

The Washington City Council met in a continued session on Monday, March 26, 2007 at the Municipal Building at 4:30 p.m. Present were: Judy Jennette, Mayor; Darwin Woolard, Mayor Pro tem; Ed Gibson, Councilman; Richard Brooks, Councilman; Mickey Gahagan, Councilman; James Smith, City Manager; Franz Holscher, City Attorney; and Rita A. Thompson, City Clerk. Archie Jennings, Councilman, was absent.

Also present were: Carol Williams, Finance Director; Gloria Moore, Acting Library Director; Bobby Roberson, Community Development & Planning Director; Philip Mobley, Parks & Recreation Director; Gerald Galloway, Interim Police Chief; Joey Toler, Interim DWOV Director; Allen Lewis, Public Works Director; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order, and Councilman Gibson delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Jennette added a Presentation to the Grace Harwell Senior Center under the Continued Meeting section and Brown Library under the Committee of the Whole.

On motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously approved the agenda, as amended.

PRESENTATION TO GRACE HARWELL SENIOR CENTER

Mayor Jennette presented a Certificate of Excellence honoring the Grace Harwell Senior Center for 2007-2010.

ADOPT RESOLUTION AUTHORIZING THE AUCTION OF SURPLUS PROPERTY

On motion of Councilman Gahagan, seconded by Councilman Brooks, Council unanimously adopted a Resolution authorizing the sale of certain parcels of real property at public auction on April 28, 2007 at 10:00 a.m.

Resolution Authorizing the Sale of Certain Real Property At Public Auction

WHEREAS, the City Council of the City of Washington desires to dispose of certain surplus real property of the City of Washington as described below.

NOW, THEREFORE, BE IT RESOLVED by the City Council that:

1. The following described real property is hereby declared to be surplus to the needs of the City of Washington:

<u>Address</u>	<u>Tax ID</u>	<u>NC Pin#</u>
706 East 5 th Street	01027451	5685-28-3088
1016 East 5 th Street	01000899	5685-37-8302
228 West 5 th Street	01032794	5676-80-5140
201 East 7 th Street	01026191	5685-09-2911
609 North Bonner Street	01026951	5685-09-1885
416 Gladden Street	01017699	5675-89-2901
106-114 Harding Street	01012424	5675-99-3966
111 Harding Street	01024938	5675-99-2884
200-230 East MLKing JR Drive	15014126	5675-98-8858
244 East MLKing JR Drive	15014127	5685-08-1679
609-613 North Respass Street	01018954	5676-90-2413
615 North Respass Street	01018953	5676-90-2438

329 Van Norden Street	01014074	5675-79-8737
807 Willow Street	15006011	5685-26-1935
809 Willow Street	15006012	5685-26-1973
811 Willow Street	15006013	5685-26-2921

2. The Purchasing Agent is authorized to receive on behalf of the City Council bids at public auction for the purchase of the described real property.

3. The public auction will be held on April 28, 2007 at 10:00 a.m., at the 200-230 East Martin Luther King JR Drive location. The terms of sale shall be a deposit of cash, or a check with a bank letter guarantee equal to 10% of the amount of the bid.

4. The City of Washington shall cause a notice of the public auction to be published in accordance with G.S. 160A-270(a).

5. The highest bid shall be reported to the City Council and must be accepted or rejected by the City Council within 30 days of the report.

6. Once the City Council has accepted or rejected the bids, the property must be closed within 30 days.

Adopted this 26th day of March, 2007.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Jennette
RITA A. THOMPSON, CMC
CITY CLERK

**ADOPT RESOLUTION APPROVING FINANCIAL TERMS OF AN
INSTALLMENT NOTE AGREEMENT FOR EQUIPMENT AND VEHICLES
(\$535,035)**

On motion of Councilman Gahagan, seconded by Councilman Gibson, Council unanimously adopted a Resolution approving financing terms on an Installment Note Agreement with Branch Bank and Trust Company for equipment and vehicles (\$535,035).

Resolution Approving Financing Terms

WHEREAS: The City of Washington (the "City") has previously determined to undertake a project for various equipment and vehicles (the "Project"), and the Finance Director has now presented a proposal for the financing of such Project (the "Project").

BE IT THEREFORE RESOLVED, as follows:

1. The City hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated March 20, 2007. The amount financed shall not exceed \$535,035.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.67%, and the financing terms shall not exceed fifty-nine (59) months from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the City are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by the City officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The City shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. All prior actions of the City officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 26th day of March, 2007.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON,CMC
CITY CLERK

APPROVE ANIMAL CONTROL AGREEMENT WITH BEAUFORT COUNTY

Mr. Smith explained that the City will pay the salary and the County will pay the fringe benefits for a County Animal Control Officer. The City's vehicle will be turned over to the County, but the County will replace it in the future.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously approved the Animal Control Agreement with Beaufort County to share in Animal Control.

**STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT**

AGREEMENT

THIS AGREEMENT, made, entered into, and effective as of the 26th day of March, 2007, by and between the **CITY OF WASHINGTON**, hereinafter

referred to as “the City,” a municipal corporation and body politic, located in Beaufort County, North Carolina, and **BEAUFORT COUNTY**, hereinafter referred to as “the county,” a local government unit and body politic, located in and created by the State of North Carolina.

RECITALS:

THAT WHEREAS, for some length of time the City has been allowed to make use of the County’s animal shelter facilities; and

WHEREAS, the City has been providing for several years the following regular assistance with an in-house animal control officer to City residents and County residents: 1) all responsibilities for animal collection, trap setting, citation issuance, enforcement, and dog bite investigating/reporting requirements inside of the City limits 2) necessary staffing to clean the shelter every 4th weekend; 3) necessary staffing to assist county employees with euthanization and disposal of animals each week (typically on Friday); and 4) necessary staffing to continue the collection of food supplies from WAL MART when food is donated or additional purchases are needed for City animals; and

WHEREAS, the City granted in 2005 with this partnership in mind the County’s request to waive tap and impact fees totaling \$13,071.00 with regard to construction of a new animal shelter and;

WHEREAS, the City now desires to transfer only the former responsibilities of animal collection and trap setting to the County Animal Control Department in order that County personnel provide this service inside the City limits; and

WHEREAS, the City will no longer have any obligation for assistance with staffing to clean the shelter, staffing to assist with weekly euthanization, staffing to assist with disposal, and staffing to collect food supplies; and

WHEREAS, the City will retain the responsibility for citations, enforcement, and dog bite investigating/reporting requirements by utilizing its Police Department; and

WHEREAS, the City will transfer to the County a designated animal control pick-up and the total annual cost of salary for 1.0 FTE, but no cost of benefits for said 1.0 FTE as of March 26, 2007;

NOW, THEREFORE, in consideration of the one-time donation from the City to the County of the designated animal control vehicle and the recurring contribution from the City to the County of the total annual salary for 1.0 FTE the City of Washington and the County of Beaufort agree as follows:

1. The County shall allow the City the continued use of its animal shelter until a future date where the either party gives the other 90 days notice that it wishes the relationship described herein to terminate.
2. The County agrees to provide on a recurring basis the cost of benefits to the additional 1.0 FTE with a corresponding recurring total annual salary funded by the City.
3. The County agrees to reasonably respond to the work demands of animal collection and trap setting in such a way as to prioritize the workload in the incorporated and unincorporated jurisdiction with the same importance.
4. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and all prior negotiations, understandings, and arrangements are merged herein and there are no others terms or conditions hereof. Nothing

contained herein shall impose on either party any implied obligation or duties of any nature or kind.

5. This Agreement shall be governed in all aspects by the laws of the State of North Carolina.

THIS AGREEMENT is executed in duplicate originals, one to be retained by each party.

IN WITNESS WHEREOF, the City of Washington and the County of Beaufort have caused this Agreement to be executed as of the day and year first above written.

s/James C. Smith
JAMES C. SMITH
CITY MANAGER

s/Paul Spruill
PAUL SPRUILL
COUNTY MANAGER

**MEMORANDUM OF UNDERSTANDING BEWEEEN CITY AND BEAUFORT
COUNTY FOR QUICK START #2 BUILDING**

On motion of Councilman Gahagan, seconded by Councilman Brooks, Council unanimously approved the Memorandum of Understanding between the City of Washington and County of Beaufort for Quick Start #2 Building located on Lot 9 in the Beaufort County Industrial Park located on Page Road.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF WASHINGTON AND THE COUNTY BEAUFORT**

RE: Liabilities and Equity for the Construction and Disposal of Industry Ready Building #2 Located on LOT 9 in the Beaufort County Industrial Park located on Page Road.

DATE: March 16, 2007

The purpose of the memorandum of understanding by and between the City of Washington (City) and the County of Beaufort (County) is to clarify the liabilities and equity of both parties specific to the Construction and Disposal of a speculative building known as Industry Ready Building #2 located on Lot 9 in the Beaufort County Industrial Park located on Page Road.

The City and the County acknowledge their continuing relationship as specified in an interlocal agreement entered into the 5th day of June, 2001 for funding the purchase of the existing industrial park in an arrangement where the City is responsible for approximately 45 percent of all expense net of the outside contributions from other entities and the County is responsible for approximately 55 percent of all expense net of the outside contributions from other entities.

The City and the County acknowledge that the June, 2001 agreement clearly states that any remaining industrial park property (not yet disposed of) as of June 11, 2009 shall be conveyed to the two entities separately in an amount that represents 45% City ownership and 55% County ownership.

The City and the County acknowledge that the 45 percent / 55 percent shared responsibility existed for the construction and disposal of Industry Ready Building #1 which is presently occupied by XS Smith, Inc., the buyer of the building upon its completion.

The City and the County mutually agree that the 45 percent / 55 percent relationship as specified in the June, 2001 interlocal agreement for purchase and development of the industrial park will remain unchanged upon the award of the construction contract and financing arrangements for Industry Ready Building #2 with the following exceptions that apply exclusively to the construction and disposal of Industry Ready Building #2:

1. The County voluntarily accepts all liability for the construction and disposal of Industry Ready Building #2 including any and all repayment of principal and interest and any miscellaneous expense including but not limited to recurring monthly utility bills while the structure is marketed for sale.
2. The County will benefit or suffer exclusively any gain or loss resulting in the sale of Industry Ready Building #2.
3. The County will solely control the sale of Industry Ready Building #2 in order to decide for itself the best method of recovering its investment in the asset which solely belongs to the County.
4. Should the County fail to dispose of Industry Ready Building #2 on or before June 11, 2009, the County shall continue to own exclusively all real and personal property specific to this project as a means of marketing the property for sale to perspective buyers and maximizing its return.

The City and the County mutually agree that upon the County's disposal of Industry Ready Building #2 all exceptions specific to this project will end and ownership responsibilities in the industrial park will be governed by the original June, 2001 interlocal agreement.

Signed this 16th day of March, 2007

s/James C. Smith
JAMES C. SMITH
CITY MANAGER

s/Franz Holscher
FRANZ HOLSCHER
CITY ATTORNEY

s/Paul Spruill
PAUL SPRUILL
COUNTY MANAGER

s/William Mayo
WILLIAM MAYO
COUNTY ATTORNEY

THOMAS ORMOND LITIGATION (Airport Farming)

Franz Holscher, City Attorney, reported the results of the Thomas Ormond Litigation. The City agreed to settle for a total sum of \$10,500.

DISCUSSION – COMMITTEE OF THE WHOLE MEETING (COUNCILMAN GIBSON)

Councilman Gibson pointed out that the Committee of the Whole Meeting was to be an experiment for three months. He stated that the extra meeting puts a burden on staff and it has not reduced the number of meetings we are having. He stated he would like for Council to meet once a month, and call special meetings when necessary.

Councilman Gahagan stated we have had a full agenda every time we have met. He stated he would like to get back to what the second meeting was set up for...to look at the enterprise funds.

Mayor Pro tem Woolard stated he knows it is extra time but we don't have to have lengthy meetings and asked to keep it as it is.

Councilman Brooks stated it is okay with him as long as we are getting things done.

Mayor Jennette stated she likes the option of having two meetings a month.

Councilman Gibson stated that the format was to discuss the enterprise funds and financing. He stated we will be meeting long hours in both meetings with the budget coming up.

Mayor Jennette stated we have not given it enough time yet.

INITIATIVES LIST

Mayor Jennette reviewed the Initiatives List.

Gloria Moore will get a figure on the amount the project cut costs would be.

Mayor Jennette asked Mr. Smith to talk to Phil Mobley about giving a report to the Council on the Master Recreation Plan.

Mayor Jennette suggested that we may need a workshop to talk about the Evans property, as the ball is in the hands of the Council now, or at the Committee of the Whole meeting. Also, she suggested a workshop to look at logical areas for annexation. She stated that the Planning Board can make some recommendation.

Mr. Roberson pointed out that the water and sewer assessments need to be looked at before the annexation process begins. Mr. Roberson stated he will have something at the May meeting.

Councilman Gibson stated he would like to see some detail on what has been done towards annexation. Mr. Roberson pointed out that this was looked at in 1998.

Councilman Gahagan stated that we need to grow inward and maximize, that we have lost residents but have annexed 3,000 people, so annexation itself is not the answer.

EVANS PROPERTY

Mayor Jennette stated that we can schedule a workshop in April to talk about what we want to see in the development of the Evans Property. What are we trying to achieve? She asked Council to come to the next meeting with a list of things to do and a date to do it. Also, we can get a facilitator for that meeting.

MOWING ACCIDENT

Councilman Gibson asked for an update on the recent mowing accident which caused the loss of power. Mr. Smith stated that one of our employees was mowing in tall weeds and the yellow tubes on the guard wire had disappeared. The wire was cut by the mower and caused the loss of power, which was one of those freak things. Checking guide wire will be included in routine inspections.

Councilman Gibson wanted this to be avoided in the future, as it cost the City time and money. He felt that proper schooling and training needs to be done better to prevent loss time accidents.

On motion of Mayor Pro tem Woolard, seconded by Councilman Gahagan, Council unanimously adjourned the meeting at 6:00 p.m.

**Rita A. Thompson, CMC
City Clerk**