

The Washington City Council met in a regular session on Monday, July 1, 2013 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Edward Moultrie, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Mayor Pro tem Roberson was absent and excused from the meeting.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Stacy Drakeford, Fire & Police Services Director; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Utilities Director; John Rodman, Community and Cultural Resources Director; Kristi Roberson, Parks and Recreation Manager; Susan Hodges, Human Resource Director; Gloria Moore, Library Director; Lynn Lewis, Tourism Director; David Carraway, IT Department and Mona Moore, Washington Daily News.

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

APPROVAL OF MINUTES

Councilman Mercer provided the correct spelling of Overholt (not Overhault) on page 8 of the minutes.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council approved the minutes of June 10, 2013 as amended.

APPROVAL/AMENDMENTS TO AGENDA

The following items were presented as amendments to the agenda:

- Move from Consent Item A: Solar Project 1 to Old Business Item A
- Move from Consent Item B: Solar Project 2 to Old Business Item B
- Move from Consent Item F: Purchase Orders >\$20,000 to Memo Item VIB.1
- Add: Old Business Item C – Stormwater Capital Project Amendment
- Add: Old Business item D – School Resource Officer Agreement Modification
- Add: Mayor and other members of City Council – Discussion of Intersection of Highland Drive and 12th Street
- Discussion: Replacement pages – changes from staff

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

CONSENT AGENDA:

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

- A. **Move to Old Business: Item A** – Budget Ordinance Amendment – Solar Project 1

- B. **Move To Old Business: Item B** – Budget Ordinance Amendment – Solar Project 2
- C. **Adopt** – Budget Ordinance Amendment – Senior Center Part Time Salaries

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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

Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$6,653 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That the following account numbers be increased in the amounts indicated to appropriate funds for part time salaries at the Senior Center:

10-40-6123-0300	PT Salaries	\$6,180
10-40-6123-0500	FICA	473

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 1st day of July, 2013.

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

- D. **Adopt** – Budget Ordinance Amendment – Public Works Supervisor II Reclassification

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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

Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$1,274 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That the following account numbers be increased in the amounts indicated to appropriate funds for the reclassification of the Public Works Supervisor II position:

10-40-6130-0200	Salaries	\$ 826
10-40-6130-0500	FICA	86
10-40-6130-0500	Retirement	80
10-00-4260-0200	Salaries	207
10-00-4260-0500	FICA	39

10-00-4260-0500	Retirement	36
	Total	\$1,274

Section 3. That the Estimated Revenues in the Airport Fund be increased in the amount of \$282 in the account Fund Balance Appropriated, account number 37-90-3991-9910.

Section 4. That the following account numbers be increased in the amounts indicated to appropriate funds for the reclassification of the Public Works Supervisor II position:

37-90-4530-0200	Salaries	\$ 207
37-90-4530-0500	FICA	39
37-90-4530-0700	Retirement	<u>36</u>
	Total	\$ 282

Section 5. That the Estimated Revenues in the Cemetery Fund be increased in the amount of \$992 in the account Fund Balance Appropriated, account number 39-90-3991-9910.

Section 6. That the following account numbers be increased in the amounts indicated to appropriate funds for the reclassification of the Public Works Supervisor II position:

39-90-4540-0200	Salaries	\$ 826
39-90-4540-0500	FICA	86
39-90-4540-0700	Retirement	<u>80</u>
	Total	\$ 992

Section 7. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 8. This ordinance shall become effective upon its adoption.

Adopted this the 1st day of July, 2013.

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

E. Declare Surplus/Authorize – the Sale of Mobile Home through Sealed Bids acquired with the Brann/property purchase

<u>Vehicle Number</u>	<u>Make/Model Description</u>	<u>Serial Number</u>	<u>Odometer Reading</u>
N/A	1973 Conner Mobile Home	4024M3DWN1B2781	N/A

F. Moved To Memo VIB.1: – Purchase Orders >\$20,000

SCHEDULED PUBLIC APPEARANCES:

Mr. Carter Leary requested underground electrical services and provided explanation as to why he was making this request (service line drop to meter). Mr. Leary provided photographs of his concerns. He is requesting the wiring from the City and will trench the wiring in himself. He said he has done this in the past using plumbing pipe under his driveway. Mayor Jennings suggested that Mr. Leary had done the correct thing in bringing this matter to the Council attention.

(Letter to Mr. Leary from Alston Tankard, Electric System Engineer 3-7-2012)

I met with you on March 6, 2012 to discuss the possibility of converting your residential electrical service from overhead to underground. During our discussion I noted three areas where Washington Electric Utilities (WEU) requirements and the requirements of the National Electrical Safety Code (NESC) would be in violation. These conditions would have to be resolved in order to proceed with the change of service:

1. The clearance between the existing electric meter base and natural gas meter does not meet the WEU clearance requirement six feet.
2. The new underground service conductor shall be installed to a minimum 36" depth per NESC and WEU requirements. In addition, suitable backfill material shall be provided if you elect to trench and backfill the excavation.
3. The current conduit under the concrete driveway is not schedule 40 PVC electrical conduit as required by NESC and WEU. The existing conduit under the driveway is not electrical conduit and does not meet the temperature rating of the utility supply conductors.

Once these conditions are satisfied the conversion of your overhead service to underground can proceed. (end)

Mayor Jennings instructed City Manager, Brian M. Alligood and staff to work on this issue. Councilman Mercer stated there is a definite problem with the pole/wire coming down to the house. Councilman Mercer hopes this problem can be worked out within a short period of time either by replacing the wire from the pole down to the meter or allowing Mr. Leary to run it underground.

Reverend David Moore stated he was approaching City Council regarding the CDBG Block Grant he received through the City of Washington. There was a three (3) year delay on when he could actually acquire the land and everything was ready to go by 2008. Reverend Moore stated they are having difficulties with financing – the contract stated they would build five (5) houses for low to moderate income families. The land was purchased, infrastructure was put in and he is requesting Council pay/waive the water and sewer tap fees for those five structures.

Reverend Moore explained how the process previously worked but now with the economic downturn, banks stopped lending especially to non-profits. The process is now, build one house and sell it before building another. Department of Commerce has placed a deadline/window on us so that we have to get it done quickly or the City will have to pay back the funding. Reverend Moore noted he is now in the position to start construction and needs the City's help on this matter. Metropolitan's track record is spotless and has never been derelict in duty (this being their six CDBG grant in the City of Washington). Reverend Moore would like to get this project completed so the City of Washington will not have to take care of anything he is responsible for. Reverend Moore stated once the five houses are completed he will come back with phase two of the project.

Councilman Mercer has applauded and commended Reverend Moore and Metropolitan several times for removing substandard housing in the City. However, this grant has been a snafu from day one and further noted that Holland Consulting Planners messed up. The City acquired the properties and put in the infrastructure (in order to put in the infrastructure as required, the City had to put in an additional \$50,000/\$60,000 above what was outlined in the grant). Reverend Moore approached the City about six months ago, noting he needed some assistance in clearing the land to be able to proceed with construction and the City invested another \$10,000/\$12,000 into clearing that property. Now there is a request to forgive some \$11,000 worth of water/sewer taps and building fees with the indication that the City will recoup that money in a three/four year period of time. This would be true if Reverend Moore would build the houses in the next three/four years.

Councilman Mercer shared the difficulties he is having with this issue. The Department of Community Assistance contacted the City notifying them that funding for the project had been de-obligated and the City was responsible for the repayment of a \$250,000 grant. Former City Manager, Josh Kay went to Raleigh and negotiated a repayment plan for the City at the rate of \$25,000 a year for the next ten years and he feels this has been budgeted.

Mayor Jennings expressed that Reverend Moore's statements are solid, especially Metropolitan's partnership with the City. John Rodman, Community/Cultural Resources Director provided clarity on this item by stating it is the 12th hour (the time is up) and this is why we are having the public hearing tonight in order to close out the FY05 grant. Mr. Reed Whitesell with Holland Consulting Planners shared by conversation with John, that even though the grant is closed out, if Reverend Moore builds these houses, then those repayments will be reduced by each house that he builds. If he builds all the houses, the repayment could be forgiven. Mr. Rodman stated this is not written anywhere and he has no proof of that fact but it is his understanding through conversations with Mr. Whitesell. Mayor Jennings stated we need to get this clarification in writing. Mayor Jennings clarified the dollar amount per house for tap fees and permits is \$3,220 and the total would be \$16,100.

Council paused for the public hearing. Councilman Moultrie requested to revisit the discussion of tap fees and take a vote on this tonight. Mayor Jennings stated this would be continued concurrently.

COMMENTS FROM THE PUBLIC: NONE

PUBLIC HEARING ON ZONING: NONE

Public Hearing (other): ADOPT – ANNEXATION ORDINANCE TO EXTEND CITY OF WASHINGTON CORPORATE LIMITS FOR A CONTIGUOUS ANNEXATION (WIMCO PROPERTY LOCATED AT 1724-1730 CAROLINA AVE).

Mayor Jennings opened the public hearing. John Rodman Community/Cultural Resources Director provided the following background information on the WIMCO annexation. At the June 10, 2013 City Council meeting, Council adopted a resolution calling for a public hearing on the request for an annexation of the Wimco property containing 2.16 acres.

Councilman Brooks inquired if this was the three lots combined and Mr. Rodman stated it was two lots.

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

By motion of Councilman Mercer, seconded by Councilman Pitt, Council adopted the annexation ordinance to extend the City of Washington corporate limits for the contiguous annexation of the Wimco property located at 1724-1730 Carolina Ave. and covering 2.16 acres.

**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 on of this annexation was held at the City Council Chambers on the 2nd floor of the municipal building located at 102 East 2nd Street at 6:00 p.m. on Monday, July 1, 2013, after due notice by the Washington Daily News on June 21st, 2013;

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 July 1, 2013:

Being all of that tract of land noted on that survey "Extension of Corporate Limits" by Bartlett Surveying, P.A. dated April 2013 and being located in Washington Township, Beaufort County North Carolina and being more particularly described as follows;

Beginning at a point on the western right-of-way line of Carolina Avenue (US HWY 17), said point being the northeastern corner of the property conveyed to Junice D. Grimes III and Samuel G. Grimes in Deed Book 1504, Page 366 (PIN:5676-56-7365), thence leaving said right-of-way line S70°31'55"W a distance of 194.46' to an existing railroad iron on the eastern line of the property conveyed to June W. Whitaker in Deed Book 1352, Page 623 (PIN:5676-57-3013), thence N18°47'29"W a distance of 300.12' to an existing railroad iron, thence N18°49'58"W a distance of 147.73' to a point at the center of an existing canal, thence N53°25'50E a distance of 41.64' to a point, thence N47°38'12"E a distance of 102.85' to a point, thence N51°56'18"E a distance of 63.85' to a point on the western right-of-way line of Carolina Avenue (US Hwy 17), thence along said right-of-way line S18°49'51"E a distance of 220.43' to an existing iron pipe, thence S18°49'51"E a distance of 300.04' to the point of beginning, containing 2.16 (+/-) acres, and consisting of the property conveyed to Kevin D. Rawls and Donald R. Bundy in Deed Book

1369, Page 607 (PIN:5676-56-6954), and the property conveyed to Chester W. Leggett and Susie G. Leggett in Deed Book 525, Page 487 (PIN:5676-56-7731), see also Estate File 95E, Page 1.

Together with and subject to covenants, easements, and restrictions of record. Said property contains 2.16 acres more or less.

Section 2. Upon and after July 1, 2013, 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 1st day of July, 2013

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

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

CLOSE OUT – FY05 CDBG HOUSING DEVELOPMENT PROGRAM (KEYS LANDING)

Mayor Jennings opened the public hearing. Mr. Rodman stated this is the public hearing for the FY05 Keys Landing CDBG grant. Mr. Rodman explained the original deadline has passed and the Division of Community Assistance has recommended that this grant be closed out and money returned.

Councilman Mercer inquired if the close out is a formality in light of the fact that the project has been defunded and we have been requested to refund the monies, Mr. Rodman responded ‘yes’. Mayor Jennings stated we are satisfying the requirement to hold a public hearing but we don’t necessarily have to take action immediately following. Council and staff referred to Mr. Holscher and he suggested the form prepared by the grant administrator indicates no action requested.

Mayor Jennings opened the floor for public comments.

Reverend Moore shared the City definitely doesn’t want to close out the grant.

Mr. Casey Cox addressed Council, noting his address is 221 Alderson Road in Smallwood and that his house is directly adjacent or behind the Keys Landing property. He agrees with closing out the grant. Mr. Cox noted he has numerous reasons why he disagrees with the project but feels with all the requested extensions, the City should close out this project.

By motion of Councilman Brooks, seconded by Councilman Mercer, Council agreed to continue the public hearing for Close-Out of FY05 CDBG Housing Development Program – Keys Landing until the next regular scheduled meeting.

MEMO – RELOCATION OF CITY EOC:

In consideration of the City's current location of the Emergency Operations Center at Fire Station 2; I would recommend, due to limited space and other logistical reasons; that during the need for staff to operate from a central location we designate City Hall as the Emergency Operations Center. From a logistics standpoint, City Hall already has the working space of the core decision makers during emergency situations including network operations and meeting room areas. This building is structurally secure, has back-up power, an essentially this change of location would not create costs. In fact, this change would create some savings by removing additional phone lines from Station 2 designated for use during emergencies.

In reference to moving radio communications from the Police Department if needed due to flooding or power loss; that operation could still be re-located to Station 2, as it would be part of the Police and Fire operations responding within that location.

MEMO – SMALL BUSINESS AND ENTREPRENEURIAL ASSISTANCE (SBEA) GRANT PROGRAM

The Division of Community Investment and Assistance approved the 2011 Community Development Block Grant (CDBG) for Small Business and Entrepreneurial Assistance (SBEA) funds in the amount of \$200,000. The primary purpose of the SBEA program is to provide funding to local governments to help jumpstart the growth of existing small businesses by expanding their businesses and creating new jobs. Five (5) local businesses that are participating are: Park Boat Company, Hospital Pharmacy, East Carolina Imports, FRE Plumbing, and Pamlico Fencing.

The grant project is authorized to provide CDBG funds to these local businesses for construction/rehab, machinery and equipment, and working capital. By providing capital resources to the existing business the City of Washington will help increase employment opportunities by creating 8 new jobs.

Funding eligibility is contingent upon the creation or retention of permanent full-time jobs. Each new job created or retained is eligible to receive up to \$25,000 in grant funds. The City of Washington was therefore awarded \$200,000 in Small Business and Entrepreneurial Assistance funds. Before these funds can be released the conditions must be met.

1. No funds may be obligated or expended in any activity until the recipient provides the Division of Community Investment with a copy of the legally binding commitment(s) between the City of Washington and Taylor's Hospital Pharmacy, East Carolina Import Services, FRE Plumbing, Pamlico Fence Company, and Park Boat Company.
2. No funds may be obligated or expended in any activity until the recipient provides a detailed work plan on how goals will be achieved and measured satisfactorily to the Division of Community Investment.
3. No funds may be obligated or expended in any activity until the recipient provides the Division of Community Investment with a certified list of the names, employment start dates and employment status of each employee of the participating businesses.

4. The Division of Community Investment requires that the recipient provide a copy of an executed Uniform Commercial Code (UCC) lien on any equipment purchased with funds from this grant with the recipient being designated as the “secured party”.
5. No funds may be obligated or expended in any activity until the City of Washington receives a signed Promissory Note from each of the participating businesses.

Each participating business has agreed to retain or create, fill and maintain their indicated full time jobs by January 16, 2015. The employers must retain the job(s) for a period of six months at 35 hours a week.

MOVED FROM CONSENT AGENDA: PURCHASE ORDERS >\$20,000

Councilman Mercer requested the purchase order moved from the Consent Agenda be discussed at this time. He reminded Council they were presented with two purchase orders last month – one for \$37,000 for the purchase of a truck for Park Boat Company and the other for approximately \$22,000 for supplies and plumbing equipment for FRE Plumbing. Councilman Mercer expressed his concerns and spoke in opposition of the grant (purchase order of the utility truck for Park Boat Company).

Councilman Mercer asked Mr. Holscher if we have all needed documentation required for the City to spend these funds. Mr. Holscher stated this is a difficult question but can say since the last meeting he has drafted promissory notes for each of the five businesses to sign, which have been delivered to the grant administrator. As each truck or piece of equipment is purchased, he is supposed to receive identifying information which he will place on a UCC to be filed with the Secretary of State. As far as the truck title, the title is required to be in the City’s name initially and he suggested that the City transfer the title to the businesses name and the City be shown as a secured party on the title. Also, the City should hold the physical title until there is compliance. Mayor Jennings asked if the City will comply with the grant by the way it’s design and Mr. Holscher stated in his opinion ‘yes’.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council approved by purchase orders >\$20,000. Motion carried 3-1 with Councilman Mercer opposing.

*Requisition #12999, \$32,656.22, to Lee Chevrolet for CDBG Job Creation grant, account 57-60-4930-4500.

*Requisition # 50583, \$21,875, to Spartan Tool for CDBG Job Creation grant, account 57-60-4930-4500.

JUMPSTART WASHINGTON CDBG SBEA PROJECT
STATUS REPORT

COMPANY	CDBG	MATCH	TOTAL	USES	CHANGE	NEW JOBS	RETAIN
TAYLOE PHARMACY	\$43,750	\$111,000	\$154,750	JOB TRAINING	MEDS	2	
EASTERN IMPORTS	\$21,875	\$9,000	\$30,875	CAR LIFTS, EQUIP,REHAB	?	1	
PAMLICO FENCE	\$21,875	\$25,000	\$46,875	SKID STEER MACHINE	SAME	1	
F.R.E. PLUMBING	\$21,875	\$2,000	\$23,875	TRAILER JETTER,EQUIP	SAME	1	
PARK BOAT	\$65,625	\$25,000	\$90,625	TRUCK,TRACTOR	SAME	2	1
	\$175,000	\$172,000	\$347,000				
PLANNING	\$5,000		\$5,000				
ADMIN	\$20,000		\$20,000				
TOTALS	\$200,000	\$172,000	\$372,000				

MEMO – LOCATION – COASTAL WARNING DISPLAY TOWER

The U.S. Weather Bureau once used Coastal Warning Display towers to fly signal flags to warn mariners of wind shifts or approaching storms. Dozens of these towers were built after 1898, when President McKinley ordered the Weather Bureau to implement a hurricane warning system for ships. The towers were officially known as coastal warning display towers (CWD). Use of the forecast flags faded after 1925, as radio stations took over the role of disseminating local weather forecasts. The storm warning system and the CWD towers are obsolete today; the National Weather Service deactivated its Coastal Warning System in 1989. Although the program has been formally discontinued, the Coast Guard and other stations may continue to display warning signals without the direct assistance of the National Weather Service. It is believed that only five towers are still in use today, with two of those being in North Carolina.

The City of Southport restored its tower as a memorial to Jessie Taylor, the woman who flew the signal flags from the tower from 1900, when it was built, until she died in 1962. The tower now flies the Stars and Stripes. It stands in front of the Fort Johnston Officers Quarters, a historic building dating from about 1800.

In September 2005, the North Carolina Maritime Museum’s branch at Manteo, just inside the Outer Banks, acquired Manteo’s 1904 CWD tower and reinstalled it on the town waterfront. By November 1, the museum had fully restored the tower, reinstalling and reactivating the original lights. Forecast flags are displayed daily, and storm warning flags are flown whenever they are appropriate.

Mr. Jim Miller owns the residence and property at 720 East Main Street and a Coastal Warning Display tower has been located on the property since the 1940’s. The tower has not been in use in a number of years and Mr. Miller has donated the tower to the City of Washington; to be removed and restored and placed at a separate location.

The City Building Inspections Office had a Structural Engineer look at the existing tower to make sure that its structural integrity would not be compromised if the tower was taken down, removed and once again installed. He stated that the tower would remain structurally sound. The height of the tower is approximately fifty feet. The engineer also gave the City an approximate cost to have the tower painted and once again installed at a separate location. That cost estimate was \$14,200. That cost does not include any purchase of weather flags or signal lights that were no longer with the tower.

A possible site for the new tower location has been selected. There have been discussions with the NC Partnership for the Sounds and the NC Estuarium concerning their property being used as a permanent site for the tower.

Unused funds from a Main Street Energy Fund were used to install a Sprout Kiosk on property outside of the NC Estuarium. The Sprout Kiosk is a 30' tall device, resting on a 5x5 structurally engineered concrete slab. It was designed to convey environmental and weather data to the Estuarium and to be used as an educational device. The kiosk has been out of service for nearly a year and the company that designed and built the Sprout has gone out of business. The Estuarium wishes to replace the Sprout with the Coastal Weather Display Tower. The weather tower will be a great addition to the Estuarium's educational programs and to downtown Washington's Maritime History.

Councilman Mercer requested discussion concerning the Coastal Warning and Display Tower. The City agreed to accept the ownership of the tower and spend some monies on taken it down and refurbishing it. Councilman Mercer feels the funds that are not adequate to affect that relocation and if the funds are not adequate who will pay for it? Mr. Rauschenbach stated to the best of his knowledge the funds are adequate.

MEMO – ECU RESEARCH VESSEL RIGGS DOCKAGE

The Research Vessel Riggs is once again requesting to continue their relationship with the City of Washington for docking at the Waterfront Docks. They are not requesting any changes in the agreement.

Each year the R/V Riggs provides a list of emergency contacts, as these people tend to change frequently. The list assures the Waterfront Docks that prompt communications can be obtained should it be needed.

The new docking agreement will be for the period of August 15, 2013 – August 14, 2014.

**MEMO – GENERAL FUND BUDGET TRANSFER BETWEEN THE EDC OPERATIONS AND
THE MISCELLANEOUS & PARKS AND GROUNDS MAINTENANCE DEPARTMENTS
(\$32,460)**

The Budget Officer transferred \$32,460 of funding between the EDC Operations and the Miscellaneous & Parks and Grounds Maintenance departments of the General Fund to provide additional funds needed to power wash, repair gutters, fascia, and paint exterior wood of the Beaufort County Art Council building and power wash and paint the interior and exterior of the Bobby Andrews Recreation Center.

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

From: 10-00-4650-4500 EDC Operations \$32,460
To: 10-00-4400-1501 Repair/Maintenance \$10,000
10-40-6130-1500 Repair/Maintenance \$22,460

MEMO – GENERAL FUND BUDGET TRANSFER BETWEEN THE EDC OPERATIONS AND MISCELLANEOUS DEPARTMENTS OF THE GENERAL FUND (\$1,000)

The Budget Officer transferred \$1,000 of funding between the EDC Operations and Miscellaneous departments of the General Fund to provide additional funds needed to install hand rails on the handicap ramp at the Beaufort County Arts Council Building.

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

From: 10-00-4650-4500 EDC Operations \$1,000
To: 10-00-4400-1501 Repair/Maintenance \$1,000

MEMO – GENERAL FUND BUDGET TRANSFER BETWEEN THE EDC OPERATIONS AND THE MISCELLANEOUS & PARKS AND GROUNDS MAINTENANCE (\$1,400)

The Budget Officer transferred \$1,400 of funding between the EDC Operations and Parks and Grounds Maintenance departments of the General Fund to provide additional funds needed to power wash, and paint interior and exterior of the Bobby Andrews Recreation Center.

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

From: 10-00-4650-4500 EDC Operations \$1,400
To: 10-40-6130-1500 Repair/Maintenance \$1,400

MEMO – GENERAL FUND BUDGET TRANSFER BETWEEN THE MAYOR AND CITY MANAGER DEPARTMENTS (\$55)

The Budget Officer transferred \$55 of funding between the Mayor and City Manager departments of the General Fund to provide additional funds needed for City Clerk's travel.

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

From: 10-00-4111-1400 Employee Development \$55
To: 10-40-4120-1400 Employee Development \$55

MEMO – ELECTRIC FUND BUDGET TRANSFER BETWEEN THE LOAD MANAGEMENT AND SUBSTATION DEPARTMENTS OF THE ELECTRIC FUND (\$7,500)

The Budget Officer transferred \$7,500 of funding between the Load Management and Substation departments of the Electric Fund to provide additional funds needed to replace the reclosers that failed at the eastern sub breaker.

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

From: 35-90-8375-5600 \$4,000 To: 35-90-8370-1603 \$4,000

From: 35-90-8375-4500 \$3,500 To: 35-90-8370-1603 \$3,500

REPORTING – REALLOCATION OF FUNDING – GENERAL FUND, WATER FUND, SEWER FUND, STORM WATER FUND, ELECTRIC FUND, AND AIRPORT FUND

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

General Fund:

- Increased City Council Department by \$300
- Increased Mayor’s Department by \$200
- Increased City Manager’s Department by \$14, 650
- Increased Human Resources Department by \$1,500
- Increased Legal Services Department by \$9,000
- Increased Municipal Building Department by \$6,500
- Increased Equipment Services Department by \$5,000
- Increased Recreation Administration Department by \$1,550
- Increased Events & Facilities Department by \$10,580
- Increased Aquatic Center Department by \$24,500
- Increased Outside Agency Department by \$200
- Decreased Miscellaneous Department by \$33,680
- Decreased Customer Service Department by \$40,300

Sewer Fund:

- Increase Public Works Director Department by \$1,500
- Decrease Miscellaneous Department by \$1,500

Electric Fund:

- Increase Debt Service Department by \$28,950
- Increase Electric Director Department by \$8,150
- Decrease Power Line Construction Department by \$37,100

REPORTING – BAD DEBT WRITE-OFFS

The following accounts have been written off in accordance with the City of Washington’s Policy for Write-off of Uncollectible Accounts Receivable.

<u>Category</u>	<u>Category Description</u>	<u>Criteria for Write-off</u>	<u>Total Write-off</u>
2	Assessments	>10 years old	32,325.06
27	Miscellaneous G/G	>5 years old	4,896.40
44	Electric Property Damage	>5 years old	1,238.13
55	Solid Waste Fees	>5 years old	50.00
58	Miscellan. Storm Water Fund	>5 years old	50.00

65	Hydrant Usage	>5 years old	146.83
31	Lot Mowing	>5 years old	5,195.00
33	Building Demolition	>5 years old	12,387.50
Utility	Utilities	>5 years old	79,829.74
EMS	EMS Charges	>5 years old	<u>355,340.09</u>
	Total		\$491,458.75

Lot mowing, demolition, and assessment liens that were previously placed against properties remain in place with the hopes that if the property is ever sold, the City will collect proceeds from the sale to satisfy the debt.

*Adoption of Policy for Write-off of Uncollectible Accounts Receivable – July 18, 2011

Councilman Mercer expressed concern with the write-off of bad debt in EMS charges and Utilities. If he recalls correctly, we wrote off well over a million dollars in EMS funds last year.

Also, if we are writing off \$79,000 worth of utilities billing do we have a program that states if you are in debt to the City that we will not give you utilities at another location. Mr. Rauschenbach stated you will not receive services until you pay the delinquent debt.

HUMAN RELATIONS COUNCIL

(Report approved as submitted)

FINANCIAL REPORTS (EMAILED AS AVAILABLE)

APPOINTMENTS – VARIOUS BOARDS COMMISSIONS, AND COMMITTEES:

Animal Control Appeal Board –

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council appointed Ty Carter to the Animal Control Appeal Board to fill the expired term of Doug Mercer, term to expire June 30, 2016.

Washington Electric Utilities Advisory Commission –

By motion of Councilman Pitt, seconded by Councilman Brooks, Council appointed Jeremiah Jackson as the At-Large member of the Washington Electric Utilities Advisory Commission – to fill the expired term of Walter Zerniak, III, term to expire June 30, 2016.

Mayor Jennings inquired if Mr. Jackson was aware that this group has been charged with owning, executing, and holding accountable all parties regarding the load management program. Councilman Pitt acknowledged that Mr. Jackson was aware and is willing to be on the board.

Mayor's Certificate of Appointment to the Washington Housing Authority –

Appointments continued until August 12, 2013 and Mayor Jennings noted he will follow through on those appointments.

MOVED FROM CONSENT AGENDA ITEM A: ADOPT BUDGET ORDINANCE AMENDMENT
– SOLAR PROJECT 1:

Councilman Mercer expressed the difficulties he was having with Solar Project 1. Monies were charged in the Electric Director’s account for salaries that was not budgeted and we had a budget of approximately \$300,000 in that area for Solar Project 1. We only spent about \$190,000 and feels this project needed to be cleaned up. Also, he understands that we are billing man power and equipment at cost plus. Mr. Hardt, Electric Director, provided clarification on these matters. Mr. Hardt explained we have an interconnect agreement with the first project in that they will pay all cost plus all overheads associated with any installation. Mr. Hardt explained the way the overheads work regarding the man power (40% - fringes, insurance, retirement) and material cost of (15% - storage handling, cost of issuing a purchase order) also, there is a 3% on sale taxes but there is no overhead cost on equipment.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council adopted a Budget Ordinance Amendment to balance the revenue and expenditures for Solar Project 1.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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

Section 1. That the Estimated Revenues in the Electric Fund be increased in the amount of \$40,271 in the account Solar Project 1, account number 35-90-3500-3640.

Section 2. That following account numbers in the Electric Director portion of the Electric Fund appropriations budget be increased or decreased by the amounts indicated:

35-90-7220-0440	Solar Project 1	(118,195)
35-90-7220-0207	Salaries – Solar Project	37,021
35-90-7220-0500	FICA	2,901
35-90-7220-0600	Group Insurance	3,590
35-90-7220-0700	Retirement	2,556
35-90-7220-0705	Employer 457 Contribution	<u>675</u>
	Total	(71,452)

Section 3. That the Estimated Revenues in the Electric Fund be decreased in the amount of \$111,723 in the account Fund Balance Appropriated, account number 35-90-3991-9910.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 5. This ordinance shall become effective upon its adoption.

Adopted this the 1st day of July, 2013.
s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

MOVED FROM CONSENT AGENDA ITEM B: ADOPT BUDGET ORDINANCE AMENDMENT
– SOLAR PROJECT 2:

Councilman Mercer stated there was a request last month for \$240,000 and he inquired of Mr. Rauschenbach how much money we have spent to date. Mr. Rauschenbach said we actually have spent no money but have encumbered \$157,000 of purchase orders and this request is for a budget ordinance amendment for over \$200,000. Councilman Mercer suggested having a budget ordinance amendment for \$160,000 to cover the encumbered \$157,000.

Councilman Mercer, further asked if we have a contract for Solar Project 2 and what it calls for in terms of our allocating cost back to the project? Mr. Hardt explained there was a timing issue. The project developer indicated that interconnect agreement would have been signed which was a day or two following the City Council meeting. What we were trying to do was to get the budget ordinance amendments in place to be able to place orders for long lead time for equipment. At the time we make those purchases (should we make those) they would have reimbursed us for the full cost. They have had a delay with the Utility Commission with the approval on this project so the interconnect agreement has not been signed. We encumbered those purchase orders assuming the interconnect agreement was coming. We have not expended any funds in that project and we still have valid quotes if we want to close that out. Either way, we will need a budget ordinance amendment.

By motion of Councilman Moultrie, seconded by Council Brooks, Council adopted a Budget Ordinance Amendment to provide unspent funding from the prior year to the current year.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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

Section 1. That the Estimated Revenues in the Electric Fund be increased in the amount of \$163,225 in the account Fund Balanced Appropriated, account number 35-90-3991-9910.

Section 2. That following account numbers in the Electric Director portion of the Electric Fund appropriations budget be increased or decreased by the amounts indicated:

35-90-7220-0450	Solar Project 2	\$163,225
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Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

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

Adopted this the 1st day of July, 2013.

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

Recess: 6:40 – 6:50 pm.

STORMWATER CAPITAL PROJECT AMENDMENT:

Mayor Jennings explained this discussion revolves around Iron Creek Subdivision. Councilman Mercer stated he had requested staff to look at the engineering and if it will need a Project Ordinance Amendment to allocate the funds (\$5,000) for that then he would like to move we do so.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adopted a Project Ordinance Amendment to allocate funding for engineering at Iron Creek Subdivision in the amount of \$5,000.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2012-2013**

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

Section 1. That following account numbers in the RZEDB Storm Water Capital Project fund appropriations budget be increased or decreased by the amounts indicated to provide additional engineering funds:

58-90-5710-0405	Engineering	5,000
58-90-5710-4500	Construction	(5,000)

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. This ordinance shall become effective upon its adoption.

Adopted this the 1st day of July, 2013.

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

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

SCHOOL RESOURCE OFFICER AGREEMENT MODIFICATION:

Councilman Mercer expressed his concerns over this item and noted he is not satisfied with the 5% increase. Dr. Phipps indicated that he had no knowledge that the cost of the Resource Officer contract would potentially go up this year. Councilman Mercer spoke with (previous City Manager) Josh Kay regarding this matter and Mr. Kay indicated he had conversations with Dr. Phipps following last year's budget discussions and told him to anticipate an increase in this year's budget. During the meeting with Dr. Phipps it was suggested that the City would like to work along with the schools they don't know how much money they will received from the State. Councilman Mercer suggested a 5% increase is very little for the City to recoup their money.

Mayor Jennings noted a point of clarification, Dr. Phipps did not say he did not have any indication that there would be an increase but his point was no indication as to how much that increase would be. Mayor Jennings clarified the benefit of the meeting and to share with everyone there was a built in 5% increase for this year. Also, Mayor Jennings clarified with school board members and Dr.

Phipps that while this will keep pace with our increasing cost it will not catch us up on fourteen (14) years of unaddressed increases. Their (school board) intent going forward is to catch up that cost in future budgets. Councilman Mercer commented that during this discussion and for further clarification, Dr. Phipps indicated that if there was going to be a continued increase in cost that he might look to see if there was someone else who could provide the service. Mayor Jennings stated this was one option but what he took away from the meeting that potentially over a two year period there would be a narrowing of the gap. Also, one of the solutions they anticipated might be another source for Resource Officers or there might be additional state funding that would offset that as well. There were a lot of options but the general commitment and understanding was that we were the ongoing provider.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council accepted the School Board offer for a 5% increase this year and to be revisited in years going forward.

**ADOPT – DECLARATION OF OFFICIAL INTENT TO REIMBURSE FOR FY 2013/14
INSTALLMENT PURCHASE EXPENDITURES:**

Councilman Mercer requested from Mr. Rauschenbach at mid-year to re-evaluate how much money we need to borrow.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adopted a Declaration of Official Intent to Reimburse for Fiscal Year 2013/2014 installment purchase expenditures as outlined.

DECLARATION OF OFFICIAL INTENT TO REIMBURSE

This declaration (the “Declaration”) is made pursuant to the requirements of the United States Treasury Regulations Section 1.150-2 and is intended to constitute a Declaration of Official Intent to Reimburse under such Treasury Regulations Section.

The undersigned is authorized to declare the official intent of the City of Washington, North Carolina (the “Issuer”) with respect to the matters contained herein.

1. **Expenditures to be Incurred.** The issuer anticipates incurring expenditures (the “Expenditures” for budgeted installment purchases (the “Projects”).
2. **Plan of Finance.** The issuer intends to finance the costs of the Projects with the proceeds of debt to be issued by the Issuer (the “Borrowing”), the interest on which is to be excluded from gross income for Federal income tax purposes.
3. **Maximum Principal Amount of Debt to be Issued.** The maximum principal amount of the Borrowing to be incurred by the Issuer to finance the Project is \$1,129,000.
4. **Declaration of Official Intent to Reimburse.** The Issuer hereby declares its official intent to reimburse itself with the proceeds of the Borrowing for any of the Expenditures incurred by it prior to the issuance of the Borrowing.

Adopted this the 1st day of July, 2013
s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

ADOPT – BUDGET ORDINANCE AMENDMENT TO ESTABLISH THE WATER FRONT DOCKS AS AN ENTERPRISE FUND:

Councilman Mercer was not aware of a Maritime Committee being formed/appointed by Council. Mayor Jennings said that the Maritime Committee is part of the Harbor District Alliance and requested Ms. Beth Byrd to step forward. Washington Harbor District Alliance Director, Beth Byrd, commented on the Maritime Committee. Ms. Byrd stated the committee has been established for approximately two years and that Fred Watkins is chair of this committee. They have been working diligently to improve the water front area of downtown Washington. The committee meets regularly and one of their goals was to assist Mr. Rodman with the boater/bathroom facilities. Ms. Byrd requested Council to officially/formally recognize the Maritime committee as they have worked behind the scenes and provided information that was asked of staff. The Maritime committee would like to recommend the management of the waterfront docks be endorsed by Council and put into works with Mrs. Roberson and Mr. Rodman's approval. Mayor Jennings inquired "what does officially recognize – what does that mean"? Ms. Byrd stated they would like to be an established board like the Airport/Historic Preservation Commission/etc.

Councilman Mercer inquired if the full board of the Washington Harbor District Alliance had approved the recommendation from Maritime committee, Ms. Byrd said 'no'. Mayor Jennings asked Mr. Rodman if having this asset in an enterprise fund would help. Mr. Rodman stated yes, in some ways and other ways it will not change what is already there. It would help separate some of the water front docks and some of the management communities and feels this is what the Harbor District is looking for. There would be separate items in the budget where you can keep cost and some revenues but it is already in a separate line item. Mayor Jennings mentioned very few enterprise funds turn a profit and extra scrutiny comes along with it. Mayor Jennings inquired about the Maritime committee operating as an advisory board and Mr. Rodman expressed he works well with an advisory board and he now has four (4) boards. In his opinion a board would better serve him.

Mr. Fred Watkins shared the make-up of the Maritime committee and noting they started this because of the proposal City Council approved May 29, 2012 which was a business plan. Mr. Watkins voiced he sees this as breaking even and maybe making money for the City if it is run properly. The proposal that was put together did state there would be an informal advisory group which would consist of a certain makeup of people and shared the group thought process. What this group is saying is "if this was to have a separate enterprise fund" then the manager would have to look at this item when preparing the budget. Discussion followed.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council agreed to table this discussion until the August 12, 2013 meeting with more information being provided by staff. Motion carried 3-1, with Councilman Moultrie opposing.

PULLED DUE TO DUPLICATION – ADOPT BUDGET ORDINANCE AMENDMENT TO FUND THE ANIMAL CONTROL OFFICER CHARGE FROM BEAUFORT COUNTY

ADOPT – ORDINANCE TO AMEND CHAPTER 2, ADMINISTRATION, BY REPLACING ARTICLE XXII., WARREN FIELD AIRPORT, IN ITS ENTIRETY:

By motion of Councilman Mercer, seconded by Councilman Pitt, Council adopted an Ordinance Amending Chapter 2, Administration of the Warren Field Airport.

**AN ORDINANCE TO AMEND CHAPTER 2, ADMINISTRATION, BY REPLACING
ARTICLE XXII., WARREN FIELD AIRPORT, IN ITS ENTIRETY**

WHEREAS, it is deemed desirable and in the public interest to establish an advisory board to advise the City of Washington and the Washington City Council in matters involving the Warren Field Airport.
BE IT ORDAINED, by the City Council of the City of Washington, North Carolina as follows:

SECTION 1. That Chapter 2, Administration, Article XXII., Warren Field Airport, of the Washington City Code is hereby repealed in its entirety.

SECTION 2. That Chapter 2, Administration, Article XXII., Warren Field Airport, of the Washington City Code is hereby replaced in its entirety as follows.

ARTICLE XXII. WARREN FIELD AIRPORT
DIVISION 1. GENERALLY

Sec. 2-571. Rules and regulations.

The rules and regulations of the Warren Field Airport, as adopted and amended from time to time by the City Council, are adopted and incorporated herein by reference as if fully set forth.

Sec. 2-572--2-585. Reserved.

DIVISION 2. ADVISORY BOARD

Sec. 2-586. Purpose, establishment.

For proper management of the Warren Field Airport, an advisory board to the Washington City Council designated and known as the Warren Field Airport Advisory Board ("Board") is hereby created and established.

Sec. 2-587. Composition.

(a) *Membership, appointment, qualifications and term.* The Board shall be composed of five (5) members appointed by the City Council. Three (3) members shall be residents of the City. Of the initial appointments, two (2) shall expire on June 30, 2015 and three (3) shall expire on June 30, 2016. Thereafter, members shall be appointed by the City Council to serve for three (3) year staggered terms. Members shall be eligible for appointment, be appointed, serve, attend meetings of the Board, and be subject to removal in accordance with the provisions of section 2-531. Members of the Board shall be citizens of recognized ability and good judgment as well as standing, who, in the opinion of the City Council, can and will perform their official duties to the best interest of the City, the Warren Field Airport, and the users thereof. In addition, members should be actively engaged in an aeronautical business or aeronautical activities or have recognized aeronautical experience and qualifications.

(b) *Attendance, vacancies, and compensation.* In accordance with section 2-531, any member who has three (3) unexcused absences in a twelve-month period may be replaced at the discretion of the City Council. Vacancies occurring for other than expiration of term shall be filled as they occur through

appointment by the City Council for the remainder of the unexpired term. Members shall serve without compensation.

Sec. 2-588. Organization, meetings, rules and procedure, and records.

(a) *Organization.* Within thirty (30) days of its initial appointment, the Board shall meet and elect one of its members Chairman and create as well as fill such other offices as the Board may determine are desirable. The Chairman shall serve for one (1) year unless his term as a Board member shall expire in less than a year; in which event, his term as Chairman shall expire with his term and his replacement shall be elected by the Board consistent herewith. A former Chairman may be eligible for re-election as Chairman in the discretion of the Board. The City Manager or his designee shall be an ex officio member of the Board at all times, attend all meetings of the Board, and provide information to the Board that is necessary and pertinent to the Board's performance of its functions.

(b) *Meetings.* The Board shall establish a schedule of regular meetings that shall occur at least quarterly and cause a current copy of that schedule, showing the designated time and place of regular meetings, to be kept on file with the City Clerk. Any other meeting of the Board may be scheduled in conformity with the legal requirements applicable to meetings of public bodies. Board meetings shall be open to the public and may include a period for general public comment in the discretion of the Board.

(c) *Procedure.* In accordance with section 2-532, the Board shall adopt the Second Edition (1998) of Suggested Rules of Procedure for Small Local Government Boards, by Fleming Bell, II, published by the School of Government, University of North Carolina at Chapel Hill, with modifications included in the document to be its parliamentary procedural rules governing its meetings.

(d) *Records.* The Board shall keep full and accurate minutes of all official meetings, including minutes and a general account of any closed sessions, and shall otherwise conform with the legal requirements applicable to meetings of public bodies.

Sec. 2-589. Functions.

(a) The Board shall act as an advisory board to the City Council as well as City Manager or his designee and perform the following functions.

- (1) Review and make recommendations to the City Council concerning the Warren Field Airport Rules and Regulations as well as any proposed amendments thereto.
- (2) Review and recommend to the City Council programs and policies for the Warren Field Airport.
- (3) Make recommendations to the City Council concerning the facilities of the Warren Field Airport, including possible improvements thereto.
- (4) Review and make recommendations to the City Manager concerning the annual budget of the Warren Field Airport.

- (5) Review and make recommendations to the City Council concerning the airport layout plan.
- (6) Generally advise the City Council concerning Warren Field Airport matters, including public concerns and perspectives regarding Warren Field Airport matters.
- (7) Perform such projects and duties as may be requested by the City Council.

(b) All board recommendations shall be documented and forwarded to the City Council for its review and consideration. The Board shall strive to reach a consensus concerning issues and matters it takes under consideration; however, in the event a consensus cannot be achieved on a specific issue, both the majority and minority opinions will be considered and reported to the City Council. Board recommendations are non-binding on either the City Council or City staff.

Sec. 2-590. Liability.

Neither the Board nor any member of the Board shall incur any financial liability in the name of the City.

SECTION 3. All prior ordinances or parts thereof in conflict with the provisions of this ordinance are repealed.

SECTION 4. This ordinance shall become effective September 1, 2013.

Adopted this the 1st day of July, 2013
s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

**ADOPT – FINAL BUDGET ORDINANCE AND PROJECT/GRANT ORDINANCE
AMENDMENTS FOR FY 12/13:**

In order to true up the financial records for the fiscal year, funding needs to be reallocated among the various funds, departments, and line items in order to keep certain cost centers from being overspent at year end.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council adopted – final Budget Ordinance and Project/Grant Ordinance Amendments for FY 12/13.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE AND CAPITAL
PROJECT/GRANT ORDINANCES OF THE CITY OF WASHINGTON, NC
FOR THE FISCAL YEAR 2012-2013**

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

Section 1. That the following revenues and expenses be increased in the amounts shown in the General Fund to cover payment to Beaufort County for EDC operations and Animal Control Officer:

10-00-4650-4500	EDC Operations	\$34,860
10-10-4310-4500	Contract Services	26,312
10-10-3434-3302	State Reimbursement for Medicaid	61,172

Library Trust Fund

Section 2. That the following revenues and expenses be increased in the amounts shown in the Library Trust Fund to cover anticipated revenues and expenses for the remainder of FY 12/13:

11-40-3831-0000	Interest Earned	\$200
11-40-6300-9200	Adm. Charges to General Fund	200

Cemetery Trust Fund

Section 3. That the following revenues and expenses be increased in the amounts shown in the Cemetery Trust Fund to cover anticipated revenues and expenses for the remainder of FY 12/13:

12-30-3831-0000	Interest Earned	\$300
12-30-6400-9205	Adm. Charges to Cemetery Fund	300

Solid Waste Fund

Section 4. That the following revenues and expenses be increased or decreased in the amounts shown in the Solid Waste Fund to cover anticipated revenues and expenses for the remainder of FY 12/13:

38-90-4020-8300	Principal Installment Payments	\$24,100
38-90-4710-1705	Vehicle Fuel	9,300
38-90-9990-9900	Contingency	(1,064)
38-90-3471-4100	Residential Garbage Fees	15,000
38-90-3471-4101	Tipping Fees	4,000
38-90-3471-4105	Dumpster Rental Fees	8,000
38-90-3991-0000	Fund Balance Appropriated	5,336

Old Health Department Capital Project Fund

Section 5. That the following expenses be increased or decreased in the amounts shown in the Old Health Department Capital Project Fund to cover additional legal fees incurred in FY 12/13:

69-60-4930-0405	Legal Fees	\$2,870
69-60-4930-7100	Acquisition	(2,870)

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 1st day of July, 2013.

s/Cynthia S. Bennett, CMC

s/N. Archie Jennings, III

City Clerk

Mayor

DISCUSSION – COFFEE WITH COUNCIL:

By motion of Councilman Pitt, seconded by Councilman Brooks, Council scheduled Coffee with Council for July 30th at 8:00 am at Grub Brothers restaurant on Main Street(location was later changed to Down on Main).

DISCUSSION – JOINT MEETING WITH CITY COUNCIL AND BEAUFORT COUNTY COMMISSIONERS:

Mayor Jennings explained this meeting has been scheduled for Monday, July 29, 2013 at 5:00 pm in the Beaufort County Administrative Building meeting room. The joint meeting with the Commissioners will be at 5:30 and City Council will meet at 5:00 pm for the Committee of the Whole discussion. There will not be a July 22, 2013 Committee of the Whole but Council will reconvene on Monday, July 29, 2013 which will be the 2nd meeting in July.

DISCUSSION – INTERSECTION OF HIGHLAND DRIVE & 12TH/15TH STREET

Councilman Mercer discussed the right turn lane that basically allows the traffic to turn on 15th street and he had been contacted by several individuals asking why it can't be turned into a right turn lane.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council authorized making a request to the Department of Transportation to evaluate converting the land to right turn only lane at the intersection of Highland Drive & 12th; Council directed Allen Lewis, Public Works Director to make this request.

CLOSED SESSION – UNDER § NCGS 143-318.11(a)(3) ATTORNEY CLIENT PRIVILEGE AND 143-318.11(a)(4) ECONOMIC DEVELOPMENT

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to enter closed session under § NCGS 143-318.11(a)(3) Attorney Client Privilege and 143-318.11(a)(4) Economic Development at 7:30 PM.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council agreed to come out of Closed Session at 8:15 pm.

ADOPT/DECLARE – DECLARE BUILDING & LAND ON 234 SPRINGS ROAD SURPLUS AND ADOPT RESOLUTION AUTHORIZING SALE BY SEALED BID:

idX Corporation acquired Impressions Marketing on May 1, 2013 and is interested in acquiring the facility and tract three of the property. Current appraisals were included in the agenda packet.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council declared the building and tract three of the property located at 234 Springs Road surplus and adopted a resolution authorizing sale by sealed bid.

RESOLUTION AUTHORIZING SEALED BID SALE AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-268

Mayor Jennings offered thanks to Matt Rauschenbach, Cynthia Bennett and Reatha Johnson for their efforts during the time that Josh Kay left and Brian Alligood began employment as City Manager. They did a great job. Mayor Jennings noted he will make a formal announcement at the next regular meeting.

**ADJOURN – UNTIL MONDAY, JULY 29, 2013 JOINT MEETING AT 5:00 PM IN THE
BEAUFORT COUNTY COMMISSIONER’S MEETING ROOM**

By motion of Councilman Moultrie, seconded by Councilman Mercer, Council adjourned the meeting at 8:20 pm until Monday, July 29, 2013 at 5:00 pm in the Beaufort County Commissioner’s Meeting Room.

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