of Stewart Parkway has been made to allow for the finish line to be very safe and festive for the cyclists as they approach. This area will also be used for teams and event partners to set up tents for their information or causes.

A request is also being made to allow them to serve alcohol on city property in a controlled environment. The only people allowed in the area or served alcohol will be registered participants over the age of 21. An ID check will be done during registration. Those over 21 will be given a different color band than the younger participants. RWL staff is committed to ensuring a safe and fun event for all participants. This is a social event only for those participating in the RWL event. They are aware of City policies as it relates to their events and have been working with City staff to ensure that their plans fit with City policies.

A special events application has been filed with the Parks and Recreation department.

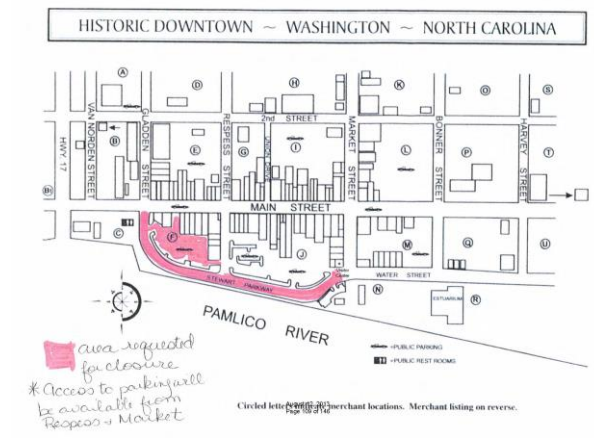
REQUEST A:

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council approved the street closure of Stewart Parkway, including the parking lot behind GW Walker and Sloan Insurance, from 5 p.m., Friday, October 4th to 5 p.m. on Sunday, October 6th, with parking lot access still available from Respass Street and Market Street.

Lynn Lewis, TDA Director explained this is not a public event; it is only open to participants of the event, so no one will be able to walk up and purchase the alcohol. The group has agreed to all regulations required by the City. This event will be held in the parking lot behind Scoops Ice Cream. Appropriate arm bands will be issued to participants during registration. The alcohol will only be allowed in the designated area.

REQUEST B:

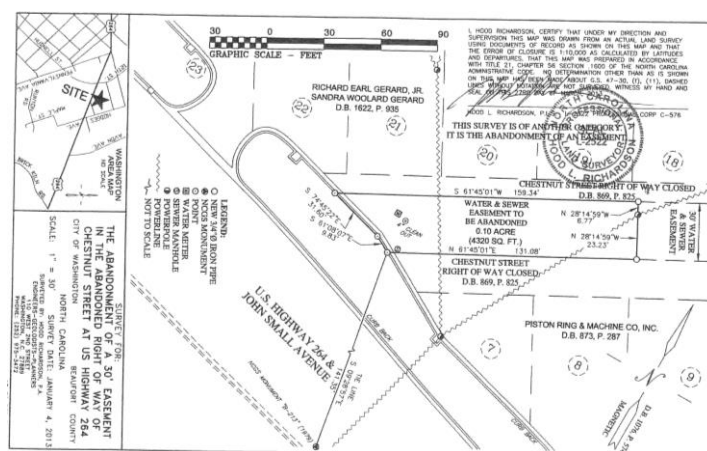
By motion of Councilman Brooks, seconded by Councilman Moultrie, Council approved the serving of alcohol to registered, of age participants only in the Ride Without Limits cycling event on October 5. Motion carried 3-2 with Councilman Mercer and Mayor Pro tem Roberson opposing.



APPROVE – ABANDONMENT OF WATER AND SEWER EASEMENT

Brian Allgood, City Manager explained that Mr. Richard Gerard, who owns the property on either side of the easement that is proposed to be abandoned, is proposing a building expansion at his place of business at 1218 John Small Avenue. His proposed expansion necessitates the abandonment of this easement. The existing utility included in this easement includes a dead- end gravity sewer line with no service connections to it that will be abandoned as well as a water line that can also be abandoned. There is no foreseeable need for this line or easement in the future.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council approved the abandonment of the water and sewer easement as shown on the attached map by Hood Richardson, P.A.



APPROVE – BUDGET ORDINANCE AMENDMENT TO FUND THE OPERATIONS OF THE WASHINGTON HARBOR DISTRICT ALLIANCE (WHDA)

City Manager, Brian Allgood explained this item was approved during the budget process and was in the Manager’s recommended budget, but didn’t make it over to the final copy.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council approved a budget ordinance amendment to fund the operations of the WHDA.

AN ORDINANCE TO AMEND THE BUDGET ORDINANCE OF THE CITY OF WASHINGTON, N.C. FOR THE FISCAL YEAR 2013-2014

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 for the WHDA funding that was omitted in the approved budget:

10-00-3910-9910	Fund Balance Appropriated	\$66,000
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Section 2. That the General Fund appropriations budget be increased in the following account:

10-00-4650-4520	Harbor District Alliance	\$66,000
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Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 12th day of August, 2013.

ATTEST:

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

ACCEPT/AUTHORIZE – OFFER TO PURCHASE BUILDING LOCATED AT 234 SPRINGS ROAD BY IDX CORPORATION AND AUTHORIZE CITY MANAGER TO EXECUTE THE PURCHASE BID OFFER (\$800,000)

City Manager, Brian Alligood explained that idX Corporation offered to purchase the building at 234 Springs Road for \$800,000 by sealed bid that was advertised. A \$40,000 deposit was sent with the offer. No other offers were received. They are only interested in purchasing tract three of the property. The building and this tract of land recently appraised for \$3,650,000. idX is considering investing \$2 million in tooling and equipment and creating an additional 150 jobs over a three year period. idX will be applying for \$3,020,000 in grants for the expansion and job creation. The difference between the sales price and appraisal can be used for the \$300,000 match required by the granting agency. idX is weighing expanding this facility versus one in Virginia or Indiana. Annual rent for this facility is \$392,736.

idX's appraisal of the building was \$2.7 million. Their inspector estimated that the building needs about \$2.1 million of basic repairs. Major issue is the sections of the roof that will need to be replaced in a few years and asbestos and mold in the offices.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council accepted the offer to purchase the building at 234 Springs Road by idX Corporation and authorized the City Manager to execute the purchase bid offer, subject to Council's approval of the purchase agreement and repayment of supplemental rent.

Councilman Mercer verified that the purchase agreement will come back to Council for final approval.

AUTHORIZE – CITY MANAGER TO EXECUTE A LEGALLY BINDING COMMITMENT WITH METROPOLITAN HOUSING AND COMMUNITY DEVELOPMENT COMPANY, INC.

At the request of Rev. David Moore, and by motion of Councilman Mercer, seconded by Councilman Brooks, Council agreed to continue this request until a later date.

ANY OTHER ITEMS FROM CITY MANAGER: NONE –

**ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL
DISCUSS – KUGLER FIELD**

Mayor Jennings explained that he and the City Manager have been to the Board of Education and have, basically, asked the Board of Education to make a decision around Kugler Field. We put to them that either decision — either they continue to own Kugler and would be solely responsible for any repair, maintenance, et cetera or we would own Kugler at their consideration and we would be wholly responsible. Mayor Jennings said that we asked for the opportunity to budget, et cetera, in that case. During that discussion period, the Board of Education asked for our preference. He advised the Board that he could not speak for the Council which is why he asked Council at the last meeting to think about their preference.

Each council member said he supports the city acquiring ownership of Kugler Field. Councilman Mercer explained that we've had use of that field for many, many years under a contractual arrangement that has never really been beneficial to the city. "Let's own it and do it the way we want to, or let them have it and they can do what they want to. I prefer that in be in our hands so we can utilize it."

Mayor Jennings said he would write a letter to the school board to inform it of the council's decision to assume ownership of Kugler Field, if the school board is willing for that to happen. "There are some legal hurdles if the Board of Education decides to go in that direction that would have to be cleared. The attorney has worked on that file, but I am convinced, particularly with the (Kugler) family's approval, that can be done. This bounces the ball back to the Board of Education. It simply states our preference.

DISCUSS – GEOGRAPHIC INFORMATION SYSTEM (GIS)

Councilman Pitt noted that no discussion was needed on this item.

WASHINGTON HOUSING INC. – CDBG GRANT 09-C-2050

Mayor Pro tem Roberson asked for staff to provide a detailed update regarding the financials of the Washington Housing Inc.

HURRICANE PREPAREDNESS

Mayor Pro tem Roberson asked for staff to provide an update regarding hurricane preparedness. Chief Robbie Rose will provide an update at the next Council meeting on August 26th.

JACK'S CREEK

Mayor Pro tem Roberson also expressed concerns with the appearance and water quality of Jack's Creek. There's got to be something we can do to eliminate the problem at Jack's Creek in terms of the water, the way it looks. I think we ought to take pumps out and let Mother Nature take its course. I know that's met with opposition, but I think it needs to be revisited because that's definitely something I think everybody in Washington is not proud of. It's something we need to address. I think we need to take care of that.

Mayor Jennings asked staff to make recommendations concerning Jack's Creek at the council's Aug. 26 meeting.

DOCKS

Councilman Moultrie asked about a timeline regarding the plan for the management of the City docks. City Manager Brian Alligood explained that staff will have a recommendation for at the August 26th Council meeting. He explained that he has had conversations with: City staff, recreation advisory, and Washington Harbor District Alliance and I need to pull all of those conversations into a recommendation.

REMINDER

***Update from Mid-East Commission at Beaufort County Community College, Building 10 at 6:00pm**

ADJOURN – UNTIL MONDAY, AUGUST 26, 2013 AT 5:30 PM, IN THE COUNCIL CHAMBERS AT THE MUNICIPAL BUILDING

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council adjourned the meeting until Monday, August 26, 2013 at 5:30pm in the Council Chambers at the Municipal Building.

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