



City of
Washington
NORTH CAROLINA
Council Agenda
APRIL 25, 2016
5:30 PM

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from April 9 & April 11, 2016 (**page 3**)

Approval/Amendments to Agenda

I. Consent Agenda:

- A. Declare Surplus/Authorize – Electronic Auction of Vehicle through GovDeals (**page 33**)
- B. Adopt – Library & Cemetery Trust Budget Ordinance Amendment (**page 34**)
- C. Adopt – Airport Terminal Grant Project Amendment (**page 36**)
- D. Approve – Purchase Order >\$20,000 (**page 38**)

II. Comments from the Public:

III. Public Hearing 6:00PM– Zoning: None

IV. Public Hearing 6:00PM - Other: None

V. Scheduled Public Appearances: None

VI. Correspondence and Special Reports:

- A. Memo – Budget Transfer – General Fund (**page 40**)

VII. Reports from Boards, Commissions and Committees:

- A. Human Relations Council (**page 42**)

VIII. Appointments:

- A. None

IX. Old Business:

- A. Authorize – Mayor to execute Civic Center Lease with the TDA (**page 43**)

- B. Authorize – City Manager to enter into an IT Managed Services Agreement with the SoundSide Group (**page 57**)
- C. Authorize – City Manager to enter into Lease with Sound Rivers (**page 61**)
- D. Authorize – City Manager to Execute Amendment to EMS MC Billing Contract (**page 73**)
- X. New Business:
 - A. Adopt – Resolution Authorizing the Mayor to Request Grant Assistance from NC Department of Environment and Natural Resources Division of Water Infrastructure for Asset Inventory Assessment Grant (**page 95**)
- XI. Any other items from City Manager: None
- XII. Any other business from the Mayor or other Members of Council: None
- XIII. Closed Session: Under NCGS § 143-318.11(A)(3) Attorney/Client Privilege; (A)(6) Personnel and (A)(5) Potential Land Acquisition
- XIV. Adjourn – Until Tuesday, April 26, 2016 at 5:30 pm, in the Council Chambers

Budget Workshops

➤ **Monday – April 25, 2016**

1. *Budget Discussions: General Fund Revenue & Expenditures*
2. *Adjourn – Until Tuesday, April 26, 2016 at 5:30pm in the Council Chambers*

➤ **Tuesday – April 26, 2016**

1. *Budget Discussions: Service Expansions*
2. *Adjourn – Until Wednesday, April 27, 2016 at 5:30pm in the Council Chambers.*

➤ **Wednesday – April 27, 2016**

1. *Budget Discussions: Enterprise Funds*
2. *Adjourn – Until Thursday, April 28, 2016 at 5:30pm in the Council Chambers*

➤ **Thursday – April 28, 2016**

1. *Additional Budget Discussions*
2. *Adjourn – Until Monday, May 9, 2016 at 5:30pm in the Council Chambers*

The Washington City Council met for a retreat on Saturday, April 9, 2016 at 8:30am in the conference room at Washington-Warren Airport. Present were: Mac Hodges, Mayor; Virginia Finnerty, Mayor Pro tem; Doug Mercer, Councilmember; Richard Brooks, Councilmember; Larry Beeman; Councilmember and William Pitt, Councilmember. Also present: Bobby Roberson, City Manager and Cynthia S. Bennett, City Clerk.

Mayor Hodges called the meeting to order and David Long, retreat facilitator conducted the remainder of the meeting.

CITY *of* WASHINGTON
North Carolina

**2016
City Council
Planning Retreat**
April 9, 2016

Summary Report

April 14, 2016

DAVID LONG CONSULTING

Strategic Planning & Organizational Development
for North Carolina's Local Governments

3034 Lake Forest Drive
Greensboro, NC 27408
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April 14, 2016

Mac Hodges, Mayor
Bobby Roberson, Manager
City of Washington
102 East Second Street
Washington, NC 27889

Dear Mayor Hodges and Mr. Roberson:

I was honored to be asked to work with the City Council for its 2016 Planning Retreat and appreciate very much the opportunity to serve. It has been a genuine pleasure working with everyone involved. The Council made much progress in expressing its ideas, shaping a sense of strategic direction and arriving at a common understanding of its long-range priorities. My impression is that the session was very positive and that the discussion was both energetic and constructive.

Please extend my gratitude to the members of both the Council and staff for their cooperation, assistance, enthusiasm and skills in making sure that everything operated smoothly—it is sincerely appreciated.

I hope that everyone will find the attached report to be accurate and satisfactory in all respects. If there are any deficiencies or needs for revision, please let me know as soon as possible so these can be addressed.

Thanks very much! I have enjoyed working with the City of Washington. If called upon, I would look forward to continuing our work together in any way possible.

Sincerely,

David Long MPA
Consultant/Facilitator

City of Washington
2016
City Council
Planning Retreat
April 9, 2016

Summary Report
April 14, 2016

1.0- INTRODUCTION

The City Council of the City of Washington conducted its 2016 Planning Retreat on April 9, 2016 at the Washington-Warren Airport. The retreat focused on the Council with the support of the manager and key staff. Attending and participating from the Council were Mayor Mac Hodges and Councilmembers Larry Beeman¹, Richard Brooks, Virginia Finnerty, Doug Mercer, and William Pitt².

David Long, a planning consultant based in Greensboro with 42 years' experience serving local governments throughout North Carolina, served as facilitator and prepared this summary report. The consultant's bio is included as [Attachment 1](#).

The summary report includes brief narratives describing selected elements of the retreat agenda and activities. (Additional elements may be included later as they become available from key staff.)

The consultant conferred with the City Manager in advance of the retreat to plan the session and to develop the agenda. The retreat agenda is included as [Attachment 2](#). This summary roughly parallels the sequence of retreat agenda items.

2.0 - STRUCTURED BRAINSTORMING

The Council engaged in a structured brainstorming process led by facilitator David Long. The purpose of the process was to assist the Council in developing a consensus-based prioritization of goals for the long-term.

The focus question for the session was:

¹ Departed retreat following brainstorming session

² Joined retreat mid-afternoon

What are the most important issues, needs and opportunities facing the City of Washington over the next 3-5+ years?

The process allows for maximum individual creativity and respects the individual's right to voice opinions in an unpressured manner, while gradually building consensus and arriving at common ground among the group, specifically a set of priorities that is 'owned' in a unified manner by the Council. The structured process is a proven and tested method that consistently delivers results and very positive reviews from participants.

Many key pieces of information were generated from the session—a series of Excel spreadsheets were developed summarizing this information and are embodied in [Attachments 3.1 through 3.3](#).

The facilitator interacted one-on-one with each participant until all ideas had been expressed and recorded on flip chart sheets. The participants voiced a total of 34 responses. Participants then prioritized these 34 items individually using a system in which a) their top nine priorities were selected and b) these top nine were further refined by assigning nine points to the highest item, eight to the next highest and so forth until the ninth item then received one point.

- [Attachment 3.1](#) lists the 34 items in the order originally generated.
- [Attachment 3.2](#) lists the 34 items sorted by the Council's priorities—in descending order by points received. The top items follow (*points in red and item numbers in black*):

- 24 4 Police station
- 18 2 Decide where we want to be 20 years from now; and how to get there
- 16 12 Drainage throughout town
- 13 7 Improve and enhance downtown area; clean up and keep it clean; improve appearance
- 12 13 Move forward with pool; make (funding) secure
- 11 26 Address aging infrastructure citywide but especially downtown
- 10 9 Infrastructure of City buildings; upkeep; remove if necessary
- 10 32 City Council set a positive tone so it carries over to employees

- [Attachment 3.3](#) lists the 34 items sorted by themes in descending order of aggregate points assigned by the group.

The themes were developed by the facilitator and items assigned to each theme several days following the session. The themes are intended simply as a method to better grasp

the results, and in no way to supersede or challenge any other decision-making processes in place.

It is a conceptual tool, not an end product—unscientific and imperfect but hopefully a helpful piece of information in charting a course forward. It is also somewhat subjective on the part of the facilitator, although the general intent was to follow as closely as possible the themes identified by the Council during the retreat. Others might observe completely different themes and/or assignment of items to themes (due to overlap, gray areas, etc.) and are encouraged to do so. The themes can best be thought of as a tool for achieving a division of labor, for example, if multi-disciplinary task forces were to be established, each might address a priority theme.

The themes and aggregate points (in red) of each follow (total points=225):

| | |
|---|----|
| • Tourism/Downtown/Retirement/Bedroom Comm. | 50 |
| • Leadership/Relationships/Vision | 46 |
| • Infrastructure | 45 |
| • Parks and Recreation | 30 |
| • Facilities/Equipment | 24 |
| • Growth Management | 13 |
| • Finances/Efficiency | 9 |
| • Jobs/Economic Development | 8 |

There is nothing binding about the themes and the points attributed to each. The most important fact is that each idea was voiced, and is therefore important regardless of the points received. At best, the rankings provide a *rough* idea of the relative weight of each theme. Much more insightful analysis by those closest to the issues (Council, staff, residents, etc.) is required to convert these rankings into a meaningful basis for action.

3.0 - IDENTIFICATION AND PRIORITIZATION OF BROAD STRATEGIC LONG-RANGE THEMES BY COUNCIL

The facilitator developed the themes identified in the previous section in the days *following* the retreat. At the retreat, the Council confirmed by consensus the following as broad priorities. The prioritization process was very informal and not rigidly hierarchical:

MAJOR PRIORITIES IN ORDER VOICED BY COUNCIL AT RETREAT

1. Tourism/downtown/retirement/bedroom community
2. Jobs/economic development
3. Infrastructure
4. Parks and recreation

5. Relationships
6. Growth management
7. Finance

4.0 – GENERAL STRATEGIC PLAN

A goal of the retreat was to arrive at an organized course of action. For each of the broad themes, the Council identified and affirmed by consensus the following general strategic plan. The following is intended not as an end-product, but simply as a first attempt to document and recapture the core ideas of the Council at the retreat. It should be considered preliminary, and subject to refinement as the ideas become clearer and come into greater focus. *(Blank bullets are intended as a 'prompt' that other strategies might be added later.)*

Tourism/downtown/retirement/bedroom community

- Develop plan and buy-in
 - Marketing
 - Differentiation
 - Retail strategy-more hours
- Weddings/special events
- Water and people
- River experience
- Nightlife/restaurants
- _____

Jobs/economic development

- Vocational training for jobs going unfilled via community college, etc.
- Mismatch between what industry wants and what education system is producing
- Publicize openings
- 10K city residents paying for 30K population benefitting
- Regulatory environment very stringent; i.e. health regulations for restaurants
- _____

Infrastructure

- Drainage – review of systems and prioritization; be committed to following-through; move beyond 'squeaky-wheel syndrome'; systematic approach/comprehensive plan
- Street paving – *ditto above*
- Aging water-sewer lines, especially downtown – *ditto above*
- Need CIP/capital budget
- _____

Parks and recreation

- Do we repair pool?
 - Costly
- Soccer field
- Funding strategy
 - Sustainable
 - Optimize funding
- Handicapped parking/accessibility
- Off-street parking at baseball and soccer facilities
- Outreach to overlooked/disadvantaged populations to encourage participation
- _____

Relationships

- Quarterly meeting with County Commissioners
- Civil courteous interaction among Council; agree to disagree
- Prioritize
- Work with Community College and County Schools to match training needs of business and industry; meet annually; conduct tours
- _____

Growth management

- Issue of those outside City benefitting but not paying
- Voluntary annexation via desirable services; make it economically desirable to be in City
- _____

Finance

- Balance tax rate with service delivery; be fiscally responsible
- Unfunded mandates
- _____

5.0 – POTENTIAL NEXT STEPS

Strategic Planning

The work generated at the retreat could easily form the foundation for a strategic planning initiative by building on the momentum generated at the retreat and continuing to move forward in an energetic manner. For example, it would be a relatively simple step to convert the results of the retreat into a hierarchy of goals, strategies and actions.

Action Planning

Action planning involves a detailed breakdown of the broader goals and strategies into action steps—or the ‘nuts and bolts’ of implementation for top priorities. This process is designed to ensure that ideas move beyond just words, and are instead converted into accountable action.

Formal action planning would conform roughly to the following template:

Action Plan #1

Goal –

Strategy –

Action –

Resources Needed –

Who is Involved –

Who Takes the Lead –

Potential Obstacles –

Potential Allies –

Target Date –

Report Back from Lead –

DAVID LONG CONSULTING

3034 Lake Forest Drive Greensboro, NC 27408
336.972.5216 preferred 336.545.5717 optional
dlongwork@earthlink.net

DAVID LONG has served as a professional planner and facilitator, primarily within the State of North Carolina, since 1974. He has led numerous retreats and goal-setting sessions, and has assisted clients in developing a broad range of plans. Clients include elected officials, planning boards, boards of education, chambers of commerce, economic development agencies, tourism organizations, special task forces, grassroots organizations, non-profit organizations and regional partnerships.

From 1974-2004, David served with the NC Department of Commerce as a liaison between state and local governments based in Winston-Salem, Asheville, Wilmington and Fayetteville. From 1986-2004 he served as the chief planner in a twenty county area of the Piedmont region of North Carolina, based in Winston-Salem, with responsibility for delivering planning services to over 150 communities in the fields of community planning, public management, and economic development.



He is deeply understanding of the unique roles of elected officials, managers, and non-profit leaders and is exceptionally skilled in working with these valued leaders to advance steadily on solid ground.

In 2004, David initiated a private consulting practice and continues to serve public, non-profit and private organizations. Responding to the competitive realities of the global economy, he has committed much of his energy to assisting communities in adapting to challenging economic times. He especially enjoys helping communities find common ground and reach their full potential by gaining traction and achieving a shared sense of purpose, vision and overall direction.

David has assisted over 425 organizations in conducting retreats/input sessions and in crafting creative plans and policies. He served on the adjunct

faculty of the University of North Carolina at Greensboro, where he taught a popular course in strategic planning. David is a recipient of the Order of the Long Leaf Pine, awarded by the Governor for lifetime service to the State of North Carolina.

David's recent work has focused on consensus building, strategic planning, growth management, economic development, and public policy. Along with colleagues Carol Rhea and Jeff Michael, he organized and led a groundbreaking regional planning initiative, the Yadkin/Pee Dee Lakes Project, built on principles of grassroots public participation; has assisted in establishing many local and regional tourism organizations; and has advised the Blue Ridge National Heritage Area.

David was instrumental in the late 1970s and early 1980s in laying some of the foundations for the highly successful revitalization of the City of Asheville as well as the resurgence of the broader mountain region. He also assisted many communities in the coastal region in implementing the initial phases of the Coastal Area Management Act.

David holds a BA from the University of North Carolina at Chapel Hill, a Master of Public Affairs (MPA) from Western Carolina University, a certificate in nonprofit management from Duke University, and was a longtime member of the American Institute of Certified Planners.

David is a tenth generation North Carolinian with deep roots in the State, and operates as a fully independent practitioner. He and his wife Ann, a retired teacher, reside in Greensboro. Twin daughters Sarah and Elizabeth (age 30) are his heroes and constant inspiration for creating communities that value the unique talents and perspectives of each and every citizen.

Please see client list next page.

Examples of Clients Served: Retreats, Strategic Plans, Goal-Setting

| | |
|---------------------------------------|---|
| Advantage West | Montgomery County EDC |
| Apex, Town of | Moore County Planning Department |
| Archdale-Trinity Chamber of Commerce | Morrisville, Town of |
| Asheboro-Randolph Chamber of Commerce | Mount Airy, City of |
| Bethania, Town of | Mount Airy Chamber of Commerce |
| Black Mountain, Town of | Newton, City of |
| Blue Ridge Parkway Foundation | North Carolina Arts Council |
| Blue Ridge National Heritage Area | North Carolina Department of Commerce |
| Camden County | North Carolina Department of Cultural Resources |
| Carthage, Town of | North Wilkesboro, Town of |
| Central Carolina Education Consortium | Northwest Piedmont Council of Governments |
| Chapel Hill Downtown Partnership | Piedmont Land Conservancy |
| Chapel Hill, Town of | Piedmont Triad Partnership |
| Chatham County | Pittsboro, Town of |
| Chinqua-Penn | Randolph County |
| Clemmons, Village of | Reidsville, City of |
| Dan River Basin Association | Rockingham County |
| Danbury, Town of | Rockingham County Chamber(s) of Commerce |
| Davidson County | Rockingham County EDC |
| Davidson County Schools | Rockingham County United Way |
| Davie Chamber of Commerce | Spencer, Town of |
| Davie County | Stanly County Chamber of Commerce |
| Deerfield Beach FL, City of | Stokes County EDC |
| Downtown Mocksville | Stokesdale, Town of |
| Downtown Salisbury | Surry Arts Council |
| Gamer, Town of | Surry County |
| Graham County | Surry County Board(s) of Education |
| Greenville, City of | Wadesboro, Town of |
| Historic Salisbury | Waynesville, Town of |
| Kannapolis, City of | Wilkes County Chamber of Commerce |
| Kernersville, Town of | Yadkin/Pee Dee Lakes Project |
| Lewisville, Town of | Yadkin County Schools |
| Lexington, City of | Yadkin County |
| Lexington Tourism Authority | Yanceyville, Town of |
| Marshville, Town of | |
| Mebane, Town of | |

WASHINGTON CITY COUNCIL
PLANNING RETREAT
April 9, 2016

| <i>Time</i> | <i>Topic</i> | <i>Presenter/Leader</i> |
|--------------|---|--------------------------------------|
| 8:30-8:45 | Welcome and Introduction to today's session | Mayor Hodges Bobby Roberson, Mgr. |
| 8:45-9:00 | Overview of retreat & format | David Long, Facilitator |
| 9:00-9:30 | <i>State of the City Report</i> Manager's perspective on City's future Q and A: Council and Manager | Bobby |
| 9:30-10:00 | Facilitator's general discussion with Council | David |
| 10:00-11:30* | Structured group brainstorming with Council Focus Question: <i>'What are the most important issues, needs and opportunities facing the City of Washington over the next 3-5 years?'</i> ¹ *Break around 10:45 for 15 minutes | David |
| 11:30-12:00 | Discussion of brainstorming results and identification of high-priority strategic directions ² | David |
| 12:00-12:45 | Lunch <ul style="list-style-type: none"> • Continuation and closure of previous discussion as lunch is winding down • Comments by mayor and manager as appropriate | |
| 12:45-2:30 | Develop draft strategic plan ³ | David |
| 2:30-2:45 | Break | |
| 2:45-4:15 | Action planning for very high priority strategies ⁴ | David |
| 4:15-4:30 | Wrap-Up/Adjournment | Mayor Hodges Bobby/David |

¹ End product: a prioritized list of specific ideas generated by the Council with numerical values

² End product: a hierarchical set of about 5-7 broad strategic directions (e.g. quality growth, economic development, etc.) with a bulleted list of specific priorities under each

³ End product: continuation and refinement of #2

⁴ End product: detailed implementation plans for a handful of specific items deemed to be very high priority, listing the 'who, what, how, when, resources needed, allies, obstacles, etc.'

Att. 4.1

| Washington City Council: Retreat Brainstorming 4.9.16 | |
|--|---|
| <i>What are the most important issues/needs/opportunities facing the City of Washington over the next 3-5+ years ?</i> | |
| Item # | Item |
| # | <i>Listed by Item #</i> |
| 1 | Define a vision for the City; tourism destination; in order to keep City as it is but better; to enhance City |
| 2 | Decide where we want to be 20 years from now; and how to get there |
| 3 | Jobs |
| 4 | Police station |
| 5 | Parks and recreation; plan for BB Park; participation; Havens Garden |
| 6 | Once vision is set, energize citizens for buy-in |
| 7 | Improve and enhance downtown area; clean up and keep it clean; improve appearance |
| 8 | Keep City moving forward with adequate funding |
| 9 | Infrastructure of City buildings; upkeep; remove if necessary |
| 10 | Streetscape and wayfinding implementation |
| 11 | Define what would make us a great destination and implement |
| 12 | Drainage throughout town |
| 13 | Move forward with pool; make (funding) secure |
| 14 | As we grow, have a vision for new roads, streets, etc.; 15th Street bypass |
| 15 | Improve relationship with County Commissioners |
| 16 | Schedule annual retreats to keep on-track |
| 17 | Look at maximizing services at best possible cost; consider, e.g. outsourcing |
| 18 | Encourage City board members to be present and participate; not be absent |
| 19 | Affordability to live in City and still maintain fees, finances, etc. |
| 20 | Keep City finances in best shape they can be in |
| 21 | Promote growth via voluntary annexation by offering superior services |
| 22 | For City to be known as a top employer; a desired place to work |
| 23 | Build on our parks and recreation by expanding into soccer complex |
| 24 | Grocery store—Bridge St. and 3rd St.—downtown |
| 25 | Continue to seek an investor to build a hotel downtown |
| 26 | Address aging infrastructure citywide but especially downtown |
| 27 | Expand vision for growth citywide to include some overlooked areas |
| 28 | Facilitate fuel on the waterfront (for boats) |
| 29 | Continue to promote growth at the airport via facilities, etc. |
| 30 | Safer exhaust emissions on garbage trucks; safety hazard |
| 31 | Add an interactive water feature to children's park on waterfront |
| 32 | City Council set a positive tone so it carries over to employees |
| 33 | Improve appearance of backs of downtown buildings used for murals, etc. |
| 34 | Move Senior Center to Susiegray McConnell Complex and/or find way for more parking at current center |

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

APRIL 9, 2016

Att. 4.2

| Washington City Council: Retreat Brainstorming 4.9.16 | | | | | | | | | |
|--|--------|---|-------------------|---|---|---|--|--|--|
| <i>What are the most important issues/needs/opportunities facing the City of Washington over the next 3-5+ years ?</i> | | | | | | | | | |
| Total Points | Item # | Item | Individual points | | | | | | |
| <i>Listed by Points in Descending Order</i> | | | | | | | | | |
| 24 | 4 | Police station | 3 | 9 | 7 | 5 | | | |
| 18 | 2 | Decide where we want to be 20 years from now; and how to get there | 9 | 8 | 1 | | | | |
| 16 | 12 | Drainage throughout town | 7 | 4 | 5 | | | | |
| 13 | 7 | Improve and enhance downtown area; clean up and keep it clean; improve appearance | 8 | 5 | | | | | |
| 12 | 13 | Move forward with pool; make (funding) secure | 3 | 9 | | | | | |
| 11 | 26 | Address aging infrastructure citywide but especially downtown | 5 | 6 | | | | | |
| 10 | 9 | Infrastructure of City buildings; upkeep; remove if necessary | 6 | 4 | | | | | |
| 10 | 32 | City Council set a positive tone so it carries over to employees | 3 | 7 | | | | | |
| 9 | 1 | Define a vision for the City; tourism destination; In order to keep City as it is but better; to enhance City | 9 | | | | | | |
| 9 | 10 | Streetscape and wayfinding implementation | 9 | | | | | | |
| 8 | 3 | Jobs | 8 | | | | | | |
| 8 | 5 | Parks and recreation; plan for BB Park; participation; Havens Garden | 8 | | | | | | |
| 8 | 6 | Once vision is set, energize citizens for buy-in | 8 | | | | | | |
| 8 | 14 | As we grow, have a vision for new roads, streets, etc.; 15th Street bypass | 7 | 1 | | | | | |
| 8 | 25 | Continue to seek an investor to build a hotel downtown | 6 | 2 | | | | | |
| 7 | 11 | Define what would make us a great destination and implement | 7 | | | | | | |
| 7 | 34 | Move Senior Center to Susiegray McConnell Complex and/or find way for more parking at current center | 2 | 2 | 3 | | | | |
| 6 | 27 | Expand vision for growth citywide to include some overlooked areas | 6 | | | | | | |
| 6 | 29 | Continue to promote growth at the airport via facilities, etc. | 6 | | | | | | |
| 5 | 16 | Schedule annual retreats to keep on-track | 5 | | | | | | |
| 5 | 20 | Keep City finances in best shape they can be in | 1 | 4 | | | | | |
| 4 | 17 | Look at maximizing services at best possible cost; consider, e.g. outsourcing | 4 | | | | | | |
| 4 | 33 | Improve appearance of backs of downtown buildings used for murals, etc. | 4 | | | | | | |
| 3 | 15 | Improve relationship with County Commissioners | 2 | 1 | | | | | |
| 3 | 31 | Add an interactive water feature to children's park on waterfront | 3 | | | | | | |
| 2 | 18 | Encourage City board members to be present and participate; not be absent | 2 | | | | | | |
| 1 | 21 | Promote growth via voluntary annexation by offering superior services | 1 | | | | | | |
| 0 | 8 | Keep City moving forward with adequate funding | | | | | | | |
| 0 | 19 | Affordability to live in City and still maintain fees, finances, etc. | | | | | | | |
| 0 | 22 | For City to be known as a top employer; a desired place to work | | | | | | | |
| 0 | 23 | Build on our parks and recreation by expanding into soccer complex | | | | | | | |
| 0 | 24 | Grocery store—Bridge St. and 3rd St.—downtown | | | | | | | |
| 0 | 28 | Facilitate fuel on the waterfront (for boats) | | | | | | | |
| 0 | 30 | Safer exhaust emissions on garbage trucks; safety hazard | | | | | | | |
| 225 | | | | | | | | | |

| Washington City Council: Retreat Brainstorming 4.9.16 | | |
|---|--------|---|
| What are the most important issues/needs/opportunities facing the City of Washington over the next 3-5+ years ? | | |
| Total Points | Item # | Item |
| Listed by Themes and Aggregate Points (in Red) in Descending Order | | |
| Tourism/Downtown/Retirement/Bedroom Comm. | | |
| 13 | 7 | Improve and enhance downtown area; clean up and keep it clean; improve appearance |
| 9 | 1 | Define a vision for the City; tourism destination; in order to keep City as it is but better; to enhance City |
| 9 | 10 | Streetscape and wayfinding implementation |
| 8 | 25 | Continue to seek an investor to build a hotel downtown |
| 7 | 11 | Define what would make us a great destination and implement |
| 4 | 33 | Improve appearance of backs of downtown buildings used for murals, etc. |
| 0 | 24 | Grocery store—Bridge St. and 3rd St.—downtown |
| 0 | 28 | Facilitate fuel on the waterfront (for boats) |
| 50 | | |
| Leadership/Relationships/Vision | | |
| 18 | 2 | Decide where we want to be 20 years from now; and how to get there |
| 10 | 32 | City Council set a positive tone so it carries over to employees |
| 8 | 6 | Once vision is set, energize citizens for buy-in |
| 5 | 16 | Schedule annual retreats to keep on-track |
| 3 | 15 | Improve relationship with County Commissioners |
| 2 | 18 | Encourage City board members to be present and participate; not be absent |
| 46 | | |
| Infrastructure | | |
| 16 | 12 | Drainage throughout town |
| 11 | 26 | Address aging infrastructure citywide but especially downtown |
| 10 | 9 | Infrastructure of City buildings; upkeep; remove if necessary |
| 8 | 14 | As we grow, have a vision for new roads, streets, etc.; 15th Street bypass |
| 45 | | |
| Parks and Recreation | | |
| 12 | 13 | Move forward with pool; make (funding) secure |
| 8 | 5 | Parks and recreation; plan for BB Park; participation; Havens Garden |
| 7 | 34 | Move Senior Center to Susiegray McConnell Complex and/or find way for more parking at current center |
| 3 | 31 | Add an interactive water feature to children's park on waterfront |
| 0 | 23 | Build on our parks and recreation by expanding into soccer complex |
| 30 | | |
| Facilities/Equipment | | |
| 24 | 4 | Police station |
| 0 | 30 | Safer exhaust emissions on garbage trucks; safety hazard |
| 24 | | |
| Growth Management | | |
| 6 | 27 | Expand vision for growth citywide to include some overlooked areas |
| 6 | 29 | Continue to promote growth at the airport via facilities, etc. |
| 1 | 21 | Promote growth via voluntary annexation by offering superior services |
| 13 | | |

| | | |
|-----|----|---|
| | | Finances/Efficiency |
| 5 | 20 | Keep City finances in best shape they can be in |
| 4 | 17 | Look at maximizing services at best possible cost; consider, e.g. outsourcing |
| 0 | 8 | Keep City moving forward with adequate funding |
| 0 | 19 | Affordability to live in City and still maintain fees, finances, etc. |
| 9 | | |
| | | Jobs/Economic Development |
| 8 | 3 | Jobs |
| 0 | 22 | For City to be known as a top employer; a desired place to work |
| 8 | | |
| | | |
| 225 | | |

ADJOURN

The meeting was adjourned until 5:30pm on April 11, 2016 in the Council Chambers.

(subject to City Council approval)

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

The Washington City Council in a regular session on Monday, April 11, 2016 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Virginia Finnerty, Mayor Pro tem; Doug Mercer, Councilmember; Richard Brooks, Councilmember; Larry Beeman; Councilmember and William Pitt, Councilmember. Also present: Bobby Roberson, City Manager; Franz Holscher, City Attorney and Cynthia S. Bennett, City Clerk.

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

APPROVAL OF MINUTES:

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council approved the minutes of March 28, 2016 as presented.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Hodges reviewed the requested amendments to the agenda:

- Consent Item D: removed from Consent for discussion immediately following Consent Agenda
- Moved Scheduled Public Appearance – Mickey Cochran (parking update) to speak during the discussion of Old Business Item A.

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

CONSENT AGENDA:

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

- A. Adopt – Legal Expense Budget Ordinance Amendment
(copy attached)
- B. Adopt – Police Station Capital Project Fund Budget Ordinance Amendment
(copy attached)
- C. Adopt – Budget Ordinance Amendment for the Downtown Development Project
(copy attached)
- D. *Item Removed from Consent for Discussion* - Approve – Purchase Order
>\$20,000

ITEM D FROM CONSENT AGENDA: APPROVE – PURCHASE ORDER >\$20,000

Councilmember Mercer expressed concern over the purchase order regarding tree trimming. Items of concern: why was this PO coded to the 7400 account, was there more than one bid, why are we spending more money on tree trimming – we already have two crews. Interim Electric Director, Jeff Clark explained the Hwy 32 project is under the 7400 account and the request is for five miles (from Five Points on Hwy 32 to Beaufort Co. Community College on Hwy 264) of right-of-way clearing including tree trimming, tree removal and stump removal.

This request has nothing to do with the other funds set aside for tree trimming. Mr. Clark explained he tried to get additional bids from Cutler and LeClair but they wouldn't bid as the project was too large for them. Wayne's Tree Service is the only one that could do the entire project. Mr. Clark explained he understood this project is not "equipment purchases" but that's how the 7400 fund shows up in the financial software system.

By motion of Mayor Pro tem Finnerty, seconded by Councilmember Brooks, Council approved the \$53,400 purchase order to Wayne Woolard for right-of-way clearing for the Hwy. 32 project.

COMMENTS FROM THE PUBLIC:

Peggy Rivers discussed parking on 10th Street. She noted the proposal presented by the City Manager was a good compromise. She commented that prohibiting parking in front of Mr. Cochran's house is ok as long as it doesn't interfere with parking at the homes of other residents located on this street.

Amber Rascoe discussed parking on 10th Street. She noted parking is not a safety issue as Mr. Cochran had mentioned. Ms. Rascoe explained the request is only because Mr. Cochran is upset with his neighbors. She continued by saying if parking was a safety issue the City of Washington would've already addressed the issue. She is opposed to the parking limitations, but is ok with prohibited parking in front of Mr. Cochran's house only.

SCHEDULED PUBLIC APPEARANCES:

MICKEY COCHRAN – PARKING UPDATE – moved to Old Business Item A

CORRESPONDENCE AND SPECIAL REPORTS:

MEMO – HAVENS GARDENS – PLAY TOGETHER CONSTRUCTION GRANT

Kristi Roberson, Parks and Recreation Director explained the Havens Gardens Inclusive Playground is scheduled to begin site work soon. The installation and site prep crew is expected to arrive in Washington between April 8 and April 15. There will be two crews working simultaneously between the Washington and Williamston playground projects. The parking lot, bathrooms and fishing area will remain open during the construction process. Completion should be in 4-5 weeks.

MEMO – FY 2017 BUDGET QUESTIONS/SCHEDULE

Please provide questions concerning the City Manager's recommended FY 2017 budget to the City Clerk by April 19th. Budget workshops are scheduled the week of April 25th, advance questions allow staff to address in order to facilitate an efficient review and preparation of the City's budget during the workshop sessions.

Budget Schedule 2016-2017

| Scheduled Week Of | Status | Budget Task |
|------------------------------|-----------------------|---|
| 11/30/15 | Complete | CIP template distributed to Management Team |
| 01/04/16 | Complete | Budget Packets Distributed to Management Team |
| 01/04/16 | Complete | Outside Agency Budget Requests Distributed |
| 01/11/16 | Complete | CIP worksheets due back to Finance |
| 01/11/16 | Complete | CIP review with Manager |
| 01/25/16 | Complete | Revenue Estimate- Finance |
| 01/25/16 | Complete | Budget Planning session with Council |
| 01/25/16 | Complete | Outside Agency Budget Requests Submitted |
| 02/08/16 | Complete | Outside Agency Presentation to Council |
| 02/15/16 | Complete | Continuation Budgets submitted to Finance |
| 02/15/16 | Complete | Expansion Budgets submitted to Finance |
| 02/22/16 | Complete | CIP review with Council |
| 03/07/16 | Complete | Budget Compiled by Finance |
| 03/07/16 | Complete | Budget Review with Manager- General Fund |
| 03/14/16 | Complete | Budget Review with Manager- Electric Fund |
| 03/14/16 | Complete | Budget Review with Manager- Public Works |
| 04/11/16 | | Manager's Recommended Budget Presented to Council |
| 04/11/16 | | Budget Available for Public Viewing at City Clerk's Office, Library, and Web Site |
| 04/18/16 | | Council Budget Questions/Clarification to City Manager |
| 04/25/16 | Scheduled entire week | Council Budget Workshops |
| 04/25/16 | | Advertise Public Hearing for Budget |
| 05/09/16 | | Public Hearing- Budget |
| 05/23/16 | | Budget Adopted |
| 05/23/16 | | Budget Posted to Web Site |

City Manager, Bobby Roberson explained the budget workshops start on April 25th after the regular agenda items are discussed, then nightly at 5:30pm (April 26th – 28th). The public is allowed to attend the workshops, but comments will not be taken. The budget public hearing will be scheduled for May 9th and comments are welcome at that time.

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES: NONE

APPOINTMENTS: NONE

Councilmember Mercer discussed the vacancy on the Board of Adjustment and asked if the vacancy had been advertised. If the vacancy has been advertised, do we just not have any applications? Cynthia Bennett, City Clerk advised that the vacant board positions have been advertised in the newspaper, City of Washington website and Cable 9. Councilmember Mercer encouraged the council members to go out and find applicants for the Board of Adjustment as well as other boards and commissions with vacant positions.

OLD BUSINESS:

**ADOPT/AMEND – ORDINANCE TO AMEND CHAPTER 18, SECTION 123 –
DESIGNATED PROHIBITED PARKING AREAS**

BACKGROUND AND FINDINGS: This request is to prohibit parking on the south side of East 10th Street 140 feet west of Telfair Street. There have been concerns expressed to Council about vehicles parking in front of homes near the intersection.

*Mayor Hodges noted that comments would be limited to five minutes for this item.



Mickey Cochran 317 E. 10th Street, appeared before Council to ask for a no parking zone on East 10th Street from Nicholson to Telfair Street. Mr. Cochran again reviewed that his neighbors are parking their vehicles in front of his home, which prohibits parking for his visitors. Mr. Cochran reviewed that the City Manager held a meeting on April 7th for the property owners in this location and approximately 18 people were at the meeting.

Councilmember Mercer noted there is a viable solution on the table, but we have to do what is best for all of our citizens. Mayor Pro tem Finnerty said the problem is only with Mr. Cochran's property and we should only prohibit the parking at that location. Mr. Roberson explained that the residents in attendance at the meeting last week were (by consensus) in agreement with the proposal.

A motion was made by Councilmember Brooks and seconded by Councilmember Beeman to adopt an ordinance to amend Chapter 18, Section 123, Designated prohibited parking areas, in reference to no parking, beginning at Telfair Street 140 feet west along the south side of East 10 Street, as outlined in the ordinance, with an effective date of April 12, 2016. Voting for the motion: Brooks and Beeman; voting against: Mercer, Finnerty & Pitt. Motion failed 2-3.

PUBLIC HEARING 6:00PM– ZONING: NONE

PUBLIC HEARING 6:00PM - OTHER:

**ADOPT/AWARD – ORDINANCE TO CONDEMN AS UNSAFE THE STRUCTURE
LOCATED AT 809 WEST 9TH STREET AND AWARD THE DEMOLITION
CONTRACT**

John Rodman, Director of Community & Cultural Services provided the following background information. *The governing body of the City may adopt and enforce ordinances relating to residential buildings or structures that fail to meet minimum standards of maintenance, sanitation, and safety. The minimum standards address conditions that are dangerous and injurious to public health, safety and welfare and identify circumstances under which a public necessity exists for the repair, closing or demolition of such buildings or structures. If after a notice and hearing the Code Official determines that the property has not been properly maintained and failed*

to meet minimum standards an order is issued to require the owner to demolish and remove the building or structure.

Previous Legislative Action:

Notice of Complaint and Hearing - October 8, 2015

Hearing Held - October 23, 2015

Order to Remedy Defective Condition - October 26, 2015

Received Bids - January 11, 2016

Demolition Bids Submitted:

St. Clair Trucking \$5,000

Tyco Land Developing \$5,900

Mayor Hodges opened the public hearing. Dot Moate inquired about the procedure for determining which houses are destroyed/condemned. She stated there are dozens of houses in the city that are in bad shape.

John Rodman noted that staff has a priority list that includes substandard houses and those houses are rated in a matter of importance. Currently there are 45 houses on the substandard houses list.

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

By motion of Councilmember Pitt, seconded by Councilmember Beeman, Council adopted the ordinance condemning the structure located at 809 West 9th Street as unsafe and to demolish & remove the structure - as well as award the demolition contract to the lowest responsible bidder, St. Clair Trucking Inc., in the amount of \$5,000.

AN ORDINANCE FINDING THAT THE BUILDING DESCRIBED HEREIN IN THE CITY OF WASHINGTON IS CONDEMNED AS UNSAFE AND DIRECTING THAT IT BE DEMOLISHED

WHEREAS, the City Council of the City of Washington finds that the structure having an address of 809 West 9th Street, Washington, North Carolina and being owned by James Williams and Spouse, Bertha Dudley and Spouse, Roberta Carson and Spouse, James Langley and Spouse, and Barbara Jane Staton and Spouse, is condemned as, among other things, unsafe pursuant to North Carolina General Statute § 160A-426 and that all applicable statutory provisions have been complied with as a condition of the adoption of this Ordinance.

WHEREAS, the structure located on said property should be demolished and removed as directed by the Senior Building Official for, among other things, the reasons stated by the Senior Building Official in his October 26, 2015 Order to Remedy Defective Condition and Findings of Fact that was served on the property owner(s).

WHEREAS, the owner(s) of the structure have been given a reasonable opportunity to bring the structure into compliance with the applicable standards of the City Code as well as State statute in accordance with North Carolina General Statute § 160A-426 as well as pursuant to the Order issued by the Senior Building Official in said Notice of Decision.

WHEREAS, said owner (s) have failed to comply with said Order.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Washington as follows.

Section 1. The Senior Building Official is hereby authorized and directed to proceed to demolish and remove the above described structure located at 809 West 9th Street in accordance with applicable provisions of the City Code and North Carolina General Statute § 160A-426 *et seq.*

Section 2. The cost of the demolition and removal of the structure shall constitute a lien against the real property upon which the cost was incurred as provided in North Carolina General Statute § 160A-432.

Section 3. This Ordinance shall be recorded in the Office of the Register of Deeds of Beaufort County, North Carolina.

This Ordinance shall become effective on this date of adoption April 11, 2016.

Attest:

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

**s/Jay MacDonald Hodges
Mayor**

**ADOPT/AWARD – ORDINANCE TO CONDEMN AS UNSAFE THE
STRUCTURE LOCATED AT 811 VAN NORDEN STREET AND AWARD
THE DEMOLITION CONTRACT**

John Rodman, Director of Community & Cultural Services provided the following background information. *The governing body of the City may adopt and enforce ordinances relating to residential buildings or structures that fail to meet minimum standards of maintenance, sanitation, and safety. The minimum standards address conditions that are dangerous and injurious to public health, safety and welfare and identify circumstances under which a public necessity exists for the repair, closing or demolition of such buildings or structures. If after a notice and hearing the Code Official determines that the property has not been properly maintained and failed to meet minimum standards an order is issued to require the owner to demolish and remove the building or structure.*

Previous Legislative Action:

Notice of Complaint and Hearing - January 11, 2016

Hearing Held - January 26, 2016

Order to Remedy Defective Condition - January 26, 2016

Received Bids - April 1, 2016

Demolition Bids Submitted:

Taylor's Hauling and Grading, LLC \$3,900

Dudley's Landscaping \$3950

Tyco Land Development \$4,800

St. Clair Trucking, Inc \$4,900

Armstrong Inc. \$7,500

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

By motion of Councilmember Pitt, seconded by Councilmember Beeman, Council adopted the ordinance condemning the structure located at 811 Van Norden Street as unsafe and to demolish/remove the structure as well as award the demolition contract to the lowest responsible bidder, Taylor's Hauling and Grading, LLC., in the amount of \$3,900.

AN ORDINANCE FINDING THAT THE BUILDING DESCRIBED HEREIN IN THE CITY OF WASHINGTON IS CONDEMNED AS UNSAFE AND DIRECTING THAT IT BE DEMOLISHED

WHEREAS, the City Council of the City of Washington finds that the structure having an address of 811 Van Norden Street, Washington, North Carolina and being owned by the unknown heirs of Bessie Baily Jones Vest, the unknown heirs of Robert Lee Bailey, Roger Bailey and Spouse, Robert B. Wade and Spouse, Robert Lee Bailey II and Spouse, and Carl C. Bailey and Spouse is condemned as, among other things, unsafe pursuant to North Carolina General Statute § 160A-426 and that all applicable statutory provisions have been complied with as a condition of the adoption of this Ordinance.

WHEREAS, the structure located on said property should be demolished and removed as directed by the Senior Building Official for, among other things, the reasons stated by the Senior Building Official in his January 26, 2016 Order to Remedy Defective Condition and Findings of Fact that was served on the property owner(s).

WHEREAS, the owner(s) of the structure have been given a reasonable opportunity to bring the structure into compliance with the applicable standards of the City Code as well as State statute in accordance with North Carolina General Statute § 160A-426 as well as pursuant to the Order issued by the Senior Building Official in said Notice of Decision.

WHEREAS, said owner (s) have failed to comply with said Order.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Washington as follows.

Section 1. The Senior Building Official is hereby authorized and directed to proceed to demolish and remove the above described structure located at 811 Van Norden Street in accordance with applicable provisions of the City Code and North Carolina General Statute § 160A-426 *et seq.*

Section 2. The cost of the demolition and removal of the structure shall constitute a lien against the real property upon which the cost was incurred as provided in North Carolina General Statute § 160A-432.

Section 3. This Ordinance shall be recorded in the Office of the Register of Deeds of Beaufort County, North Carolina.

This Ordinance shall become effective on this date of adoption April 11, 2016.

Attest:

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

**s/Jay MacDonald Hodges,
Mayor**

NEW BUSINESS:

ADOPT/APPOINT – RESOLUTION ON EMS SERVICES AND APPOINT TWO CITY COUNCIL MEMBERS TO EMS OVERSIGHT COMMITTEE

BACKGROUND AND FINDINGS: Certain members of the city staff along with the Mayor were asked to attend a meeting with the EMS Oversight Committee to discuss implications by the city to turn over EMS responsibilities to the county within 90 days, effective July 01, 2016. A discussion was held and it was recommended that a 15 month waiting period be created whereby the city would do nothing with regards to its EMS service delivery. In addition, a committee would be appointed consisting of the city and county managers, the city's mayor, two city councilpersons and two county commissioners to come to a proposed agreeable conclusion on EMS contract services by the City of Washington. Council passed a motion to turn over EMS services to the county, effective July 01, 2016.

Councilmember Mercer noted that if the Mayor is not going to appoint the members to the subcommittee, then he (Mercer) would like to be excused from voting. Mayor Hodges excused Councilmember Mercer from voting on the appointment of the subcommittee members.

Councilmember Mercer explained the resolution needs to be adopted first and then appoint the subcommittee members. He added suggested language to the resolution as follows in order to give some latitude on the date. Add after July 1, 2017, **or such other date as may be approved by City Council and County Commissioners**

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council adopted the resolution extending the date until July 1, 2017, or such other date as may be approved by City Council and County Commissioners to turn over to Beaufort County and other contracts for EMS services to the County.

By motion of Councilmember Beeman, seconded by Mayor Pro tem Finnerty, Council appointed Councilperson Mercer and Councilperson Brooks to serve on a joint committee to come to an agreeable conclusion on EMS contract services for the city with the county. Voting for the motion: Brooks, Beeman & Finnerty; Opposed: Pitt. Motion carried 3-1.

RESOLUTION – EMS SERVICES

WHEREAS, the City Council of the City of Washington during its regular scheduled meeting, held on March 28, 2016, instructed the City Manager to inform the County Manager the city would no longer be providing Emergency Management Services (EMS) within their jurisdiction, and;

WHEREAS, the city was engaged in other EMS service contracts with other jurisdiction and would be placing those entities on notice, as well, that henceforth the city would no longer be providing EMS services, and;

WHEREAS, the termination date for EMS services by the city and contract agencies had been set for July 01, 2016 by the City Council of the City of Washington, and;

WHEREAS, the city was requested to be in attendance at an EMS Oversight Committee meeting on Friday, April 01, 2016 to discuss the implications by the city to turn over EMS responsibilities to the county within 90 days effective July 01, 2016, and;

WHEREAS, a discussion was held by the EMS Oversight Committee and a motion was made to allow a 15 month waiting period in which the city would do nothing with its regards to its EMS services, and;

WHEREAS, a committee would be established consisting of the city and county managers, the city's mayor, two city council members and two county commissioners to come to a proposed agreeable conclusion on EMS contract services by the City of Washington, and;

NOW, THEREFORE BE IT RESOVED that the revised date for the City of Washington to turn over EMS services provided by the city and under contract with the county is July 01, 2017 or such other dates as may be approved by City Council and County Commissioners and two (2) members of City Council are to serve on the committee with the county are as follows: City Councilperson Doug Mercer and City Councilperson Richard Brooks.

ADOPTED this the 11th day of April, 2016

Attest:

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

**s/Jay MacDonald Hodges,
Mayor**

PRESENTATION – CITY MANAGER'S RECOMMENDED FY 2016-2017 BUDGET

The City Manager presented the list of brainstorming ideas from the Council retreat held on April 9, 2016.

The top five priorities addressed at the retreat are as follows:

- New Police Station
- Decide where we want to be in 20 years
- Drainage throughout town
- Improve downtown area and keep it clean.
- Address aging infrastructure

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

APRIL 11, 2016

| Washington City Council: Retreat Brainstorming 4.9.16 | | | | | | |
|---|--------|---|-------------------|---|---|---|
| What are the most important issues/needs/opportunities facing the City of Washington over the next 3-5+ years ? | | | | | | |
| Total Points | Item # | Item | Individual points | | | |
| Listed by Points in Descending Order | | | | | | |
| 24 | 4 | Police station | 3 | 9 | 7 | 5 |
| 18 | 2 | Decide where we want to be 20 years from now, and how to get there | 9 | 8 | 1 | |
| 16 | 12 | Drainage throughout town | 7 | 4 | 5 | |
| 13 | 7 | Improve and enhance downtown area; clean up and keep it clean; improve appearance | 8 | 5 | | |
| 12 | 13 | Move forward with pool; make (funding) secure | 3 | 9 | | |
| 11 | 26 | Address aging infrastructure citywide but especially downtown | 5 | 6 | | |
| 10 | 9 | Infrastructure of City buildings; upkeep, remove if necessary | 6 | 4 | | |
| 10 | 32 | City Council set a positive tone so it carries over to employees | 3 | 7 | | |
| 9 | 1 | Define a vision for the City; tourism destination; in order to keep City as it is but better; to enhance City | 9 | | | |
| 9 | 10 | Streetscape and wayfinding implementation | 9 | | | |
| 8 | 3 | Jobs | 8 | | | |
| 8 | 5 | Parks and recreation; plan for BB Park; participation; Havens Garden | 8 | | | |
| 8 | 6 | Once vision is set, energize citizens for buy-in | 8 | | | |
| 8 | 14 | As we grow, have a vision for new roads, streets, etc.; 15th Street bypass | 7 | 1 | | |
| 8 | 25 | Continue to seek an investor to build a hotel downtown | 6 | 2 | | |
| 7 | 11 | Define what would make us a great destination and implement | 7 | | | |
| 7 | 34 | Move Senior Center to Susiegray McConnell Complex and/or find way for more parking at current center | 2 | 2 | 3 | |
| 6 | 27 | Expand vision for growth citywide to include some overlooked areas | 6 | | | |
| 6 | 29 | Continue to promote growth at the airport via facilities, etc. | 6 | | | |
| 5 | 16 | Schedule annual retreats to keep on-track | 5 | | | |
| 5 | 20 | Keep City finances in best shape they can be in | 1 | 4 | | |
| 4 | 17 | Look at maximizing services at best possible cost; consider, e.g. outsourcing | 4 | | | |
| 4 | 33 | Improve appearance of backs of downtown buildings used for murals, etc. | 4 | | | |
| 3 | 15 | Improve relationship with County Commissioners | 2 | 1 | | |
| 3 | 31 | Add an interactive water feature to children's park on waterfront | 3 | | | |
| 2 | 18 | Encourage City board members to be present and participate; not be absent | 2 | | | |
| 1 | 21 | Promote growth via voluntary annexation by offering superior services | 1 | | | |
| 0 | 8 | Keep City moving forward with adequate funding | | | | |
| 0 | 19 | Affordability to live in City and still maintain fees, finances, etc. | | | | |
| 0 | 22 | For City to be known as a top employer; a desired place to work | | | | |
| 0 | 23 | Build on our parks and recreation by expanding into soccer complex | | | | |
| 0 | 24 | Grocery store—Bridg St. and 3rd St.—downtown | | | | |
| 0 | 28 | Facilitate fuel on the waterfront (for boats) | | | | |
| 0 | 30 | Safer exhaust emissions on garbage trucks; safety hazard | | | | |
| 226 | | | | | | |

Changes in the budget:

- All City lights moved from Public Works Dept. to Electric Dept.
- All tree trimming within the City moved to Electric Dept.
- Airport subsidy moved to Economic Development
- Reduction of Civic Center subsidy by \$5,000 (reduced from \$40,000 to \$35,000)
- Civic Center moved to Economic Development
- One staff addition - Public Works Dept. to be funding by doing away with the Retail Strategies Agreement as well as the Façade Improvement Grant Program and use those funds to put into a position to work solely inside the Central Business District.
- General Fund Administration charge added to TDA and Civic Center
- Excluded Dectron unit for pool – which was an allocation of \$300,000+
- Cemetery subsidy was funded by an additional \$1.00 from the Electric Fund
- Vehicle Replacement Fund contribution at one full year included in budget
- Included 1% cost of living
- Included merit increase
- Health insurance had no increase
- Included 2 cent allocation for Police Dept.
- Increased water fees by 0.5%
- Increased sewer rates by 2%
- Increased Capital Fund Improvement by approximately \$257,000

*City Manager's Budget Message
Fiscal Year 2016-2017*

To: *The Honorable Mayor and Members of City Council*

Date: *April 11, 2016*

This annual budget is balanced and submitted in compliance with the North Carolina General Statutes 159 and the Local Government Budget and Fiscal Control Act. Implementation strategies were created by the proposed budget appropriations for projects selected by City Council. In addition, the adopted Mission Statement provided an overview for the city staff to be mindful of in developing the budget for City Council consideration. Three (3) general sections are contained in this budget. Financial documentation and narrative descriptions of the programs and services are contained in this section. The narrative portions of this section are provided in an attempt to help explain the purpose and function of the various departments and programs in order to better educate the reader about city services. Financial summaries, as well as line item details, are also given for the reader to review. The second section is a fee manual that describes the user fees in an attempt to recover some or all of the cost of services direct beneficiaries of the services, rather than the taxpayers. The third section contains information on the fifteen (15) General Fund and five (5) Enterprise Fund expansions proposed by departments and outside agencies. These are new and different program activities that expand the current level of services to the City of Washington citizens and taxpayers or requests from outside agencies for funding above the level provided to them by the City in the previous fiscal years.

GOALS

Our budget is a document containing projects and services paid for by tax dollars and other revenue sources to provide those essential public services granted by the enabling legislation in North Carolina for public purposes. Those services directed by City Council during the budget process and included in the recommended budget where possible are:

- *Minimize short-term financing for capital projects and instead use a "pay as you go" financing when appropriate, and;*
- *Create an environment for the organization where efforts to "spend down" during the fiscal year are discouraged by management, and;*
- *Provide for analysis of general government cost centers to identify where tax dollars are being spent for what services, and;*
- *Continue to rely on financial plans and recognized systems in the preparation of the budget, and;*
- *Provide conservative estimates for revenues and expenditures to avoid performance expectations that are unrealistic, and;*
- *General fund dollars and enterprise funds are to be reviewed to determine if adjustments are needed to be made in order to more appropriately recover the cost associated with individual programs or services and thus reduce the need of general fund dollars for those operations.*

The financial team for the city prepared this budget to meet these goals where ever possible. The propose FY 2016/17 budget maintains all City programs and services as directed by City Council.

However, the tax rate is recommended to increase by 2.0 cents per \$100 valuation. This is a 4% increase in the tax rate and moves the tax rate from 50 cents to 52 cents per \$100. The increase in the tax rate will be dedicated towards a new Police Station. The recommended 2.0 cent tax increase is equivalent to an additional \$20.00 in taxes on a home valued at \$100,000. The recommended budget also increases certain fees in the general fund and rates in the enterprise funds based on the review requested by City Council. On the annual budget process, it is imperative.

OVERVIEW OF THE BUDGET

The fiscal year for all municipalities in North Carolina begins on July 1st and ends on June 30th. The budget is divided into two separate categories, one for revenues collected and the other for services delivered.

- *General Fund-this fund is typical government fund, where all taxes and some "user" fees and intergovernmental transfers are used to provide basic governmental services, such as: garbage collection, street maintenance, fire and police protection, parks and recreation, library services, land use controls (zoning, subdivision, historic preservation) and administration.*

- *Enterprise Funds*-these funds are separate “self-supporting” dollars, commonly including all utility services and other functions where taxes are not generally used in its operations. The enterprise funds for the city are as follows:
 - Airport
 - Cemetery
 - Electric
 - Sewer
 - Solid Waste
 - Storm Water Management Fund
 - Water
- *Trust Funds*-these funds are primarily received from interest proceeds from investments maintained by the City for specific purposes, such as Cemetery and Library operations.
- *Grant Funds*-these dollars are restricted in their use and are typically used for ongoing projects. These projects are usually funded by grants from outside agencies and are short term operating expenditures. A budget ordinance is adopted for grant projects and are considered “active” until the close-out documentation is completed.
- *Special Revenue Funds*-these funds are restricted in purpose and designated by City Council and include such funds as a capital reserve fund.
- *Capital Project Funds*-these funds are similar to grant funds in that they are restricted for specific uses. They are normally used for specific capital improvement projects and the completion date can span over several budget years.
- *Internal Service Funds*-these funds are utilized by the City in managing services across the entire organization. An example of this fund is the City’s self-insured workers’ compensation program.

GENERAL FUND

The recommended General Fund budget for FY 16/17 is \$15,104,301. This amount \$192,515 or 1.3% is higher than last year. The reason for the increase is primarily associated with: the \$171,854 funding for a new Police Station, and \$73,799 to fund a COLA for our employees.

REVENUES

The recommended budget increased the ad valorem tax rate by \$.02 to \$.52 for each \$100 of assessed property valuation. The tax increase is to be used solely for the land acquisition and construction of a new Police Station. After one year the Police Station Capital Project Fund will have a balance of \$1.1 million and the \$.02 will service \$2.2 million of additional debt, at 15 years market interest rates. The proposed tax rate continues to include \$0.0198 designated for the Public Safety Capital Reserve Fund to service the debt of Fire Station #2.

Ad valorem taxes are projected to be 3% higher than the prior year due to the recommended tax increase for the proposed new Police Station.

Other Taxes and Licenses as a whole are projected to increase by approximately 4%. Sales tax revenues are projected to increase due to tax reform changes at the State level and local occupancy tax revenues are also trending upward. However the occupancy tax revenue is a pass through that goes to the Tourism Development Authority, minus a 3% administrative fee from the city, and given the fact that the continued loss of the privilege license tax proceeds keeps this revenue category generally flat.

Unrestricted Intergovernmental revenues are projected to increase by 8%, largely due to the utility franchise tax.

Permit and Fee Revenues are projected to be flat due to the continued slow recover of residential and commercial industries in Washington.

Restricted Intergovernmental revenues are projected to decrease by 13% largely due to the \$100,000 for the library contribution from the county that never materialized. However the revenue line item in this category is projected to be lower except revenue from the EMS contract, one with Beaufort County and the other Washington Park.

Sales and Services revenues are projected to increase 5% due to EMS collections.

Investment earning are projected to decrease by 8% due to the continued low interest rates in the investment market.

Miscellaneous revenues are projected to decrease by 19% based on FY16/17 current needs.

Transfers from revenues have a slight increase. It was the desire of City Council to again reduce the amount of the Electric Fund transfer this year, however due to substantial recurring loss of revenue from other sources, this transfer is recommended to increase to meet our obligations.

Administrative charges are recommended to increase by \$140,925. These charges are allocated to other funds in order to help pay for their share of resources use in the General Fund. Each Fund is assessed base on a specific metric that attempts to most accurately reflect its burden on the General Fund. The main driver for the projected increase is the sales and services of the Electric Fund. In addition, an administrative charge to the TDA and Civic Center has been introduced this year to recover our administrative support cost.

The recommended budget appropriates zero dollars in General Fund Balance or zero dollars of General Fund expenditures.

EXPENDITURES

Administrative Cost Centers-Expenditures in these cost centers have increase by \$217,386. The majority of the increases is due to capital expenses for \$63,296 contingency, \$73,779 COLA, and \$73,080 Municipal Building capital and maintenance. We collectively have to make a decision, this year on the future of the Municipal Building.

Other Cost Centers-Expenditures in these cost centers have increased. Both the Airport and Cemetery Funds will be increased to meet the anticipated expenses for operation and maintenance.

Public Safety Cost Centers-Expenditures have increased by \$241,534 or 3.6%. The largest increase in this category is related to \$370,181 Fire Department contribution to the vehicle replacement fund.

Cultural and Leisure Cost Center-Expenditures decreased over all by \$14,634 or .06%. The main driver of this decrease is associated with moving the Civic Center subsidy, maintenance, and insurance to Economic Development.

Outside Agencies-The funding for all outside agencies was held flat in the recommended budget. The City Council followed their past recommendations by reducing the amounts for each agency by 10% with the exception of the Zion Shelter.

ENTERPRISE FUNDS

Airport Fund-The airport recommended budget is \$692,902 whereas last year budget was \$506,589 and includes the following significant items:

- *A transfer will be made from the General Fund in the amount of \$118,656 whereas last year had no transfer from the General Fund to operate.*
- *Airport subsidy has been moved to Economic Development*

Cemetery Fund-The Cemetery Fund recommended budget is \$307,428 which is \$36,136 less than the previous year and includes the following significant items:

- *The cemetery subsidy has been funded with a \$1/account from the Electric Fund which introduces a “pay as you go” concept. Thus, no new bank financing would be required.*
- *A fee schedule change has been recommended to increase the cemetery lot fee by 5% and the payment will be made to the cemetery fund instead of the perpetual care fund.*

Electric Fund-The recommended budget is \$34,824,386 as opposed to \$38,123,992 last year which is less than \$3,229,606 or 8.7% less than the prior year.

- *No wholesale rate increase for this year, however a 6% reduction in residential, small general service, and church rates did occur last year and has continued in this budget cycle.*
- *An Electric transfer to the General Fund did occur and increased to \$908,723, whereas, last year the amount was \$654,281, which represents a \$254,442 increase over last year.*
- *Load management will reflect a change in the fee schedule for the up-coming years.*
- *City street lights has appeared in the Public Works budget but has now been transferred over to the Electric Fund.*
- *Tree trimming activities have been consolidated into the Electric Fund and will reflect an increase in funding.*

Water Fund-The Water Fund Budget is \$3,158,780 for this year as opposed to last year which was \$3,150,629 and represents an \$8,151 increase in this year budget.

- *We are recommending a 0.5% increase in the water rates to more accurately reflect the operating and maintenance cost for our system. This small percentage should narrow the gap on our expenses.*

Sewer Fund-The Sewer Fund budget is \$3,269,132 for this year whereas last year we had an approved amount for \$3,146,891. Thus, the amount increased in this budget is \$122,241.

- *A 2% increase is recommended to provide for the operation and maintenance for the sewer system.*

- *Sewer bonds were paid off last year and the only remaining expense is the State Revolving Loan debt program. Debt service is down to \$297,212/yr.*
- *Storm Water Management Fund recommended budget is \$894,003 for this year. Last year appropriation was \$772,761. This represents an increase of \$121,242. We completed the rate study and our recommendation is to increase the residential property by an additional \$.50 for all residential customers and a 50% increase in the commercial charge. Currently, our revenue is only paying down the debt service on the loan of \$500,751. Establishing the increase will allow the city to continue small storm water projects throughout the city.*

Solid Waste Fund-The Solid Waste Fund is budgeted at \$1,279,800 whereas last year the budgeted amount was \$1,300,300 which represents a decrease in the amount of \$20,500. The dollar a month increase from last year appears to have closed the gap. In addition, a position was eliminated because of retirement.

SUMMARY

During this budget process, the important message we are sending to our citizens and local businesses is the city staff appreciates them and we try every day to achieve our mission objective by providing municipal services at a reasonable price. In every organization there are challenges and for us, because we represent a very diverse work group, it has become even more important for us to maintain our skill levels along with our compensation plan. It is important that our salary compensation plan be updated and we need to begin that discussion on how to implement the plan this fiscal year. In addition, we need to seek funding to implement the plan successfully. Thus, our revenues must be increased or our service levels need to be reduced.

Matt Rauschenbach, our Chief Financial Officer, and Tammy Swindell, our new Assistant Finance Director, along with the Finance team did an excellent job this year in providing a functional document. We have changed the budget model this year for City Council to review, comment and make revisions, if necessary.

Once again our department managers did an outstanding job in analyzing and compiling the budget for this year and have completed their assignment in a timely manner. Our staff has seen three (3) department managers retire and replaced, and one organization structure change in Parks and Recreation. However, we have continued to provide those municipal services at the same level, as in the past, even though changes have occurred. Our work force are dedicated individuals and function well in difficult times. They continue to provide those necessary services at a reasonable cost. Therefore, I am very proud to be a part of their team and submit to you on their behalf a balanced budget.

APPROVE – BUILDING REUSE GRANT – 418 NORTH BROWN STREET

BACKGROUND AND FINDINGS: Metropolitan Housing and Community Development Corporation, Inc., proposes to start a call center that would provide 40 full time jobs complete with employee major medical health insurance. Metropolitan would be responsible through a contract with the call center. We further propose that a section of the building would be renovated to house the call operations center for the purpose herein described. The long range plan would be to create other jobs to enhance utilization. It will be the mission of Metropolitan contract Services to provide clients with top quality call center services 12 hours a day. Our plan will include business to business and business to customer services including both inbound and outbound calls. We will provide a wide range of call center services to include; generating sales leads, set appointments, market research and seminar and conference invitations.

PREVIOUS LEGISLATIVE ACTION

Metropolitan has worked with the City before on a number of projects that have all been successful including one that closed out for approximately \$500,000 in recent years. MHCDC purposes that the City of Washington to match the \$25,000 and we would take care of the \$475,000 match.

Councilmember Mercer noted that even though Rev. Moore was not present, the item is included in the agenda and it should be acted on it tonight.

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council authorized the City Manager to write a letter of support for submission of the grant application by Metropolitan. (*Building re-use grant for 418 North Brown Street Washington in the amount of \$500,000 from the department of commerce in conjunction with the City of Washington.*)

APPROVE – APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT

BACKGROUND AND FINDINGS: Previously the City of Washington has allowed the local non-profit the ability to partner with and use the Community Development Block Grant as a way to write down the cost of the land, infrastructure and paving of the total project needs. Metropolitan Housing & Community Development Corporation currently is in possession of the Certificate of Need that is only granted by the State of North Carolina. MHCDC intends to use the facility to support those who receive Medicaid or the poorest of the poor. In order to make this facility cash flow, the non-profit needs to find as much grant money as possible to write the total cost.

PREVIOUS LEGISLATIVE ACTION

The City of Washington has a rich history of working with and partnering with MHCDC to develop many housing facilities in and around the City of Washington. The Community Development Block Grant has allowed both the lower income City residents and the local non-profit to offer affordable housing to its clients. The Division of Commerce has a program that allows for the partnership to be a blessing to both parties.

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council authorized the City Manager to write a letter of support for submission of the grant application by Metropolitan. (*Community Development Block Grant for \$250,000 in support of the Water and Sewer infrastructure Grant to extend the Water and Sewer lines to the property. MHCDC would also like to pave the streets to the property.*)

ANY OTHER ITEMS FROM CITY MANAGER: NONE

ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:

NONE

Mayor Hodges made the following reassignments of Council liaisons:

- Mayor Pro tem Finnerty will be the TDA liaison.
- Mayor Hodges will be the Dock Advisory Board liaison.

CLOSED SESSION: UNDER NCGS § 143-318.11(A)(3) ATTORNEY/CLIENT PRIVILEGE AND (A)(6) PERSONNEL

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council entered into closed session under NCGS § 143-318.11 (A)(3) Attorney/Client Privilege and (A)(6) Personnel at 6:20pm.

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

ADJOURN

By motion of Councilmember Pitt, seconded by Councilmember Beeman, Council adjourned the meeting at 7:45pm until Monday, April 25, 2016 at 5:30pm in the Council Chambers at the Municipal Building.



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Mike Whaley, Purchasing Agent
Date: April 13, 2016
Subject: Declare Surplus/Authorize Electronic Auction of Vehicle through GovDeals
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council declare surplus and authorize the sale of the following vehicle through electronic auction using GovDeals.

BACKGROUND AND FINDINGS:

The purpose of the Council Action is to declare surplus the following vehicle and authorize the sale of this vehicle through electronic auction using GovDeals.

| <u>Vehicle #</u> | <u>Make/Model</u> | <u>Department</u> | <u>Serial Number</u> | <u>Odometer Reading</u> |
|------------------|-------------------------------|-------------------|----------------------|-------------------------|
| 608 | 1988 Chev. F700 Dump Truck | Electric Dept. | 1FDNK74P3JVA16595 | 83,580 |

PREVIOUS LEGISLATIVE ACTION:

FISCAL IMPACT:

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS:

City Manager Review: 1900 Concur _____ Recommend Denial _____ No Recommendation
4/19 Date



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director
Date: April 25, 2016
Subject: Adopt Library & Cemetery Trust Budget Ordinance Amendment
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council adopt a budget ordinance amendment for the library and cemetery trust funds.

BACKGROUND AND FINDINGS:

Interest earnings on the fund balance that is invested in these funds has outperformed the budget and subsequently requires adjustment.

PREVIOUS LEGISLATIVE ACTION

FY 2016 adopted budget

FISCAL IMPACT

___ Currently Budgeted X Requires additional appropriation ___ No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance Amendment

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2015-2016**

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

Section 1. That the Estimated Revenues in the Library Trust Fund be increased in the amount of \$200 in the account Interest Earned- Library Trust, account number 11-40-3831-0000.

Section 2. That the following account numbers in the Library Trust Fund appropriations budget be increased or decreased in the amounts indicated for anticipated interest income:

| | | |
|-----------------|-----------------------------|--------|
| 11-40-6300-9200 | Adm. Chrgs. to General Fund | \$ 200 |
|-----------------|-----------------------------|--------|

Section 3. That the Estimated Revenues in the Cemetery Trust Fund be increased in the amount of \$1,300 in the account Interest Earned- Cemetery Trust, account number 12-40-3831-0000.

Section 4. That the following account numbers in the Cemetery Trust Fund appropriations budget be increased or decreased in the amounts indicated for anticipated interest income:

| | | |
|-----------------|------------------------------|----------|
| 12-40-6400-9205 | Adm. Chrgs. to Cemetery Fund | \$ 1,300 |
|-----------------|------------------------------|----------|

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

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

Adopted this the 25th day of April, 2016.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director
Date: April 25, 2016
Subject: Adopt Airport Terminal Grant Project Amendment
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council adopt a budget amendment for the Airport Terminal Grant Project Fund

BACKGROUND AND FINDINGS:

Project is complete. Additional revenue for interest earned and City contribution needs to be appropriated so that the residual equity (\$30,063.61) can be transferred back to the General Fund.

PREVIOUS LEGISLATIVE ACTION

FY 2016 Budget

FISCAL IMPACT

___ Currently Budgeted X Requires additional appropriation ___ No Fiscal Impact

SUPPORTING DOCUMENTS

Grant Project Amendment

City Manager Review: MRL Concur ___ Recommend Denial ___ No Recommendation
 4/29 Date

**AN ORDINANCE TO AMEND THE GRANT PROJECT ORDINANCE FOR THE
AIRPORT TERMINAL GRANT
CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2015-2016**

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

Section 1. That the following appropriation accounts in the Airport Terminal Grant project be increased by the following amounts to reflect the actual revenue received:

| | | |
|-----------------|-------------------|------------|
| 66-90-3352-0000 | City Contribution | \$ 385 |
| 66-90-3831-0000 | Interest Earned | <u>804</u> |
| | Total | \$1,189 |

Section 2. That the following revenue accounts in the Airport Terminal Grant project be increased by the following amounts:

| | | |
|-----------------|--------------------------------|-----------------|
| 66-90-4530-9910 | Residual Equity Transfer to GF | \$30,067 |
| 66-90-4530-0400 | Professional Services | (20,800) |
| 66-90-4530-4500 | Construction | <u>(8,078)</u> |
| | Total | \$1,189 |

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 25th day of April, 2016.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: April 25, 2016
Subject: Approval of PO's > \$20,000
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council approve the \$26,150 purchase order to Southeastern Transformer Co. for a backup transformer for the Stanadyne plant

BACKGROUND AND FINDINGS:

We do not currently have a backup transformer for the Stanadyne facility in inventory.

PREVIOUS LEGISLATIVE ACTION

FY 2016 adopted and amended budget

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Requisition

City Manager Review: MSL Concur _____ Recommend Denial _____ No Recommendation
4/19 Date

**Requisition Form
City Of Washington
P.O BOX 1988
WASHINGTON, NC 27889**

Requisition #: 1824
PO #: Not Assigned
User Name: mwhealey

Date: 4/12/2016
Approved By:
Approved Code:
Total Amount: \$26,150.00
Ship To: CITY OF WASHINGTON
WAREHOUSE

SOUTHEASTERN TRANSFORMER CO.
PO BOX 127
DUNN, NC 28335

Warehouse, Mike Whaley, 252-975-9308. Attn: Eric

| Quantity | Item Description | Project Number | Unit Price | Extended |
|----------|--|----------------|-------------|-------------|
| 1 | 2500 KVA Pad Mount Transformer, 34500Y/19900Y, 480/277 Volt, dead front, loop feed, bayonets, 10 hole spade, split taps, secondary height 48". Impedence 5.75. This unit is a back up unit for Stanadyne. Delivery 4 to 5 weeks. | | \$26,150.00 | \$26,150.00 |

| | |
|------------------|-------------|
| Sub Total | \$26,150.00 |
| Shipping | \$0.00 |
| Tax | \$0.00 |
| Total | \$26,150.00 |

| Account Number | Account Description | Amount |
|-----------------|---------------------|-------------|
| 35-90-1400-0000 | INVENTORY | \$26,150.00 |
| Total | | \$26,150.00 |

Requisition Approval History

| Approval Date | Approval Description | Approved by | PO Number |
|---------------|----------------------|-------------|-----------|
|---------------|----------------------|-------------|-----------|

Mayor
Mac Hodges

City Manager
Bobby Roberson



Washington City Council
Richard Brooks
Virginia Finnerty
Doug Mercer
Larry Beeman
William Pitt

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: April 25, 2016
Subject: Budget Transfer- General Fund

The Budget Officer transferred \$13,200 of funds between the Customer Service and Accounting departments of the General Fund appropriations budget to provide funds for the vacation pay off as a result of one retirement and one resignation.

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

PHL
4/19

Request for Transfer of Funds

Date: 04/18/2016

TO: City Manager or Finance Director
 FROM: Tammy Swindell
 SUBJECT: REQUEST FOR TRANSFER OF FUNDS

I hereby request the transfer of funds as set forth below from one account to another, all within the same appropriation fund account, as permitted and authorized by the General Statutes of North Carolina.

| | Department | Account Number | Object Classification | Amount |
|-------|------------------|-----------------|----------------------------------|----------|
| FROM: | Customer Service | 10-00-4135-0200 | Salaries | 7600.00 |
| | | 10-00-4135-0600 | Group Insurance | 5600.00 |
| TO: | Accounting | 10-00-4130-0200 | Telephone SALARIES | 13200.00 |

For the purpose of: To transfer funds to cover 2 employees that were paid off in the Accounting Dept. (1 retirement, 1 resignation).

Tammy Swindell
Supervisor

[Signature]
Department Head

ACTION OF CITY MANAGER OR FINANCE DIRECTOR

Approved:

Disapproved:

* Request for Transfer of Funds from Department to Department require City Manager's approval.

** Request for Intradepartmental Transfer of Funds require Finance Director approval.

[Signature]
City Manager or Finance Director

4/19/16
Date



HUMAN RELATIONS COUNCIL

**Human Relations Council (HRC) report for the month of April
Monday, April 25, 2016 City Council Meeting**

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

PRESENTATION: Former Board member Emma Howard – 11 yrs. & 5 months of service

SCHEDULED PUBLIC APPEARANCES: NONE

OLD BUSINESS:

Update – Historical Marker: Sub-committee member Griffin shared City Council had approved the application to be submitted to the North Carolina Highway Historical Marker Advisory Committee on March 28, 2016. The next step for the Human Relations Council will be to contact NCHHMAC members for their support.

Update – Fair Housing Forum: Sub-committee member Wilson voiced the forum had been scheduled for Tuesday, April 26, 2016 at the Civic Center from 6:30 pm – 8:00 pm. The sub-committee decided to go back to the original time slot to have more community involvement.

NEW BUSINESS: NONE

OTHER BUSINESS:

FYI – All FYI items and reminders were discussed inclusive of the March 8, 2016 report submitted to City Council and financial report.

OPEN DISCUSSION:

Lt. Chrismon reviewed the up-coming summer programs and also shared PAL will be sponsoring their two week summer program. Ms. Grimes stated football camp has been scheduled again this year and the date will be June 17th – 18th. National Night Out will be held on the 1st Tuesday in August (8-2-2016) from 6:00pm – 8:00pm.

Vice-chair Hawn inquired about what programs (if any) are being considered for at risk youth. Police is continuing to work with the Boys & Girls Club and Ms. Grimes suggested they will be revisiting a former program “Community Policing” to have individual contact. Vice-chair Hawn stated he manages a boat company and inquired if there would be any interest with youth learning how to build boats and maybe have a replica placed on the waterfront. The answer “yes” Chief Drakeford is always interested in any curricular activity that will benefit our youth.



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Bobby E. Roberson, City Manager
Date: April 25, 2016
Subject: Authorize Mayor to Execute Civic Center Lease
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council authorize the Mayor to execute the lease agreement for the Civic Center with the TDA.

BACKGROUND AND FINDINGS:

Current one year lease expires June 30, 2016. Proposed lease is for a three year term with automatic one year renewals, fixes the City subsidy at \$35,000/year, and includes a 50/50 profit sharing provision between the two entities based on the change in net assets as reported in the independent auditors report.

PREVIOUS LEGISLATIVE ACTION

FY 2016 Lease

FISCAL IMPACT

___ Currently Budgeted ___ Requires additional appropriation ___ No Fiscal Impact

SUPPORTING DOCUMENTS

Lease

City Manager Review: 1500 Concur ___ Recommend Denial ___ No Recommendation
4/19 Date

**NORTH CAROLINA
BEAUFORT COUNTY**

THIS LEASE AND MANAGEMENT AGREEMENT (“Lease”) is made and entered into as of the 1st day of July, 2016 by and between the **CITY OF WASHINGTON**, a body politic and corporate, existing under the laws of the State of North Carolina (“City”), and the **CITY OF WASHINGTON TOURISM DEVELOPMENT AUTHORITY**, a Public Authority under the Local Government Budget & Fiscal Control Act (“TDA”), (collectively may be referred to as the “Parties”).

WITNESSETH

WHEREAS, the TDA was organized and established under the authority of North Carolina House Bill 592, Chapter 158, as ratified in the 1991 Session of the General Assembly of North Carolina, as later amended, and the City Charter and Code.

WHEREAS, the TDA operates subject to the provisions contained in the bill above referred to, as amended, the City Charter as well as City Code, and pursuant to by-laws adopted by the TDA for the operation of the TDA and the transaction of its business.

WHEREAS, the TDA’s purpose is to promote travel and tourism – to advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, and engage in similar promotional activities that attract tourists or business travelers to the area.

WHEREAS, the TDA has the authority to spend money that, in the judgment of the TDA, is designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the City or to attract tourists or business travelers to the City.

WHEREAS, the TDA is authorized to contract with appropriate organizations or agencies to assist it in carrying out the above purposes.

WHEREAS, for the last ten (10) years the Parties have been party to Lease and Management Agreements, the most recent of which expires on June 30, 2016.

WHEREAS, the Parties have agreed to enter into this Lease whereby the City will continue to lease to the TDA the Washington Civic Center (“Civic Center”) as described in Exhibit A attached hereto in accordance with the terms and provisions of this Lease and the TDA will continue to manage the Civic Center.

NOW THEREFORE, in consideration of the rents hereinafter agreed to be paid, the mutual covenants and agreements hereinafter recited and for the benefit of the public and the citizens of the City and Beaufort County generally, the receipt and legal sufficiency of which consideration is hereby acknowledged, the City does hereby lease and demise unto the TDA and the TDA does hereby lease and take as tenant from the City those certain premises (hereinafter called the “Premises”) within the City and more particularly

described in Exhibit A attached hereto. Except as specifically provided for herein, the City reserves unto itself, the Pamlico-Tar River Foundation ("PTRF"), and the public generally the right to use the parking areas and driveways adjoining the Civic Center building. Notwithstanding the foregoing, the TDA shall have the right to reserve the parking spots located to the North of the Peterson Building for specific periods of time as may be necessary in conjunction with specific Civic Center events after appropriate consultation and notice to any parties potentially affected thereby, including the City.

The TDA has carefully inspected the Premises and acknowledges that the same is in satisfactory condition for its use. Except as may be specifically provided for hereinafter and for those certain improvements that may be specifically addressed hereinafter, the City shall have no obligation to make any improvements to the Premises whatsoever and the TDA agrees to accept the same in its present condition, "as is."

TO HAVE AND TO HOLD said Premises unto the TDA upon the following terms and conditions.

1. **TERM.** The term of this Lease shall be for a period of three (3) years and will begin as of the 1st day of July, 2016 and shall end at 12:00 o'clock midnight on the 30th day of June, 2019, subject to the provisions herein.
 - a. **AUTOMATIC RENEWAL.** The terms of this Lease shall automatically renew at the end of the initial term and subsequent renewals for successive one year terms unless either party provides at least three (3) months notice of its intent not to renew.
2. **RENT.** As consideration for the leasehold interest granted herein for this term, the TDA agrees to be responsible for all management and operations of the Civic Center, including supervision of all Civic Center staff as hereinafter defined.
3. **ALLOCATION BY THE CITY.** The City agrees to allocate \$35,000.00 as part of this Lease to assist in the operation of the Civic Center and, to that end, agrees to pay the TDA the sum of \$2,916.67 per month on or before the 10th of each month beginning as of the 10th day of July, 2016. During the City's budget process, TDA may make specific requests to address maintenance items other than those described in Section 13. Within its recognized budget constraints, the City will use its best efforts to provide funding to address such maintenance items.
4. **PROFIT SHARING.** On or before October 31st of each year beginning in 2017 the change in net position of the Civic Center as reported in the independent auditor's report will be shared equally between the City and the TDA whether a gain or loss.
5. **CIVIC CENTER STAFF.** The employment of the TDA Director and Civic Center staff, including the specifics of all relevant employment terms and

relationships, shall be governed by an Interlocal Agreement entered into between the Parties, which Interlocal Agreement is, or shall be, incorporated herein by reference as if fully set forth.

6. **PAMLICO-TAR RIVER FOUNDATION LEASE.** The present lease between the City and PTRF of the first floor entrance dedicated to PTRF, the stairway dedicated to PTRF, and the second story of that portion of the building commonly known as the Old Depot shall remain a direct lease between those entities and the TDA shall have no responsibility for the operation, maintenance, or liability associated with those premises so leased or any activities conducted thereon. The City may continue such lease as well as renew the same for so long as the City desires. However, in the event the lease between the City and PTRF is terminated and not renewed, then, in that event, the TDA shall have the right of first refusal to include such space within the property leased hereunder, unless the City decides to use this space for City purposes.
7. **DEFAULT.**
 - a. The occurrence of one or more of the following events (hereinafter called "Events of Default") shall constitute a default by the TDA:
 - 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 the TDA and
 - ii. Dissolution of the TDA.
 - b. The occurrence of one or more of the following events of default shall constitute a default by the City:
 - 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 the City.
8. **REMEDIES UPON DEFAULT.**
 - a. The City shall have the absolute right upon default by the TDA to enter the Premises without notice to vacate (any such right to which is hereby waived by the TDA) and re-let them, changing any and all locks on the Premises, all without being liable for forcible entry, trespass, or other tort.
 - b. The TDA shall have the absolute right upon default by the City to vacate the Premises, return all keys to the City and have no further obligation to manage and operate the Civic Center.
 - c. In the event either party shall exercise the above described remedies upon default, the TDA shall promptly deliver any and all of the TDA records, including bookings, necessary for the City to continue the management and operation of the Civic Center.
9. **WAIVER.** No course of dealing or any delay on the part of either party in exercising any rights it may have under this Lease shall operate as a waiver of any of its rights hereunder nor shall any waiver of any prior default operate as a waiver of any subsequent default or defaults and no express waiver shall affect

any condition, covenant, rule or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

10. **USE OF PREMISES.** The TDA shall use the Premises to further the purposes of the TDA as stated in its by-laws and for such purposes as may be associated with civic centers, comparable to similar communities and regional activities. The TDA shall be responsible for the entire management of said facility and shall have the right to establish reasonable regulations and policies, including any and all rates applicable to rent the same and for activities taking place within the same. The TDA shall be responsible for promoting said facility.
11. **DISCRIMINATION.** The TDA, in its use, improvement, or operation of the Premises and facilities of the Civic Center, 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.
12. **OWNERSHIP OF CONTENTS.** On July 1, 2006, the City conveyed the contents then located in the Civic Center to the TDA and presented the TDA with a Bill of Sale for the same. The Parties acknowledge that ownership of the contents located in the Civic Center at the expiration of the initial term, earlier termination, or expiration of any subsequent term shall revert to and/or become the property of the City without compensation therefor and as further consideration for this Lease. In this regard, the TDA shall present a Bill of Sale for the same to the City at such time.
13. **MAINTENANCE.** The City shall be responsible during the term of this Lease for major structural maintenance of the Civic Center structure and building including decking, flooring, roofing, HVAC, plumbing and electrical systems. The TDA shall be responsible for all other maintenance whatsoever in connection with said facility. Notwithstanding the foregoing, in the event a maintenance or repair issue or need arises, the TDA may contact the City Manager's office at the City concerning said issue or need and, if the City is capable of assisting the TDA in addressing the issue or need with minimal cost or manpower, in its sole discretion, the City will provide such assistance to the extent such assistance does not produce a major disruption in the City's normal operations as well as responsibilities and so long as such assistance is practicable. Nothing herein shall be construed to limit the TDA's maintenance obligation(s) as described herein. The City shall maintain the landscaping and parking areas in connection with its routine maintenance of the Peterson Building.
14. **ASSIGNMENT AND SUBLETTING.** The TDA shall not assign this Lease or sublet the Premises without the prior written consent of the City.

15. **UTILITIES AND OTHER SERVICES.** The TDA shall be responsible for and pay any and all charges for utilities as may be incurred on the Premises, including those above referenced premises leased to PTRF by the City, during the term of this Lease. The TDA shall not use or permit in the Premises any electrical device which, in the opinion of the electrical provider, will overload the building's electrical circuits.
- a. TDA shall reach an agreement with PTRF through which PTRF will contribute, or reimburse TDA for PTRF's share of utilities for so long as PTRF leases the second story of the Old Depot from the City. The City will include a similar contractual obligation in its lease with PTRF for the above reference premises leased by the City to PTRF.

16. **ALTERATIONS.** Other than routine improvements, repair and maintenance necessary to address ordinary, daily wear and tear, the TDA shall make no alterations, additions or improvements to the Premises without the prior written consent of the City. All alterations, additions and improvements made by, for or at the direction of the TDA shall become the property of the City 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. The TDA 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 the TDA hereunder and shall keep the Premises free and clear from any and all such liens or charges.

Upon reasonable notice to the TDA, the City shall have the right, but not the obligation, to make alterations, additions, or improvements to the Premises and the same shall, when made, be the property of the City and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of this Lease.

17. **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 the City 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 the TDA, 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 the TDA, for any purpose which the City 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 the TDA, 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 the TDA, to abate any condition which constitutes a violation of any covenant or condition of this Lease.

18. **USAGE BY AND RATE FOR THE CITY.** The TDA agrees to allow any appropriate individual, group, or entity of the City to use the Premises as long as the same is not already reserved. Any such use by the City or its affiliates shall be consistent with the policies and procedures established by the TDA. The TDA agrees, as part of its rate structure, to provide a special rate for use by any appropriate individual, group, or entity of the City, which special rate shall not exceed 33% of the then current, full rate charged to other users of the Premises.
19. **INDEMNIFICATION OF THE CITY.** The TDA agrees to indemnify and defend the City and to save harmless the City, and the tenants, licensees, invitees, agents, servants and employees of the City against and from any and all claims by or on behalf of any person, firm or corporation arising by reason of injury to person or property occurring on the Premises or in the building occasioned in whole or in part by any act or omission on the part of the TDA or any employee, representative, agent, assignee or subtenant of the TDA, including any individuals who are actually City employees but who regularly perform functions for or duties assigned by the TDA such as the TDA Director and TDA staff or by reason of any unlawful use of the Premises or by reason of any breach, violation or non-performance of any covenant in this Lease on the part of the TDA to be observed or performed, and also by reason of any matter or thing growing out of the occupancy or use of the Premises by the TDA or any one holding under the TDA. The TDA agrees to pay the City promptly for all damage to the Premises or the building, which is not covered by insurance, and for all damage to tenants or occupants caused by the TDA's misuse or neglect of the Premises or the building or of its or their apparatus and appurtenances and the TDA agrees in any event to reimburse and compensate the City as additional rent within five (5) days of rendition of any statement to the TDA by the City for expenditures made by the City or for fines sustained or incurred by the City due to non-performance or non-compliance with or breach of or failure to observe any term, covenant or condition of this Lease upon the TDA's part to be kept, observed, performed or complied with.

The City shall not be liable to the TDA for any damage by or from any act or negligence of any co-tenant or other occupant of the building or by any owner or occupant of adjoining or contiguous property. Neither the City nor its agents shall be liable to the TDA or to any person, firm or corporation claiming through or under the TDA for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, glass, electricity, water, rain or snow or leaks from any part of the building or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatever nature, unless caused by or due to proven acts of negligence of the City. The City shall not be liable to the TDA or to any person, firm or corporation claiming through or under the TDA for any latent defect in the Premises or in the building.

20. **INDEMNIFICATION OF THE TDA.** The City agrees to indemnify and defend the TDA and to save harmless the TDA, including all tenants, licensees, invitees, agents, servants, and employees of the TDA against and from any and all claims by or on behalf of any person, firm or corporation arising by reason of the City's negligent failure to adequately perform major structural maintenance of the Civic Center structure and building, including decking, roofing, flooring, HVAC, plumbing, and electrical systems. The indemnification provisions of this Section 20 shall not apply to any condition unless and until the TDA provides the City written notice that major structural maintenance is required for the Civic Center structure and building, including decking, roofing, flooring, HVAC, plumbing, and electrical systems.

21. **INSURANCE AND INSURANCE RATES.** Throughout the term of this Lease, City 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 the City. Throughout the term of this Lease, the TDA 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. Throughout the term of this Lease, the TDA shall carry public liability insurance insuring against all liability of the TDA and its authorized representatives including any liability whatsoever caused by any accident or other occurrence causing bodily injury or property damage to any person or property and arising out of and in connection with the TDA's use or occupancy of the Premises, such insurance to be written by insurance companies and in amounts satisfactory to the City. The TDA hereby waives any claim, right of action, or subrogation which it may have against the City for any loss or damage covered by such insurance.

The TDA shall not do or cause to be done or permit on the Premises anything deemed extra hazardous and the TDA 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 the TDA or its agents, servants or employees, the premium rate for any kind of insurance in effect on the Premises shall be raised, the TDA shall pay the City on demand the amount of any such increase in premium. If the City demands that the TDA remedy the condition which caused any such increase in an insurance premium rate, the TDA shall remedy such condition within five (5) days after receipt of such demand.

22. **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, the City within twenty (20) days of such fire or casualty or of receipt of written notice from the TDA of such damage (whichever shall last occur) shall have the right to either 1) serve written notice upon the TDA of the City's intent to repair said damage or 2) if said damage renders so

much of the Premises untenable [in excess of fifty percent (50%) of the value of the premises] that repair would not be feasible, or if said damage shall have been occasioned by the act or omission of the TDA, its servants, agents, members or employees, serve written notice upon the TDA that this Lease is terminated, provided, however, that the City shall not so terminate this Lease unless such repairs cannot be made within a period of sixty (60) days or unless at the time such notice is given there remains less than one hundred eighty (180) days during the unexpired current term of this Lease. If the City shall elect to repair such damage, such repairs shall be commenced within fifteen (15) days of notice to the TDA of such election and such repairs shall be completed within one hundred eighty (180) days of notice to the TDA of such election.

The other provision of this Section 22 notwithstanding, the City shall have no obligation to replace or repair any property in the building or on the Premises belonging to the TDA or to anyone claiming through or under the TDA nor shall the City have any obligation hereunder to replace or repair any property on the Premises which the City shall have the right to require the TDA to remove from the Premises or any alteration, addition or improvement made to the Premises by, for or at the direction of the TDA.

23. **QUIET ENJOYMENT.** The City agrees that the TDA, upon performing all the terms and conditions of this Lease, shall quietly have, hold and enjoy the Premises for the term aforesaid.

24. **NOTICES.** If to the TDA as follows:

Washington Tourism Development Authority
P.O. Box 1765
Washington, NC 27889

As to the City:

Attn: City Manager
City of Washington
P.O. Box 1988
Washington, NC 27889

With copy to:

Franz F. Holscher
Rodman, Holscher, Francisco & Peck, P.A.
P. O. Box 1747
Washington, NC 27889

25. **INTEGRATION AND BINDING EFFECT.** The entire agreement, intent and understanding between the City and the TDA is contained in the provisions of this

Lease and any stipulations, representations, promises or agreements, written or oral, made prior to or contemporaneously with this Lease shall have no legal or equitable effect or consequence unless reduced to writing herein. This Lease shall be governed by and construed pursuant to the laws of the State of North Carolina.

26. **COMPLIANCE BY THE TDA WITH GOVERNMENTAL REGULATIONS.** The TDA shall comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties foreseen and unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Premises or any part thereof, or any of the adjoining property, or any use or condition of the Premises or any part thereof. The TDA shall comply with any and all local, State, Federal or other rules and regulations as well as all applicable environmental rules and regulations. In the performance of any acts required of or permitted by the TDA under any provision of this Lease, the TDA shall obey and comply with all lawful requirements, rules, regulations, and ordinances of all legally constituted authorities, existing at any time during the continuance of such performance, in any way affecting the Premises or the use of the Premises by the TDA, including but not limited to all wetland regulations, CAMA regulations, or other governmental setbacks. Such compliance shall include compliance by the TDA with requirements of the Occupational Safety and Health Act, and all amendments thereto, as the same applies to the TDA's use of the Premises.

(Signatures On Following Page)

IN WITNESS WHEREOF, the TDA has caused this Lease to be signed by its Chairperson and the City has caused this Lease to be signed by its Mayor by authority duly given as of the day and year first written above.

PRE-AUDIT CERTIFICATE
CITY OF WASHINGTON

This Agreement has been pre-audited pursuant to N.C.G.S. § 159-28 in the manner required by the Local Government Budget and Fiscal Control Act.

Matt Rauschenbach, Chief Financial Officer
City of Washington

PRE-AUDIT CERTIFICATE
WASHINGTON TOURISM DEVELOPMENT AUTHORITY

This Agreement has been pre-audited pursuant to N.C.G.S. § 159-28 in the manner required by the Local Government Budget and Fiscal Control Act.

Neil Woolard
Treasurer

ATTEST:

CITY OF WASHINGTON

By: _____ (SEAL)
Cynthia S. Bennett, City Clerk

By: _____ (SEAL)
Jay MacDonald Hodges, Mayor

**WASHINGTON TOURISM
DEVELOPMENT AUTHORITY**

By: _____ (SEAL)
William Zachman, Chairperson

**NORTH CAROLINA
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid, hereby certifies that WILLIAM ZACHMAN personally appeared before me this day, and being duly sworn by me, acknowledged that she is Chairperson of the WASHINGTON TOURISM DEVELOPMENT AUTHORITY, and that by authority duly given and as the act of the Board the foregoing instrument was signed by her.

Witness my hand and notary seal this _____ day of _____ 2016.

Notary Public
My Commission expires: _____

**NORTH CAROLINA
BEAUFORT COUNTY**

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 by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by MAC HODGES, its Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

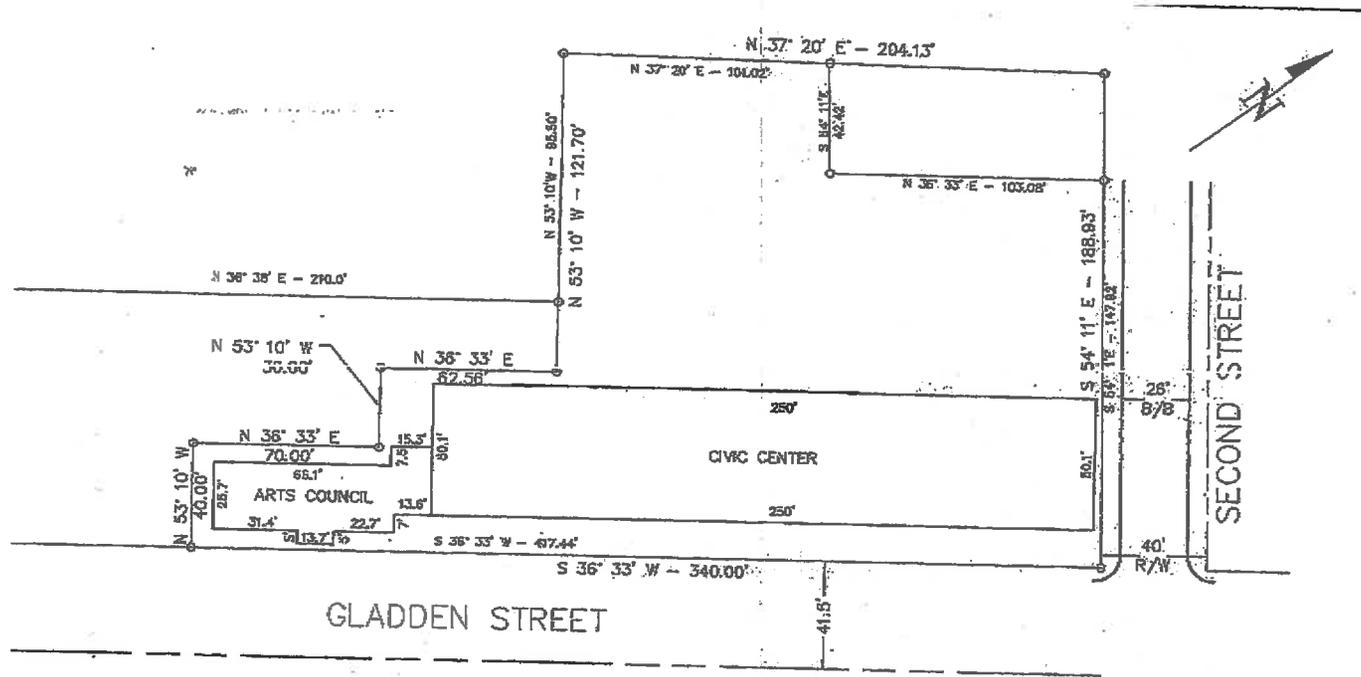
Witness my hand and notary seal this _____ day of _____ 2016.

Notary Public
My Commission expires: _____

EXHIBIT "A"

BEGINNING at the intersection of the right-of-way lines in the southwest quadrant of the intersection of Gladden Street and West Second Street; thence from said beginning point so located, along the west side of the right-of-way of Gladden Street, South 36° 33' West 340 feet; thence leaving the sideline of Gladden Street and running North 53° 10' West 40 feet; thence North 36° 33' East 70 feet; thence North 53° 10' West 30 feet; thence North 36° 33' East 62.56 feet; thence North 53° 10' West 121.70 feet; thence North 37° 20' East 204.13 feet to the sideline of Second Street; thence with Second Street South 54° 11' East 188.93 feet to the point of beginning as shown on the attached map prepared by the Public Works Department of the City of Washington.

SAVING AND EXCEPTING, HOWEVER, that portion of the above described property leased to PTRF, including the existing PTRF dedicated first floor entrance, the existing PTRF dedicated stairway, and the second floor of a portion of the premises commonly known as Old Depot as depicted on the attached map as "Arts Council".



| | |
|---|-----------------|
| CIVIC CENTER SITE PLAN | |
| SCALE 1"=50' | CITY WASHINGTON |
| DATE 7/17/08 | COUNTY BEAUFORT |
| CITY OF WASHINGTON PUBLIC WORKS DEPARTMENT 102 E. 2ND ST., WASHINGTON, N.C. 27889 | |



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: David Carraway, Network Administrator
Date: April 19, 2016
Subject: IT Managed Services Agreement
Applicant Presentation: N/A
Staff Presentation: David Carraway

RECOMMENDATION:

I move that City Council authorize the City Manager to enter into an IT managed services agreement with the SoundSide Group.

BACKGROUND AND FINDINGS:

The SoundSide Group has been providing managed services for the City's IT systems for the past two and one half years. We have been pleased with their service. The current agreement expires June 30, 2016. The new agreement includes an additional day of onsite support each month and the new VOIP phone system.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Copy of Agreement

City Manager Review: Concur Recommend Denial No Recommendation
4/19 Date

City of Washington

Prepaid Hours Agreement Signature Page

This agreement consists of this signature page and the attached Terms and Conditions document.

This agreement is the complete agreement between the parties hereto concerning the subject matter of service and maintenance and replaces any prior oral or written agreements between the parties. There are no conditions, understandings, agreements, representations, or warranties, expressed or implied, which are not specified herein. This agreement may only be modified by a written document executed by the parties hereto.

Billing Information: **\$4500 per month**
Contract Hours: **Up to 50 hours per month**
Effective Date: **07/01/2016**
Expiration Date: **06/30/2018**

Authorized Signature: *Alice Winslow*
Printed Name: Alice Winslow
Title: President
Date: 04/12/2016
Company Name: The SoundSide Group

City of Washington

Prepaid Hours Agreement Terms and Conditions

Project Definition:

Perform network documentation, troubleshooting and problem resolution for the existing network. VoIP systems are considered to be part of the network. Labor for adding new and or making configuration changes to phones along with general maintenance (software and/or firmware) are included.

Perform assessments, security audits, server upgrades, configuration changes, documentation and problem resolution.

Provide PC support (hardware and software) for your environment. The PC support can be used for setups, upgrades, resolving problems or basic PC education and user assistance.

This prepaid hour's agreement includes up to 50 hours of support per month at \$90/hour during normal working hours. Additional support time can be purchased on an hourly basis at \$90/hour for normal working hours. Night, weekend, or holiday work will be at a rate of \$130/hour. Major projects will have labor attached and will follow the same rates as stated above - \$90/hour for normal business hours and \$130 outside of normal business hours. If prepaid hours are available they can be used for the major projects.

Monitoring remotely will be done daily to save on hours used.

Hours not used in the current fiscal year are non-transferrable (do not roll over to a new PHA).

A report of hours used against the contract will be produced monthly or as needed by customer.

Priority Response:

Client determines the criticality of the call. If client classifies the problem as critical, we will return the call within a 2-hour period and devise a plan for resolving the problem ASAP. If other non-prepaid calls are pending, they are delayed while your service call is scheduled and completed. If client classifies the issue as non-critical, these calls will be answered within 24 hours. For low priority calls, you may leave a message at The SoundSide Group office at 877-774-9774. You may also email low priority calls to support@soundsidegroup.com.

Term:

This prepaid agreement shall remain in effect from the "Effective Date" to the "Expiration Date" indicated on the Signature Page. Thereafter, the agreement shall renew automatically for one (1) year terms at a 3% increase over the current rate unless either party terminates this agreement by giving written notice to the other party with at least thirty (30) days' notice before the end of the initial term or any renewal term.

Not Included:

Software used for upgrades, non-warranty parts used for repairs/enhancements, cabling, manufacturer defined consumables, and in-home PC repair are not included and will be billed separately when utilized. Non-covered items will be assigned a project ID with a Purchase Order associated with it. Additionally, while SoundSide Group will make every effort to prevent data loss, SoundSide Group will not be held liable for any data loss suffered by client.

Prohibition against Hiring:

During the term of this prepaid agreement, and for a period of 12 months following the expiration of this agreement, the customer shall be prohibited from hiring any employee of SoundSide without SoundSide's consent. The parties agree that the violation of this provision will cause irreparable damage to SoundSide, the amount of which is difficult to ascertain. As such, the parties agree that this provision may be enforced by equitable remedies, including restraining orders, preliminary and permanent injunctions.

Scheduling:

The agreement shall be until the end of the term. Normal work hours will be 8:30 am to 5:00 pm., local time, Monday through Friday, excluding SoundSide Group observed holidays.



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Bobby E. Roberson, City Manager
Date: April 25, 2016
Subject: Authorize City Manager to Enter into Lease with Sound Rivers
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council authorize the City Manager to enter into a lease with Sound Rivers Inc.

BACKGROUND AND FINDINGS:

The current lease with Sound Rivers expires June 30, 2016. There are no changes in the lease renewal other than the addition of an automatic renewal provision.

PREVIOUS LEGISLATIVE ACTION

FY 2016 Lease

FISCAL IMPACT

___ Currently Budgeted ___ Requires additional appropriation ___ No Fiscal Impact

SUPPORTING DOCUMENTS

Lease

City Manager Review: BR Concur ___ Recommend Denial ___ No Recommendation
4/19 Date

**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, 2016, 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 1st day of July, 2016 and shall continue on a month by month basis until the 30th day of June, 2017, 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. **Automatic Renewal.** The terms of this lease shall automatically renew at the end of the initial term and subsequent renewals unless either party provides written notice of intent not to renew within 60 days of expiration.

5. **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.

6. **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.

7. **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.

8. **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.

9. **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.

10. **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.

11. **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.

12. **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.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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

applicable environmental rules and regulations, including but not limited to such rules and regulations regulating hazardous or similar substances or conditions, their storage or disposal. 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.

20. **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.

21. **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.

22. **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.

23. **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.

24. **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.

25. **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.

26. **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.

27. **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, 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: April 25, 2016
Subject: Authorize City Manager to Execute Amendment to EMS MC Billing Contract
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council authorize the City Manager to execute an amendment to the EMS billing & collection contract.

BACKGROUND AND FINDINGS:

The current contract was entered into in 2010. The contract rate of 7.5% of collections was subsequently reduced to 7.25% upon achievement of specified metrics. The amendment extends the contract three years with an automatic renewal provision at a reduced collection fee of 6.95%. Cost savings of \$2,100/year will result.

PREVIOUS LEGISLATIVE ACTION

Contract executed in 2010

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Current Agreement
Amendment

City Manager Review: 1306 Concur Recommend Denial No Recommendation
4/19 Date

Amendment

THIS FIRST AMENDMENT TO AGREEMENT entered into the 31st day of March 2016, by and between City of Washington (hereinafter "Client") and EMS MANAGEMENT & CONSULTANTS, INC., a North Carolina Corporation, the address of which is PO Box 863, Lewisville, North Carolina, 27023 (hereinafter "contractor")

WITNESSETH:

WHEREAS, the parties entered into a Billing Services Agreement dated April 1, 2010 whereby the contractor agreed to provide billing and collection services for the Client.

WHEREAS, now the parties wish to amend the Agreement to clarify the terms pertaining to:

1. Compensation Rate Decrease
2. Term of Agreement Extension

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereby agree as follows:

ITEM ONE: Amend the Agreement Section 2. (a.) Compensation of EMS|MC and replace it in its entirety:

(a.) Compensation of EMS|MC.

Client shall pay a fee for the services of EMS|MC hereunder, on a monthly basis, in an amount equal to 6.95% percent of "Net Collections" as defined below (the "Compensation") or a minimum of \$100.00, whichever is greater. Net Collections shall mean all cash and check amounts including electronic fund transfers (EFT's) received by EMS|MC from payers, patients, attorney's offices, court settlements, collection agencies, government institutions, group health insurance plans, private payments, credit cards, healthcare facilities or any person or entity submitting funds on a patient's account, OR any amounts paid directly to the Client with or without the knowledge of EMS|MC that are paid, tendered, received or collected each month for Client's transports, less refunds processed or any other necessary adjustments to those amounts. Net Collections is not defined to mean any single non-insurance payments or time of service payments made directly to the Client.

EMS|MC shall submit an invoice to Client by the 10th day of each month for the Compensation due to EMS|MC for the previous calendar month. The Compensation

amount reflected on the invoice shall be paid in full by the 20th day of the month in which the invoice is first presented to Client. Such amount shall be paid without offset unless

the calculation of the amount is disputed, in which case Client shall pay the undisputed amount and shall provide EMS|MC with detailed written notice of the basis for the disputed portion no later than the time payment is normally due. All invoices are to be paid directly from Client's banking institution to EMS|MC via paper check, direct deposit or ACH draft initiated by EMSMC into EMS|MC's bank account.

In the event of a material change to the billing process and/or scope of services provided in this Agreement or a significant difference in the original patient demographics provided by Client, EMS|MC reserves the right to, in good faith, negotiate a fee change with Client and amend this Agreement.

EMS|MC will immediately cease to process claims for Client should the outstanding balance owed to EMS|MC become in arrears for a reason that is not justified. This determination will be at the sole and absolute discretion of EMS|MC. Claims processing will not resume until all outstanding balances are paid in full or arrangements approved by EMS|MC have been made to wholly resolve any outstanding balances.

FEES and CHARGES – A one-time late fee of 5% shall be added to any invoices that remain unpaid by the 25th day of the calendar month in which such invoice is first presented to Client. Interest shall begin to accrue on all unpaid balances starting thirty (30) days after presentment of said invoice for any unpaid balances at the rate of 1½% per month. Client shall be responsible for all costs of collection incurred by EMS|MC or others in attempting to collect any amounts due from Client under this Agreement, including, but not limited to, reasonable attorney fees.

ITEM TWO: Amend the Agreement Section 4. (a.) Term of Agreement and replace it in its entirety:

(a.) Term of Agreement.

This Agreement shall be effective upon execution and shall thereafter continue through March 31, 2019. This Agreement shall be binding upon the parties hereto and their respective successors, assigns, and transferees. The Agreement shall automatically renew on the same terms and conditions as stated herein, for successive one (1) year terms, unless either party gives written notice of intent not to renew at least 60 days before expiration of any term. Notwithstanding anything herein to the contrary, this Agreement may be terminated under the provisions provided below.

(i) **Termination for Cause.** Notwithstanding paragraph 4(a), this Agreement may be terminated by either party at any time for cause based on a material breach of a term or condition hereof by the other party which is not remedied by the other party within ten (10) days of written notice describing the breach in reasonable detail. "Cause" shall include the following:

- (1) Failure of Client to make timely payments due under this Agreement;
- (2) Any willful or reckless damage to property, business, reputation, or good will of the other party hereto;
- (3) Willful or reckless injury to any customer, independent contractor, employee or agent of the other party hereto;
- (4) Client's engagement of another billing services provider to provide services during the term of this Agreement;
- (5) If the County assumes operations of City of Washington EMS;
- (6) Harassment of any contractor or commitment of any act which otherwise creates an offensive work environment for contractors;
- (7) Inattention to or neglect of the duties to be performed by each party, which inattention or neglect is not the result of illness or accident;
- (8) Failure to practice in accordance with the appropriate policies, standards and procedures established by the respective parties;
- (9) Commitment of any unethical or immoral act which harms the other party or could have the effect of harming the other party; or
- (10) Any breach of any material provision of this Agreement.

No other terms or conditions of the above mentioned Agreement for Services shall be changed as a result of this Amendment.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment the day and year first written above.

EMS Management & Consultants, Inc.

City of Washington

By: Allan Logie

By: _____

Print Name: Allan Logie

Print Name: _____

Title: Chief Performance Officer

Title: _____

Date: 3.31.2016

Date: _____

BILLING SERVICES AGREEMENT

THIS BILLING SERVICES AGREEMENT (hereinafter "Agreement"), is entered into as of the 1st day of April, 2010 between EMS MANAGEMENT & CONSULTANTS, INC. (hereinafter "EMS|MC") and the City of Washington (hereinafter "Client").

WITNESSETH:

WHEREAS, EMS|MC is an ambulance billing service company with experience in providing medical billing and collection services to medical transport providers, including fire and rescue and emergency medical service ("EMS") providers; and

WHEREAS, Client is normally engaged in the business of providing billable emergency medical services (hereinafter "Services"), and billable medical transportation services (hereinafter "Transportation"); and

WHEREAS, Client wishes to retain EMS|MC to provide billing and collection services for said Services and Transportation and EMS|MC wishes to provide those services to Client, as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements described below and other good and valuable consideration, the receipt and legal sufficiency of which are acknowledged, the parties agree as follows.

1. ENGAGEMENT.

- (a) During the term of this Agreement, EMS|MC shall provide the routine billing, bill processing and fee collection services reasonably required and customary for service providers of similar size and situation to Client. These services shall include: (1) preparing and submitting initial and secondary claims and bills for Client to insurers and others responsible for payment; (2) performing reasonable and diligent routine collection efforts to secure payments from primary and secondary payors and patients or other entities; (3) issuing patient statements for all unpaid balances; and (4) referring accounts which have not been collected during the EMS|MC normal billing cycle to an outside collection agency if so directed by Client.
- (b) Accounts with outstanding balances after the insurance and/or third party payor has determined benefits due will be billed by EMS|MC to the patient. EMS|MC will send follow-up bills, except as to those accounts on which an insurance carrier or third-party

payor has accepted responsibility to pay. Once Client has submitted all necessary information, EMS|MC will bill all uninsured patients directly.

- (c) EMS|MC will provide Client with a monthly financial report within 10 business days of the last business day of the month. The report shall include both a monthly and year-to-date billing and collection summary, check register report and deposit tickets. EMS|MC shall provide appropriate storage and data back-up for all records pertaining to Client's bills and collections hereunder and make the same reasonably accessible to Client during reasonable business hours.
- (d) EMS|MC shall maintain records of all services performed and records of all financial transactions. EMS|MC shall retain all financial records not tendered or returned to Client on any termination hereof for at least seven (7) years or so long as may be required by applicable law, and retain all Medicare and Medicaid records for seven (7) years or so long as may be required by applicable law. EMS|MC will comply with all applicable State, Federal, local and administrative rules and regulations applicable to third party billers and collectors, including but not limited to such rules and regulations as pertain to the maintenance of patient files, financial records and related reports as well as documents and the confidentiality thereof. It is expressly understood that this obligation will survive the termination of this Agreement. If so requested by Client, EMS|MC shall provide Client with written guidelines or a policy and procedural manual specific to Client reflecting the current regulatory and procedural requirements applicable to Client as a service provider providing services to Medicare, Medicaid and other government funded program patients in the State of North Carolina. EMS|MC will work with the Client's designated management consultants to assist and support said consultants ("Consulting Services"). Under no circumstances will EMS|MC offer advice on any tax related or legal matters.
- (e) EMS|MC shall notify Client of all patient complaints regarding Client's Services and Transportation within five (5) business days of receipt and notify Client of all patient complaints about EMS|MC's services hereunder within ten (10) days of receipt. EMS|MC shall directly advise Client of any notices of audit, requests for medical records or other contacts or inquiries out of the normal course of business from representatives of Medicare, Medicaid or private payors, with which Client contracts ("Payor Inquiries"), and advise Client of any significant pattern of payor denials or downcodings for services billed by EMS|MC on Client's behalf ("Denial Patterns"). The Client will be notified of Payor Inquiries within ten (10) business days of EMS|MC's receipt of same.
- (f) EMS|MC is appointed and authorized to act as the agent of Client under this Agreement solely for the express purposes of this Agreement relating to billing and collecting

payments and mail, receiving and storing documents, and communicating with hospitals and other entities to facilitate its duties. EMS|MC will have no authority to pledge Client's credit, contract, alter account balances or fees unless to reflect proper payment or otherwise act on behalf of Client except as expressly set forth herein.

- (g) As to all payments received from Medicare, Medicaid and other government funded programs, the parties specifically acknowledge EMS|MC will only prepare claims for Client and will not negotiate checks payable to Client, or divert electronic fund transfers to Client, that are from Medicare, Medicaid or any other government funded program. All Medicare, Medicaid and any other government funded program payments, including all electronic fund transfers, will be deposited directly into a bank account designated by the Client to receive such payments and only Client, through its officers and directors, shall have access to such an account.
- (h) EMS|MC will pay, or reimburse Client for, the monthly cost of the base software package as set forth in and consistent with the then current emsCharts Service Agreement between Client and emsCharts, Inc., the relevant terms of which are incorporated herein by reference as if fully set forth. EMS|MC will pay, or reimburse Client for, any annual increase in said monthly cost of the base software package up to ten percent (10%). Any annual increase in said monthly cost of the base software package above ten percent (10%) will be borne by Client unless EMS|MC specifically agrees to pay for such increase.

2. COMPENSATION OF EMS|MC.

- (a) Year One. Client shall pay a fee for the services of EMS|MC hereunder, on a monthly basis, in an amount equal to seven and one half percent (7.5%) of "Net Collections" as defined below (the "Compensation"). Net Collections shall mean all cash and check amounts, including electronic fund transfers (EFT's), received by EMS|MC from payors, patients, attorney's offices, court settlements, collection agencies, government institutions, group health insurance plans, private payments, credit cards, healthcare facilities or any person or entity submitting funds on a patient's account, or any amounts paid directly to the Client with or without the knowledge of EMS|MC that are paid, tendered, received or collected each month for Client's Services and Transportation, less refunds processed or any other necessary adjustments to those amounts. Necessary adjustments shall include credit(s) for any portion of the Compensation that has been paid and is attributable to Net Collections that included a check or other payment that is not subsequently honored or otherwise credited to the account of Client. Notwithstanding anything contained herein to the contrary, the annual State Medicaid EMS reimbursement

or similar reimbursement shall not be included in Net Collections or in conjunction with said calculation of said Compensation.

- (b) EMS|MC and Client agree that fee from 4/01/2010 to 07/31/2011 will be maintained at 7.5% as outlined in section 2. Part A above. On 7/01/2011 the net revenue per transport will be calculated for dates of service of 06/01/2010 to 06/30/2010. If EMS|MC has attained revenue per transport of \$250 or greater, the fee will decrease one half of one percent to 7.25% as stated in the proposal document for the remainder of the contract term. If revenue per transport is \$249.99 or lower, the fee will be maintained at 7.5% for the remainder of the contract term.
- (c) EMS|MC shall submit an invoice to Client by the 10th day of each month for the Compensation due to EMS|MC for the previous calendar month. The Compensation amount reflected on the invoice shall be paid in full within the first thirty (30) days after such invoice is presented to Client. All invoices are to be paid directly from the Client's banking institution to EMS|MC via credit card, paper check or direct deposit to EMS|MC's bank account.
- (d) A one-time late fee of five percent (5%) shall be added to any invoice that remains unpaid thirty (30) days after such invoice is first presented to Client. Interest shall begin to accrue on all unpaid balances upon five (5) days written notice received by Client and at least thirty (30) days after presentment of said invoice at the rate of 1½% per month. Client shall be responsible for all reasonable costs of collection incurred by EMS|MC or others in attempting to collect amounts due from Client, including reasonable attorney fees.

3. RESPONSIBILITIES OF CLIENT.

- (a) Client will provide EMS|MC with complete demographic and charge information necessary for the processing of professional and/or technical component billing to third parties and/or patients, including the following: patient identification (name, address, phone number, birth date, gender); guarantor identification and address; insurance information; report of services; special claim forms; pre-authorization numbers; and such additional information as is requested by EMS|MC.
- (b) In addition, Client shall use its best efforts to provide complete medical record documentation to insure proper billing and secure claim payment; secure authorizations and signatures, including consent to treat, assignment of benefits and release of information; and physician certification statement ("PCS") forms for all non-emergency transports. Client will report to EMS|MC payments received directly by Client within ten

(10) business days and promptly notify EMS|MC of any cases known by Client to require special handling or billing. Client must provide Patient Care Reports (“PCR”) in a timely manner in order to achieve higher performance. Client will implement any reasonable changes that EMS|MC determines to be necessary for the accurate completion of billing forms and related documentation; execute all forms required by Medicare, Medicaid, CHAMPUS, and any other payor or insurance carrier to allow EMS|MC to carry out its billing and other duties under this Agreement; and maintain Client’s own files with all original or source documents, as required by law. Client acknowledges that EMS|MC is not the agent of Client for storage of source documentation. Client will provide EMS|MC with a copy of any existing billing policy manuals or guidelines, Medicare or Medicaid reports, or any other record or document related to services or billing of Client accounts.

- (c) In addition, Client is to provide EMS|MC with accurate medical records for each incident or patient service rendered for reimbursement [i.e. the Ambulance Call Report (“ACR”) or PCR]. The PCR record must thoroughly detail the patient’s full medical condition at the time of service and include a chronological narrative of all services and treatment rendered. The Client attests that, to the best of its knowledge, the PCR and any and all associated medical records, forms and certification statements provided to EMS|MC will be true and accurate and contain only factual information observed and documented by the attending field technician during the course of the treatment and transport.
- (d) Client will obtain any and all additional patient documentation required by Centers for Medicare and Medicaid Services (“CMS”) or any other governmental or commercial payor for reimbursement consideration, including but not limited to PCS or other similar medical necessity forms or prior authorization statements as deemed necessary by the payor.

4. TERM OF AGREEMENT.

- (a) This Agreement shall be effective as of April 1, 2010 and shall continue thereafter through March 31, 2013. The Agreement shall automatically renew on the same terms and conditions as stated herein, for successive one (1) year terms, unless either party gives written notice of intent not to renew at least one hundred twenty (120) days before the expiration of any term. It is expressly understood that the above referenced percentage upon which the above referenced fee for services rendered by EMS|MC is based shall continue to be subject each year to reassessment for possible reduction consistent with Section 2(b) hereof. Notwithstanding anything herein to the contrary and in addition to termination by notice as provided for herein, this Agreement may be terminated for cause or other cause, as further defined herein.

- (i) **Termination for Cause.** Notwithstanding paragraph 5(a), this Agreement may be terminated by either party at any time for cause based on a material breach of a term or condition hereof by the other party which is not remedied by the other party within thirty (30) days of written notice describing the breach in reasonable detail. "Cause" shall include the following:
- (1) Failure of Client to make timely payments due under this Agreement;
 - (2) Any willful damage to property, business, reputation, or good will of the other party hereto;
 - (3) Willful injury to any customer, independent contractor, employee or agent of the other party hereto;
 - (4) Solicitation of business on behalf of a competitor or potential competitor of the other party hereto;
 - (5) Harassment of any contractor or commitment of any act which otherwise creates an offensive work environment for contractors;
 - (6) Inattention to or neglect of the duties to be performed by each party, which inattention or neglect is not the result of illness or accident;
 - (7) Failure to practice in accordance with the appropriate policies, standards and procedures established by the respective parties;
 - (8) Commitment of any unethical or immoral act which disparages the other party or could have the effect of disparaging the other party; or
 - (9) Any breach of any material provision of this Agreement.
- (ii) **Other Cause.** Notwithstanding any other provision of this Agreement, this Agreement and the related Business Associate Agreement between the parties hereto, the terms of which Business Associate Agreement are incorporated herein by reference as if fully set forth, may be terminated by Client, in its sole discretion, if Client determines that EMS|MC has breached a material term or provision of said Business Associate Agreement pertaining to obligations under the HIPPA privacy or security rules, or if EMS|MC engages in conduct which, if committed by Client, would result in a material violation of the HIPPA privacy or security rules by Client.

5. RESPONSIBILITIES UPON TERMINATION.

- (a) Provided Client has paid all amounts due hereunder, upon any termination of this Agreement and during the period of any notice of termination, EMS|MC will make available to Client or its authorized representatives, paper and electronic tape copies of information regarding open accounts, including accounts referred to an outside collection agency, and non-proprietary information concerning payors and claims processing (all without additional charge except for the cost of blank electronic tape and reasonable copy charges), and will otherwise furnish reasonable cooperation and assistance in any transition to Client, or its successor billing agent.
- (b) Following termination of this Agreement and only upon the sole election of Client, for a period of ninety (90) days (the "Wind Down"), EMS|MC will continue its billing and collection efforts as to those accounts with dates of service prior to termination, subject to the terms and conditions of this Agreement, for the applicable fee set forth in Section 2. Client will continue to provide EMS|MC with copies of checks and payments on those accounts which were filed by EMS|MC under this Agreement. EMS|MC shall have no further responsibilities as to such accounts after termination or, if elected by Client, the Wind Down, whichever is later. However, EMS|MC shall be entitled to compensation as provided in Section 2 for such amounts filed by EMS|MC, regardless of whether such amounts are collected by Client during or after termination or, if elected by Client, the Wind Down period, whichever is later, and only so long as such amounts are received within ninety (90) days of the end of the Wind Down period, or ninety (90) days of termination in the event Client does not elect Wind Down following termination. In the event Client has an outstanding balance owed to EMS|MC which is more than forty-five (45) days in arrears at the time of termination, EMS|MC shall have no obligation to provide any services after the date of termination.

6. EXCLUSIVITY AND MISCELLANEOUS BILLING POLICIES.

- (a) This Agreement to provide billing and collection services is made with EMS|MC as Client's exclusive provider for all dates of service during the term hereof. The Client may not directly file, submit or invoice for any Services or Transportation rendered while this Agreement is in effect.
- (b) In addition, Client agrees not to collect or accept payment for Services or Transportation from any patient unless the Service or Transportation requested does not meet coverage requirements under any insurance program in which the patient is enrolled or the patient is uninsured. Payments received directly by Client for these Services or Transportation must be reported to EMS|MC as provided in paragraph 3(b) and shall be treated as Net Collections for the purposes of Section 2.

- (c) In compliance with CMS regulations, Client will not charge Medicare patients a higher rate or amount than is charged to other insurers or patients for identical, covered Services or Transportation. Accordingly, only one fee schedule shall exist and be used in determining charges for all patients, regardless of insurance coverage. Said schedule shall be subject to approval and change by the City Council of Client.
- (d) EMS|MC reserves the right not to submit a claim for reimbursement on any patient for whom the PCR and/or associated medical records are incomplete, appear to be inaccurate, or do not contain enough information to substantiate or justify reimbursement. The above reservation includes missing patient demographic information, insurance information, PCS or any required crew and/or patient signatures, or otherwise contradictory medical information. In the event EMS|MC exercises this right, it shall notify Client of the attendant circumstances, allow Client the opportunity to rectify the situation, and submit the claim if the attendant circumstances are rectified by Client.
- (e) Client shall implement and maintain a working compliance plan (“Compliance Plan”) in accordance with the most current guidelines of the U.S. Department of Health and Human Services (“HHS”). The Compliance Plan must include, but not be limited to, formal written policies, procedures and standards of conduct; the designation of a compliance officer; a quality assurance policy; and effective training and education programs. Client shall not be required to perform this obligation until EMS|MC shall first provide Client with a sample Compliance Plan that is generally applicable to Client and would be acceptable to EMC|MC.
- (f) In accordance with the HHS Office of Inspector General (“OIG”) Compliance Program Guidance for Third-Party Medical Billing Companies, EMS|MC is obligated to report misconduct to the government, if the billing company discovers credible evidence of the provider’s continued misconduct or flagrant, fraudulent or abusive conduct. In the event of such evidence, EMS|MC has the right to (a) refrain from submitting any false or inappropriate claims, (b) terminate the contract and/or (c) report the misconduct to the appropriate authorities.

7. RESTRICTIVE COVENANT.

Client agrees that both during the term of this Agreement and for a period beginning on the date of termination of this Agreement for any reason and ending three (3) years after the date of termination of this Agreement (the “Restricted Period”), Client shall not solicit or attempt to solicit, accept any work from or employ any of EMS|MC’s employees with whom Client had contact during the term of this Agreement, with the intent or purpose to receive from such employees the same or similar services which

EMS|MC performed for Client during the term of this Agreement. Client has carefully read and considered the provisions of this Section 7 hereof and, having done so, agrees that the restrictions set forth herein (including, but not limited to, the time period) are fair, reasonable and reasonably required for the protection of the legitimate interests of EMS|MC, its officers, directors, shareholders, and employees.

8. PRIVACY AND CONFIDENTIALITY.

All data and information furnished to EMS|MC by Client shall be regarded as confidential, shall remain the sole property of Client and shall be held in confidence and safekeeping by EMS|MC for the sole use of the parties and EMS|MC under the terms of this Agreement. EMS|MC agrees that, except as provided otherwise herein, its officers, employees and agents will not disclose to any person, firm or entity other than Client or Client's designated legal counsel, accountants or practice management consultants any information about Client, its practice or billing, or any of the patients of Client unless required to do so by Federal, State or local law enforcement authorities with jurisdiction and/or acting under the law and/or under court orders.

9. GENERAL.

- (a) **Status of Parties.** Nothing contained in this Agreement shall be construed as establishing a partnership or joint venture relationship between EMS|MC and Client. EMS|MC and its employees and representatives shall be independent contractors, solely responsible for its performance under this Agreement and shall have no legal authority to bind Client.
- (b) **Assignment.** Neither this Agreement nor any rights or obligations hereunder shall be assigned by either party without prior written consent of the other party.
- (c) **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, and legal representatives.
- (d) **Notices.** Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given on the date delivered personally or deposited in the United States Postal Service, certified mail, return receipt requested, with adequate postage affixed, addressed as follows:

Client:

Matt Rauschenbach, Chief Financial Officer/Assistant City Manager
City of Washington
P.O. Box 1988

Washington, NC 27889

EMS|MC:

EMS Management & Consultants, Inc.
4731 Commercial Park Ct., Ste. B.
Clemmons, NC 27006

With Copy to:

Karen M. Wilson
Wall Esleeck Babcock, LLP
1076 West Fourth Street
Winston Salem, NC 27101

Either party may change its address for notices under this Agreement by giving written notice of such change to the other party in accordance with the terms of this paragraph.

- (e) Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed and governed by the laws of the State of North Carolina and venue for any proceedings arising hereunder shall be in said state.
- (f) Integration of Terms. This instrument constitutes the entire agreement between the parties, and supersedes all prior negotiations, commitments, representations and undertakings of the parties with respect to its subject matter.
- (g) Amendment and Waiver. This Agreement may be amended or modified only by an instrument signed by all of the parties. A waiver of any provision of this Agreement must be in writing, designated as such, and signed by the party against whom enforcement of the waiver is sought. The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach thereof.
- (h) EMS|MC shall perform the obligations described in numbered paragraphs 10.1, 10.2, and 10.3 of that emsCharts Service Agreement by and between Customer and emsCharts, Inc., the terms of which paragraphs, as may be amended, are incorporated herein by reference and made applicable to EMS|MC.

10. INSURANCE.

EMS|MC shall, throughout the term of this Agreement and any renewal thereof, at its own expense, keep and maintain in full force and effect the following insurance coverages.

- (a) Statutory workers' compensation insurance with coverage and in amounts required by law and, unless exempted by applicable law, employer's liability insurance at a minimum of \$100,000.00 for accident each employee and \$100,000.00 for bodily injury by disease each employee, with a policy limit of \$500,000.00 by disease.
- (b) Commercial general liability insurance, including general aggregate, products/completed operations aggregate, personal and bodily injury, and advertising injury, coverage at a minimum of \$1 million per occurrence and \$1 million aggregate. Coverage shall be written on an occurrence basis. Said policy shall list Client as additional insured and provide that it is not subject to cancellation or reduction in coverage except after thirty (30) days following notice to Client.
- (c) Professional errors and omissions liability coverage at a minimum of \$1 million per claim and \$1 million aggregate.

EMS|MC shall deliver to Client certificates of insurance for all insurance policies required hereunder. EMS|MC shall, within a reasonable time prior to the expiration of any such policy, furnish Client with certificates of insurance evidencing renewal thereof. Client may, in its sole discretion, require EMS|MC to expand the form and/or increase the amounts of all such insurance.

11. WAIVER OF SUBROGATION.

EMS|MC releases and relieves Client and waives EMS|MC's entire rights of recovery against Client for loss or damage arising out of or incident to any matter insured against under this Agreement. EMS|MC shall give notice to its insurance carriers that this waiver of subrogation is contained in this Agreement and cause the carriers to accept this waiver of subrogation, to the extent permissible by applicable law.

12. INDEMNIFICATION AND HOLD HARMLESS.

EMS|MC does for itself, its agents, successors, assigns, customers, clients, guests and invitees, hereby unconditionally agree to protect, release, hold harmless, and will indemnify, defend, acquit, and forever discharge the Client, its respective present and former employees and elected officials, in both their individual and official capacities, agents, representatives, contractors, attorneys, insureds, successors, and assigns, and each of them, respectively, of and from all and any manner of action or actions, cause and causes of actions, claims, demands, costs, expenses, losses, penalties, attorney's' or other professional fees, and consequential, general, special, and punitive damages or liabilities, of every kind, known or unknown, on account of, arising from or in any way related to or

growing out of this Agreement, including but not limited to EMS|MC's services and performance hereunder. EMS|MC further agrees to investigate, handle, respond to, provide defenses for, and defend the same at its sole expense and agrees to bear all other costs and expenses related thereto.

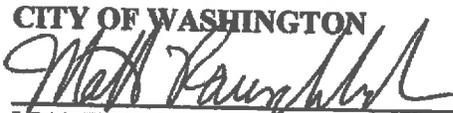
13. **ADHERENCE TO REGULATIONS.**

EMS|MC agrees to comply with all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or anytime hereafter may be applicable to the services contemplated hereby.

IN WITNESS WHEREOF, after due authority given, EMS|MC has caused this Agreement to be signed in its name by its President and attested by its Secretary, and Client has caused this Agreement to be signed in its name by its Manager and attested by its Clerk.

PRE-AUDIT CERTIFICATE

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

CITY OF WASHINGTON


MATT RAUSCHENBACH,
Chief Financial Officer/Assistant City Manager

(CORPORATE SEAL)

CITY OF WASHINGTON
a North Carolina municipal corporation

ATTEST:

Cynthia S. Bennett
CYNTHIA S. BENNETT, City Clerk

By: James C. Smith
JAMES C. SMITH, City Manager

(CORPORATE SEAL)

EMS MANAGEMENT &
CONSULTANTS, INC.
a North Carolina corporation

ATTEST:

J. Allen Logie
Name: J. Allen Logie
Secretary

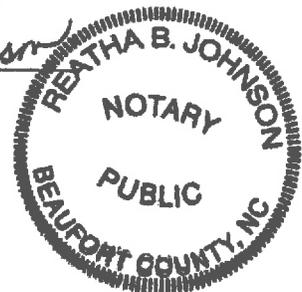
By: Philip Averett
PHILIP AVERETT, President

COUNTY OF BEAUFORT
STATE OF NORTH CAROLINA

I, Reatha B. Johnson, a Notary Public of the State and County aforesaid, certify that Cynthia S. Bennett personally appeared before me this day and acknowledged that she is City Clerk of the City Of Washington, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by James C. Smith, Jr., its Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the 28 day of June, 2010.

Reatha B. Johnson
NOTARY PUBLIC



My Commission expires: 12/14/14.

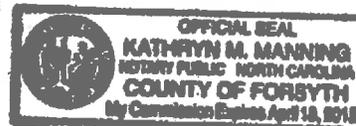
STATE OF NORTH CAROLINA
COUNTY OF Forsyth

I, Kathryn M. Manning, a Notary Public of the County and State aforesaid, certify that ~~Philip Averett~~ J. Allen Logie who is personally known by me or has produced satisfactory evidence of identity, appeared before me this day and acknowledged that he/she is Secretary of EMS Management & Consultants, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by Philip Averett, as its President.

WITNESS my hand and official seal, this the 15 day of June, 2010.

Kathryn M. Manning
NOTARY PUBLIC

My Commission expires: April 18, 2012.



BUSINESS ASSOCIATE AGREEMENT

This Agreement between the City of Washington (“CLIENT”) and EMS Management & Consultants, Inc. (“BILLING COMPANY”) is executed for the purpose of ensuring that BILLING COMPANY carries out its obligations to CLIENT in compliance with the privacy and security regulations pursuant to Public Law 104-191 of August 21, 1996, known as the Health Insurance Portability and Accountability Act of 1996, Subtitle F – Administrative Simplification, Sections 261, et seq., as amended (“HIPAA”).

This Agreement encompasses BILLING COMPANY’S assurance to protect the confidentiality, integrity, and security of any personally identifiable protected health information (“PHI”) that is collected, processed or learned as a result of the services provided to CLIENT by BILLING COMPANY, including any such information stored and transmitted electronically, referred to as electronic protected health information (“e-PHI”).

BILLING COMPANY agrees that it will, among other things that may be required of it:

1. Not use or further disclose PHI except as permitted under this Agreement or required by law;
2. Use appropriate and commercially reasonable safeguards to prevent use or disclosure of PHI except as permitted by this Agreement;
3. Work to mitigate, to the extent practicable, any harmful effect that is known to BILLING COMPANY of a use or disclosure of PHI by the BILLING COMPANY in violation of this Agreement;
4. Report to CLIENT any use or disclosure of PHI not provided for by this Agreement of which BILLING COMPANY becomes aware;
6. Require that any agents or subcontractors to whom BILLING COMPANY provides PHI, or who have access to PHI, agree to the same restrictions and conditions that apply to BILLING COMPANY with respect to such PHI;
7. Make PHI available to CLIENT and to the individual who has a right of access as required under HIPAA within 30 days of the request by Client to the individual;
8. Incorporate any amendments to PHI when notified to do so by CLIENT;
9. Provide an accounting of all uses or disclosures of PHI made by BILLING COMPANY as required under the HIPAA privacy rule within 60 days;

10. Make its internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of the Department of Health and Human Services for purposes of determining BILLING COMPANY's and CLIENT's compliance with HIPAA; and
11. At the termination of this Agreement, return or destroy all PHI received from, or created or received by BILLING COMPANY on behalf of CLIENT, and if return or destruction is not feasible, the protections of this Agreement will continue to extend to such PHI.

The specific uses and disclosures of PHI that may be made by BILLING COMPANY on behalf of CLIENT include:

1. The preparation of invoices to patients, carriers, insurers and others responsible for payment or reimbursement of the services provided by CLIENT to its patients;
2. The preparation of reminder notices and documents pertaining to collections of overdue accounts;
3. The submission of supporting documentation to carriers, insurers and other payors to substantiate the health care services provided by CLIENT to its patients or to appeal denials of payment for same;
4. The uses required for the proper management of the BILLING COMPANY as a business associate; and
5. Other uses or disclosures of PHI as permitted by HIPAA Privacy Rule.

BILLING COMPANY agrees to assume the following obligations regarding electronic Protected Health Information (e-PHI):

1. BILLING COMPANY agrees to implement commercially reasonable administrative, physical and technical safeguards designed to protect the confidentiality, integrity and availability of the e-PHI that it creates, receives, maintains or transmits on behalf of CLIENT;
2. BILLING COMPANY will require that any agent, including a subcontractor, to whom it provides e-PHI that was created, received, maintained or transmitted on behalf of CLIENT agrees to implement commercially reasonable administrative, physical and technical safeguards designed to protect the confidentiality, integrity and availability of such e-PHI; and
3. BILLING COMPANY agrees to alert CLIENT of any security incident (as defined by the HIPAA Security Rule) which it becomes aware, and the steps it has taken to mitigate any potential security compromise that may have occurred, and provide a report to CLIENT of any loss of data or other information system compromise as a result of the incident.

Notwithstanding any other provisions of this Agreement, this Agreement and the related Billing Services Agreement between the parties hereto, the terms of which Billing Services Agreement are incorporated herein by reference as if fully set forth, may be terminated by CLIENT, in its sole discretion, if CLIENT determines that BILLING COMPANY has breached a material term or provision of this Agreement pertaining to CLIENT's obligations under the HIPAA privacy or security rules, or if BILLING COMPANY engages in conduct which, if committed by CLIENT, would result in a material violation of the HIPAA privacy or security rules by CLIENT.

IN WITNESS WHEREOF, after due authority given, BILLING COMPANY has caused this Agreement to be signed in its name by its President and attested by its Secretary, and CLIENT has caused this Agreement to be signed in its name by its Manager and attested by its Clerk.

PRE-AUDIT CERTIFICATE

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

CITY OF WASHINGTON


MATT RAUSCHENBACH,
Chief Financial Officer/Assistant City Manager

(CORPORATE SEAL)

ATTEST:


CYNTHIA S. BENNETT, City Clerk

CITY OF WASHINGTON

a North Carolina municipal corporation

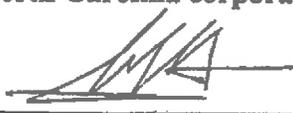
By: 
JAMES C. SMITH, City Manager

(CORPORATE SEAL)

ATTEST:


Name: J. Allan Logie
Secretary

By:


PHILIP AVERETT, President

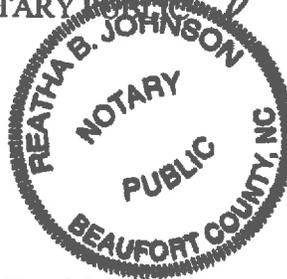
COUNTY OF BEAUFORT
STATE OF NORTH CAROLINA

I, Reatha B. Johnson, a Notary Public of the State and County aforesaid, certify that Cynthia S. Bennett personally appeared before me this day and acknowledged that she is City Clerk of the City Of Washington, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by James C. Smith, Jr., its Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the 28 day of June, 2010.

Reatha B. Johnson
NOTARY PUBLIC

My Commission expires: 12/31/12.



STATE OF NORTH CAROLINA

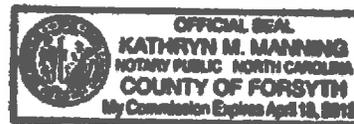
COUNTY OF Forsyth

I, Kathryn M. Manning, a Notary Public of the County and State aforesaid, certify that ~~Philip Averett J. Allan Logie~~, who is personally known by me or has produced satisfactory evidence of identity, appeared before me this day and acknowledged that he/she is Secretary of EMS Management & Consultants, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by Philip Averett, as its President.

WITNESS my hand and official seal, this the 15 day of June, 2010.

Kathryn M. Manning
NOTARY PUBLIC

My Commission expires: April 18, 2012





REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Frankie Buck, Public Works Director
Date: 04-15-16
Subject: Adopt a Resolution Authorizing the Mayor to Request Grant Assistance from NC Department of Environment and Natural Resources Division of Water Infrastructure for Asset Inventory Assessment Grant

Applicant Presentation: N/A
Staff Presentation: Frankie Buck

RECOMMENDATION:

I move Council adopt a resolution authorizing the Mayor to request grant assistance from the NC Department of Environment and Natural Resources Division of Water Infrastructure for an Asset Inventory Assessment.

BACKGROUND AND FINDINGS:

The Asset Inventory and Assessment Grants were created to fund water and wastewater projects. The Grant has a limit of \$150,000 per application over three years. Funds are used to inventory existing water and sewer systems and document the condition of the inventoried item in our infrastructure.

The amount of match required will range from 5% to 20%. Local Government Unit(LGU) indicators such as poverty rate, median household income, percent of unemployment, and other factors determine the match percentage. In-kind services will apply as part of the match.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

Currently Budgeted (Account) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Attached Resolution

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: 1502 Concur _____ Recommend Denial _____ No Recommendation 4/19 Date

RESOLUTION BY GOVERNING BODY OF APPLICANT

- WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing of wastewater collection and treatment systems, and
- WHEREAS, The City of Washington has need for and intends to conduct an asset inventory assessment project for the existing wastewater system, and
- WHEREAS, The City of Washington intends to request state grant assistance for the project,

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

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

That the City of Washington will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system.

That the City of Washington will provide for efficient operation and maintenance of the project on completion.

That Mac Hodges, Mayor, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the City of Washington with the State of North Carolina for a grant to aid in the financing of the project described above.

That the Mac Hodges, Mayor, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; 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 Federal and State grants and loans pertaining thereto.

Adopted this the 25th day of April, 2016 at Washington, North Carolina.

Mac Hodges
Mayor

ATTEST:

Cynthia S. Bennett
City Clerk

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting City Clerk of the City of Washington does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the City Council duly held on the 25th day of April, 2016; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of April, 2016.

Cynthia S. Bennett

City Clerk

(SEAL)