

The Washington City Council met in a regular session on Monday, September 13, 2010 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Franz Holscher, City Attorney and Cynthia Bennett, City Clerk.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Mick Reed, Police Chief; David Carraway, Information Technology Department; Susan Hodges, Human Resource Director; Mike Voss, of the Washington Daily News and Delma Blinson, of the Beaufort Observer.

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

#### **APPROVAL OF MINUTES**

Councilman Mercer requested an amendment to the July 26, 2010 minutes regarding City-Owned vehicles driven home. The minutes read "Mayor Jennings stated we should let the motion stand and if there are issues such as this they should be taken up with the City Manager **for possible resubmission to the Council**"(the highlighted text was added). The minutes read "The few exemptions, such as K-9 Officer and Streets Superintendent (David Gibbs) would be addressed on a case by case basis with the City Manager **for possible resubmission to Council**"(highlighted text added).

Councilman Mercer requested an amendment to the August 9, 2010 minutes regarding the Financial Reports. The minutes read "This information should be given to Council in the Consent Agenda **and Councilman Mercer clarified his statement by adding an effective date of September 1, 2010.**"(highlighted text to be deleted) Discussion followed: Motion passed by 3-2 vote. Councilman Mercer, Mayor Pro tem Roberson and Councilman Davis voted for the motion with Councilman Pitt and Councilman **Mercer**(should have stated Moultrie) voting against the motion."

By motion of Councilman Mercer, seconded by Councilman Pitt, Council approved the minutes from July 26<sup>th</sup>, August 9<sup>th</sup> as amended and August 23, 2010 as presented.

#### **APPROVAL/AMENDMENTS TO AGENDA**

Mayor Pro tem Roberson and Mayor Jennings added three items to the agenda under Other Business from Council/Mayor: (1) Moss Marina – Floating Boat House/bathrooms (2) Byron Clark-Utilities (3) Letter to Hospital Board. Councilman Mercer added under Old Business item (I): Closing Main Street at Hudnell Street at the East end near Haven's Garden and Closed Session: GS 143-318.11 (a)(6) Personnel.

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

#### **PRESENTATION OF FINANCE AWARD**

Mayor Jennings and City Manager, Jim Smith presented the Excellence in Financial Reporting Award to Matt Rauschenbach, CFO and members of the Finance Staff. Mr. Smith stated this is the 14<sup>th</sup> consecutive year the City has received this award.

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**CONSENT AGENDA**

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council approved the Consent Agenda as presented

**A. Declare Surplus/Authorize – Sale of vehicle and equipment through electronic auction using GovDeals.**

Vehicle Number	Make/Model Description	Serial Number	Odometer Reading
#607	2002 Ford F750 Bucket Truck w/2002 Warner WL14OFC-HD Body	3FDXF75H72MA31178 02030	142,220
#008	Land Pride Side Arm Mowing Attachment (Public Works)	Type PR-3, COD#585/.002.02	N/A
#009	Hardee Tiger, Model #H3 60-CO Side-Mount Mower Attachment (Public Works)	N/A	N/A

**COMMENTS FROM THE PUBLIC**

James Hardison of 319 Hudnell Street, voiced concern over the dust caused by vehicles at Cargill Granary which is located near his property.

Rhenada Brown came forward and voiced concern over the possibility of the Council closing the 15<sup>th</sup> Street basketball courts. She asked Council not to close the courts as it has been a mainstay and point of enjoyment for many people in the City. Mayor Jennings reminded Ms. Brown and other members of the audience this issue would be discussed at the Parks and Recreation Advisory Board meeting on Monday, Sept. 20<sup>th</sup> at 5:30pm at the Peterson Building.

Carnell Williams also discussed the desire to keep the 15<sup>th</sup> Street basketball courts open.

Mayor Pro tem Roberson stated this was a campaign issue that was discussed when he ran for office. He stated he is the one that brought this issue up and he is personally opposed to basketball as well as golf being played at the cemetery.

**PUBLIC HEARING: ADOPT – ANNEXATION ORDINANCE TO EXTEND CITY OF WASHINGTON CORPORATE LIMITS FOR CONTIGUOUS PROPERTY OWNED BY WHEATFIELD SUBDIVISION**

Mayor Jennings opened the public hearing. John Wehrenberg came forward and asked Council to annex the Wheatfield Subdivision even though the individual parcels are not plotted yet. Due to the current economic times he is asking the City that these lots not be plotted until the first lot has been contracted. Once the first lot is under contract, then the remaining lots will be plotted. There has not been a lot sold in Tree Shade Subdivision in 2 ½ years. Discussion. John Rodman, Planning Director stated all services will be installed by the property owner.

Public Comments: There being no comments, the public hearing was closed.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council held a public hearing and adopted the annexation ordinance to extend the City of Washington corporate limits for the contiguous annexation of the Wheatfield Subdivision located off Old Bath Highway (SR 1501) and containing 35.15 acres. Motion carried 4-1 with Councilman Mercer voting against the motion.

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

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

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

WHEREAS, the City Clerk has certified the sufficiency of the petition and a public hearing on the question of this annexation was held at the City Council Chambers on the 2<sup>nd</sup> floor of the municipal building located at 102 East 2<sup>nd</sup> Street at 6:00 p.m. on Monday, September 13, 2010, after due notice by the Washington Daily News on September 7<sup>th</sup> & September 11<sup>th</sup> 2010;

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

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

Section 1. By the virtue of the authority granted by G.S. 160A-31, the following described territory is hereby annexed and made part of the City of Washington as of December 31, 2010:

Being all of that tract of land noted on that survey "Annexation Map, Wheat Field Subdivision" by Mayo and Associates, P.A. dated February 2, 2005 and being located in Long Acre Township, Beaufort County North Carolina and being more particularly described as follows;

Beginning at a point in the southern right-of-way of SR 1501, "Old Bath Highway", said point being the intersection of the center-line of Pumpnickel Place and the southern right-of-way of said road and point of beginning being located NORTH 47 DEGREES 03 MINUTES 22 SECONDS EAST FOR A DISTANCE OF 69.54 FEET FROM POINT "F" AS SHOWN ON SAID MAP AND THENCE NORTH 46 DEGREES 54 MINUTES 48 SECONDS WEST FOR A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING:

THENCE FROM SAID POINT OF BEGINNING SOUTH 46 DEGREES 54 MINUTES 48 SECONDS EAST FOR A DISTANCE OF 25.00 FEET ALONG THE RIGHT-OF-WAY OF SR 1501 TO A SET REBAR; THENCE SOUTH 47 DEGREES 03 MINUTES 22 SECONDS EAST FOR A DISTANCE OF 69.54 FEET TO A FLAT BAR; THENCE SOUTH 42 DEGREES 42 MINUTES 32 SECONDS WEST FOR A DISTANCE OF 381.49 FEET TO A SET REBAR; THENCE NORTH 37 DEGREES 36 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 94.81 FEET TO A SET REBAR IN THE SOUTHERN RIGHT-OF-WAY IN PUMPERNICKEL PLACE; THENCE SOUTH 53 DEGREES 47 MINUTES 17 SECONDS WEST FOR A DISTANCE OF 18.21 FEET TO A SET REBAR IN THE RIGHT-OF-WAY OF PUMPERNICKEL PLACE; THENCE WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 10.20', WITH A RADIUS OF 264.24', WITH A CHORD BEARING OF SOUTH 52 DEGREES 41 MINUTES 12 SECONDS WEST , WITH A CHORD LENGTH OF 10.20', TO A SET REBAR IN THE NORTHERN BOUNDARY OF WHEAT FIELD SUBDIVISION; THENCE SOUTH 37 DEGREES 51 MINUTES 04 SECONDS EAST FOR A DISTANCE OF 527.08 FEET TO AN EXISTING IRON ROD; THENCE SOUTH 47 DEGREES 05 MINUTES 09 SECONDS EAST FOR A DISTANCE OF 158.36 FEET TO A SET IRON PIPE; THENCE SOUTH 52 DEGREES 06 MINUTES 26 SECONDS EAST FOR A DISTANCE OF 509.00 FEET TO AN EXISTING IRON PIPE; THENCE SOUTH 42 DEGREES 33 MINUTES 34 SECONDS WEST FOR A DISTANCE OF 814.82 FEET TO AN EXISTING IRON PIPE; THENCE NORTH 63 DEGREES 48 MINUTES 14 SECONDS WEST FOR A DISTANCE OF 905.34 FEET TO AN

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EXISTING IRON PIPE; THENCE NORTH 64 DEGREES 27 MINUTES 17 SECONDS WEST FOR A DISTANCE OF 259.09 FEET TO AN EXISTING REBAR; THENCE NORTH 64 DEGREES 17 MINUTES 51 SECONDS WEST FOR A DISTANCE OF 190.03 FEET TO AN EXISTING IRON PIPE; THENCE NORTH 64 DEGREES 16 MINUTES 14 SECONDS WEST FOR A DISTANCE OF 15.92 FEET TO A SET REBAR WITH CAP; THENCE NORTH 35 DEGREES 48 MINUTES 26 SECONDS EAST FOR A DISTANCE OF 265.65 FEET TO A SET REBAR WITH CAP; THENCE NORTH 29 DEGREES 37 MINUTES 59 SECONDS EAST FOR A DISTANCE OF 288.46 FEET TO A SET REBAR WITH CAP; THENCE NORTH 31 DEGREES 52 MINUTES 11 SECONDS EAST FOR A DISTANCE OF 341.10 FEET TO A SET REBAR WITH CAP; THENCE NORTH 35 DEGREES 20 MINUTES 51 SECONDS EAST FOR A DISTANCE OF 187.93 FEET TO A SET REBAR WITH CAP; THENCE NORTH 39 DEGREES 23 MINUTES 10 SECONDS EAST FOR A DISTANCE OF 241.33 FEET TO A SET REBAR WITH CAP; THENCE SOUTH 37 DEGREES 51 MINUTES 04 SECONDS EAST FOR A DISTANCE OF 1.53 FEET TO AN EXISTING IRON PIPE; THENCE SOUTH 37 DEGREES 51 MINUTES 04 SECONDS EAST FOR A DISTANCE OF 277.18 FEET TO A SET REBAR IN THE WEST RIGHT-OF-WAY IN PUMPERNICKEL PLACE; THENCE WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 11.63', WITH A RADIUS OF 314.24', WITH A CHORD BEARING OF NORTH 52 DEGREES 43 MINUTES 54 SECONDS EAST , WITH A CHORD LENGTH OF 11.63', TO A SET REBAR WITH CAP IN THE NORTHERN RIGHT-OF-WAY OF PUMPERNICKEL PLACE; THENCE NORTH 53 DEGREES 47 MINUTES 17 SECONDS EAST FOR A DISTANCE OF 17.00' FEET TO A SET REBAR WITH CAP IN THE NORTHERN RIGHT-OF-WAY OF PUMPERNICKEL PLACE; THENCE NORTH 37 DEGREES 36 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 59.36 FEET TO A SET REBAR WITH CAP AT THE CORNER OF LOT 64; THENCE NORTH 42 DEGREES 42 MINUTES 32 SECONDS EAST FOR A DISTANCE OF 351.00 FEET TO A SET REBAR IN THE SOUTHERN RIGHT-OF-WAY OF SR 1501; THENCE SOUTH 44 DEGREES 23 MINUTES 02 SECONDS EAST FOR A DISTANCE OF 60.99 FEET TO A POINT IN THE SOUTHERN RIGHT-OF-WAY OF SR 1501; THENCE SOUTH 46 DEGREES 52 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 20.83 FEET TO A SET REBAR WITH CAP IN THE INTERSECTION OF THE SOUTHERN RIGHT-OF-WAY OF SR 1501 AND THE NORTHERN RIGHT-OF-WAY OF PUMPERNICKEL PLACE; THENCE SOUTH 46 DEGREES 52 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 25.00 FEET ALONG THE RIGHT-OF-WAY OF SR 1501 TO THE POINT OF BEGINNING.

Together with and subject to covenants, easements, and restrictions of record.

Said property contains 35.144 acres more or less.

Section 2. Upon and after December 31, 2010, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Washington and shall be entitled to the same privileges and benefits as other parts of the City of Washington. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10.

Section 3. The Mayor of the City of Washington shall cause to be recorded in the office of the Register of Deeds of Beaufort County, and in the office of the Secretary of the State in Raleigh, North Carolina, an accurate map of the annexed property, described in Section 1 above, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G.S. 163-288.1.

Adopted this 13<sup>th</sup> day of September, 2010.

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

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

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APPROVED AS TO FORM:  
s/Franz Holscher  
City Attorney

**PUBLIC HEARING: ADOPT - ORDINANCE TO RENEW TEMPORARY MORATORIUM ON EXPANSION OR ESTABLISHMENT OF ELECTRONIC GAMING OPERATIONS (INTERNET SWEEPSTAKES) WITHIN THE CITY OF WASHINGTON'S JURISDICTION FOR A PERIOD OF 3 MONTHS (90 DAYS)**

Mayor Jennings opened the public hearing. Glenn Moore, Planning Administrator reviewed the request stating the City Council approved a recommendation from the Planning Board to adopt a temporary moratorium on Electronic Gaming operations on May 24, 2010. The duration of the temporary moratorium was 90 days. The original moratorium expired August 22, 2010. The moratorium that is being renewed on property inside the City of Washington's jurisdiction is consistent with the North Carolina General Statutes 160A-381(d). The City of Washington has found it necessary to renew the moratorium for ninety (90) days in order to review both the compatibility of these land uses with the City's land use plans as well as the affects that the electronic gaming operations may have on the surrounding land uses before permitting any additional such uses to locate within the community. December 1, 2010 is the effective date of the newly enacted law signed by the Governor which makes these establishments illegal.. The Planning Board has asked for an extension of the moratorium. Mr. Moore stated the Planning Staff has already drafted some amendments to the zoning ordinance, but the Planning Board preferred to extend the moratorium for an additional 90 days.

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

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council accepted the recommendation of the Washington Planning Board and adopted an Ordinance to renew the temporary moratorium on any expansion or establishment of Electronic Gaming Operations (Internet Sweepstakes) within the City of Washington's jurisdiction for a period of 3 months (90 days).

**Ordinance Renewing a Ninety Day Moratorium on Expansion of Electronic Gaming Operations (aka Internet Sweepstakes Operations) Within the City of Washington Jurisdiction**

WHEREAS, the City of Washington (hereafter "the City") is a municipal corporation organized under the laws of North Carolina, invested with the powers enumerated in Chapter 160A of the North Carolina General Statutes; and

WHEREAS, the City is authorized by North Carolina General Statutes Chapter 160A, Article 19 to plan and regulate development and the uses of buildings, structures and land within its corporate limits, and pursuant to North Carolina General Statutes Chapter 160A-381(e), the City is authorized, under certain circumstances, to impose a development moratorium; and

WHEREAS, pursuant to North Carolina General Statutes Chapter 160A, Article 8, the City is given authority to prohibit, regulate and abate acts, omissions, or conditions detrimental to the health, safety or welfare of its citizens; and

WHEREAS, an "internet café," "cybercafe," "electronic gaming operations," "internet sweepstakes" or similar activity, by whatever name it might be known, (hereinafter "internet sweepstakes operations") in a place where a patron can use a computer with internet access, usually for a fee based on time of usage, to participate in games of chance or sweepstakes; and

WHEREAS, internet sweepstakes operations are not specifically listed as a permitted use in the City's zoning ordinance nor is it naturally incident or accessory to any other

permitted use; and

WHEREAS, cities may extend or renew any temporary moratoria on any city development approval process required by law, as provided by NCGS 160A-381(e); and

WHEREAS, any ordinance renewing or extending a development moratorium must expressly include at the time of adoption statements as to why the renewal of the moratorium is necessary as well as what new facts or conditions warrant the renewal, which are as follows:

1. The Ban Electronic Sweepstakes bill (HB80) that passed in both houses of the General Assembly, was signed into law by Governor Beverly Perdue on July 20, 2010 with an effective date of December 1, 2010, making internet sweepstakes operations illegal.
2. On July 27, 2010, two internet sweepstakes software vendors filed suit with the Superior Court against the State of North Carolina challenging the Ban Electronic Sweepstakes bill (HB80).
3. The current moratorium on the expansion of internet sweepstakes operations expired on August 22, 2010. In order to best protect the City's interests and the citizens of Washington prior to the December 1, 2010 effective date of the HB80 law, a renewal of the moratorium is recommended for an additional 90 days.
4. Should the HB80 law be overturned allowing the legal operation of internet sweepstakes activities, the City needs to consider how internet sweepstakes operations should be classified under current City code and amend the current zoning ordinance accordingly.

THEREFORE, BE IT RESOLVED:

1. THAT a ninety (90) day moratorium is renewed immediately on the establishment, creation, opening or expansion of an internet sweepstakes operation, or similar activity, whether independent or incidental to or accessory to any other permitted use;
2. THAT this ninety (90) day moratorium shall apply throughout the City's Jurisdiction;
3. THAT this ordinance shall become effective immediately upon its adoption.

Adopted on September 13, 2010.

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

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

**JOHN WHITE – SMALL CLAIM AGAINST CITY**

Mr. White was absent. Mayor Jennings stated Mr. White's issue is in the legal system and we could not have commented on his issue.

**MICKY COCHRAN – OAKDALE/CEDAR HILL CEMETERY AND 15<sup>TH</sup> STREET BASKETBALL COURTS**

Mr. Cochran voiced concern over basketball being played at Oakdale Cemetery as long as concern over the port-a-john and building near the basketball courts. Mr. Cochran reviewed the history of the basketball courts as well as the history of the varying size of the City's Parks and Recreation staff. He further stated that having the basketball courts at Oakdale Cemetery is a mistake and is 100% inappropriate to have a recreation area at the cemetery and this mistake needs to be corrected. He suggested relocating the courts to Haven's

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Gardens and turning the current basketball court area into an area of a perpetual care garden enhancing the 15<sup>th</sup> Street entrance to the cemetery.

Mr. Cochran voiced concern over the maintenance and upkeep of Oakdale and Cedar Hill Cemetery. He suggested increasing cemetery staff in order to maintain the facilities appropriately.

**WILLIAM CONNER – 15<sup>th</sup> STREET BASKETBALL COURTS**

William Conner came forward to voice his concern over the 15<sup>th</sup> Street basketball courts and the discussion of closing them. He stated 15<sup>th</sup> Street is neutral ground and is a safe and enjoyable area for everyone to play basketball. Mr. Conner presented a petition with 300 names on it to keep the courts open at 15<sup>th</sup> Street. He stated the courts have been there over 50 years and are not costing the City any money. The players take care of the court and replace the nets and clean the court at their own expense.

**GARY CERES - PROPOSAL FOR GENERAL CRAFT/FARMER'S MARKET ON AYERS LANE ALLEY**

Gary Ceres, Owner of "I can't believe it's a bookstore" presented a proposed activity for downtown Washington. A general craft/farmer's market on Ayers Lane Alley every Friday from September through December. Vendors would be selected by I Can't Believe It's a Book Store. Probable vendors would include artisans, craftsman, unique gift items, packaged goods items, etc. There would be zero cost to the City, he needs permission to use the alley for these purposes each Friday. I Can't Believe It's a Book Store will assume responsibility for ensuring that vendors set-up and clean-up their spaces properly, maintain the alley, etc. Vendors would be charged \$8.00 per vendor space. Mr. Ceres completed a special events application and he was directed to come before Council.

Mayor Jennings voiced concern over the City giving him free space and use of the alley to a "for profit" business. Mayor Pro tem Roberson voiced concern over the possible congestion in the alley during events at the Turnage Theater. Mr. Ceres stated he would stagger spaces to allow free flowing foot traffic. Jim Smith, City Manager suggested he meet with the Police, Planning, Parks and Rec. Departments as well as Mayor Pro tem Roberson and then let them submit their recommendations to the Council.

**ROGER WARNER –UTILITIES ADJUSTMENT REQUEST**

(memo from Customer Service) Mr. Roger Warner has been charged for temporary service at the commercial rate since a house fire in May 2000. Records are unavailable from 10 years ago to determine whether Mr. Warner requested that the service be switched from a temporary service to a permanent service. A recent inspection of the meter by the County inspector did not provide any clarification since the current service is to a mobile home and is attached to a pole. The maximum adjustment as allowed by the City Code and NC Utilities Commission has been issued in the amount of \$237.39. Mr. Warner is not satisfied with the adjustment and feels he is due a refund for the entire 10 year period. The additional credit is estimated at \$2,200. (end memo)

Mr. Warner stated he house burned about 10 years ago and after that he replaced the home with a mobile home. Temporary power was installed at the time and then he and his brother(who was a Beaufort County inspector at the time) connected the power to the mobile home. He stated he never applied for a temporary service. Mayor Jennings stated no one ever told the City of Washington that the property was converted to permanent power, but some of the responsibility falls with the property owner. Mr. Hardt stated there was no transaction with the customer and the City to request residential power, as this property is in the County, no documentation was forwarded to the City. Mr. Smith advised Council that we did a one year refund which is the maximum

adjustment as allowed by the City Code and NC Utilities Commission in the amount of \$237.39.

Mr. Smith stated that a temporary service is charged at a higher rate, which is the commercial rate. When the project is complete, the customer is supposed to make the utility provider aware the project is complete so the service can be switched to permanent/residential.

A motion was made by Councilman Mercer and seconded by Councilman Davis to comply with the City Code and Utilities Commission recommendation and limit the refund to the one year that has already been issued in the amount of \$237.39. Voting for the motion: Mercer and Davis; against: Moultrie, Pitt and Roberson. Motion failed: 2-3.

Councilman Davis felt Mr. Warner had some responsibility to advise the City when the project had been finished, especially being his brother was a County Building Inspector.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council extended the refund to 24 months for a total refund amount of \$474.78. Voting in favor of the motion: Roberson, Pitt & Moultrie; against: Davis and Mercer. Motion carried: 3-2.

Mr. Warner stated if the City wants to treat him like this then he wants the power line removed from his property. He stated he allowed the City to pull a power line across his property to supply power to other homes. He states he did not give a right-of-way to the City and would like the power line removed. Mr. Warner says there is not an easement, that the City asked to put the line there and he agreed but would not give them a right-of-way agreement. He further stated he advised "the City" that if he wanted the line removed at anytime they would do that. Keith Hardt, Electric Director will research this topic.

#### **ANTROMEED JOHNSON – UTILITY RATES**

Antromeed Johnson discussed with Council her concerns regarding utility rates. She stated at one time she was a member of the Utilities Advisory Board for a brief period, but due to medical conditions she was unable to continue on that board. She inquired as to what the Council was doing to lower utility rates. It was time for the "political lip service" to stop and time for Council to take action. Ms. Johnson stated she has formed a group of concerned citizens who are looking at possible solutions to lower utility rates.

Mayor Jennings stated he is so excited that she has taken the initiative in forming such a group and looks forward to hearing what solutions the group comes up with. Mayor Jennings stated we are in the process of installing load management switches to help consumers manage their power usage. Council discussed with Ms. Johnson regarding the agreement that was signed in 1970 with approximately 31 other municipalities to fund power plants. We currently still owe approximately \$140 million from this agreement. We are forced to contend with paying this debt back. Councilman Mercer stated NCEMPA is looking for ways to reduce this debt as well. Ms. Johnson suggested combining forces with other electric providers to bring more competitive rates. Mayor Jennings stated that was one of the Manager's expressed goals from Council that within the next 6 months whether we can combine with another City, perhaps Greenville. This will be to deliver operations at hopefully a better price, which we would hope would lead to better utility rates. We will also look at Electricities and any other local utility provider coming in and possibly handling the operations of our system. Mayor Jennings stated another goal of Council for the Manager was to help them develop a communication system. Council has also tasked the advisory board to develop a marketing plan to explain this information to the public.

Councilman Mercer and Councilman Pitt explained that the Electric Advisory Board is opened to the public and anyone can attend. Councilman Mercer agreed to meet with Ms. Johnson to review her concerns and ideas.

Recess at 7:40pm and reconvened at 7:55pm

**DISCUSSION – MUNICIPAL AGREEMENT WITH NCDOT, US HWY 17 IMPROVEMENTS**

Councilman Davis felt NCDOT has not been willing to negotiate with the City on the invoices. We did not ask for this to be done, nor did we sign an agreement to have this work complete. Mayor Jennings stated he has met with members of NCDOT and we are continuing to work on this issue.

**HUMAN RELATIONS COUNCIL**

**Ms. April Corbett & Mr. Isaac Barrett** — Project Next Step Coordinator, Ms. Corbett and assigned Gang Prevention Specialist, Officer Barrett discussed the introduction of summer program Camp D.R.E.A.M. (Dedicated to Rebuilding, Educating, Achieving, and Motivating the youth and community).

**Summer Program began June 28 and continues to August 13**

8 am-1pm on Monday-Thursday Located in Old Fort Housing Authority Office  
Teachings include but are not limited to:

- GREAT (gang resistance education awareness training)
- Literacy classes
- Drug awareness classes
- Alcoholism awareness classes
- HIV prevention classes
- Social skills classes
- Street Smarts
- Helmet Safety
- Seatbelt Safety
- Role Models
- Guest Speakers

\*Breakfast and Lunch provided by Eastern Elementary School

Officer Barrett discussed the collaborative effort with the Boys and Girls Club, Beaufort County Sheriff's Dept., and Project New Hope. Officer Barrett shared the necessity of more volunteers. There are approximately 30 children attending with only two parents that have volunteered.

**Joint meeting with Greenville HRC Board** —Councilman Pitt shared that Ms. Cassandra Daniels had been on vacation and a meeting date could not be finalized. Note: The Human Relations Council was responsible for contributing over \$3,000 through sponsorship in support of the Negro League Baseball Dedication.

**WASHINGTON HARBOR DISTRICT  
North Carolina Main Street Statistical Summary: FY09-10**

WASHINGTON												
	Facades Redone	Blg. Renovations	New Jobs	Jobs Lost	Net Job Gain	New Businesses	Businesses Closed	Business Gain	Business Expansion	New Investment PUBLIC	New Investment PRIVATE	New Investment TOTAL
<b>Current Figures</b>	11	1	31	22	9	8	7	1	2	112,407	4,370,514	4,482,921
<b>Previous Cumulative</b>	102	27	273	55	218	95	21	74	7	1,579,633	3,528,547	5,108,180
<b>NEW CUMULATIVE</b>	113	28	304	77	227	103	28	75	9	1,692,040	8,399,061	9,591,101
<b>Program Highlights</b>												
Downtown Washington on the Waterfront merged with the Merchants Association and the Citizens for Revitalization Committee, which presented an opportunity to update the DWOW name to reflect our new position in the community. We are now the Washington Harbor District Alliance and stronger than ever, with the help of many volunteers, downtown organizations and sponsors. All board positions are now filled.												
Downtown Revitalization plan adopted by City Council 10/2009 <a href="http://www.washingtononthewater.com/Visualization_Reinvestment_Strategy.html">www.washingtononthewater.com/Visualization_Reinvestment_Strategy.html</a>												
WHDA is proud to bring these events to downtown: Saturday Market - Weekly farmers/artisans market.												
Little Washington Sailing Club - 2nd season in progress - teaching approximately 50 children to sail in the Washington Harbor.												
Pirates Beach Music Festival – September 2009 – Attracted over 2,000 people from many parts of NC and other areas. Event raised \$8,000 for a permanent music park on the old Evans Seafood property site and \$4,000 for WHDA.												
Art Walk – November 2009 & May 2010 - Very successful events promoting all of downtown's many art galleries. Presented in conjunction with the BC Arts Council												
7th Annual Christmas Flotilla & Toys for Tots Campaign – December 2009 - Bringing hundreds of people downtown to kick off the holiday season.												
Hometown Holiday – December 2009 - A festive night to listen to the carolers, visit with Santa and shop downtown.												
Music In The Streets - April thru October 2010 - Refreshed and renewed under WHDA's care with a new main stage acts, non-profit agencies participation and larger than ever crowds.												
Movies In The Park - May thru October 2010 - New this year and sure to be a favorite, judging by the fantastic response we've seen from Beaufort County families so far.												
Pickin on the Pamlico - Drew 550 people to downtown Washington and raised \$8,000 for WHDA.												

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## FINANCIAL REPORTS

Council accepted the financial reports as presented.

## APPOINTMENTS

**Airport Advisory Committee:** Councilman Mercer stated the two applicants received are located outside the City limits, but they were willing to serve. Council continued the advertisement to obtain applications from within the City limits.

**Board of Library Trustees:** By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council appointed Criss Blackstone to the Board of Library Trustees, to fill the unexpired term of David McNeil, term to expire June 30, 2013.

**Alternate At Large - Washington Electric Utilities Advisory Comm.:** By motion of Councilman Pitt, seconded by Councilman Moultrie, Council appointed Walter Zerniak to the Washington Electric Utilities Advisory Commission to fill the expiring term of Garleen Woolard, term to expire June 30, 2012.

**Planning Board:** By motion of Councilman Moultrie, seconded by Councilman Davis, Council reappointed Dan McNeil to the Planning Board with a term to expire June 30, 2013.

**Alternate Member-Enlarged Board of Adjustment:** By motion of Councilman Moultrie, seconded by Councilman Davis, Council reappointed Ronald Price as an Alternate Member to the Enlarge Board of Adjustment with a term to expire June 30, 2013, subject to the concurrence of the Beaufort County Board of Commissioners.

## **AUTHORIZE – CITY MANAGER TO ENTER INTO AN ADDITIONAL 90 DAY LEASE EXTENSION WITH IMPRESSIONS MARKETING GROUP, INC.**

Franz Holscher, City Attorney advised the majority of the details regarding the Impressions Lease Agreement have been worked out. A walk through of the facility will be held this Thursday and at that time we will continue negotiations regarding repairs to the facility. Councilman Mercer stated we have been renegotiating this lease for some time now and it is time to have it finalized.

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council authorized the City Manager to enter into an additional 90 day lease extension with Impressions Marketing Group, Inc. term to expire December 31, 2010.

(begin letter)

Mr. Kevin Goodale, Chief Financial Officer  
Impressions Marketing Group, Inc.

Re: 234 Springs Road, Washington, NC manufacturing facility

Dear Mr. Goodale:

This letter is to confirm the extension of Impressions Marketing Group's tenancy. More specifically, you may continue to occupy the above facility under the below terms until December 31, 2010. The rental for each month shall be \$32,728.00. Rental shall be subject to future negotiations after September 30, 2010 in accordance with the terms anticipated in the new lease agreement. Your occupancy will continue to be subject to an access agreement between the City and Hamilton Beach and will continue to be "as is" with no obligation on behalf of the City to perform any maintenance whatsoever during this term. It is my intention that this extension would provide time for Impressions and the City to conclude their negotiations and arrangements for a long-term occupancy agreement. Be assured of the City's continuing willingness to work with Impressions to facilitate your occupancy of the Springs Road building while we conclude long-term

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arrangements. Please indicate your company's agreement to the terms hereof by your execution in the blank provided below and, once executed, please return one copy of the executed document to me. (end letter)

**MEMO – PURCHASE OF RECYCLING ROLL-OUT CARTS**

(begin memo) The purpose of this memorandum is to inform Council of intent to purchase 4,000 95 gallon roll-out carts to be used for recycling. Funds for the purchase of these carts were approved in last year's budget and included a \$100,000 grant from NCDENR.

<b>Vendor</b>	<b>Cost for 4,000 Carts</b>	<b>Delivery</b>	<b>Less Trade-In</b>
Ameri-Kart	\$191,920.00	by 12-31 -10	N/A

Grand Total \$191,920.00

Proposals were requested and opened on August 23, 2010 at 2:00 p.m. Two vendors provided proposals, Schaeffer Systems International, Inc. and Ameri-Kart Waste Handling Products. While Schaeffer's price was cheaper (\$150,992.00 delivered for 65 gallon carts), Ameri-Kart has provided the vast majority of the carts used in the City for better than 20 years, some of which are still in service today. They also provided prices for 2 types of 65 gallon carts. Their cheaper version was \$170,040.00 delivered and their nicer version was \$187,520.00 delivered. Staff wishes to purchase the 95 gallon version because it standardizes all of the roll-out carts we have in our system. Also, all of the lids, wheels, axles, etc. that either the nicer 65 gallon Ameri-Kart or 95 gallon Ameri-Kart products are completely interchangeable with our existing carts. Again, as a reminder, this program was funded with a \$100,000 grant from NCDENR and \$100,000 in previously approved City funds.  
(end memo)

Council members discussed the need to inform the customers about the transition from the recycle bins to the recycle roll-out carts. Councilman Mercer inquired why the decision was made to get larger carts for recycled materials. Mr. Lewis stated the difference in the 65 gallon cart and the 95 gallon cart was \$1.00 per cart. The recycle carts will be blue in color as opposed to the regular trash cart that is green.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council authorized the issuance of a purchase order for the purchase of 4,000 95gallon recycle carts to Ameri-Kart for \$191,920.

**ACCEPT – PARTF GRANT, AUTHORIZE AND RATIFY THE MAYOR  
SIGNING CONTRACT AND ADOPT GRANT PROJECT BUDGET  
ORDINANCE IN THE AMOUNT OF \$295,125**

(begin memo from Philip Mobley) On May 7, 2010 the City was awarded a PARTF (50/50) matching grant from the NCDENR in the amount of \$295,125 (which is 50% of the total project of \$590,250). The City (General Fund and Donations) will fund the match of \$295,125. The funding period is from 8/1/2010 to 7/31/2013 or three years. Because the grant arrived two months after the award, I assumed that all official paperwork was approved. I requested the Mayor to sign the contract, in order for the Park Planning Team, headed by Joe Taylor, Chairman of the Recreation Advisory Committee, to proceed with the startup of design and engineering for the park site. In our design and planning stage the only monies allowed by the PARTF Grant to be spent is for the planning stage of the grant. No other monies have been spent on this project. When the Accounting Department started formulating a Budget Ordinance Amendment for the Parks and Recreation Department for this project, we could not find official documentation to allow us to move forward with this project. The Washington Recreation Advisory Committee, the C4R Sub-Committee, the PARTF Application Team (public involvement group), citizens at the Public Meeting held January 7, 2010 and City staff are on record as supporting this positive venture.(end memo)

By motion of Councilman Davis, seconded by Councilman Pitt, Council accepted a PARTF Grant from NCDENR in the amount of \$295,125 and authorized and ratified the Mayor signing a contract with NCDENR in the amount of \$295,125.

Councilman Mercer voiced concern over issuing a project ordinance, which means a project will take place over several years, according to the write up, the entire amount is appropriated in one year it should be a budget ordinance. He feels it would be more appropriate to state the appropriations will be made over several years instead of the entire amount from one budget year. Mr. Smith stated in order to receive the grant, the entire amount will have to be appropriated at one time, but will be expended over several budget years.

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council adopted a Grant Project Budget Ordinance amendment in the amount of \$295,125. Motion carried 4-1, with Councilman Mercer opposing.

**A GRANT PROJECT ORDINANCE FOR PART F GRANT  
CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2010-2011**

**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 grant project ordinance is hereby adopted:

Section 1. The project authorized is to design and construct a festival park.

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 expenditure in the capital project fund:

62-40-6120-0400	Planning & Design	\$ 39,000
62-40-6120-8000	Construction	525,000
62-40-6120-9900	Contingency	<u>26,250</u>
	Total	\$590,250

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

62-40-3460-3000	PART F Grant Funds	\$295,125
62-40-3352-0000	City Contribution-Transfer from G/F	<u>295,125</u>
	Total	\$590,250

Section 5. That account number 10-00-4400-6200, Transfer to Capital Project Fund, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased by \$295,125 to provide funds for the City match.

Section 6. That the Estimated Revenues in the General Fund be increased in the amount of \$295,125 in the account Fund Balance Appropriated account number 10-00-3991-9910.

Section 7. The Finance Officer is hereby directed to maintain within the Grant 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 grantor 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 grant project in every budget submission made to the City Council.

Section 11. Copies of this grant 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 13th day of September, 2010.

s/Cynthia S. Bennett  
City Clerk

s/N. Archie Jennings, III  
Mayor

**MEMO – BOATING INFRASTRUCTURE GRANT PROGRAM  
(BIG-P) 2011 UPDATE**

(begin memo) This memo is written to inform and update Council about the BIG-P 2011 grant monies that we applied for in July 2010. This grant was sought to assist the City in the construction of restrooms on the East end (Festival Park) and the West end (CAMA grant and City matching funds) of Stewart Parkway. We have been contacted by Ms. Kelly Price of the Division of Marine Fisheries stating that the State of North Carolina is recommending that the project on the West end of Stewart Parkway be funded in the amount of \$50,000. The State will now update our proposal and file a new application with US Fish and Wildlife Services for final approval. (end memo)

Council had no comments or questions regarding this memo.

**MEMO - PETS ON THE BOARDWALK – MOSS LANDING MARINA REQUEST**

(begin memo) I am informing Council about the status of the Moss Landing Marina request to allow their tenants pets on the Wetlands Boardwalk with a permit. City Staff met with the Moss Landing Marina parties to discuss what could be done to create a workable solution for the Moss Landing Upland owners and the Moss Landing Marina. After discussions with both parties individually, it was discovered that Moss Landing Marina and Moss Landing Upland owners have issues that must be worked out by them before the City can try to help them with any solutions concerning the Boardwalk. As far as the Moss Landing Marina tenant and her emergency permit goes, the Permit has expired and the tenant is no longer renting at the Moss Landing Marina.(end memo)

Council had no comments or questions regarding this memo.

**DISCUSSION –LETTER FROM WILL MAYO, ATTORNEY FOR  
FIRST PRESBYTERIAN CHURCH**

Mayor Pro tem Roberson stated this item has been discussed for several years and there are a lot of issues regarding the potential property exchange. Mayor Jennings summarized the topic for Council members regarding the proposed property exchange between the Church and the City.

**ADOPT – BUDGET ORDINANCE FOR REALLOCATION OF PROPERTY,  
CASUALTY, & LIABILITY INSURANCE COST**

Matt Rauschenbach, Chief Financial Officer stated the Property, Casualty, and Liability insurance cost has been reallocated among areas using a method that more closely matches the risk of what's insured. The actual premiums were charged to each area based on the reallocation and a budget amendment is necessary to realign the budget accordingly. This is a more accurate allocation.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council adopted a Budget Ordinance to reallocate the Property, Casualty, and Liability insurance cost.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2010-2011**

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

Section 1. That the following accounts in the General Fund be increased or (decreased) to reflect a reallocation of property, casualty, and liability insurance premium from the amount budgeted:

10-00-4400-5400	Miscellaneous	(59,727)
10-40-6125-5400	Civic Center	7,235
10-10-4340-5400	Fire	22,721
10-10-4341-5400	EMS	3,105
10-00-4135-5400	Customer Service	1,367
10-00-4130-5400	Finance	807
10-00-4125-5400	Human Resources	386
10-40-6110-5400	Library	5,655
10-10-4310-5400	Police	49,741
10-20-4250-5400	Garage	6,525
10-20-4510-5400	Streets	15,609
10-40-6120-5400	Parks & Recreation	30,842
10-00-4131-5400	Warehouse	604
10-10-4350-5400	Inspections	1,450
10-00-9990-9900	Contingency	<u>(86,320)</u>
	Total	0

Section 2. That the following accounts in the Water Fund be increased or (decreased) to reflect a reallocation of property, casualty, and liability insurance premium from the amount budgeted:

30-90-6610-5400	Insurance & Bonds	(50,205)
30-90-9990-9900	Contingency	50,205

Section 3. That the following accounts in the Sewer Fund be increased or (decreased) to reflect a reallocation of property, casualty, and liability insurance premium from the amount budgeted:

32-90-6610-5400	Insurance & Bonds	(30,594)
32-90-9990-9900	Contingency	19,678

Section 4. That the Estimated Revenues in the Sewer Fund be decreased \$10,916 in the account Fund Balance Appropriated, account number 32-90-3991-9910.

Section 5. That the following accounts in the Storm Water Fund be increased or (decreased) to reflect a reallocation of property, casualty, and liability insurance premium from the amount budgeted:

34-90-5710-5400	Insurance & Bonds	(2,255)
34-90-9990-9900	Contingency	2,255

Section 6. That account number 35-90-6610-5400, Insurance & Bonds, Miscellaneous Non-Departmental portion of the Electric Fund appropriations budget be decreased \$5,553.

Section 7. That the Estimated Revenues in the Electric Fund be decreased \$5,553 in the account Fund Balance Appropriated, account number 35-90-3991-9910.

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Section 8. That the following accounts in the Solid Waste Fund be increased or (decreased) to reflect a reallocation of property, casualty, and liability insurance premium from the amount budgeted:

38-90-6610-5400	Insurance & Bonds	4,349
38-90-9990-9900	Contingency	(4,349)

Section 9. That account number 37-90-4530-5400, Insurance & Bonds, Warren Field Airport Fund appropriations budget be decreased \$4,173.

Section 10. That the Estimated Revenues in the Airport Fund be decreased \$4,173 in the account Fund Balance Appropriated, account number 37-90-3991-9910.

Section 11. That account number 39-90-4740-5400, Insurance & Bonds, Cemetery Fund appropriations budget be increased \$2,112.

Section 12. That the Estimated Revenues in the Cemetery Fund be increased \$2,112 in the account Fund Balance Appropriated, account number 39-90-3991-9900.

Section 13. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 14. This ordinance shall become effective upon its adoption.

Adopted this the 13<sup>th</sup> day of September, 2010.

s/Cynthia S. Bennett  
City Clerk

s/N. Archie Jennings, III  
Mayor

**ADOPT – BUDGET ORDINANCE AMENDMENT FOR OUTSTANDING  
PURCHASE ORDERS FROM FY 09/10 (\$4,395,841)**

Councilman Mercer voiced concern with how purchase orders are written for outstanding purchase orders. A motion was made by Councilman Mercer and seconded by Mayor Pro tem Roberson to allocate or move forward to the current year budget, those purchase orders written to specific vendors and that those P.O's written to the City of Washington for unspecified projects be retained in the Fund Balance from last year's budget. Council continued discussions on the appropriate way to bring funds forward for projects that are not complete. Councilman Mercer withdrew his motion.

Mr. Smith stated this was a business practice started by the previous Finance Director for projects that take more than one year to complete in order to carry the funds forward. We now have a different process by implementing project budget ordinances. Mr. Rauschenbach suggested carrying forward the PO's written to specific vendors and continuing the discussion for the PO's written to the City of Washington. Department Heads could discuss their specific projects at the Committee of the Whole meeting.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council agreed to bring forward purchase orders written to specific vendors and continue the PO's written to the City of Washington. (An amended budget ordinance will be presented for approval on October 11<sup>th</sup>.)

**CLOSING OF MAIN STREET AT HUDNELL STREET**

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council approved the permanent closing of East Main Street at Hudnell Street and beyond on the East side. Voting for the motion: Mercer, Roberson and Davis; Against: Moultrie and Pitt. The motion carried 3-2.

Councilman Mercer stated staff needs to make sure to follow the proper procedure to officially close the street.

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

Allen Lewis stated the Public Works Department was asked by business owners, property owners and residents to look into marking parking spaces as well as establishing no parking areas along the east side of Market Street, just south of Third Street. The ordinance amendment will prohibit parking eighty (80) feet south of Third Street on the east side of Market Street, then allow for one parking space, prohibit parking in front of the garage door that is used for deliveries to the Washington Daily News and allow for two more parking spaces beyond that point. The spaces will be marked to designate the appropriate parking areas, white for parking areas and yellow for no parking. Council voiced concern over some areas being prohibited while others in that area are allowable parking areas.

By motion of Councilman Davis, seconded by Councilman Pitt, Council adopted an ordinance to amend Chapter 18, Section 18-123, Designated prohibited parking areas, to prohibit parking on the east side of Market Street. Mayor Pro tem Roberson voted against the motion.

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

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

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

Market Street and Third Street, on the west side of Market Street for ninety (90) feet south of Third Street, on the east side of Market Street for fifteen (15) feet south of Third Street, on the south side of Third Street for one hundred (100) feet west of Market Street and for eighteen (18) feet east of Market Street; on the north side of Third Street for one hundred fifty (150) feet west of Market Street and for forty (40) feet east of Market Street

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

Market Street and Third Street, on the west side of Market Street for ninety (90) feet south of Third Street, on the east side Market Street for eighty (80) feet south of Third Street, on the east side of Market Street for twenty (20) feet from a point one-hundred (100) feet south of Third Street, on the south side of Third Street for one hundred (100) feet west of Market Street and for eighteen (18) feet east of Market Street; on the north side of Third Street for one hundred fifty (150) feet west of Market Street and for forty (40) feet east of Market Street

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

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

This the 13<sup>th</sup> day of September 2010.

s/Cynthia S. Bennett  
City Clerk

s/N. Archie Jennings, III  
Mayor

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**AUTHORIZE – CITY MANAGER TO EXECUTE AND SUBMIT WATER SHORTAGE RESPONSE PLAN**

Allen Lewis, Public Works Director stated his department has been working on a Water Shortage Response Plan for some time now to meet the minimum requirements of NCGS 143-355.2(a) as well as NCAC 02E.0607. Mr. Lewis stated this will be pulled as an action item and will be a discussion item only. Council by consensus moved this item to the Committee of the Whole meeting to allow for full discussion.

**AUTHORIZE – CITY MANAGER TO ENTER INTO A LEASE AGREEMENT WITH FORTESCUE INVESTMENT GROUP, LLC TO LEASE THE PARKING LOT LOCATED AT 114 EAST 2<sup>ND</sup> STREET**

Jim Smith, City Manager stated that since the retail business located on the property at 114 E. 2nd St. adjacent to City Hall closed several years ago the property has been used for City employee parking. At some time in the past an informal agreement was apparently reached between the City and the property owner that the City would wave utility fees in return for use of the property for employee parking. Subsequently the utilities were cut off. Recently, utilities have been reactivated in order to facilitate a potential sale of the property. Because the parking benefits City Hall generally and not just utilities it seems more appropriate that the City pay a monthly rent for use of the property. The utilities amount to approximately \$125 per month. The owner has agreed to accept this amount as rental for the property until it is sold or otherwise disposed of.

Mayor Pro tem Roberson noted that there is not enough parking in the back of the Municipal Building for customers when they come to City Hall. He asked if some of the parking spaces at the back of City Hall could be moved over and also reserve the first five or six spots at a 60 degree angle at 114 E. 2<sup>nd</sup> Street. The spaces should be designated for customers as well as possibly moving some of the Department Head vehicles to the side parking lot. Mayor Jennings stated that was a great idea. Councilman Mercer acknowledged there is not enough customer parking and we should move some of the staff parking from the rear lot. Mr. Smith stated being the building is for sale and we don't really know how long the lot will be available for our staff. Eventually we will have to move employee parking across the street. Mayor Pro tem Roberson inquired as to who would keep the back portion of the 114 E. 2<sup>nd</sup> Street lot clean? Franz Holscher, City Attorney stated the City does not have a contractual agreement to clean the lot.

By motion of Councilman Pitt, seconded by Councilman Mercer, Council authorized the City Manager to enter into a lease agreement with Fortescue Investment Group for a portion of land located at 114 E. 2nd St. to facilitate City employee parking.

**ADOPT – RESOLUTION AUTHORIZING THE ADVERTISEMENT OF AN OFFER TO PURCHASE CERTAIN PROPERTY LOCATED AT 507 WEST SECOND STREET**

Jim Smith, City Manager stated the residential property at 507 W. 2nd St. has been steadily deteriorating over a period of years to the point at which the City was forced to consider it to be a matter of demolition by neglect. Extended negotiations with the former owner were conducted with the result that the property was donated to the City. After removing debris and securing the property, the City met with Preservation North Carolina to solicit their assistance in finding someone to rehabilitate the property.

The property is located in the Historic District. Recently the City received an offer of \$1000 to purchase the property with the stated intent of rehabilitating it in accordance with historic district standards. It is proposed to use the upset bid process to facilitate the sale. It is proposed that a 120 day time limit be placed on restoring the exterior of the structure and a 24 month time limit established for

interior renovations. Failure to meet the stated time limits will result in the property reverting to the ownership of the City, including any improvements which have been completed. As a condition of the sale, the restrictive covenants of the Historic Preservation Foundation of North Carolina Inc., or something similar, will be placed upon the property.

Mr. Holscher discussed the possibility of Preservation NC acquiring this property as an alternative to the upset bid process. Mayor Jennings stated that had been discussed and all Preservation NC could do was obtain a similar outcome. Mr. Holscher stated that was correct, then they would be responsible for making sure the purchaser lives up to their obligations.

By motion of Councilman Davis, seconded by Councilman Pitt, Council approved the Resolution authorizing the advertisement of an offer to purchase certain property.

**RESOLUTION AUTHORIZING THE ADVERTISEMENT  
OF AN OFFER TO PURCHASE CERTAIN PROPERTY**

**WHEREAS**, the City Council of the City of Washington ("City") desires to dispose of certain surplus real property of the City.

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

1. The following described real property, having an address of 507 West Second Street, is hereby declared to be surplus to the needs of the City:

That certain tract or parcel of land lying and being in the City of Washington, Beaufort County, North Carolina, more particularly described as follows:

IT BEING that Lot One (1) containing 0.09 acres as shown on survey map entitled "Survey for Timothy M. Evans" prepared by Waters Surveying dated December 3, 2009 and being that same property deeded to the City of Washington by deed dated January 27, 2010 recorded in Book 1710, Page 461, Beaufort County Registry, to which survey map and deed reference is herein made for a more complete and adequate description.

2. The City Council has received an offer to purchase the property described above for the sum of one thousand dollars (\$1,000.00). Said offer, including additional terms, is available for public inspection in the office of the City Clerk.
3. Any person desiring to submit an upset bid shall submit an upset bid within ten (10) days of the date the notice provided for herein is published. Any such upset bid shall raise the offer by not less than ten percent (10%) of the first one thousand dollars (\$1,000.00) and five percent (5%) of the remainder of said offer or any subsequent upset bid. Any person making an upset bid and any subsequent upset bid must deposit with the City Clerk a sum equal to five percent (5%) of the upset bid or any subsequent upset bid.
4. The City Council proposes to accept said offer, subject to the amendments stated herein, unless a qualifying upset bid shall be made.
5. The City Clerk shall cause a notice of such offer, subject to the amendments stated herein, to be published in accordance with North Carolina General Statute § 160A-269.

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6. If a qualifying upset bid is received, the City Clerk is directed to re-advertise the offer at the increased upset bid amount and to continue with this process until a ten (10) day period has passed without receipt of a subsequent qualifying upset bid.
  7. Any subsequent conveyance of the property described above shall be subject to the following.
    - a. Any restrictive or protective covenant, and a reversionary clause, that, in the sole discretion of the City, are required in order to preserve and restore said property consistent with the City's Historic District Guidelines for existing structures as may be amended, the Secretary of the Interior's Standards for the Treatment of Historic Properties as may be amended, and any other law, code, or guideline applicable to the property.
    - b. A preservation, rehabilitation, and/or maintenance agreement, in the sole discretion of the City, by and between the purchaser and the City. Said agreement will be enforceable by said reversionary clause and shall include, among other things, requirements that the exterior restoration of the structure located on the property be completed within one hundred twenty (120) days and the entire renovation of said structure be completed within two (2) years.
    - c. The purchaser shall be responsible for payment of any taxes due or coming due against the property.
    - d. Any conveyance shall be by special warranty deed.
  8. Notwithstanding anything herein to the contrary, the City, without recourse from any individual making the offer or any subsequent qualifying upset bid, reserves the right to cancel this upset bid process and enter an Option to Purchase Real Property for Historic Preservation with the Historic Preservation Foundation of North Carolina, Inc. or convey the property outright to the Historic Preservation Foundation of North Carolina, Inc.

Adopted this 13<sup>th</sup> day of September, 2010

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

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

**APPROVE – FY09 CDBG HOUSING DEVELOPMENT PROGRAM - WHI -  
LEGALLY BINDING COMMITMENT**

Chris Hilbert, Holland Consulting Planners stated he and the City Attorney have reviewed and edited the draft LBC included in the FY09 CDBG-HD project application. They have made extensive modifications to clarify the agreement and to guarantee that the city is provided security if the non-profit developer fails to complete the development and conveyance of 13 new stick-built homes to low- and moderate income households as specified in the FY09 CDBG-HD Grant Agreement. The new homes are to be located on parcels on 7<sup>th</sup> Street and in the Northgate Subdivision, owned by the Washington Housing Authority and Northgate LLC, respectively. The Legally Binding Commitment is required and is the only item left to be submitted to DCA for the release of conditions. We are in the environmental review process for this grant. Reed Whitesell, HCP has worked with the City Attorney in revising some of the language in this document.

Mayor Pro tem Roberson voiced concern over some of the requirements in this document. Mr. Holscher stated a Promissory Note and Deed of Trust will be secured by the properties they purchase and the City will be the beneficiary of those documents/properties. Councilman Mercer voiced concerns over meeting the conditions set forth in this grant. Councilman Mercer and Mayor Pro tem Roberson will meet with the City Attorney to continue review of this document. Concerns were voiced that if WHI does not perform to their obligations of their grant, then what are the City's obligations.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council continued this item until October 11, 2010.

**MOSS MARINA – FLOATING BOAT HOUSE/BATHROOMS**

Mayor Pro tem Roberson wants the developer of Moss Marina to come forward and produce the off-street parking spaces for the marina. Concern was voiced regarding the floating boat house and sewer accessibility. Mr. Smith stated the current agreement provides for sixteen parking spaces. Mayor Jennings suggested that rather than banning together and taking an adversarial relationship with the developers, that we look for a solution that would be suitable to everyone. He further noted there was a piece of property between the parking lot and the boat slips which could be large enough for a bathhouse. Council continued discussions regarding the floating boat house/bathhouse.

**BYRON CLARK - UTILITIES**

Mayor Pro tem Roberson discussed Byron Clark's utilities issue. Mr. Smith stated Mr. Clark was delinquent in his utility payment and the City made a courtesy call with our automated phone system, prior to Wednesday which was cut-off day. Then on Friday our staff personally called him and notified him he was delinquent and he stated he would have the funds here by Monday. The funds were not here by Monday, subsequently the service was terminated. Mayor Jennings stated he is contesting the \$25 fee. Councilman Mercer stated it sounds as though we followed our normal procedure. Mr. Smith acknowledged we followed procedure and then to the extra step because he's been delinquent in the past we gave him a personal phone call.

**LETTER TO HOSPITAL BOARD**

Mayor Jennings reviewed a draft letter to the Hospital Board and asked for Council's input.

**CLOSED SESSION UNDER NCGS 143-318.11(A)(3) ATTORNEY CLIENT PRIVILEGE: JAMES TRIPP VS. CITY OF WASHINGTON 09-CVS-1298; CITY OF WASHINGTON VS. ANN F. MEREDITH, ET.AL 08-CVS-105 AND 143-318.11(A)(6) PERSONNEL**

By motion of Councilman Mercer, seconded by Councilman Pitt to enter into closed session at 9:40pm under NCGS 143-318.11(a)(3) Attorney Client Privilege: James Tripp vs. City of Washington 09-CVS-1298; City of Washington vs. Ann F. Meredith, et. al. 08-CVS-105 and NCGS 143-318.11(a)(6) Personnel.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council agreed to come out of closed session at 10:40 pm.

**ADJOURN**

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council adjourned the meeting at 10:45pm until September 27, 2010 at 5:30 pm in the Council Chambers at the Municipal.

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**Cynthia S. Bennett**  
City Clerk