

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from June 8, 2015 **(page 3)**

Approval/Amendments to Agenda

I. Consent Agenda:

A. Declare Surplus/Authorize – Electronic Auction of vehicle through GovDeals **(page 23)**

B. Adopt – Capital Project Ordinance and a Budget Ordinance Amendment for the Washington Downtown Properties Development project **(page 24)**

II. Comments from the Public:

III. Public Hearing – Zoning:

A. None -

IV. Public Hearing - Other:

A. None –

V. Scheduled Public Appearances:

A. James Patterson – Fundraising event

VI. Correspondence and Special Reports:

A. Discussion – Grant Updates **(page 28)**

B. Discussion – Project Updates **(page 29)**

C. Memo – Clean Water State Revolving Fund (CWSRF) – Letter of Intent to Fund **(page 31)**

D. Memo – Reporting of Reallocation of Funding for FY 2014-2015 **(page 34)**

VII. Reports from Boards, Commissions and Committees:

A. None –



City of  
**Washington**  
NORTH CAROLINA  
Council Agenda  
JUNE 22, 2015  
5:30 PM

VIII. Appointments:

A. None –

IX. Old Business:

A. Adopt – Resolution Approving/Authorizing the Interim City Manager to sign the lease agreement between the City and Sound Rivers Inc. for use of the second floor of the Old Train Depot **(page 36)**

B. Adopt – 2015 Year End Budget Amendment **(page 49)**

X. New Business:

A. Discussion – Tournament Fees

B. Amend – Chapter 18, Section 123 – Designated Prohibited Parking Areas **(page 52)**

C. Adopt – Resolution Authorizing the Mayor to execute an application for a NC Rural Infrastructure grant for a hotel and enter into an agreement with Mid-East Commission **(page 54)**

D. Adopt/Authorize – Budget Ordinance Amendment and **Authorize** the Interim City Manager to execute document to close purchase transaction of property located at 415 W. 2<sup>nd</sup> Street **(page 57)**

XI. Any other items from City Manager:

A. Discussion - Meeting dates for the month of July.

XII. Any other business from the Mayor or other Members of Council: None

XIII. Closed Session: Under NCGS§ 143-318.11(a)(6) Personnel and 143-318.11(a)(3) Attorney Client Privilege

XIV. Adjourn – Until Monday, July 13, 2015 at 5:30 pm, in the Council Chambers

The Washington City Council met in a regular session on Monday, June 8, 2015 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, 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.; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; Susan Hodges, Human Resources Director; Kristi Roberson, Parks and Recreation Manager; Keith Hardt, Electric Utilities Director; John Rodman, Community & Cultural Services Director; David Carraway, Network Administrator and Mike Voss, Washington Daily News.

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

**PRESENTATION TO CITY MANAGER - BRIAN ALLIGOOD**



**ACCEPT – RESIGNATION OF BOBBY ROBERSON AS MAYOR PRO TEM AND COUNCIL MEMBER**

By motion of Councilman Mercer, seconded by Councilman Beeman, Council accepted the resignation of Bobby Roberson as Mayor Pro tem and Council member.

**APPOINT – MAYOR PRO TEM**

Councilman Beeman nominated Doug Mercer to the position of Mayor Pro tem to fill the unexpired term of Bobby Roberson. Councilman Mercer seconded the nomination. Voting for Doug Mercer as Mayor Pro tem: Mercer & Beeman

Councilman Brooks nominated William Pitt to the position of Mayor Pro tem to fill the unexpired term of Bobby Roberson. Councilman Pitt seconded the nomination. Voting for William Pitt as Mayor Pro tem: Pitt & Brooks

With the vote being tied, Mayor Hodges voted to appoint Doug Mercer as Mayor Pro tem to fill the unexpired term of Bobby Roberson.

**APPROVAL OF MINUTES:**

By motion of Mayor Pro tem Mercer, seconded by Councilman Beeman, Council approved the minutes of April 29 & 30, and May 11, 2015 as presented.

**APPROVAL/AMENDMENTS TO AGENDA:**

Mayor Hodges reviewed the requested amendment to the agenda:

- Add under Correspondence and Special Reports – Item D: Memo – EZ Edge Technology Grant

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

**CONSENT AGENDA:**

By motion of Councilman Pitt, seconded by Councilman Beeman, Council approved the consent agenda as presented.

- A. **Accept/Adopt** – NFL Football Grant and Adopt Budget Ordinance Amendment

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE OF THE CITY OF WASHINGTON, N.C. FOR THE FISCAL YEAR 2014-2015**

**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 NFL youth football camp in the following account:

10-00-3839-8900	Miscellaneous Revenue	\$2,750
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**Section 2.** That the General Fund appropriations budget be increased or decreased in the following account:

10-10-4310-3303	Supplies- Football Grant	\$2,750
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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 8<sup>th</sup> day of June, 2015.

**ATTEST:**

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

**s/Mac Hodges  
Mayor**

- B. **Adopt** – Budget Ordinance Amendment for Transportation Assessment

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE OF THE CITY OF WASHINGTON, N.C. FOR THE FISCAL YEAR 2014-2015**

**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 in the following accounts and amounts:

10-00-3991-9100 Fund Balance Appropriated \$67,500

Section 2. That the following accounts and amounts be increased in the Street Maintenance division of the General Fund appropriations budget to fund the transportation asset management plan proposal from Martin McGill:

10-20-4510-0400 Professional Services \$67,500

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 8<sup>th</sup> day of June, 2015.

**ATTEST:**

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

**s/Mac Hodges  
Mayor**

**COMMENTS FROM THE PUBLIC:**

Gil Davis asked Council to repair the tennis courts at Bug House Park and make them useable for the public. He further suggested that Council look at constructing new tennis courts sometime in the near future.

Eddie Gurganus spoke to Council regarding tennis courts by noting possible solutions: (1) build new tennis courts (2) use tennis courts at Washington High School (3) repair Bug House Park tennis courts. He continued by suggesting that Council construct new courts at the sports complex.

Gerald Seighman commended City employees on their hard work, professionalism and dedication to the City.

Dottie Bunch, Alice Sellitti, Sandy Spencer, Jim Biese & Bet Archie spoke in support of keeping the pool open with the current schedule and asked Council not to reduce hours.

Sherrie Swain spoke to Council regarding Wright Flight and thanked them for the continued support of the program. Sarah Lewis and Terry Moore, two recent graduates of the Wright Flight program joined Ms. Swain for the presentation. Approximately 250 – 5<sup>th</sup> graders participated in the program this year, 175 students successfully completed the program. Students from Pungo Christian Academy participated this year with 12 of their 14 students successfully completing the Wright Flight program. “Dream big and fly safe”.

**PUBLIC HEARING – ZONING: NONE**

**PUBLIC HEARING – OTHER:**  
**ADOPT – ANNEXATION ORDINANCE TO EXTEND CITY OF WASHINGTON**  
**CORPORATE LIMITS FOR A CONTIGUOUS ANNEXATION WEST 15<sup>TH</sup> STREET ~**  
**GRANVILLE LILLEY**

Mayor Hodges opened the public hearing. John Rodman, Community & Cultural Services explained that during the May 11, 2015 City Council meeting, Council adopted a resolution calling for a public hearing on the request for an annexation of the subject property located off West 15<sup>th</sup> Street and containing 3.47 acres. The property is adjacent to our current City limits and City services are already available at the site. A cost/benefit analysis is not included because there are some fluctuations in the property values. Once the proper valuation has been determined a cost/benefit analysis will be provided. Mr. Rodman noted that the benefit will out way the cost to the City. Staff recommends proceeding with the annexation by adopting the ordinance that will place the property inside the City limits effective July 1, 2015.

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

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adopted the annexation ordinance to extend the City of Washington corporate limits for the contiguous annexation of the Granville Lilley property located on West 15th Street and containing 3.47 acres.

**AN ORDINANCE TO EXTEND THE COROPORATE LIMITS OF THE CITY OF**  
**WASHINGTON, NORTH CAROLINA**

**WHEREAS**, the Washington City Council has been petitioned under G.S. 160A-31 to annex the area described below; and

**WHEREAS**, the Washington City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

**WHEREAS**, the City Clerk has certified the sufficiency of the petition and a public hearing on the question on this annexation was held at the City Council Chambers on the 2<sup>nd</sup> floor of the municipal building located at 102 East 2<sup>nd</sup> Street at 6:00 p.m. on Monday, June 8, 2015 after due notice by the Washington Daily News on May 31, 2015 & June 6, 2008;

**WHEREAS**, the Washington City Council finds that the area described herein meets the standards of G.S. 160A-31;

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Washington that:

**Section 1.** By the virtue of the authority granted by G.S. 160A-31, the following described territory is hereby annexed and made part of the City of Washington as of July 1, 2015:

The area proposed for annexation is described as follows:

Being 3.47 acres of land noted on the survey “D. Granville & Anna W. Lilley” by Hood Richardson dated February 9, 2015 and being located in Washington Township, Beaufort County North Carolina and being more particularly described as follows;

Together with and subject to covenants, easements and restrictions of record. Said property to be annexed contains 3.47 acres.

**Section 2.** Upon and after July 1, 2015 the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Washington and shall be entitled to the same privileges and benefits as other parts of the City of Washington. Said territory shall be subjected to municipal taxes according to G.S. 160A-58. 10.

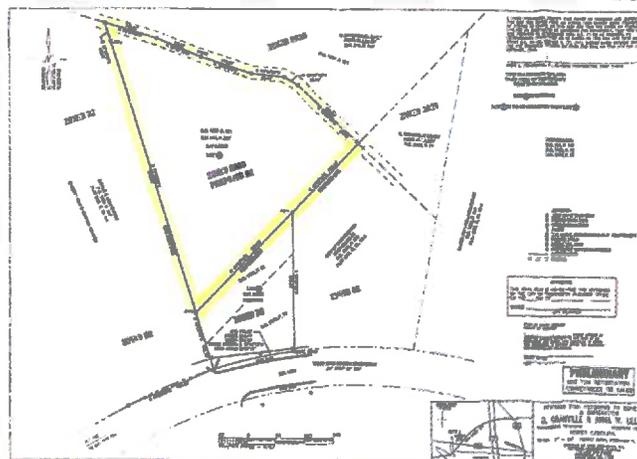
**Section 3.** The Mayor of the City of Washington shall cause to be recorded in the office of the Register of Deeds of Beaufort County, and in the office of the Secretary of the State in Raleigh, North Carolina, an accurate map of the annexed property, described in Section 1 above, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G.S. 163-288. 1.

Adopted this the 8<sup>th</sup> day of June, 2015.

**ATTEST:**

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

**s/Jay MacDonald Hodges  
Mayor**



**APPROVE – PROPERTY ACQUISITION OPTIONS UNDER NCGS 158-7.1 – 157 W. MAIN STREET AND 163 W. MAIN STREET**

Mayor Hodges opened the public hearing and introduced Jordan Jones, Project Manager – Development Finance Initiative - UNC School of Government. For the last 8-10 months they have been negotiating on behalf of the City for option contracts for two key properties in Washington for industrial or commercial use under NCGS 158-7.1. It is recommended that approval be granted to City staff to finalize and execute the contract documents for the proposed options on these properties.

Notice was properly given that the Washington City Council would hold a public hearing tonight to receive public comments on its proposal to expend funds in order to acquire options and site control

for the acquisition of two tracts of real property in the downtown area for industrial or commercial use under G.S. 158-7.1. The acquisition is for the following two tracts of real property:

- 157 W. Main Street/Belk Building (Beaufort County Parcel Number 01013463)
- 163 W. Main Street/Hotel Louise (Beaufort County Parcel Number 15007359)

It is the intent of the City to assign these options, following necessary procedures, to a to-be-determined third party or third parties. The proposed aggregate cost for the options for the above properties is \$23,000 and the aggregate cost for the acquisition of these properties is \$841,000.

The City proposes to utilize General Funds to finance the cost of options for the two properties.

Mayor Hodges called for comments from the public at this time. Dee Congleton expressed concern about the fate of the Hotel Louise property and its historical context.

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

By motion of Councilman Mercer, seconded by Councilman Beeman, Council granted staff authority to finalize and execute the contract documents for the proposed options on the properties as described.

**SCHEDULED PUBLIC APPEARANCES:**

**MR. JOHN ROUSE, NCDOT DIVISION 2 ENGINEER – 15<sup>TH</sup> STREET SAFETY PROJECT**

Mr. Rouse discussed the positive comments received with the restriping and reconfiguration of 5<sup>th</sup> Street. On February 10, 2014, City Council approved a limited funding spot safety project to widen a portion of 15<sup>th</sup> Street from Carolina Avenue to Pierce Street (Project W-5008). The City currently has \$150,000 in Contingency Funds for the relocation of utilities. At the time of approval, NCDOT indicated that the relocation costs would be close to this amount. The current utility evaluation presents the following utilities in conflict: Water, Sewer and Electric (City of Washington); Telephone (CenturyLink); Gas (Piedmont Natural Gas); CATV (Suddenlink). NCDOT has concerns that the aging water and sewer lines will not be able to withstand the roadway construction process. The estimated cost for the relocation of water and sewer is \$350,000. NCDOT has estimated the cost to relocate power lines to be \$775,000. The City has submitted a Claim of Compensable Interest. The cost estimate does not include additional right-of-way costs.

**15<sup>th</sup> Street Widening Project – NCDOT Costs:**

- Estimated Right-of-Way Costs - \$2,400,000
  - Estimated Utility Costs - \$ 615,000
  - Estimate Construction Costs- \$1,400,000
- |            |               |
|------------|---------------|
| Total      | \$4,415,000   |
| Budget     | \$2,250,000   |
| Difference | (\$2,165,000) |

At the current estimated costs, NCDOT will be unable to fund the project through the Spot Safety Program. However, the project was submitted under the State Transportation Improvement Program for the widening of 15<sup>th</sup> Street from Carolina Avenue to Brown Street at a budgeted amount of \$16,200,000. The project has been approved for construction in FY2023. This timeframe will allow adequate time to address right-of-way and utility costs.

Councilmembers asked Mr. Rouse to look at efforts regarding traffic flow on 15<sup>th</sup> Street being the project date has been delayed. Discussion was held regarding finalizing the project on 5<sup>th</sup> Street.

**CORRESPONDENCE AND SPECIAL REPORTS:**

**MEMO – POOL OPERATING SCHEDULE AND TENNIS COURTS**

*(memo presented by: Kristi Roberson, Park & Recreation Manager)*

Recommendations from May 18, 2015 RAC Meeting

**Pool Hours:**

The Recreation Advisory Committee discussed the proposed pool operating schedule. They recommended forming a Pool Subcommittee to discuss the issues before reducing hours at the Aquatic Center. You will find this recommendation under an additional agenda item.

In order to complete the task given by City Council, Joe Taylor made the motion to take the recommendation of Staff for the 40 hour Aquatic and Fitness Center operation. The motion carried with a second from Deborah Carter.

City Council asked staff to reduce operating hours to 40 hours per week.

**Proposed Hours of Operation – Effective July 1, 2015**

**Monday, Wednesday, & Friday**

6:00 AM – 11:00 AM

Closed from 11 AM – 4 PM

4:00 PM – 7:00 PM

**Tuesday & Thursday**

1:00 PM – 7:00 PM

**Saturday**

12:00 AM – 4:00 PM

**Effects:**

- Water Aerobics (M,W,F) will move from 9am – 11 am to 8:30 am – 10:30 am
- 6 AM swim will be reduced from 5 days a week to 3.
- Adult lap swim will be reduced from 5 days a week to 2 days a week (1 PM – 3 PM).
- Loss in revenues for summer swim lessons. Summer swim lessons 11 AM – 1 PM.
- Saturday party rentals will be reduced from 2 opportunities to 1.
- Yoga classes will have to change days (T/TH).

**Ball Field Lights:**

Monica Ferrari made the motion to continue with the \$25 fee per field for the use of Ball Field Lights. The motion carried with a second from Deborah Carter.

**Tennis Courts:**

Michele Oros made the motion to recommend that Council receive bids to pursue the resurfacing of Bughouse Park. The motion carried with a second from Monica Ferrari. (end memo)

Councilman Pitt expressed that the citizens of Washington have spoken regarding the pool and he feels Council should follow the desires of the citizens. Councilman Mercer stated the budget was molded on the concept that we were reducing the hours of operation at the pool. The memo presents a

schedule that will bring about the reduction in hours, but the pool will still be open 40 hours per week. It is incumbent for Council to stick with the budgeted numbers or Council will need to revise the FY15-16 budget. The monies aren't in the budget to operate the pool at the current time frame. Councilman Brooks expressed that the Recreation Advisory Committee did what Council asked them to do and presented a plan to reduce the hours at the pool to 40 hours per week. In the future, if the reduction in hours doesn't work, then Council can change it. City Manager, Brian Alligood explained that the numbers are still in the FY15-16 budget for the pool at the current operating schedule as part of the continuation budget. If Council chooses to reduce the hours at the pool, the appropriated funds would roll into fund balance. Councilman Mercer said that we should follow the recommendation of the Recreation Advisory Committee and reduce the hours as presented and if this plan doesn't work, the funds are still in the FY15-16 budget to revert back to the original operating schedule. Councilman Beeman agreed with the proposal. Mr. Alligood noted that under old business in the agenda, there is a recommendation to appoint an aquatic center study committee that would look at possible solutions for increasing revenue.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council accepted the recommendation of the Recreation Advisory Committee as presented and adopted the proposed 40 hour a week operating schedule for the aquatic center to be effective July 1, 2015.

**MEMO – BC HEALTH DEPARTMENT PHYSICAL ACTIVITY PROMOTION**

*(memo accepted as presented) Kristi Roberson, Park & Recreation Manager*

The City of Washington Parks and Recreation Department has received funds in the amount of \$2,000 from the Beaufort County Health Department. The purpose of these funds is to support the increase of physical activity in our community.

The funds have been received this year and will be in the 2014-2015 fund balance. They will be appropriated next fiscal year for Havens Gardens Park.

**MEMO – FINANCE CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE AWARD**

*(NEWS RELEASE) (19<sup>th</sup> consecutive year)*

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to City of Washington by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

**Finance Department, City of Washington**

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.

### **MEMO – EZ EDGE TECHNOLOGY GRANT**

**(memo accepted as presented)** *Gloria Moore, Library Director*

The State Library of North Carolina will offer LSTA funding, provided through de-obligated 2014-2015 funds that must be spent by September 30, 2015. Brown Library would like to apply for Round 2 of the EZ Edge Technology Grant in the amount of \$5,000. There is no required match. The Edge initiative helps libraries assess their operations and plan for the future with the vision that "all people have the opportunity to improve their lives through technology services available in public libraries. The State Library of North Carolina will offer a *pilot reimbursement program* with LSTA funds to assist public libraries that have identified areas of improvement using the Edge assessment and have developed an Action Plan based on that assessment. Libraries are eligible for reimbursement of \$1,000 to \$5,000 for the purchase of *equipment and supplies* that support the improvement of public access technology identified by the Edge assessment. Funds will be awarded on a *first-come/first-served* basis.

Libraries will submit an online application to the State Library June 15, 2015. Items eligible for purchase are computer hardware such as monitors and laptops, software, servers or routers, printers, assistive equipment, presentation and multimedia equipment, computer furniture, and computer supplies related to the equipment purchase. Federal funding for licenses and/or subscriptions may not extend beyond June 30, 2015. (end memo)

Councilman Mercer inquired what the grant funds would be used for. Mr. Alligood noted that the funds have to be used for technology and would most likely be used for printers.

### **REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:** **HUMAN RELATIONS COUNCIL - (report accepted as presented)**

#### **Human Relations Council (HRC) report for the month of May**

##### **MISSION STATEMENT**

- To promote social and economic equality in the community, working with Local Government and other resources
- To appreciate the cultural and ethnic diversity of the citizens of Washington and Beaufort County
- To encourage citizens to live and work together in harmony and mutual respect

#### **SCHEDULED PUBLIC APPEARANCES: None**

#### **OLD BUSINESS:**

**Update – Spring Symposium:** Board member Recko provided the following updates:

#### **Beaufort County/Washington Housing Symposium** **“A Home is more than Bricks and Mortar!”**

- New contact representative with NC Housing
- Discussion held during Planning Session regarding date, time, and venue change and will be confirmed at the June 16, 2015 meeting

**Discussion – Expiring Terms:** Chairman Hughes reviewed the expiring terms and the two vacancies on the Human Relations Council. Comments received on eligibility for re-appointments pertaining to the by-laws which states “No person shall serve more than two (2) consecutive three-year terms.” Chairman Hughes voiced the only way around this stipulation would be to amend the by-laws but there is nothing in the by-laws which states you have to be out a year before re-appointment.

Board member Howard voiced she has been serving for twelve years and does not wish to be considered for reappointment. Chairman Hughes and Board member Booth advised due to conflict with scheduling they will not seek reappointment.

**NEW BUSINESS:** None

**OTHER BUSINESS:**

**FYI** – All FYI items and reminders were discussed inclusive of the April 14, 2015 report submitted to City Council, and financial report.

**OPEN DISCUSSION:**

- Updates: Kimberly Grimes ~ “Project I Live Alone” and NFL Pro’s week of events
- Reminder: Lt. William Chrismon ~ Memorial Day event

**APPOINTMENTS:**

**APPOINTMENT: COUNCIL LIAISON**

With the resignation of Mayor Pro tem Roberson, a vacancy has occurred for the Council Liaison position for the following boards: Planning Board, Library Board, Tourism Development Authority (voting seat), Hwy 17 Association – Alternate Member, Chamber of Commerce.

By motion of Councilman Mercer, seconded by Councilman Beeman, the following members of City Council filled the vacancy for Council Liaison to the following boards:

- Planning Board – Richard Brooks
- Library Board – William Pitt
- Tourism Development Authority (voting seat) – Mac Hodges
- Hwy 17 Association - Alternate Member – Larry Beeman
- Chamber of Commerce – Mac Hodges

**APPOINTMENTS: VARIOUS BOARDS, COMMISSIONS, AND COMMITTEES**

Advertisements were published in the Washington Daily News and Cable 9 for vacancies for expiring terms on various boards, commissions, and committees. Copies of all applications received were distributed to department heads to allow them time to meet with their Council liaison and Board Chairman.

Councilman Mercer noted that he had spoken with Bobby Roberson regarding the appointments to the boards that Mr. Roberson was the liaison for. Councilman Mercer noted he was ready to make those appointments tonight.

**Planning Board- ( Richard Brooks– Liaison)**

By motion of Councilman Mercer, seconded by Councilman Beeman, Council reappointed John Tate, III and Doris (Dot) Moate to the Planning Board for terms to expire June 30, 2018.

**Board of Adjustment - (Richard Brooks – Liaison)**

By motion of Councilman Brooks, seconded by Councilman Beeman, Council reappointed Galen Derik Davis to the Board of Adjustment, term to expire June 30, 2018.

**Enlarged Board of Adjustment –(Richard Brooks – Liaison)**

By motion of Councilman Brooks, seconded by Councilman Beeman, Council reappointed Tim Cashion to the Enlarged Board of Adjustment, term to expire June 30, 2018, subject to the concurrence of the Beaufort County Board of Commissioners.

**Recreation Advisory Committee –(Richard Brooks – Liaison)**

By motion of Councilman Brooks, seconded by Councilman Beeman, Council reappointed Katelyn Kozuch (outside) to the Recreation Advisory Committee, term to expire June 30, 2018.

**Historic Preservation Commission – (Larry Beeman –Liaison)**

By motion of Councilman Beeman, seconded by Councilman Brooks, Council reappointed Geraldine B. McKinley to the Historic Preservation Commission, term to expire June 30, 2018.

**Washington Tourism Development Authority - ( Mac Hodges– Liaison)**

By motion of Councilman Mercer, seconded by Councilman Beeman, Council reappointed William M. Zachman to the Washington Tourism Development Authority, term to expire June 30, 2018.

**Human Relations Council – (William Pitt – Liaison)**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council reappointed Remand F. St. Clair to Human Relations Council, term to expire June 30, 2018.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council appointed Kelly Hammonds to the Human Relations Council to fill the expiring term of Emma Howard, term to expire June 30, 2018.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council appointed Norman Hawn to the Human Relations Council to fill the expiring term of Philip Ryals, term to expire June 30, 2018.

**Animal Control Appeals Board – (Doug Mercer – Liaison)**

By motion of Councilman Mercer, seconded by Councilman Beeman, Council appointed Sam Wall to the Animal Control Appeals Board to fill the expiring term of Karen Tripp, term to expire June 30, 2018.

**Washington Electric Utilities Advisory Board – (William Pitt – Liaison)**

By motion of Councilman Pitt, seconded by Councilman Beeman, Council reappointed John A. Taylor (Town of Bath) to the Washington Electric Utilities Advisory, term to expire June 30, 2018.

**Washington-Warren Airport Advisory Board – (Doug Mercer – Liaison)**

By motion of Councilman Mercer, seconded by Councilman Beeman, Council reappointed: **Clifford Roy Whichard (outside), John J. “Jack” Hill (inside), Trent Tetterton (inside)** to the Washington-Warren Airport Advisory Board, terms to expire June 30, 2018.

**Waterfront Docks Advisory Committee – (Mac Hodges – Liaison)**

By motion of Councilman Beeman, seconded by Councilman Mercer, Council reappointed Mac Cox (outside) to the Waterfront Docks Advisory Committee, term to expire June 30, 2018.

**OLD BUSINESS:**

**APPROVE – ADDENDUM TO NCDOT BICYCLE PLAN CONTRACT**

Due to federal funding requirements the original account for the Bicycle Plan was closed through NCDOT. NCDOT has authorized additional funds to reimburse the City for the remaining balance. The addendum to the original agreement is required and must be signed by June 30, 2015 in order to receive these funds.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council agreed to sign the addendum to the NCDOT Bicycle Plan Contract.

**(copy attached)**

**APPROVE – JOINT USE AGREEMENT – PLAYING FIELDS ON ED TECH CENTER CAMPUS ~ 820 N. BRIDGE STREET**

City Manager, Brian Alligood reviewed the Beaufort County School Board of Education has applied for a grant through Kate B. Reynolds Charitable Trust. The grant will provide funding to upgrade the Playing Fields on the Ed Tech Center Campus. The grant proposes new playground equipment, splash park, walking track, tennis courts, and restroom facilities and the park could be used in conjunction with Beebe Memorial Park.

Mr. Alligood voiced the Beaufort County School Board of Education approved the joint use agreement on May 25, 2015. The City will be responsible for cutting the grass and will have use of the facilities.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council authorized the Mayor to enter into the proposed agreement with the Beaufort County Board of Education for the joint use of the playing fields on the Ed Tech Center Campus located at 820 N. Bridge Street.

**(copy attached)**

**APPROVE – AGREEMENT FOR THE WASHINGTON WATERFRONT UNDERGROUND RAILROAD MUSEUM**

Mr. Alligood stated the City of Washington recently received recognition as a National Park Service “Underground Railroad Network to Freedom”. The Underground Railroad Museum is requesting to lease the existing caboose and surrounding grounds to promote tours and re-enactments throughout the year. The Caboose will be restored and maintained through partnerships. The facility should be open by August 2015.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council approved the Agreement for the Washington Waterfront Underground Railroad Museum for use of the Caboose and surrounding property as a museum as presented.

(copy attached)

**ACCEPT – RECOMMENDATION TO FORM AQUATIC CENTER STUDY COMMITTEE**  
Aquatic Center Study Committee

Introduction

The Parks and Recreation Advisory Committee (PRAC) made a recommendation to form an ad-hoc study committee to conduct a review of operation and maintenance options and analyze community support of the Moore Aquatic and Fitness Center. The Committee should be appointed to lead the community through that process of analyzing the feasibility of the operation and maintenance of the Aquatic Center. This committee will be asked to represent the stakeholders and local residents by: providing general community input; collecting input concerning the future of the pool from the residents and reporting back to the Park and Recreation Advisory Committee concerning the actions of the study committee.

Committee Purpose

The Aquatic Center Study Committee needs a clear stated purpose. Without a clearly stated, reasonable set of goals, the committee will not have the focus it needs to be successful. The intent of the Study Committee is not to say there will be a City pool in Washington but is simply a proactive attempt to solicit information and public input on the issue of the Aquatic Center and the various options. The goal of the Committee is to analyze the conditions of the existing facility and provide options for the future. The Aquatic Center Study Committee shall assist the Parks and Recreation Advisory Committee with recommendations to City Council concerning the options and the idea of creating a plan.

Committee Organization

Study Committee members should be selected carefully. These members will help resolve issues for the entire community. The committee is anticipated to consist of 11 members and residents that will reflect a broad range of interests. The Committee will be selected on their commitment to community service, various backgrounds that include swimmers and non-swimmers, and a willingness to approach the Aquatic Center with an open mind. They should be somewhat knowledgeable in the area of the Committee’s responsibility. A chairperson shall be elected by the Committee members. The Study Committee will make recommendations to PRAC. There is no decision-making authority for Committee members.

<u>Proposed Members</u>	<u>No.</u>
Aquatic Center Manager	(1)
Washington Swim Team Rep.	(1)
Beaufort Co. Schools Rep.	(1)
Parks & Rec. Advisory Rep.	(2)
City Council Liaison	(1)
At-Large Members	(5)
<b>Total</b>	<b>11</b>
Parks and Recreation Manager – Ex-Officio	

Councilman Mercer noted that he appreciated the idea of a committee, but felt an 11 member committee was too large, he suggested 7-9 members. City Manager, Brian Allgood commented that the recommendation from the Recreation Advisory Committee was for Council to postpone the implementation of the reduction in hours at the aquatic center until the study committee had an opportunity to perform some research. Councilman Mercer noted that Council had already voted to reduce the hours of operation to 40. Mr. Allgood cautioned Council that PARTF would view a 50% reduction in operating hours as a violation of the original agreement. We believe that we can work through some of these problems with the study committee. Mr. Allgood said that PARTF is willing to work with the City. Councilman Brooks said that we should allow the study committee to offer us suggestions. Councilman Beeman asked if we reduce the hours to 40, would we be in jeopardy of a legal issue. Discussion was held regarding the terms and guidelines of the PARTF agreement and that the proposed reduction in hours would violate the agreement according to the associated rules and regulations.

A motion was made by Councilman Beeman and seconded by Councilman Brooks to accept the recommendation of the Recreation Advisory Committee and endorse the formation of an eleven members Aquatic Center Study Committee and further move that the City Council postpone the implementation of the 40 hour operation schedule for the Aquatic Center until the study committee completes its work.

Councilman Mercer called for a point of order and asked the City Attorney if Council can adopt the aforementioned motion without rescinding the previous motion made earlier in the meeting. *(By motion of Councilman Mercer, seconded by Councilman Brooks, Council accepted the recommendation of the Recreation Advisory Committee as presented and adopted the proposed 40 hour a week operating schedule for the aquatic center to be effective July 1, 2015.- motion carried unanimously)*

Mr. Holscher noted that a motion to reconsider the previous action would have to be made. If the motion to reconsider passed, then the motion made by Councilman Beeman would need to be voted on.

A motion was made by Councilman Beeman and seconded by Councilman Brooks for Council to reconsider the previous action that implemented the reduction of operating hours at the aquatic center to a 40 hour a week operating schedule that would become effective July 1, 2015. Motion carried 3-1 with Councilman Mercer opposing.

A motion was made by Councilman Beeman and seconded by Councilman Brooks to accept the recommendation of the Recreation Advisory Committee and endorse the formation of an eleven member Aquatic Center Study Committee and further move that the City Council postpone the implementation of the 40 hour operation schedule for the Aquatic Center until the study committee completes its work. Motion carried 3-1 with Councilman Mercer opposing.

#### **APPROVE – RIVER ROAD SEWER LINE AGREEMENT WITH BEAUFORT COUNTY**

In 2006 the County and the City agreed to build and extend new forced main sewer lines down River Road to connect Carver Machine Works. Grant funding was received to assist with the project. This agreement finalizes this project in regards to ownership of the lines, grant funding clawback amounts, operational issues and billing issues.

By motion of Mayor Pro tem Mercer, seconded by Councilman Brooks, Council approved the River Road Sewer Line Agreement with Beaufort County.

(copy attached)

**APPROVE/ADOPT – RESOLUTION ADOPTING THE PAMLICO SOUND REGIONAL HAZARD MITIGATION PLAN**

City Manager, Brian Alligood explained Beaufort County received a request from North Carolina Emergency Management to participate in a regional hazard mitigation plan to include Beaufort, Craven, Carteret, and Pamlico Counties. Further, each municipality was asked to sign an agreement as the intent of the municipality to participate in the plan. FEMA covered all costs involved in the rewrite of the plan and provided funding to Craven County as the lead agency. No funds were required by the City of Washington. The Plan received preliminary approval from FEMA stating that all jurisdictions should proceed with adoption.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council approved the Resolution adopting the Pamlico Sound Hazard Mitigation Plan Update as presented.

**RESOLUTION ADOPTING THE PAMLICO SOUND REGIONAL HAZARD MITIGATION PLAN UPDATE**

- WHEREAS**, the citizen and property within Beaufort County are subject to the effects of natural hazards and man-made hazard events that pose threats to lives and cause damages to property, and with the knowledge and experience that certain areas, i.e., flood hazard areas, are particularly susceptible to flood hazard events; and
- WHEREAS**, the county desires to seek ways to mitigate situations that may aggravate such circumstances; and
- WHEREAS**, the Legislature of the State of North Carolina has in Part 6, Article 21 of Chapter 143; Parts 3, 5, and 8 of Article 19 Chapter 160A; and Article 8 of Chapter 160A of the North Carolina General Statutes, delegated to local governmental units the responsibility to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry; and
- WHEREAS**, the Legislature of the State of North Carolina has in Section 1 Part 166A of the North Carolina General Statutes (adopted in Session Law 2001-214 – Senate Bill 300 effective July 1, 2001), states in item (a) (2) “For a state of disaster proclaimed pursuant to G.S. 166A- 6(a) after August 1, 2002, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act that is updated every five years”; and
- WHEREAS**, it is the intent of the Board of Commissioners of Beaufort County to fulfill this obligation in order that the county will be eligible for federal and state assistance in the event that a state of disaster is declared for a hazard event affecting the county; and

**WHEREAS**, Section 322 of the Federal Disaster Mitigation Act of 2000 states that local governments must develop an All-Hazards Mitigation Plan and update it every five e years in order to receive future Hazard Mitigation Grant Program Funds; and

**WHEREAS**, the City of Washington actively participated in the planning process of the Pamlico Sound Regional Hazard Mitigation Plan and has fulfilled all their part of the multi-jurisdictional planning elements required by FEMA;

**NOW THEREFORE**, be it resolved that the City Council of the City of Washington hereby:

1. Adopts the Pamlico Sound Regional Hazard Mitigation Plan; and
2. Separately adopts the sections of the plan that are specific to the City of Washington; and
3. Vests the Flood Plain Manager with the responsibility, authority, and the means to:
  - (a) Inform all concerned parties of this action.
  - (b) Cooperate with Federal, State and local agencies and private firms which undertake to study, survey, map, and identify floodplain or flood-related erosion areas, and cooperate with neighboring communities with respect to management of adjoining floodplain and/or flood-related erosion areas in order to prevent aggravation of existing hazards.
4. Appoints the Flood Plain Manager to assure that, in cooperation with Beaufort County, the Hazard Mitigation Plan is reviewed annually and in greater detail at least once every five years.
5. Agrees to take such other official action as may be reasonably necessary to carry out the strategies outlined within the 2015 Pamlico Sound Regional Hazard Mitigation Plan.

Adopted this the 8<sup>th</sup> day of June, 2015.

**ATTEST:**

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

**s/Jay MacDonald Hodges**  
Mayor

**APPROVE – TDA CIVIC CENTER LEASE AND MANAGEMENT AGREEMENT RENEWAL**

City Manager, Brian Alligood explained the City currently has an agreement with the WTDA to lease and manage the Civic Center and this agreement will expire on June 30, 2015. The material aspects of the new agreement are the same as the previous agreement with the exception of the City allocation amount, which has been reduced by \$5,000.00 to \$40,000.00 ~ proposed agreement attached. The WTDA Board has reviewed and approved the new agreement. Discussion was held regarding potential incorrect wording regarding PTRF vs. Sound Rivers. It was later noted that the wording was correct as presented.

By motion of Mayor Pro tem Mercer, seconded by Councilman Beeman, Council approved the “Lease and Management Agreement” between the Washington Tourism Development Authority (WTDA) and the City for lease and management of the Civic Center during the 2015-2016 fiscal year.

(copy attached)

**ADOPT – BUDGET ORDINANCE FOR FISCAL YEAR 2015-2016, SET AD VALOREM TAX RATE AND USER FEE SCHEDULE**

Councilman Mercer noted a formatting issue regarding the budget ordinance, this will be corrected.

By motion of Councilman Beeman, seconded by Councilman Brooks, Council adopted the Budget Ordinance for Fiscal Year 2015-2016, Set the 2015 Ad Valorem Tax Rate at \$0.50 per \$100.00 value with \$.01926 designated for the Public Safety Capital Reserve, and set the user fee schedule included in the appendix of the budget. Motion carried 3-1 with Councilman Mercer opposing.

(copy attached)

**NEW BUSINESS:**

**AUTHORIZE – THE PARKS AND RECREATION DEPARTMENT TO APPLY FOR THE PLAY TOGETHER CONSTRUCTION GRANT FOR ACCESSIBLE PLAYGROUNDS**

East Carolina Behavioral Health (ECBH) has announced that City and/or County Recreation and Park Departments from 19 counties, including Beaufort, are eligible to apply for the Play Together Construction Grant for Accessible Playgrounds. Accessible Playgrounds are fully functional and accessible to individuals with special needs and individuals in wheelchairs. Grants cannot be used to fund playgrounds on school property. The playgrounds must be open to the public. There is no match associated with this grant. If awarded, this grant would complement the current Havens Gardens redevelopment.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council allowed the Parks and Recreation Department to apply for the Play Together Construction Grant for Accessible Playgrounds as requested.

**APPROVE/AUTHORIZE – THE MAYOR TO SIGN THE DEED OF EASEMENT AND EASEMENT AGREEMENT BETWEEN THE CITY AND WASHINGTON CHAMBER OF COMMERCE**

City Manager, Brian Alligood explained that The Chamber of Commerce is proposing to construct a deck at the rear of its building. These improvements will encroach upon portions of City owned property at the rear of the building where the deck is to be constructed and at the front of the building where the handicap ramp will be constructed. The Historic Preservation Commission has reviewed the proposal and has no objections. Discussion was held regarding the terms of the agreement.

By motion of Councilman Brooks, seconded by Councilman Beeman, Council approved and authorized the Mayor to sign the Deed of Easement and Easement Agreement between the City and the Greater Washington Chamber of Commerce, Inc needed for the additions to its building.

(copy attached)

**APPROVE – MOSS LANDING UTILITY EASEMENT REDUCTION REQUEST**

City Manager, Brian Alligood explained that the City currently has a recorded Stormwater easement along the south side of Water Street on property owned by Beacon Street Moss, LLC which is currently being developed as Moss Landing Harbor Homes. The existing easement varies from between

approximately sixteen (16) feet to seventeen (17) feet from the property line as shown on the preliminary plat drawn by Mayo and Associates, P.A. dated 05-06-15. In order to allow construction of homes in this area that is keeping with the character of the historic district and the streetscape that has been established by the Moss Landing Harbor Homes development, Beacon is requesting that the City reduce its easement to five (5) feet from the centerline of the existing Stormwater pipe on the south side of the pipe. Attached are copies of home layouts provided by Beacon showing the impact of the existing and proposed easements. The existing easement would allow the City to lay back the south trench slope if work needed to be done on the pipe. The requested easement change would require the City to use a trench box when working on the pipe due to the reduced easement width. More than likely a trench box would be required anyway in this area due to the proximity of the curb and road on the north side and in general a trench box is required in other areas of the historic district due to width restrictions.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council approved the request from Beacon Street Development Company, Inc. on behalf of Beacon Street Moss Landing, LLC to reduce the City's existing stormwater utility easement along the south side of Water Street to five (5) feet from the centerline of the existing stormwater pipe.

**AUTHORIZE – CITY MANAGER AND THE CITY ATTORNEY TO DEVELOP A NEW AGREEMENT OR AMEND THE EXISTING AGREEMENT WITH SKYDIVE LITTLE WASHINGTON, LLC FOR THE ADDITION OF COMMERCIAL AIR TOUR OPERATIONS**

City Manager, Brian Alligood explained that Skydive Little Washington, LLC currently operates a jump school and skydiving operation at the Washington-Warren Airport. Mr. Hayes has recently added a helicopter to his air fleet and wishes to begin conducting commercial air tour operation in addition to the jump school and skydiving operation. Mr. Hayes present his request to the Airport Advisory Board and it has recommended its approval to City Council.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council authorized the City Manager and the City Attorney to develop a new agreement or amend the existing agreement with Skydive Little Washington, LLC for the addition of commercial air tour operations at Washington-Warren Airport.

**APPROVE – POST-OFFER EMPLOYMENT TESTING (POET) & POST EMPLOYMENT FIT FOR DUTY TESTING**

City Manager, Brian Alligood expressed in the information to Council that work-related injuries can be a significant cost to employers as well as to an injured worker. Post-Offer Employment Testing (POET) and Post Employment Fit for Duty Testing are successful tools to help manage on the job injuries. Post-Offer Employment Testing (POET) is a test given to an individual as a pre-condition for employment to determine that the individual hired is physically capable of performing a specific job before he/she begins work. Post-Employment Fit for Duty Testing is to insure that all injured worker can safely and efficiently perform and/or return to work.

By motion of Councilman Brooks, seconded by Councilman Beeman, Council approved adoption of the Post-Offer Employment Testing (POET) & Post Employment Fit for Duty Testing effective June 8, 2015.

**AUTHORIZE – CITY MANAGER AND CITY ATTORNEY TO DRAFT AN AGREEMENT ALLOWING THE BEAUFORT COUNTY POLICE ACTIVITIES LEAGUE (PAL) TO CONSTRUCT AND OPERATE A MULTI-PURPOSE YOUTH STEM AND AVIATION CENTER LOCATED ON AIRPORT PROPERTY**

City Manager, Brian Alligood reviewed the proposal from Al Powell, President of the Beaufort County PAL, for a Multi-Purpose Youth STEM and Aviation Center. Mr. Powell would like to locate the facility on airport property but outside the fence in the general area where the former construction trailer was located. The request is for a \$1.00 per year lease of the property with the understanding that the construction and operation of the facility will not require any City contribution and if the facility ceases to exist for its stated purpose the facility will become the property of the City. The proposal has been presented to the Airport Advisory Board and has received its recommendation of approval. Also, the proposal has been reviewed by staff at the NC Division of Aviation and they do not see a conflict with FAA requirements due to the location being outside the fence and the program's focus is on aviation based activities. Discussion was held regarding the need for proposed building to mirror the design of the new terminal building.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council authorized the City Manager and City Attorney to draft an agreement allowing the Beaufort County Police Activities League (PAL) to construct and operate a Multi-Purpose Youth STEM and Aviation Center located on Airport property in the general area where the construction trailer was located.

**ANY OTHER ITEMS FROM CITY MANAGER: NONE**

**ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:  
NONE**

**CLOSED SESSION: UNDER NCGS § 143-318.11(a)(6) PERSONNEL**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to entered into closed session under NCGS § 143-318.11(a)(6) Personnel at 7:10pm.

By motion of Councilman Brooks, seconded by Councilman Beeman, Council agreed to come out of closed session at 7:42 pm.

**APPOINTMENT OF INTERIM CITY MANAGER**

By motion of Councilman Pitt, seconded by Councilman Beeman, Council appointed Bobby Roberson as Interim City Manager effective June 13, 2015 and authorized the City Attorney to draft the associated contract for Bobby Roberson.

**VACANCY ON COUNCIL**

Councilman Mercer explained that there is obviously a vacancy on the Council with the resignation of Bobby Roberson. Council is authorized to fill that position by whatever means they choose. Councilman Mercer charged the remaining Councilmembers to come to the first meeting in July with their recommendations on how to fill the vacant seat.

**ADJOURN:**

By motion of Councilman Mercer, seconded by Councilman Beeman, Council adjourned the meeting at 7:50pm until Monday, June 22, 2015 at 5:30 pm, in the Council Chambers.

**(Subject to the Approval of the City Council)**

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

DRAFT





## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Bobby Roberson, Interim City Manager  
**Date:** June 22, 2015  
**Subject:** Washington Downtown Development Capital Project Ordinance  
**Applicant Presentation:** N/A  
**Staff Presentation:** N/A

### RECOMMENDATION:

I move that City Council adopt a Capital Project Ordinance and a budget ordinance amendment for the Washington Downtown Properties Development project.

### BACKGROUND AND FINDINGS:

The City has entered into an agreement with the UNC School of Government's Development Finance Initiative group to market two properties on Main Street. The Committee of 100 will reimburse the City the cost of the DFI fee and it is anticipated the property option and due diligence cost will be reimbursed by the ultimate developer.

### PREVIOUS LEGISLATIVE ACTION

### FISCAL IMPACT

\_\_\_ Currently Budgeted  Requires additional appropriation \_\_\_ No Fiscal Impact

### SUPPORTING DOCUMENTS

Capital Project Ordinance  
Budget Ordinance Amendment

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**City Manager Review:** MR Concur \_\_\_ Recommend Denial \_\_\_ No Recommendation  
 \_\_\_ Date

**A CAPITAL PROJECT ORDINANCE FOR  
WASHINGTON DOWNTOWN PROPERTIES  
CITY OF WASHINGTON, N.C.  
FOR FISCAL YEAR 2014-2015**

**BE IT ORDAINED**, by the City Council of the City of Washington, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project is hereby established:

Section 1. The project authorized is for the acquisition and development of two downtown properties.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the development.

Section 3. The following amounts are appropriated for the project:

53-60-4930-0400	Professional Services	\$40,000
53-60-4930-0401	Legal	3,000
53-60-4930-0405	Engineering	19,500
53-60-4930-7100	Acquisition(earnest deposit)	<u>23,000</u>
	Total	\$85,500

Section 4. The following revenue is anticipated to be available to complete this project:

53-60-3480-0000	Developer Fee	\$57,500
53-60-3480-1000	Transfer from General Fund	3,000
53-60-3480-2000	Committee of 100	<u>25,000</u>
	Total	\$85,500

Section 5. The Finance Director is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the developer agreements.

Section 6. Funds may be advanced by the General Fund for the purpose of making payments as due.

Section 7. The Finance Director is directed to report, on a monthly basis, on the financial status of each project element in Section 3 and on the total capital project revenues received or claimed.

Section 8. The Budget Officer is directed to include a detail analysis of past and future costs and revenues on this capital project in every budget submission made to the City Council.

Section 9. Copies of this capital project ordinance shall be furnished to the City Clerk, and to the Budget Officer, and to the Finance Director for direction in carrying out this project.

Section 10. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 11. This ordinance shall become effective upon its adoption.

This the 22nd day of June, 2015.

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Mayor

Attest:

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City Clerk

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2014-2015**

**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 Washington Downtown Property Development project in the following account:

10-00-3991-9910	Fund Balance Appropriated	\$3,000
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Section 2. That the General Fund appropriations budget be increased or decreased in the following account:

10-00-4400-6200	Transfer to Capital Project Fund	\$3,000
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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 22nd day of June, 2015.

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**Grant Executive Summary**  
as of 5/31/2015

Fund	Grant Description	Dates			Financials				Deliverable				Notes
		Award	Expiration	Completion	Revenue		Expense		Metric	Total	Achieved	Bal.	
					Budget	Actual	Budget	Actual					
50	CDBG Affordable Housing	04/09/10	10/31/14	09/30/15	227,700	185,719	227,700	185,719	LMI homes	10	6	4	6 completed, 2 lots released June 3rd
52	Comprehensive Bicycle Plan	05/26/11	12/31/13	06/30/15	35,000	30,430	35,000	35,000				0	Pending final DOT approval
55	IdX/Impressions NC One Grant	09/30/13	09/30/16		300,000	-	300,000	-	Jobs/Investment	160	0	160	Jobs created but not since award date
59	IdX Building Reuse	12/18/15	12/18/16		512,500	4,000	512,500	2,500	Jobs/Investment	50		50	Grant agreements executed, Mid-East administering
61	Pedestrian Plan Grant	05/20/13	09/30/13	12/31/14	10,000	10,000	10,000	-				0	Committee formed and meeting
66	Airport Terminal Grant	04/04/13	07/01/15	03/31/15	1,254,488	1,073,036	1,254,488	1,020,015				0	Terminal opened Memorial Day
67	Façade Grant Program	07/01/13	06/30/14	06/30/14	20,000	20,030	20,000	12,912				0	In progress, 7 reimbursed, 3 pending
69	Way Finding			04/01/15	150,000	150,398	150,000	14,913					Reviewing w/ DOT, cost estimate & recommendation in progress
71	Airport Lighting Rehab				460,121	82,353	460,121	43,114					Contract signed, construction to comence mid July
72	Municipal Pier Access Grant	07/01/14	11/30/15		135,000	15,000	135,000	-					Piling driving moratorium, complete by Nov 30th
75	Firefighter's Assistance- Exhaust	08/08/14	08/07/15		50,000	30,933	50,000	38,920					Exhaust system complete, other equipment being ordered
76	EDA Water Projects	09/11/13	03/11/17	02/28/17	1,428,262	706,133	1,428,262	42,140				0	Construction begun on 16" water line
77	EDA Sewer Grants	09/11/13	03/11/17	02/28/17	1,423,894	703,974	1,423,894	177,459				0	Bid awarded January 2015, notice to proceed Feb. 23
	CDBG Keysville Rd.	2005	6/4/2013	06/30/16	320,000	320,000	320,000	320,000				0	Lot 1 does not qualify for LMI. Construction on lot 2 & 3 near compl.
32	TAG- Sanitary sewer study	05/12/14		09/09/14	35,000	-	35,000	35,000					Completed, reimbursement approved
37	Airport Approach Survey	07/01/14	07/01/16		16,986	14,161	18,873	15,734					Survey completed
10	NC Cardinal	07/01/14		06/30/15	22,345	9,252	22,345	20,366					Grant awarded, complete by 6/30/15
10	Historic Preservation Grant	07/01/14	08/21/15		11,000	-	15,000	1,000					PO issued to update National Registry Inventory

**Applications**

	Pre-App	Selected	Final App	Grant	Match	Total	
FEMA AFG Fire Engine/Resc. Tools	11/30/14			353,929	18,571	372,500	Application submitted
Havens Garden PARTF				250,000	250,000	500,000	Application submitted, award notification July
EZ Technology Library Grant	6/9/15			5,000	0	5,000	Application submitted
Sewer I&I rehab/CWSRF				2,000,000		2,000,000	\$1.5 million 0% Interest, \$.5 million principal forgiveness

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
<b>General Fund:</b>								
IT	10-00-4132-7400	Wireless Bridge- sewer plant	1,204	1,168	0	36	Completed PY, TDA phone move CR	1
		Redundant PRI	6,917	6,909	0	8	Complete	1
		Redundant Cisco phone svr.	19,063	19,017	0	46	Complete	1
		IP addressing	1,520	1,520	0	0	Complete	1
		<b>Total IT</b>	<b>28,704</b>	<b>28,614</b>	<b>0</b>	<b>90</b>		
Police	10-10-4310-7400	Vehicles	134,000	113,906	19,219	875	4 received, equipment on order	
Fire	10-10-4340-7400	Thermal imaging camera	8,105	8,094	0	11	Complete	1
		Support vehicle 1	30,164	30,161	0	3	Complete	
		<b>Total Fire</b>	<b>38,269</b>	<b>38,255</b>	<b>0</b>	<b>14</b>		
Planning	10-10-4910-7400	Streetscape	25,000	(4,600)	29,600	0	PO issued for design	
	10-10-4910-0400	Havens Garden Master Plan	7,200	7,200	0	0	Completed	
Powell Bill	10-20-4511-4500	Street Paving	251,820	243,580	8,240	0	Contract complete	2
Street Maintenance	10-20-4510-7400	Dump truck #454	63,915	63,816	0	99	Complete	
Library	10-40-6110-7400	PC virtualization	12,471	12,471	0	0	Complete	
Outside Agency	10-40-6170-9113	Veterans Park Sign	6,920	3,946	0	2,974	Complete	1,2
Rec. Maintenance	10-40-6130-7400	3rd St ball field RR	59,620	59,620	0	0	Complete	1
		Utility trucks # 807 & 810	65,213	65,213	0	0	Complete	
		<b>Total Rec. Maintenance</b>	<b>124,833</b>	<b>124,833</b>	<b>0</b>	<b>0</b>		
<b>Total General Fund</b>			<b>693,132</b>	<b>632,020</b>	<b>57,059</b>	<b>4,052</b>		
<b>Water:</b>								
Water Meter Svc.	30-90-7250-7000	AMR meters	110,000	77,285	30,696	2,019	Complete	1
Water Treatment	30-90-8100-7400	Van #552 & pickup #565	40,000	39,241	0	759	Complete	
Water Maintenance	30-90-8140-7400	Truck #414 body	8,402	8,399	0	3	Complete	1
Water Construction	30-90-8180-0400	16" WVL engineering	62,653	6,765	54,940	948	Design compl., construction has begun	1
	30-90-8180-7400	Summit Ave. water line	168,806	75,035	0	93,771	Complete	1,2
		<b>Total Water Fund</b>	<b>389,861</b>	<b>206,725</b>	<b>85,636</b>	<b>97,500</b>		
<b>Sewer:</b>								
Wastewater Treatment	32-90-8220-7000	Blast & paint clarifiers 1&2	14,600	14,600	0	0	Complete	1
	32-90-8220-7400	Vehicle #548	24,974	24,911	0	63	Complete	
	32-90-8220-7400	Effluent control panel	20,510	20,510	0	0	Complete	
	32-90-8220-7400	Tractor equipment	15,816	15,816	0	0	Complete	
Lift Stations	32-90-8230-7400	Rebuild 5th&Respress pump c	40,000	39,771	0	229	Complete	
	32-90-8230-7400	Fountain L.S. generator	1,663	913	0	750	Complete	1
		<b>Total Sewer Fund</b>	<b>117,563</b>	<b>116,520</b>	<b>0</b>	<b>1,043</b>		

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
<b>Electric:</b>								
Electric Director	35-90-7220-0400	Peak Shaving Rate Study	8,962	8,962	0	0	Complete	1
		<b>Total Electric Director</b>	<b>8,962</b>	<b>8,962</b>	<b>0</b>	<b>0</b>		
Electric Meter Service	35-90-7250-7400	Test Switches	1,740	1,740	0	0	Complete	1
		Meters & handhelds	79,195	24,866	54,325	4	Complete	
		<b>Total Electric Meter Svc.</b>	<b>80,935</b>	<b>26,606</b>	<b>54,325</b>	<b>4</b>		
Substation Maint.	35-90-8370-7400	Eastern substation breaker	46,512				Complete	1
		VOA recloser	20,000				Complete	
		Distribution reclosers	20,000				Complete	
		Capacitors	8,000				Complete	
		E. substation security system	2,500				Reevaluating project	
		FRHL & Whar St. bus metering	5,500				Complete	
		Chocowinity breaker rebuild	100,000				Complete	
		2nd/5th Feeder	100,000				Acquiring materials labor to be bid out	
		Main substation rebuild	250,000	0	0	0	Acquiring materials labor to be bid out	
		<b>Total Substation</b>	<b>552,512</b>	<b>282,896</b>	<b>1,391</b>	<b>268,225</b>		
Load Management	35-90-8375-7400	Load management switches	69,550	65,835	3,700	15	Complete, awaiting last of material	
Power Line Construction	35-90-8390-7400	2nd St./5th St Rebuild Engine	71,538				Complete	2
		High School Feeder relocation	114,332				Complete	1,2
		Grimesland Feeder Engineering	73,226				Complete	1,2
		NC 32 Feeder Engineering	32,299				Complete	1,2
		White Post/Slatestone Feeder	0				Delayed to FY 16	2
		NC 32 Feeder rebuild	325,000				Under construction, 2nd mile matl. ordered	
		2nd St./5th St Rebuild	300,000				Materials are in	
		Line truck #617	230,000				PO #52951 expected delivery 09/15	
		Dually F350 #613	50,000				Complete	
		Portable air compressor	20,000				Delayed to FY 16	
<b>Total Power Line Constructi</b>	<b>1,216,395</b>	<b>389,396</b>	<b>348,802</b>	<b>478,197</b>				
<b>Total Electric Fund</b>			<b>1,928,354</b>	<b>773,695</b>	<b>408,218</b>	<b>746,441</b>		
Solid Waste Collection:	38-90-4710-7400	Two leaf machines	51,100	51,042	0	58	Complete	
		<b>Total Solid Waste</b>	<b>51,100</b>	<b>51,042</b>	<b>0</b>	<b>58</b>		
<b>Cemetery:</b>								
Cemetery Fund	39-90-4740-5600 39-90-4740-7400	Storm drain repairs	7,223	7,223	0	0	Complete	2
		Two equipment sheds	30,000	29,925	0	75	Complete	
		<b>Total Cemetery</b>	<b>37,223</b>	<b>37,148</b>	<b>0</b>	<b>75</b>		
<b>Grand Total</b>		<b>Grand Total</b>	<b>3,217,233</b>	<b>1,817,150</b>	<b>550,913</b>	<b>849,169</b>		

Notes:

- 1 PO carryforward
- 2 Project carryforward

**Mayor**  
Mac Hodges

**Interim City Manager**  
Bobby Roberson



**Washington City Council**  
Richard Brooks  
Doug Mercer  
Larry Beeman  
William Pitt

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**MEMORANDUM**

**DATE:** June 15, 2015

**TO:** Mayor and City Council

**FROM:** Allen Lewis   
Public Works Director

**SUBJECT:** Clean Water State Revolving Fund (CWSRF) – Letter of Intent to Fund.

At the February 23, 2015 Council meeting, council granted staff permission to apply for a loan with CWSRF for an amount not to exceed \$2 million with the intent of performing sewer rehab work. As you can tell from the attached Letter of Intent to Fund, we were not only successful in being awarded the amount which we applied for, but \$500,000 was awarded in the form of principal forgiveness which will not have to be paid back. The other \$1.5 million will be 0% interest loan.



North Carolina Department of Environment and Natural Resources

Pat McCrory  
Governor

Donald R. van der Vaart  
Secretary

June 3, 2015

The Honorable Mac Hodges, Mayor  
City of Washington  
PO Box 1988  
Washington, NC 27889

**SUBJECT:** Clean Water State Revolving Fund  
Letter of Intent to Fund  
Sanitary Sewer  
March 2015 Application Cycle  
Project No.: CS370521-06

Dear Mayor Hodges:

The Division of Water Infrastructure has reviewed your application to the Clean Water State Revolving Fund (CWSRF) program, and the State Water Infrastructure Authority has approved your project as eligible to receive a low-interest loan. The total loan amount will be \$2,000,000. \$500,000 of the total loan will be in the form of principal forgiveness, with the balance being at 0% interest. A loan fee of 2% will be invoiced after bids have been received.

Please note that this intent to fund is contingent on approval of the loan through the Local Government Commission and on meeting all of the following milestones:

<u>Milestone</u>	<u>Date</u>
Engineering Report Submittal	October 1, 2015
Engineering Report Approval	March 1, 2016
Bid and Design Package Submittal	September 1, 2016
Bid and Design Package Approval	January 3, 2017
Advertise Project, Receive Bids, Submit Bid Information, <u>and</u> Receive Authority To Award	May 1, 2017
Execute Construction Contract(s)	June 1, 2017

The first milestone is the submittal of an Engineering Report by close of business on October 1, 2015. The Engineering Report must be developed using the updated guidance found on our website (<http://portal.ncdenr.org/web/wi/cleanwater>). This updated version will only be available after June 1, 2015. **Failure to meet any milestone may result in the forfeiture of CWSRF funding for the proposed project.**

The Honorable Mac Hodges, Mayor

June 3, 2015

Page Number 2

Upon detailed review of the project during the funding process, it may be determined that portions of your project are not eligible for CWSRF funding and the total loan amount may be reduced. Additionally, changes in the scope or priority points awarded – based on additional information that becomes apparent during project review – may also result in changes to the total loan amount and loan terms.

CWSRF Project Process Training on June 24, 2015 at Rural Economic Development Center

Please note that we will be offering training on the funding process with detailed information on Engineering Report development. This training will be held on Wednesday, June 24, 2015 at 1.00 p.m. at the Rural Economic Development Center (4021 Carya Drive, Raleigh, NC). While this is an optional training, we strongly encourage you (or your representative) and your engineer to attend as we will be discussing the changes to the program including requirements mandated by 2014 Water Resources Reform Development Act (WRRDA).

Davis-Bacon Requirements and American Iron and Steel Provisions

Projects funded through the CWSRF program must comply with Davis-Bacon wage requirements and American Iron and Steel provisions. You can find standard specifications covering these requirements on our website (<http://portal.ncdenr.org/web/wi/cleanwater/design>).

Brooks Act Compliance

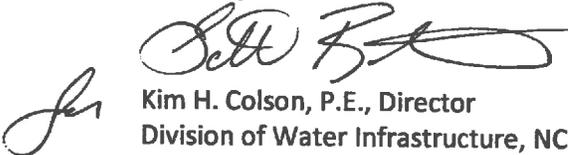
Projects funded through the CWSRF program must comply with the federal Brooks Act for the selection of architectural and engineering services. CWSRF projects cannot be exempted from qualification based selection of these services under N.C.G.S. 143-64.32. Any services provided that were not selected in compliance with federal requirements will be ineligible for reimbursement.

General Assembly Notification Requirements

In accordance with G.S. 120-157.1 through 157.9, enacted on June 24, 2011, local government units with projects that require debt to be issued greater than \$1,000,000 must submit a letter to Committee Chairs, Committee Assistant, and the Fiscal Research Division of the General Assembly at least 45 days prior to presentation before the Local Government Commission. You are responsible for submitting this letter and providing a copy to the Division of Water Infrastructure upon receipt of this approval letter.

An overview of our CWSRF funding process is available on our website (<http://portal.ncdenr.org/web/wi/cleanwater>). If you have questions, please contact Seth Robertson, PE, Chief, State Revolving Fund Section at 919-707-9175.

Sincerely,



Kim H. Colson, P.E., Director  
Division of Water Infrastructure, NCDENR

CC: Mr. M. Blaine Humphrey, PE, Rivers & Associates, Inc.  
Seth Robertson, PE  
Mark Hubbard, PE  
CWSRF File



MEMORANDUM

**To:** Mayor Hodges & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** June 22, 2015  
**Subject:** Reporting of Reallocation of Funding for FY 2014/2015

The following reallocations of funding between divisions within the General Fund, Water Fund, Sewer Fund, Solid Waste Fund, and Cemetery Fund have been approved by the City Manager in order to cover overspent departments with inter-departmental funds, thus avoiding additional appropriations.

**General Fund:**

-Increased City Manager’s Department	19,000
-Increased Human Resources Department	14,405
-Increased Purchasing Department	2,160
-Increased Information Technology Department	1,345
-Increased Customer Service Department	27,000
-Increased Legal Services Department	12,000
-Decreased Code Enforcement Department	(25,000)
-Decreased Planning/Zoning Department	(20,000)
-Increased Equipment Services Department	4,514
-Increased Street Maintenance Department	4,425
-Decreased Powell Bill Department	(15,146)
-Increased Street Lighting Department	4,500
-Increased Recreation Administration Department	1,000
-Increased Aquatic Center Department	28,501
-Increased Buildings & Grounds Maint. Department	10,310
-Decreased Police Department	(49,000)
-Decreased E-911 Communications Department	(25,000)
-Increased EMS Department	40,776
-Decreased Economic Development Department	(40,000)
-Increased Debt Service Department	4,210
Total	\$ 0

**Water Fund:**

-Increased Public Works Administration Department	\$ 6,835
-Decreased Water Treatment Department	(6,835)
Total	\$ 0

**Sewer Fund:**

-Decreased Miscellaneous Non-Departmental	\$ (7,800)
-Increased Public Works Administration Department	6,950
-Decreased Wastewater Construction Department	(15,000)
-Decreased Wastewater Treatment Department	(4,750)
-Increased Sewer Lift Stations Department	<u>20,600</u>
Total	\$ 0

**Electric Fund:**

-Increased Debt Service Department	\$ 7,555
-Increased Electric Administration Department	5,455
-Increased Meter Services Department	9,195
-Decreased Load Management Department	(20,000)
-Increased Power Line Maint Department	93,876
-Decreased Power Line Construction Department	<u>(96,081)</u>
Total	\$ 0

NC GS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes.



## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Bobby Roberson, Interim City Manager  
**Date:** June 22, 2015  
**Subject:** Sound Rivers, Inc. Lease Agreement  
**Applicant Presentation:** N/A  
**Staff Presentation:** Bobby Roberson

### RECOMMENDATION:

I move that City Council adopt a resolution to approve/authorize the Interim City Manager to sign the lease agreement between the City and Sound Rivers Inc. for use of the second floor of the Old Train Depot.

### BACKGROUND AND FINDINGS:

For many years the City of Washington has allowed the Pamlico-Tar River Foundation, Inc. (PTRF) to use the second floor of the Old Train Depot for its offices. PTRF recently joined with the Neuse River Foundation and is now known as Sound Rivers, Inc. The attached lease agreement renews the lease for another year and changes the name to Sound Rivers, Inc. A copy of the agreement and the resolution authorizing the lease are attached. The agreement has been reviewed by the Sound Rivers Executive Director.

### PREVIOUS LEGISLATIVE ACTION

### FISCAL IMPACT

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

### SUPPORTING DOCUMENTS

Lease agreement and resolution.

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City Manager Review: BR Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation  
 \_\_\_\_\_ Date

**RESOLUTION AUTHORIZING THE LEASE OF CERTAIN REAL PROPERTY  
AND APPROVING THE LEASE OF SAID REAL PROPERTY PURSUANT TO  
NORTH CAROLINA GENERAL STATUTE § 160A-272**

**WHEREAS**, the City of Washington (hereinafter may be referred to as "City") owns the building located at 108 North Gladden Street, Washington, North Carolina commonly known as the Old Depot (hereinafter referred to as "Old Depot").

**WHEREAS**, North Carolina General Statute § 160A-272 authorizes a city to lease any property owned by a city for such terms and upon such conditions as the council may determine so long as the council determines the property will not be needed by the city for the term of the lease and the council approves a resolution authorizing its execution (no public notice is required for a lease for a term of one year or less).

**WHEREAS**, Sound Rivers, Inc. (hereinafter referred to as "Sound Rivers") is a non-profit corporation whose purpose is to monitor, protect, and enhance the Tar-Pamlico River and watershed while promoting environmental justice.

**WHEREAS**, Sound Rivers has occupied as well as utilized an existing first floor entrance dedicated to Sound Rivers, an existing stairway dedicated to Sound Rivers, and the second story of the Old Depot for a number of years (hereinafter referred to as "Premises").

**WHEREAS**, Sound Rivers has leased the Premises from the City for a number of years, has negotiated with the City, and desires to lease said Premises from the City for another year, which Premises will be utilized to further Sound Rivers' above stated purposes.

**WHEREAS**, said Premises currently are surplus to the City and its City Council desires to lease the same.

**THEREFORE**, the City Council for the City of Washington resolves that:

1. The Premises are hereby declared to be surplus to the needs of the City for the term of the proposed lease.
2. The City Manager is authorized to further negotiate, if necessary, and execute the lease attached hereto.

Adopted this 22<sup>nd</sup> day of June, 2015.

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**Jay MacDonald Hodges, Mayor**  
**City of Washington**

**Attest:**

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

**STATE OF NORTH CAROLINA  
COUNTY OF BEAUFORT**

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** (hereinafter referred to as "Lease") is made and entered into as of the 1st day of July, 2015, by and between the **CITY OF WASHINGTON**, a municipal corporation of the State of North Carolina (hereinafter referred to as "Lessor"), and **SOUND RIVERS, INC.**, a non-profit corporation organized and existing under North Carolina law (hereinafter referred to as "Lessee" or "Sound Rivers").

**WITNESSETH**

**WHEREAS**, Lessor owns the building known to the parties as the Old Depot or Atlantic Coastline Depot located at 108 North Gladden Street, Washington, North Carolina (hereinafter referred to as "Old Depot") which consists of two stories. Lessee has occupied as well as utilized an existing first floor entrance dedicated to Sound Rivers, an existing stairway dedicated to Sound Rivers, and the second story of the Old Depot for a number of years (hereinafter referred to as "Premises").

**WHEREAS**, Lessee's purpose is to monitor, protect and enhance the Tar-Pamlico River and watershed while promoting environmental justice.

**WHEREAS**, Lessee has leased the Premises from Lessor for a number of years, has negotiated with Lessor, and desires to lease said Premises from Lessor for another year, which Premises will be utilized to further Lessee's above stated purposes.

**WHEREAS**, Lessor has found the Premises to be surplus to its current needs and desires to lease the same to Lessee for another year.

**WHEREAS**, the City Council passed a Resolution authorizing this Lease.

**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 as well as covenants herein contained, the benefits to Lessor as well as Lessee, the benefits to the public as well as citizens of Washington and Beaufort County generally, and for Ten Dollars (\$10.00) 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 is as defined hereinabove. Lessor hereby expressly grants to Lessee the right to use said existing Sound Rivers dedicated first floor entrance and the existing Sound Rivers dedicated stairway for access to the second story of the Old Depot at all times during the term of this Lease as well as the right to use, in common with the public generally, all parking and other common areas associated with the Old Depot.

2. **Condition of Premises.** Lessee's taking possession of the Premises shall be

conclusive evidence as against Lessee that Lessee has carefully inspected the Premises and accepted the 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 Lease shall commence as of the 1<sup>st</sup> day of July, 2015 and shall continue on a month by month basis until the 30<sup>th</sup> day of June, 2016, unless terminated earlier by either party as herein provided. This Lease may be terminated upon thirty (30) days written notice by either party. Neither party shall have or make any claim, for damages or otherwise, upon the other should either party elect to exercise its right to early, unilateral termination hereunder.

4. **Rental.** In recognition of the benefits to the City of Washington and Beaufort County, their respective citizens, and the public at large that will result from the location and operation of Lessee in the Premises and the furtherance of Lessee's above stated purposes, Lessor shall waive any further sum due from Lessee for the use of the Premises, facilities, rights, services and privileges granted in this Lease.

5. **Assignment.** Lessee shall not assign its interest in this Lease, sublease any portion of the Premises, or permit third parties to occupy or use any portion of the Premises without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. Notwithstanding the foregoing, Lessor expressly authorizes Lessee to utilize the Premises as herein described and expressly authorizes Lessee to provide such access to the Premises as is necessary to and for third parties to participate in, and contribute to, activities in furtherance of Lessee's above stated purposes.

6. **Use of Premises.** Lessee shall use the Premises during the term of this Lease for the purposes specified herein and none other. 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.** Lessee shall not be responsible for any maintenance to the exterior of the Premises. Lessor, in its sole discretion, shall be responsible for any maintenance to the exterior of the Premises. Lessee agrees, at Lessee's own expense and as additional consideration for this Lease, to maintain the interior of the Premises in an attractive manner and in compliance with any and all ordinances of the City of Washington. 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, members, employees, invitees, guests, customers, their respective successors and assigns, or any of them (hereinafter referred to as "Lessee's Repair Obligation"). With the exception of Lessee's Repair Obligation, the parties agree that, if any portion of the Premises (including any HVAC, electrical or plumbing units or systems) need repair or replacement during the term, neither party shall have the obligation to undertake such repairs or replacements. If either party elects to make such repairs or replacements, it will be on such terms as may be agreeable to Lessee and Lessor.

8. **Discrimination.** Lessee, in its use, improvement, or operation of the Premises, shall not, on the grounds of race, color, sex, or national origin, discriminate or permit discrimination

against any person or group of persons in any manner prohibited by law and shall otherwise use the Premises in compliance with all other requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and as said regulations may be amended.

9. **Improvements and Alterations.** The parties recognize that Lessee has made and may need to make certain improvements and alterations to the Premises in order to use the Premises as hereinbefore 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 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 consent from Lessor or that is inconsistent, in Lessor's sole discretion, with Lessor's 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.

a. All alterations, additions and improvements made by, for or at the direction of Lessee shall become the property of Lessor and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of this Lease without compensation therefor and as further consideration for this Lease. Lessee shall promptly pay and discharge any and all licenses, imposts, liens or other charges arising out of or in connection with the performance of any act required of or permitted by Lessee hereunder and shall keep the Premises free and clear from any and all such liens or charges.

10. **City's Right Of Entry.** The City Manager or his designee shall have the right to enter and to grant licenses to others to enter the Premises for such lengths of time as Lessor shall deem reasonable a) to inspect the Premises; b) to exhibit the Premises to prospective tenants or purchasers of the Premises; c) after reasonable notice to Lessee, to make alterations, additions, improvements and repairs to the Premises or to the building and to store necessary materials, tools and equipment for such alterations or repairs; d) after reasonable notice to Lessee, for any purpose which Lessor shall deem necessary for the operation and maintenance of the Premises, including building, and the general welfare and comfort of its tenants; e) after reasonable notice to Lessee, for the purpose of removing from the Premises any placards, signs, fixtures, alterations or additions not permitted by this Lease or applicable regulation; and f) after reasonable notice to Lessee, to abate any condition which constitutes a violation of any covenant or condition of this Lease.

11. **Insurance.**

a. Lessee shall, at its expense, obtain and maintain for the duration of this Lease the following insurance coverages:

i. Statutory Workers' Compensation Insurance in amounts required by law and, unless exempted by applicable law, Employer's Liability Insurance at a

minimum of \$500,000.00 for bodily injury by accident each employee and \$500,000.00 for bodily injury by disease each employee, with a policy limit of \$500,000.00 bodily injury by disease; and

ii. 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.

The Commercial General Liability Insurance policy shall list Lessor as additional insured. Each such policy shall provide that it is 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.

b. Throughout the term of this Lease, Lessor shall carry fire and extended coverage insurance insuring its interest in the building and the Premises, such insurance to be written by insurance companies and in amounts satisfactory to Lessor. Throughout the term of this Lease, Lessee shall carry fire and extended coverage insurance insuring its interest, if any, in improvements to or in the Premises, its contents, and its interest in its furniture, equipment, supplies or other property.

c. Lessee shall not do or cause to be done or permit on the Premises anything deemed extra hazardous and Lessee shall not use the Premises or the building in any manner which will cause an increase in the premium rate for any insurance in effect on the Premises, building, or part thereof. If, because of anything done, caused to be done, permitted or omitted by Lessee or its agents, servants or employees, the premium rate for any kind of insurance in effect on the Premises shall be raised, Lessee shall pay Lessor on demand the amount of any such increase in premium. If Lessor demands that Lessee remedy the condition which caused any such increase in an insurance premium rate, Lessee shall remedy such condition within five (5) days after receipt of such demand.

12. **Waiver Of Subrogation.** Lessee releases and relieves Lessor and waives Lessee's entire rights of recovery against Lessor for loss or damage arising out of or incident to any of the perils insured against under this Lease as well as any of the perils insured against by any fire and/or extended coverage endorsement insurance policy Lessee might own, whether loss or damage is due to the negligence of Lessor or its agents, employees, and/or invitees. Lessee shall give notice to its insurance carriers that this waiver of subrogation is contained in this Lease and cause the carriers to accept this waiver of subrogation, to the extent permissible by applicable law.

13. **Fire or Other Casualty.** In the event that before or during the term of this Lease, the Premises or the building shall be damaged by fire or other casualty which renders the building,

the Premises or any part of the building or the Premises untenable, Lessor shall, within twenty (20) days of actual notice of such fire or casualty, have the right to either 1) serve written notice upon Lessee of Lessor's intent to repair said damage or 2) if said damage renders so much of the Premises untenable that repair would not be feasible in Lessor's discretion, or if said damage shall have been occasioned by the act or omission of Lessee, its agents, members, employees, invitees, guests, or customers, serve written notice upon Lessee that this Lease is terminated without recourse on the part of Lessee. If Lessor shall elect to repair such damage, such repairs shall be commenced as soon as is practicable after such election and Lessor shall pursue such repairs diligently.

The preceding paragraph notwithstanding, Lessor shall have no obligation to replace or repair any property in the building or on the Premises belonging to Lessee or to anyone claiming through or under Lessee nor shall Lessor have any obligation hereunder to replace or repair any property on the Premises which Lessor shall have the right to require Lessee to remove from the Premises or any alteration, addition or improvement made to the Premises by, for or at the direction of Lessee.

14. **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 therein, 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 said Premises as herein described. Lessee agrees to indemnify Lessor against any loss or liability resulting from any and all claims or liens in connection with such taxes and assessments.

15. **Utilities.** The provision of utilities (water, sewer, and electricity) as is customary for the Premises shall be continued. Any increase thereof shall require a separate agreement.

a. The first story of the Old Depot is leased to the City of Washington Tourism Development Authority ("TDA") by Lessor. Pursuant to the terms of said lease, TDA is responsible for the payment of any and all charges for utilities associated with the Old Depot (first and second stories). Lessee shall reach an agreement with TDA through which Lessee will contribute, or reimburse TDA for, a percentage of said charges for its share of utilities for so long as TDA leases the first story of the Old Depot from the City.

16. **Release, Waiver of Claims and Indemnity.** Lessee shall occupy the Premises at Lessee's own risk. Lessee for itself, its invitees, customers and guests and their respective 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



Such compliance shall include compliance by Lessee with the requirements of the Occupational Safety and Health Act, and all amendments thereto, as the same applies to Lessee's use of the Premises. 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. Nothing in this Lease shall be construed to obligate Lessee to make any improvements to the Premises in order for the Premises to comply with any applicable state, local, or federal laws, rules or regulations.

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

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

21. **Waiver.** No waiver of any condition, covenant or restriction of this Lease 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 Lease.

22. **Surrender of Possession, Holding Over.** Upon the expiration or any other termination of this Lease, Lessee shall quit and surrender the Premises to Lessor. Within thirty (30) days of any such expiration or any other termination of this Lease, 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 22 within said thirty (30) day period shall entitle Lessor to remove and dispose of said personal property, improvements, and alterations 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 Lease, 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 Lease.

23. **Default.**

a. The occurrence of one or more of the following events (hereinafter called "Events of Default") shall constitute a default by Lessee:

i. Failure to perform any provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to Lessee;

- ii. Lessee files a voluntary petition in bankruptcy including a reorganization plan; makes a general or other assignment for the benefit of creditors; is adjudicated as bankrupt or if a receiver is appointed for the property or affairs of Lessee and such receivership is not vacated within sixty (60) days after the appointment of such receiver; and
  - iii. Dissolution of Lessee.
- b. The occurrence of one or more of the following events of default shall constitute a default by Lessor:
  - i. Failure to perform any provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to Lessor.

24. **Remedies Upon Default.**

- a. Lessor shall have the absolute right upon default by Lessee to
  - i. terminate this Lease;
  - ii. enter the Premises without notice to vacate (any such right to which is hereby waived by Lessee), change any and all locks on the Premises, and re-let the Premises all without being liable for forcible entry, trespass, or other tort; and
  - iii. collect from Lessee any damages resulting from Lessee's default, including the costs of repairing the Premises, and any reasonable attorney's fees incurred as a result of default.

Upon any reentry pursuant to this section, Lessor may, without liability to anyone, remove any personal property located on or about the Premises, whether belonging to Lessee or otherwise, and dispose of the personal property as Lessor deems proper or to store such property at Lessee's expense. Lessor is further authorized to sell or cause to be sold any such personal property 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 monetary obligation due Lessor by Lessee.

- b. Lessee shall have the absolute right upon default by Lessor to vacate the Premises and return all keys to Lessor.

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

26. **Entire Agreement.** This Lease 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.

*(The Remainder Of This Page Intentionally Left Blank.)*

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

**PRE-AUDIT CERTIFICATE**

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

\_\_\_\_\_  
Matt Rauschenbach, Chief Financial Officer  
City of Washington

**LESSOR:**

**CITY OF WASHINGTON**

**ATTEST:**

\_\_\_\_\_  
Cynthia S. Bennett, City Clerk  
City of Washington

By: \_\_\_\_\_  
Bobby Roberson, Interim City Manager  
City of Washington

**LESSEE:**

By: \_\_\_\_\_  
Harrison Marks, Executive Director  
Sound Rivers, Inc.

STATE OF NORTH CAROLINA  
COUNTY OF BEAUFORT

I, \_\_\_\_\_, 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 **BOBBY ROBERSON**, its Interim City Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF \_\_\_\_\_

Before me, a Notary Public in and for the County and State aforesaid, this day personally appeared **HARRISON MARKS** and acknowledged that he is Executive Director of **SOUND RIVERS, INC.**, and acknowledged the due execution by him of the foregoing instrument for the purposes therein expressed.

Witness my hand and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: \_\_\_\_\_



**REQUEST FOR CITY COUNCIL ACTION**

**To:** Mayor Hodges & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director  
**Date:** June 22, 2015  
**Subject:** 2015 Year End Budget Amendment  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

**RECOMMENDATION:**

I move that City Council adopt a Budget Ordinance Amendment to true up budget funding in preparation of the fiscal year closeout.

**BACKGROUND AND FINDINGS:**

Budget amendments are necessary to provide funds to close out the fiscal year. Reasons for amendments:

1. Local Occupancy revenues and subsequent payments to the TDA are higher than expected
2. TDA reimbursements to the City for Civic Center expenses is higher than expected
3. Airport fund balance needs to be appropriated to cover additional operational expenses for the year
4. June installment note payment in the Cemetery Fund was not originally budgeted (11 monthly payments budgeted instead of 12)
5. Library and Cemetery trust Fund interest earned was higher than budgeted

**PREVIOUS LEGISLATIVE ACTION**

FY 14/15 Budget adoption & amendments

**FISCAL IMPACT**

\_\_\_ Currently Budgeted  X  Requires additional appropriation \_\_\_ No Fiscal Impact

**SUPPORTING DOCUMENTS**

Budget Ordinance Amendment

**City Manager Review:** AWL Concur \_\_\_ Recommend Denial \_\_\_ No Recommendation  
 \_\_\_ Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2014-2015**

**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 by the following amounts, in the accounts indicated.

10-00-3270-1110	Local Occupancy Tax	\$40,000
10-00-3970-1700	Adm. Charges from Civic Ctr.	<u>12,600</u>
		\$52,600

Section 2. That the following account number in the Miscellaneous Department of the General Fund appropriations budget be increased in the amount indicated.

10-00-440-5705	Tourism Authority Pmts.	\$40,000
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Section 3. That the following account number in the Civic Center Department of the General Fund appropriations budget be increased in the amount indicated.

10-40-6125-0300	Salaries – Part Time	\$12,600
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Section 4. That the Estimated Revenues in the Airport Fund be increased by the following amount, in the account indicated.

37-90-3991-9910	Fund Balance Appropriated	\$12,000
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Section 5. That the following account numbers in the Airport Fund appropriations budget be increased in the amounts indicated.

37-90-4530-1100	Telephone	\$2,000
37-90-4530-1300	Water & Electric Services	2,000
37-90-4530-1500	Maint/Repair Buildings	<u>8,000</u>
		\$12,000

Section 6. That the Estimated Revenues in the Cemetery Fund be increased by the following amount, in the account indicated.

39-90-3991-9910	Fund Balance Appropriated	\$617
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Section 7. That the following account numbers in the Cemetery Fund appropriations budget be increased in the amounts indicated.

39-90-4020-8300	Principle Installment Pmts.	\$592
39-90-4020-8301	Interest Installment Pmts.	<u>25</u>
		\$617

Section 8. That the Estimated Revenues in the Library Trust Fund be increased in the amount of \$50 in the account Interest Earned, account number 11-40-3831-0000, to recognize additional interest earnings.

Section 9. That the following account number in the Library Trust Fund appropriations budget be increased in the amount indicated.

11-40-6300-9200	Admin. Charges to General Fund	\$	50
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Section 10. That the Estimated Revenues in the Cemetery Trust Fund be increased in the amount of \$1,000 in the account Interest Earned, account number 12-30-3831-0000, to recognize additional interest earnings.

Section 11. That the following account number in the Cemetery Trust Fund appropriations budget be increased in the amount indicated.

12-30-6400-9205	Admin. Charges to Cemetery Fund	\$	1,000
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Section 12. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 13. This ordinance shall become effective upon its adoption.

Adopted this the 22<sup>nd</sup> day of June, 2015.

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**MAYOR**

**ATTEST:**

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**CITY CLERK**



## REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Hodges & Members of the City Council  
**From:** Allen Lewis, Public Works Director *Allen Lewis*  
**Date:** 06-15-14  
**Subject:** Amend Chapter 18, Section 123 – Designated Prohibited Parking Areas.  
**Applicant Presentation:** N/A  
**Staff Presentation:** Allen Lewis

### RECOMMENDATION:

I move Council adopt an ordinance to amend Chapter 18, Section 123, Designated prohibited parking areas, in reference to no parking around the circle at the end of Airport Road, as outlined in the attached ordinance, with an effective date of June 23, 2015.

### BACKGROUND AND FINDINGS:

During the June Airport Advisory Board meeting, the issue of parking around the circle at the end of Airport Road was discussed, specifically, parking in front of the terminal annex building. Upon investigating the referenced ordinance, it was determined that the ordinance needed to be changed to prohibit parking around the entire circle on either side. The attached ordinance amendment accomplishes this goal.

Attached is an ordinance to amend Chapter 18, Section 123.

### PREVIOUS LEGISLATIVE ACTION

N/A

### FISCAL IMPACT

Currently Budgeted (Account )  Requires additional appropriation  No Fiscal Impact

### SUPPORTING DOCUMENTS

Attached ordinance amendment.

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**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** *ML* Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation \_\_\_\_\_ Date

**AN ORDINANCE TO AMEND CHAPTER 18, ARTICLE V,  
SECTION 18-123: DESIGNATED PROHIBITED PARKING AREAS,  
OF THE WASHINGTON CITY CODE**

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

Section 1. That Chapter 18 Section 18-123 – Designated prohibited parking areas, be amended to remove the following:

Airport Circle (both sides), excluding fifty (50) feet at the end of the circle next to the Airport Terminal Building

Section 2. That Chapter 18 Section 18-123 – Designated prohibited parking areas, be amended to add the following:

Airport Circle (both sides)

Section 3. All ordinances in conflict with this ordinance are hereby repealed.

Section 4. This ordinance shall become effective June 23, 2015.

This the 22<sup>nd</sup> day of June 2015.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



**REQUEST FOR CITY COUNCIL ACTION**

**To:** Mayor Hodges & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director  
**Date:** June 22, 2015  
**Subject:** Hotel Grant Resolution and Pre-Application Agreement  
**Applicant Presentation:** N/A  
**Staff Presentation:** N/A

**RECOMMENDATION:**

I move that City Council adopt a resolution authorizing the Mayor to execute an application for a NC Rural Infrastructure grant for a hotel and enter into an agreement with the Mid-East Commission to prepare the application.

**BACKGROUND AND FINDINGS:**

A developer has plans to build a hotel and generate 20 jobs in Washington. The sewer and road infrastructure of the project is estimated to cost \$424,000 with \$100,000 being funded by the grant. The local government match is \$5,000 and will be paid by the developer. The Mid-East pre-application and administration fee of \$2,500 and expected \$10,000 respectively will be split with Beaufort County.

**PREVIOUS LEGISLATIVE ACTION**

**FISCAL IMPACT**

\_\_\_ Currently Budgeted \_\_\_  Requires additional appropriation \_\_\_ No Fiscal Impact

**SUPPORTING DOCUMENTS**

Resolution  
Mid-East Agreement

City Manager Review: *BRW* Concur \_\_\_ Recommend Denial \_\_\_ No Recommendation  
 \_\_\_ Date

**Mayor**  
Mac Hodges

**City Manager**  
Brian M. Alligood



**Washington City Council**  
Richard Brooks  
Doug Mercer  
Larry Beeman  
William Pitt

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**AUTHORIZING RESOLUTION  
BY GOVERNING BODY OF THE CITY OF WASHINGTON**

**Economic Infrastructure Grants Program**

**WHEREAS**, the North Carolina Rural Infrastructure Authority (RIA) has authorized the awarding of grants from appropriated funds to aid eligible units of government in financing the cost of infrastructure activities needed to create jobs; and

**WHEREAS**, the City of Washington needs assistance in financing an infrastructure project that may qualify for Rural Grants/Programs funding; and

**WHEREAS**, the City of Washington intends to request grant assistance for the Hotel project from the Economic Infrastructure Grants Program;

**NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF WASHINGTON:**

That the City of Washington will arrange financing for all remaining costs of the project, if approved for a grant.

That Jay MacDonald Hodges, Mayor and successors so titled, is hereby authorized to execute and file an application on behalf of the City of Washington with the Rural Grants/Programs Section for a grant to assist in the above-named infrastructure project.

That Jay MacDonald Hodges, Mayor, and successors so titled, is hereby authorized to execute and file an application on behalf of the City of Washington with the Rural Grants/Programs Section for a grant to assist in the above named infrastructure project.

That Jay MacDonald Hodges, Mayor, and successors so titled, is hereby authorized and directed to furnish such information as Rural Grants/Programs Section may request in connection with an application or with the project proposed; to make assurances as contained in the application; and to execute such other documents as may be required in connection with the application.

That the City of Washington has substantially complied or will substantially comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this date June 22, 2015 at Washington, North Carolina.

\_\_\_\_\_  
(Signature)  
Mayor, City of Washington

**ATTEST:**

\_\_\_\_\_  
Clerk (Seal)

June 22, 2015

This agreement between the Mid-East Commission and the City of Washington is for the preparation of a North Carolina Department of Commerce Rural Economic Development Division Economic Infrastructure grant application for the City of Washington- Hotel Project.

The Mid-East Commission agrees to prepare and submit the required the full application to the NC Department of Commerce Rural Economic Development Division.

The City of Washington hereby agrees to pay the Mid-East Commission \$2,500.00 for the completion of the previously mentioned item.

\_\_\_\_\_  
City of Washington Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Bryant Buck, Interim Executive Director  
Mid-East Commission

\_\_\_\_\_  
Date

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
Signature of City Finance Officer

\_\_\_\_\_  
Date



## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Bobby Roberson, Interim City Manager  
**Date:** June 22, 2015  
**Subject:** 415 W. 2<sup>nd</sup> Street Property Purchase  
**Applicant Presentation:** N/A  
**Staff Presentation:** N/A

### RECOMMENDATION:

I move that City Council adopt a budget ordinance amendment and authorize the Interim City Manager to execute the necessary documents to close the purchase transaction of property located at 415 W. 2<sup>nd</sup> Street.

### BACKGROUND AND FINDINGS:

The City purchased the property at the June 11th auction for \$80,000. We have provided a 10% bid bond and added the property to our insurance. The bid has to be approved by the bankruptcy judge before it can be closed. . It will probably take 60-90 days to confirm through the courts.

### PREVIOUS LEGISLATIVE ACTION

### FISCAL IMPACT

\_\_\_ Currently Budgeted \_\_\_  Requires additional appropriation \_\_\_ No Fiscal Impact

### SUPPORTING DOCUMENTS

Budget Ordinance Amendment  
Sale Agreement Offer to Purchase

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**City Manager Review:** BRB Concur \_\_\_ Recommend Denial \_\_\_ No Recommendation  
 \_\_\_ Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2014-2015**

**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 purchase of 415 W. 2<sup>nd</sup> Street:

10-00-3991-9910	Fund Balance Appropriated	\$80,000
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Section 2. That the General Fund appropriations budget be increased or decreased in the following account:

10-00-4400-7100	Land Acquisition	\$80,000
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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 22nd day of June, 2015.

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA

SALE AGREEMENT OFFER TO PURCHASE

DATE: June 11, 2015

LOCATION OF PROPERTY: 415 W. 2<sup>nd</sup> street, Washington NC - Beaufort County  
Object ID - 6691 PIN 01022532 GPIN 5675-79-0181

The Buyer(s) herein hereby offer(s) to purchase and the Trustee agrees to sell, subject to the terms and conditions herein, all that plat, piece or parcel of land described above for the purchase price and terms set out herein.

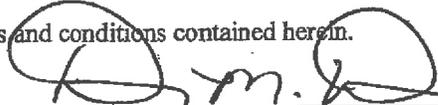
Purchase Price: \$ 80,000<sup>00</sup> Deposit: \$ 8,000<sup>00</sup> Balance: \$ 72,000<sup>00</sup>

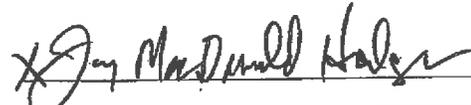
Buyer's (s') Name: City of Washington

This property is being sold with the following terms, conditions and stipulations of fact:

1. The property is being sold subject to all matters of title, zoning and survey, except for the lien(s) as provided in the Order attached hereto; Taxes will be prorated as of day of closing.
2. All real property and any buildings, fixtures or other improvements on the property are being sold without warranty, "as is and where is". The Buyer(s) has the duty and obligation to inspect the property prior to bidding;
3. All property is being sold subject to the orders and confirmation of the U.S. Bankruptcy Court for the Eastern District of North Carolina.
4. There will be no upset bid period and, subject to Court confirmation, the property will not be resold;
5. Rental proceeds or other income generated by the property shall be prorated between the Trustee and the Buyer as of day of closing;
6. The Buyer shall be responsible for any casualty loss occurring to the property prior to closing. The Buyer shall be responsible for insuring the property;
7. The Buyer will close on the sale of the property within 30 days of the date of confirmation by the court. At the sole discretion of the Trustee, Buyer may obtain an additional period to close, but in any event if the property is not closed within 30 days hereof, the sale price shall be subject to a surcharge of \$50.00 per day until closed, including the closing day.
8. In the event of a breach of this Purchase Contract by the Buyer, the Buyer shall be responsible for paying to the Trustee all costs or resale, including, but not limited to, any decrease in the resale price, all advertising expenses, all attorney's fees, trustee's fees and expenses incurred in connection with the breach of this Purchase Contract and the subsequent resale of the subject property. The Trustee is authorized to retain the deposit for application to the damages for such breach.
9. The Buyer(s) have read this Purchase Contract and agree to the terms and conditions contained herein.

Stephen L. Beaman, Trustee  
PO Box 1907  
Wilson, NC 27894-1907

  
Michael Gurkins, Dewey Dunn, Doug Pierce (agent)  
Country Boys Auction and Realty, Inc.  
1211 West 5<sup>th</sup> Street  
Washington, North Carolina 27889

Buyer(s) Signature(s): 

Buyer(s) Address: 102 E. 2<sup>nd</sup> street  
Washington, NC 27889

Buyer(s) Phone: (252) 995-9312 Matt Rauschenbach

Closing Attorney Information Holscher, Rodman, Peck