

The Washington City Council met in a regular session on Wednesday, July 8, 2009 at 4:30 p.m. in the Council Chambers at the Municipal Building. Present were: Judy Jennette, Mayor; Doug Mercer, Mayor Pro tem; Richard Brooks, Councilman; Archie Jennings, Councilman; Gil Davis, Councilman; Jim Smith, City Manager; Cynthia Bennett, City Clerk; and Franz Holscher, City Attorney.

Councilman Woolard entered the meeting at 4:40pm and was made part of the minutes.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Acting Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Acting Planning Director; Keith Hardt, Electric Director; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Ray Midgett, Information Technology Director; and Ted Strong, of the Washington Daily News.

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

***PRESENTATION BY MAYOR JENNETTE OF SAFETY AWARDS TO THE
ELECTRIC DEPARTMENT**

APPROVAL/AMENDMENTS TO AGENDA

Mayor Jennette stated an item needed to be added under Item III. Correspondence and Special Reports from City Council: A: Correspondence from Tom Thompson; Item VI.A.4A – Legal Services; Remove Item VIII.A. Public Hearing – Other: Consider – Preliminary subdivision plat approval of Mixon & Sawyer Subdivision located off Dan Taylor Road (SR 1517). Councilman Jennings noted there needs to be a correction on the dollar amount under item VI.A.4 Adopt – Capital Project Ordinance for the Police Station Construction (\$12,639,000) the amount should be \$4,365,000. Mayor Pro tem Mercer added appointments to the Citizens for Revitalization.

By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council approved the agenda as amended.

APPROVAL OF MINUTES

By motion of Mayor Pro tem Mercer, seconded by Councilman Brooks, Council unanimously approved the minutes of May 18, May 26, June 1, June 8, and June 22, 2009 as presented.

APPROVAL OF CONSENT AGENDA

By motion of Councilman Woolard, seconded by Councilman Jennings, Council unanimously approved the consent agenda, as presented.

- A. Adopt – Budget ordinance amendment for Solid Waste Fund - Recycling Grant Program – to purchase 95 gallon roll-out carts (\$16,000)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2008-2009**

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

Section 1. That account number 38-90-4710-1200, Printing and Publishing, portion of the Solid Waste Fund appropriations budget be increased in the amount of \$1,100 to provide funds for public awareness advertising materials.

Section 2. That account number 38-90-4710-1700, Vehicle Maintenance, portion of the Solid Waste Fund appropriations budget be increased in the amount of \$6,680 to provide funds for replacement parts for existing recycling truck.

Section 3. That account number 38-90-4710-7400, Capital Outlay, portion of the Solid Waste Fund appropriations budget be increased in the amount of \$9,820 to provide funds for recycling cart and bin purchases.

Section 4. That account number 38-90-9990-9900, Contingency portion of the Solid Waste Funds appropriations budget be decreased in the amount of \$1,600 to provide grant matching funds.

Section 5. That the Estimated Revenues in the Solid Waste Fund be increased in the amount of \$16,000 in the account Curbside Recycling Grant, account number 38-90-3490-0010.

Section 6. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 7. This ordinance shall become effective upon its adoption.

Adopted this the 8th day of July, 2009.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

MAYOR JENNETTE - CORRESPONDENCE FROM TOM THOMPSON

Mayor Jennette explained Mr. Thompson has a hotel developer coming to town later this month and wanted input from Council. Councilman Jennings stated that since mid-Main Street is the area of favor, that either the EDC or Committee of 100 contact those property owners regarding obtaining possible options on that property. Mayor Pro tem Mercer stated he concurred with Councilman Jennings and the Evans property is off the block at this time.

ECONOMIC DEVELOPMENT COMMISSION

Mayor Pro tem Mercer explained the last EDC meeting was an update on the recent activities. He stated there are a number of potential prospects in the long term, but nothing short term.

TOURISM DEVELOPMENT AUTHORITY

Mayor Jennette stated the TDA is presently seeking bids for bookkeeping services. The TDA is also working with the Rocky Hock Theater for a familiarization show on July 28th at 2:00pm.

HUMAN RELATIONS COUNCIL

Mayor Jennette noted the Human Relations Council will have a guest speaker at their meeting next Tuesday and everyone is invited to attend.

DOWNTOWN WASHINGTON ON THE WATERFRONT

Dot Moate updated Council on DWOW's activities, more specifically the Little Washington Sailing Club. She stated the second session is near completion and so far they have had 39 students enroll and there are still three weeks left in the class. The goal was to have at least 40 students and with three weeks left, they will definitely reach the goal.

CITIZENS FOR REVITALIZATION

Mayor Pro tem Mercer explained that Committee is meeting at Brown Library at the moment, they are in the process of scheduling meetings with Land Design.

WARREN FIELD AIRPORT

Allen Lewis, Public Works Director and Jim Smith, City Manager noted the self-service fueling project has not yet begun. The project will have to be re-bid; both proposals were over the funds available and were incomplete.

HAVEN'S GARDEN REPORT

Philip Mobley, Parks and Recreation Director stated the Major CAMA permit was issued on Monday for the bridge on HWY 32. They also have NCDOT's encroachment contract for the bridge. Bill Forman, Coastal Science and Engineering will meet with Sanford Company, which is doing the work for NCDOT to determine the time frame for them to install the 16 concrete pilings for the City. Mr. Mobley also noted that he met two weeks ago with NC Wildlife Commission's engineers regarding the boat ramp at Haven's Gardens. Mr. Mobley received a memorandum of agreement yesterday from NCDOT for them to maintain the boat ramp at Haven's Gardens for a period of 25 years. This agreement will come back before Council probably in August. Mr. Mobley thanked Mitch St. Clair, our local board member for helping with this project.

Mayor Jennette noted she has a meeting planned with NC Wildlife on July 24, 2009 at 11:00am regarding enforcement on the waterfront.

HARBOR MANAGEMENT REPORT

Mayor Pro tem Mercer explained this committee will meet next Thursday morning.

FINANCIAL REPORTS

Mayor Jennette said the financial reports were not included this time because the focus has been on budget completion and closing out last fiscal year.

APPOINTMENTS – VARIOUS BOARDS, COMMISSIONS, AND COMMITTEES AND COUNCIL LIAISONS

A. Planning Board – To fill expiring term of Steve Moler, John B. Tate, III

By motion of Councilman Brooks, seconded by Councilman Davis, Council reappointed Steve Moler to the Planning Board, term to expire June 30, 2012.

By motion of Councilman Brooks, seconded by Councilman Davis, Council reappointed John Tate to the Planning Board, term to expire June 30, 2012.

B. Enlarged Planning Board – To fill the expiring term of Marie Freeman Barber

By motion of Councilman Brooks, seconded by Councilman Davis, Council reappointed Marie Barber to the Enlarged Planning Board, term to expire June 30, 2012, subject to the concurrence of the Beaufort County Board of Commissioners.

C. Board of Adjustment – To fill the expiring term of Galen Derik Davis

By motion of Councilman Brooks, seconded by Councilman Woolard, Council reappointed Galen Derik Davis to the Board of Adjustment, term to expire June 30, 2012.

D. Enlarged Board of Adjustment – To fill the expiring term of William Polk

By motion of Councilman Brooks, seconded by Councilman Jennings, Council appointed Tim Cashion (Alternate Board of Adjustment member) to the Enlarged Board of Adjustment, to fill the expiring term of William Polk, term to expire June 30, 2012, subject to the concurrence of the Beaufort County Board of Commissioners.

E. Alternate Board of Adjustment – To fill the unexpired term of Tim Cashion

By motion of Councilman Brooks, seconded by Councilman Davis, Council appointed Ronald Price to the Alternate Board of Adjustment to fill the unexpired term of Tim Cashion, term to expire June 30, 2010, subject to the concurrence of the Beaufort County Board of Commissioners.

F. Board of Library Trustees - To fill the expiring term of Rachel Mills and the unexpired term of Anthony Franklin

Councilman Davis requested the Library Board appointments be deferred until August to allow time to receive more applications, current applicants are outside the City limits and the Board would like to have someone from within the City.

G. Washington Housing Authority - To fill the expiring terms of Josephine Royster and Melaine Everett

By motion of Councilman Woolard, seconded by Councilman Jennings, Council reappointed Josephine Royster to the Washington Housing Authority, term to expire June 30, 2014.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council reappointed Melaine Everett to the Washington Housing Authority, term to expire June 30, 2014.

H. Recreation Advisory Committee - To fill the expiring terms of Lisa Williams Baker, Erick Green, William Edward Cherry and Russell Morgan

By motion of Councilman Davis, seconded by Councilman Jennings, Council reappointed Lisa Williams Baker to the Recreation Advisory Committee, term to expire June 30, 2012.

By motion of Councilman Davis, seconded by Councilman Jennings, Council reappointed Erick Green to the Recreation Advisory Committee, term to expire June 30, 2012.

By motion of Councilman Davis, seconded by Councilman Woolard, Council appointed Ann Ange to the Recreation Advisory Committee to fill the expiring term of William Edward Cherry, term to expire June 30, 2011.

By motion of Councilman Davis, seconded by Councilman Jennings, Council reappointed Russell Morgan to the Recreation Advisory Committee to fill the expiring term of Russell Morgan, term to expire June 30, 2012.

I. Historic Preservation Commission - To fill the expiring term of Katirle Leach and Kathleen Simpson

By motion of Councilman Jennings, seconded by Councilman Brooks, Council appointed Kasey Stamey to the Historic Preservation Commission to fill the expiring term of Katirle Leach term to expire June 30, 2012.

By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council appointed Jim Coke to the Historic Preservation Commission to fill the expiring term of Kathleen Simpson, term to expire June 30, 2012.

J. Washington Tourism Development Authority - To fill the expiring term of Gary Tomasulo

By motion of Councilman Brooks, seconded by Mayor Pro tem Mercer, Council reappointed Gary Tomasulo to the Washington Tourism Development Authority, term to expire June 30, 2012.

K. Human Relations Council – To appoint/reappoint Clemencia Zapata Hernandez, Emma Howard and fill a new position.

By motion of Councilman Jennings, seconded by Councilman Brooks, Council reappointed Clemencia Zapata Hernandez to the Human Relations Council, term to expire June 30, 2012.

By motion of Councilman Woolard, seconded by Councilman Brooks, Council reappointed Emma Howard to the Human Relations Council, term to expire June 30, 2012.

By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council appointed Yvonne Saleem to the Human Relations Council, term to expire June 30, 2012.

L. Animal Control Appeal Board – To fill the expiring term of Inez Kosto

By motion of Mayor Pro tem Mercer, seconded by Councilman Woolard, Council reappointed Inez Kosto to the Animal Control Appeal Board, term to expire June 30, 2012.

M. Washington Electric Utilities Advisory Commission – To fill the expiring terms of Ed Gibson and John Wesley Shelton

By motion of Mayor Pro tem Mercer, seconded by Councilman Woolard, Council appointed Benjamin Davis to the Washington Electric Utilities Advisory Commission to fill the expiring term of Ed Gibson, term to expire June 30, 2012.

By motion of Mayor Pro tem Mercer, seconded by Councilman Woolard, Council appointed Lloyd May to the Washington Electric Utilities Advisory Commission to fill the expiring term of John Wesley Shelton, term to expire June 30, 2012.

N. CITIZENS FOR REVITALIZATION

Mayor Pro tem Mercer presented the following list of persons recommended for the Citizens for Revitalization Board:

Joey Toler, Arts Council
Fred Watkins, At Large
Arnold Barnes, At Large
Chris Furlough, Chair Renaissance Plan/Group Facilitator
Ginnie Jones, Board of Realtors
Maynard Hamblin, Chair Dickson Plan
Bob Henkle, Downtown Property Owner – Area 1
Alma Freedman, Downtown Property Owner – Area 2
Mac Hodges, Downtown Property Owner – Area 3
Scott Campbell, Downtown Resident
Ross Hamory, DWOW
Tom Richter, EDC/Committee of 100
Tom Stroud, Estuarium
Doug Mercer, Ex. Officio – Washington City Council
Al Klemm, Ex. Officio – Beaufort County Commissioners
John Rodman, Ex. Officio – City Planning
Dee Congleton, Historic Foundation
Mike Sloan, Merchants
Joe Taylor, Parks & Recreation Board
Dot Moate, Planning Board
David Emmerling, PTRF
Beth Byrd of DWOW, Secretary/Administrative Support
Lynn Lewis, TDA
Scotty Henley, Turnage
Judith Martin, Washington Garden Club

Councilman Jennings yielded his position on this board to Mayor Pro tem Mercer so there would only be one Council member on the board.

By motion of Councilman Jennings, seconded by Councilman Brooks, Council endorsed the list of voting members as amended with an additional at-large member, Arnold Barnes and with the removal of Councilman Jennings.

**ADOPT – CAPITAL PROJECT ORDINANCE FOR THE POLICE STATION
CONSTRUCTION \$4,365,000**

Jim Smith, City Manager stated the intent was to adopt a project funding estimate and create a capital project ordinance, not to appropriate funding. Mr. Smith recommends that Council adopt a project funding estimate in the amount of \$4,365,000 and establish a capital project fund. The only items appropriated would be for the money we have in hand to support. Items to be included are: legal fees, architectural design fees, and land acquisition estimate would remain and be covered by the Public Safety Capital Reserve Fund. In order to apply for the loan a project estimate needs to

be completed. Our intent is to begin to work through this project with our own funds, and get it to the point where we have a good number and ready to go out to bid and receive Council approval. Mr. Smith stated we are not requesting to authorize the spending of \$4,365,000 tonight, just to establish the capital project ordinance in that amount. The preliminary information is due by August 5th and the application deadline is August 15th. The City is currently applying for a loan through the USDA and anticipates being approved to borrow \$6,319,500 for the construction of a new police station. We are also applying for grant funding as well. The projected completion date for the project is December, 2011. Since the construction will take place over two fiscal years, a capital project fund needs to be established for accounting purposes.

Mayor Pro tem Mercer voiced concern over applying for financing before we even know what we are trying to build. Councilman Jennings stated we are not obligating ourselves in any way we are just putting the mechanism in place that will allow us to submit an application and each step of this project will require approval by Council. Councilman Jennings requested Council be given the utmost consideration in regards to time for each step of this project.

By motion of Councilman Jennings, seconded by Councilman Brooks, Council adopted the revised Capital Project Budget Ordinance for the Police Station Construction. The revision will delete Section 4 of the original project ordinance and amend Section 3 to be consistent with Option 3 of the Police Station Construction Estimate as presented to Council to include: \$470,000 from Contingency; \$200,000 for Land Acquisition; \$5,000 for Legal fees; and \$325,000 for Architect fees. Mayor Pro tem Mercer opposed the motion.

**A CAPITAL PROJECT ORDINANCE FOR THE NEW POLICE STATION
CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2009-2010**

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

Section 1. The project authorized is for the construction of a new police station to be financed by the USDA.

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

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

64-10-4310-0400	Legal Fees	\$5,000
64-10-4310-0401	Architectural Design	325,000
64-10-4310-7100	Land	210,000
64-10-4310-9990	Contingency	<u>460,000</u>
		\$1,000,000

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

64-10-3434-1000	Transfer from General Fund	\$1,000,000
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Section 5. That the Estimated Revenues in the General Fund be increased in the amount of \$1,000,000 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 6. That account number 10-00-4400-6400, Transfer to Police Station Capital Project, Miscellaneous Non-Departmental portion of the General Fund

appropriations budget be increased in the amount of \$1,000,000 to provide funds for beginning the new police station.

Section 7. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient detailed accounting records to satisfy the requirements of the grantor agency and grant agreement.

Section 8. Funds may be advanced from the General Fund for the purpose of making payments that are due. Reimbursement requests should be made to the loan agency in an orderly and timely manner.

Section 9. The Finance Director is directed to report, on a monthly basis, the financial status of each project element in Section 3 and on the total grant revenues received or claimed.

Section 10. The Budget Officer is directed to include a detail analysis of past and future costs and revenues on this capital project in every budget submission made to the City Council.

Section 11. Copies of this capital project ordinance shall be furnished to the City Clerk, Budget Officer, and Finance Director for direction in carrying out this project.

Section 12. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

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

Adopted this the 8th day of July, 2009.

LEGAL SERVICES AGREEMENT

Jim Smith, City Manager explained the legal services agreement is a requirement of the USDA loan application for the construction of the new police station. Mr. Smith also noted this was in the budget ordinance in the amount of \$5,000.

By motion of Councilman Davis, seconded by Councilman Brooks, Council approved the legal services agreement for the USDA Rural Development loan application.

APPROVE – PURCHASE OF A DERRICK DIGGER LINE TRUCK FROM ALTEC (\$170,573)

Keith Hardt, Electric Director stated Council approved \$170,000 in the FY 08/09 budget year for the purchase of a derrick digger line truck to replace vehicle #602. The low bid was received from Altec for \$170,573. There is money available in the electrical budget to cover the additional \$573 needed for this vehicle.

By motion of Councilman Woolard, seconded by Councilman Brooks, Council approved the purchase of a derrick digger line truck from Altec in the amount of \$170,573.

ADOPT – FINAL BUDGET ORDINANCE AMENDMENT FOR FY 08/09 (\$111,389)

Mayor Pro tem Mercer stated he has concern over adopting a final budget year amendment when we are still closing out our books. He also noted two typographical errors showing 09/10 budget. Matt Rauschenbach, CFO noted that was a typo and will be corrected as it should show 08/09. Mr. Rauschenbach explained the books are “soft” closed and the auditors come in September to officially close the books. Mr. Smith stated the books are closed internally and this is considered a soft close and ends the fiscal year.

By motion of Councilman Woolard, seconded by Councilman Brooks, Council adopted the final budget ordinance amendment for FY08/09 in the amount of \$111,389. Mayor Pro tem Mercer opposed the motion.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE OF THE CITY OF
WASHINGTON, NC
FOR THE FISCAL YEAR 2008-2009**

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

Section 1. That the following accounts in the Human Resources portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 08/09:

10-00-4120-0200	Salaries	\$5,000
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Section 2. That the following accounts in the Purchasing/Warehouse portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 08/09:

10-00-4131-0200	Salaries	\$3,000
10-00-4121-0500	Fica Taxes	250
10-00-4121-0700	Retirement Contributions	<u>250</u>
		\$3,500

Section 3. That the following accounts in the Information Services portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 08/09:

10-00-4132-0200	Salaries	\$2,500
10-00-4132-0700	Retirement Contributions	<u>125</u>
		\$2,625

Section 4. That the following accounts in the Miscellaneous portion of the General Fund appropriations budget be increased or decreased in the amounts shown to cover other anticipated expenses for FY 08/09:

10-00-4400-0200	Salaries-Merit Pay	\$(27,734)
10-00-4400-5402	Workers Comp Insurance	(20,305)
10-00-4400-5400	Insurance & Bonds	(16,550)
10-00-4400-5720	Hurricane Hanna Expenses	<u>14,849</u>
		\$(49,740)

Section 5. That the following accounts in the Legal Services portion of the General Fund appropriations budget be increased in the amount shown to cover anticipated expenses for FY 08/09:

10-00-4150-0400	Professional Services	\$10,000
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Section 6. That the following accounts in the E-911 portion of the General Fund appropriations budget be increased in the amount shown to cover anticipated expenses for FY 08/09:

10-10-4311-0200	Salaries	\$1,525
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Section 7. That the following accounts in the EMS portion of the General Fund appropriations budget be increased in the amount shown to cover anticipated expenses for FY 08/09:

10-10-4341-0400	Professional Services	\$7,000
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Section 8. That the following accounts in the Street Maintenance portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 08/09:

10-20-4510-0200	Salaries	\$4,000
10-20-4510-0201	Salaries- Overtime	1,800
10-20-4510-1300	Water & Electric Services	12,000
10-20-4510-1700	Maint/Repair Vehicles	3,200
10-20-4510-3600	Uniforms – Employer Share	<u>350</u>
		\$21,350

Section 9. That the following accounts in the Cemeteries portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 08/09:

10-30-4740-0200	Salaries	\$1,500
10-30-4740-1300	Water & Electric Services	600
10-30-4740-1700	Maint/Repair Vehicles	<u>810</u>
		\$2,910

Section 10. That the following accounts in the Recreation Administration portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 08/09:

10-40-6120-0200	Salaries	\$2,400
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Section 11. That the following accounts in the Events and Facilities portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 08/09:

10-40-6121-0200	Salaries	\$1,000
10-40-6121-0300	Salaries – Part-time	500
10-40-6121-1300	Water and Electric Services	1,000
10-40-6121-1301	Natural Gas	652
10-40-6121-3301	Janitorial Supplies	<u>100</u>
		\$3,252

Section 12. That the following accounts in the Senior Programs portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 08/09:

10-40-6123-0200	Salaries	\$5,500
10-40-6123-0500	Fica Taxes	1,000
10-40-6123-1500	Maint/Repair Buildings	300
10-40-6123-1502	Maint/Repair HVAC	7,400
10-40-6123-3300	Departmental Supplies	325
10-40-6123-3301	Janitorial Supplies	125
10-40-6123-3404	Senior Programs	<u>2,470</u>
		\$17,120

Section 13. That the following accounts in the Aquatic Center portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 08/09:

10-40-6126-0300	Salaries – Part –Time	6,000
10-40-6126-1300	Water & Electric Services	<u>1,500</u>
		7,500

Section 14. That account number 10-40-6130-1502, Maint/Repair Parks, Parks and Grounds Maintenance portion of the General Fund appropriations budget be increased in the amount of \$16,550 to provide additional appropriations for anticipated expenses for FY 08/09.

Section 15. That account number 10-40-6170-9100, Tourism Authority, Outside Agency portion of the General Fund appropriations budget be increased in the amount of \$9,000 to provide additional appropriations for anticipated expenses for FY 08/09.

Section 16. That the following revenues in the General Fund be increased in the amounts shown to cover anticipated expenses for the remainder of FY 08/09:

10-00-3350-0012	FEMA – Tropical Storm Hanna	\$50,713
10-00-3270-1110	Local Occupancy Tax	<u>9,279</u>
		\$59,992

Water Fund

Section 17. That the following accounts in the Debt Service, Miscellaneous, Public Works Director, and Water Maintenance portion of the Water Fund appropriations budget be increased or decreased in the amounts shown to cover anticipated expenses for FY 08/09:

30-90-4020-8300	Principal Installment Payments	\$2,134
30-90-4020-8301	Interest – Installment Payments	103
30-90-6610-0200	Salary Adjustments	(1,200)
30-90-6610-0800	Unemployment Insurance	(423)
30-90-6610-5400	Insurance & Bonds	(3,389)
30-90-7220-0200	Salaries	1,200
30-90-8140-1300	Water & Electric Service	500
30-90-8140-5600	Materials	1,075

Sewer Fund

Section 18. That the following accounts in the Miscellaneous, Public Works Director, Wastewater Maintenance, and Lift Station portion of the Water Fund appropriations budget be increased or decreased in the amounts shown to cover anticipated expenses for FY 08/09:

32-90-6610-0200	Salary Adjustments	\$(800)
32-90-6610-5720	Tropical Storm Hanna Expenses	308
32-90-7220-0200	Salaries	1,200
32-90-8200-5600	Materials	775
32-90-8200-7400	Capital Outlay	850
32-90-8230-0200	Salaries	1,000
32-90-8230-1300	Water & Electric Service	<u>1,500</u>
		4,833

Section 19. That the following revenues in the Sewer Fund be increased in the amounts shown to cover anticipated expenses for the remainder of FY 08/09:

32-90-3350-0012	FEMA – Tropical Storm Hanna	\$4,833
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Electric Fund

Section 20. That the following accounts in the Debt Service, Miscellaneous, and Electric Director, portion of the Electric Fund appropriations budget be increased or decreased in the amounts shown to cover anticipated expenses for FY 08/09:

35-90-4020-8300	Principal Installment Payments	\$32,023
35-90-4020-8301	Interest – Installment Payments	(22,000)
35-90-6610-0200	Salary Adjustments	(3,800)
35-90-6610-5720	TS Hanna Expenses	36,541
35-90-7220-0200	Salaries	<u>3,800</u>
		\$46,564

Section 21. That the following revenues in the Electric Fund be increased in the amounts shown to cover anticipated expenses for the remainder of FY 08/09:

35-90-3350-0012 FEMA – Tropical Storm Hanna \$46,564

Section 22. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 23. This ordinance shall become effective upon its adoption.

Adopted this the 8th day of July, 2009.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

**ACCEPT – GRANT FUNDS FROM THE DEPARTMENT OF JUSTICE FOR
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG)
FORMULA PROGRAM (\$40,234)**

Mick Reed, Police Chief noted on February 17, 2009, the landmark American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) was signed into law. The Recovery Act provides the US Department of Justice (DOJ) with funding for grants to assist local law enforcement agencies (including support for hiring). The Edward Byrne Memorial Justice Assistance Grant (JAG) Program is the primary provider of federal criminal justice funding to state and local jurisdictions. JAG funds support all components of the criminal justice system.

Through this program, the Washington Police Department has been directly allocated funds in the amount of \$40,234. The Washington Police Department would like to use those funds to fund the position of Temporary Law Enforcement Development Planner. This LE Development Planner would assist the Washington Police Department and the City of Washington in identifying and applying for grant funds to assist with the funding of the new police facility; as well as other CIP items for the City. This requires no local match.

Chief Reed stated this is a part-time position for 30 hours per week for 50 weeks at a rate of \$25.00 per hour. This is comparable to a reserve police officer position.

By motion of Councilman Woolard, seconded by Councilman Brooks, Council accepted grant funds from the Department of Justice in the amount of \$40,234 to fund the position of Temporary Law Enforcement Development Planner with the City of Washington for one year. Mayor Pro tem Mercer opposed the motion.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2009-2010**

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

Section 1. That account number 10-10-4310-0210, Salaries – JAG Grant, Police Department portion of the General Fund appropriations budget be increased in the amount of \$40,234 to provide funds for a part-time Law Enforcement Planner.

Section 2. That the Estimated Revenues in the General Fund be increased in the amount of \$40,234 in the account Burn JAG Grant, account number 10-10-3433-3400.

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 8th day of July, 2009.

ATTEST:
s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

**ADOPT – RESOLUTION CREATING AN AIRCRAFT BASING INCENTIVE FOR
WARREN FIELD AIRPORT**

Jim Smith, City Manager explained the trials and tribulations of managing the airport, stating it has been a struggle. We recently lost the highest valued aircraft that was based there. With the loss of that aircraft we are down to approximately \$8,300 per year in income. We are looking for options to kick-start activities at the airport. If we were to cut taxes on the airplanes by half, the City would de-annex the airport leaving the County as the only taxing entity for a trial period of three years. With the taxes cut in half this may entice other aircraft to the airport. The de-annexation can't take place this year as it requires legislative action. An agreement with the County would need to be worked out. If the airport were de-annexed the city's portion of the tax rate would not be collected, reducing our income by \$8,300 per year. However, a significant increase in based aircraft could provide more revenue, even at the County rate only, and lead to construction of additional hangers and increased fuel sales. During a 3-5 year trial period, Beaufort County may be willing to pay to the City all of the increased income it would receive from new based aircraft, net to the \$8,328 it presently receives up to \$100,000. All revenue in excess of the \$100,000 will be split equally with the County. Councilman Jennings suggested negotiating the \$8,300 with the County to have a clean agreement.

By motion of Councilman Woolard, seconded by Councilman Davis, Council authorized the Mayor to ask State Representative Arthur Williams to propose legislation which would de-annex Warren Field Airport from the corporate limits of the City of Washington. Councilman Jennings opposed the motion.

Council convened at 5:55pm and reconvened at 6:00pm

**ADOPT – RESOLUTION CONFIRMING ASSESSMENT ROLL AND LEVYING OF
ASSESSMENTS FOR THE STREET IMPROVEMENTS ON PAMLICO STREET**

Franz Holscher, City Attorney noted a correction on paragraph four of the resolution. If Council adopts the Resolution then the date in paragraph four regarding publication of confirmation of the Assessment Roll should be changed to July 29th instead of July 28th.

Mayor Jennette opened the public hearing.

Richard Gerard came forward stating he owns Piston Ring & Machine Company on Pamlico Street. Mr. Gerard asked how long the owner had to pay back the assessment and at what interest rate. Mayor Jennette stated the property owner will have ten years to pay back the assessment at an interest rate of 8%. Mr. Gerard expressed concern over the proposed interest rate of 8% being imposed on the assessed total. Mr. Gerard said the interest rates today are much lower than 8%. Mr. Gerard asked what happened to the money to pay for paving of the street, he was told the City had money to pave all the dirt roads in the City. Allen Lewis, Public Works Director stated the City paid to have the road paved, but there was no discussion he was aware of to pave all dirt roads in the City. In order to have the road paved the property owners petitioned the City to have it paved with the understanding the property owners would pay 60% and the City would pay 40%. Mr. Holscher noted this process was started by a petition of the majority of the property owners in 2005. Mr. Holscher stated the City has the option to lower the interest rate.

Dorothy Linton came forward representing Sylvester Wooden of 1201 Pamlico Street. Ms. Linton noted that Mr. Wooden never signed a petition. She asked how it is

assessed for residents and property owners. Why do the property owners have to pay to pave the streets, aren't taxes supposed to pay to pave the streets. Jim Smith, City Manager explained taxes are not used to pave the streets. Mr. Smith noted the property owners are assessed per linear foot at 60% of the cost of paving the street. Mr. Wooden owns 50 linear feet for a cost of \$2,088.71. Mr. Smith stated it is 60% of the actual cost multiplied by the linear feet. Ms. Linton stated Mr. Wooden didn't receive any information regarding the paving of the street nor did he sign a petition. Mr. Smith stated individual notices were mailed as well as public notices advertised. Ms. Linton asked what would happen if a person was unable to pay the bill. Mr. Smith stated the owner has ten years to pay, if the bill is not paid a lien would be placed on the property. The assessment for this property would be approximately \$200 per year. Mr. Wooden stated he has lived there five years. Councilman Woolard noted the petition was initiated in 2005 and the majority of the owners signed for the petition which enabled the street to be paved. Tony Wooden asked if there was any waiver or program to assist him in paying this assessment because he is disabled. Mr. Smith stated he was not aware of any program regarding payment assistance for assessments. Councilman Jennings explained that option will be researched. Tony Wooden noted since the road was paved the driveway has at times been unusable. Allen Lewis, Public Works Director noted the driveway has been repaired at least once and they will look at other options to remedy the problem. Mr. Gerard explained they have had the same problem with their driveway.

There being no further comments, the public hearing was closed.

By motion of Councilman Jennings, seconded by Councilman Davis, Council lowered the interest rate to 4% as opposed to 8% in the preliminary assessment resolution and adopted the resolution confirming assessment roll and levying paving assessments on Pamlico Street between Hodges Street and East 12th Street.

RESOLUTION CONFIRMING ASSESSMENT ROLL AND LEVYING PAVING ASSESSMENTS ON PAMLICO STREET BETWEEN HODGES STREET AND EAST 12TH STREET

WHEREAS, the City Council of the City of Washington has on this day held a public hearing after due notice as required by law, on the Preliminary Assessment Roll for the paving at Pamlico Street between Hodges Street to East 12th Street; and

WHEREAS, the City Council has heard all those present who requested to be heard, and has found the said Assessment Roll to be proper and correct;

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

1. The Assessment Roll for the paving assessments on Pamlico Street between Hodges Street and East 12th Street is hereby declared correct, and is hereby confirmed in accordance with G.S. 160A-228.
2. The City Council of the City of Washington, pursuant to authority conferred by Chapter 160A, Article 10 of the General Statutes of North Carolina, does hereby levy assessments as contained in the said Assessment Roll, as follows;

<u>Name</u>	<u>Property Address</u>	<u>Pin Number</u>	<u>Front Feet</u>	<u>Total</u>
MAB Partners, LLC	1207 Highland Drive Washington, NC 27889	5686-30-8288	51.45	\$ 2,149.29
The Montessori School	1209 Highland Drive Washington, NC 27889	5686-30-9296	100	\$ 4,177.43
Clared, LLC	1220 Pamlico Street Washington, NC	5686-40-3326 5686-40-3474	450	\$ 18,798.42

Richard E. Gerard	4960 Market St. Ext. Washington, NC 27889	5686-40-2161 5686-40-4231 5686-40-4274	550	\$ 22,975.85
Sylvester Wooden	1201 Pamlico Street Washington, NC 27889	5686-40-0021	50	\$ 2,088.71

3. The City Clerk is hereby directed to deliver to the Finance Director the said Assessment Roll, and the Finance Director is hereby charged with the collection of the said assessments in accordance with the procedure established by law.
4. The City Clerk is hereby directed to publish on the 29th day of July, 2009, a notice of confirmation of the Assessment Roll, which notice shall set forth the terms of payment of the assessments, with the first installment payment to become due on the 60th day following confirmation and the succeeding installments to become due and payable on the same date in succeeding years.

Adopted this the 8th day of July, 2009, at 6:25 p.m.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

COMMENTS FROM THE PUBLIC

No one was present for public comments.

**REQUEST - CITY OF GREENVILLE FOR SPONSORSHIP –
LEAGUE ANNUAL CONFERENCE (\$5,000)**

Jim Smith, City Manager explained Washington and Farmville are co-sponsoring this event. The City of Washington and the Tourism Development Authority is sponsoring a mobile workshop. This will include a tour of the Estuarium, a presentation of the waterfront redevelopment project and a reception on the Belle of Washington. The cost estimate for this event will be approximately \$2,350. Mr. Smith suggested that whatever amount the Council approves for the sponsorship should be reduced by the City's contribution of \$2,350 to the Tourism Development Authority for the mobile workshop.

By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council appropriated \$5,000 for the annual league conference, with the understanding the \$2,350 will be netted against that amount for funding the mobile workshop.

DISCUSSION – MERIT & JOB MATURITY RAISES

Mayor Pro tem Mercer voiced concern that we've committed to spend approximately \$150,000 for merit and job maturity that we may not have.

A motion was made by Mayor Pro tem Mercer and seconded by Councilman Davis to hold in abeyance all merit and job maturity raises until January 2010, if funds are available at that time the raises will be made retroactive.

Mr. Smith asked if Mayor Pro tem Mercer was asking to amend the budget that was already passed. Mayor Pro tem Mercer stated no, if you don't have the revenue then they don't get the money. Mr. Smith said the money is obligated for the purpose of merit and job maturity per the personnel policy and was approved in the budget. Councilman Jennings stated that if you have a merit increase then you have to pay it if the evaluation was complete. The only way to do this is to hold all merit evaluations until January 2010. Councilman Jennings stated we need to stay away from the benefits package. Councilman Brooks noted the budget was passed giving the employees a merit and job maturity raise. He further stated we need to stop trying to take away from the employees and trying to balance the budget on their backs. Mayor

Pro tem Mercer stated that if we come up short on funds in December the first place to look at cuts will be to cut employees and he doesn't want to do that. Mayor Pro tem Mercer stated he would much rather cut benefits than cut the work force.

A motion was made by Mayor Pro tem Mercer and seconded by Councilman Davis to hold in abeyance all merit and job maturity raises until January 2010, if funds are available at that time the raises will be made retroactive. Voting for the motion: Mayor Pro tem Mercer and Councilman Davis; voting against the motion: Councilman Jennings, Councilman Woolard and Councilman Brooks. Motion failed.

DISCUSSION – GREEN FLEET CAR POLICY

Mayor Pro tem Mercer stated the green fleet policy is a great idea. He noted the committee (whenever it is appointed) needs to be given some guidance. One role of the committee would be to review the entire City fleet and the need for each department. Councilman Jennings noted a green fleet, also means the smallest fleet we could operate with.

DISCUSSION – BUDGET GRANT APPLICATIONS AND APPROVAL

Mayor Pro tem Mercer noted that when grants are applied for and received that no monies are spent until Council approves the spending. The appropriation of money and the reception of grant funds should coincide.

OTHER QUESTIONS FROM COUNCIL

Councilman Davis inquired about the status of the grant for the bathroom facilities. Mr. Smith stated the last update he heard was awards of grants will be in July.

Councilman Davis asked about the start date of the elevator repair and painting of the Council Chambers. Allen Lewis, Public Works Director noted this will begin around the first week of September.

**CLOSED SESSION – UNDER NCGS 143-318.11(A)(6) PERSONNEL
G.S. 143-318.11(A)(3) ATTORNEY/CLIENT PRIVILEGE**

By motion of Councilman Woolard, seconded by Councilman Jennings, Council entered into closed session at 6:50 pm under NCGS 143-318.11(a)(6) Personnel and NCGS 143-318.11(a)(3) Attorney/Client Privilege.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council came out of closed session at 8:20pm.

ADJOURN

By motion of Councilman Woolard, seconded by Councilman Brooks, Council adjourned the meeting until Monday August 10, 2009 at 4:30 p.m. in the Council Chambers at the Municipal Building.

Cynthia S. Bennett
City Clerk