

The Washington City Council met in a regular session on Monday, August 10, 2015 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Doug Mercer, Mayor Pro tem; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Bobby Roberson, Interim City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

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

APPROVAL OF MINUTES:

By motion of Mayor Pro tem Mercer, seconded by Councilman Beeman, Council approved the minutes of July 13, 2015 as presented.

APPROVAL/AMENDMENTS TO AGENDA:

Mayor Hodges reviewed the requested amendments to the agenda:

- **Add** – Under Appointments: Appointment to Washington Housing Authority
- **Move Consent Item B: Approve** – Vehicle Purchase Orders to VI. Correspondence and Special Report Item B.
- **Remove: Closed Session:** 143-318.11 (a)(5) Land Acquisition and **ADD:** 143-318.11 (a)(3) Attorney/Client Privilege

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

PRESENTATION: WOODMEN OF THE WORLD ~ FLAGS



Woodmen of the World #623 presented new flags for the City Council Chambers. Pictured with Mayor Hodges: Tommy Hodges, Audrey Woolard and Garland Woolard.

CONSENT AGENDA:

By motion of Councilman Pitt, seconded by Mayor Pro tem Mercer, Council approved the Consent Agenda as amended.

- A. **Declare Surplus/Authorize** – Electronic Auction of Vehicle through GovDeals

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

<i>Vehicle #</i>	<i>Make/Model</i>	<i>Department</i>	<i>Serial Number</i>	<i>Odometer</i>
5011	Husqvarna Riding Mower	Cemetery	ZTH5223KAA	N/A

- B. **Moved from Consent to Item VI. Correspondence and Special Reports:**
Item B: Approve – Vehicle Purchase Orders

- C. **Approve** – Purchase orders > \$20,000

**Requisition #537, Hungerford & Terry, \$27,160 to replace flow meters and install control panel.*

**Requisition #565, Utility Service Co., \$86,458.16 for elevated water tank maintenance.*

COMMENTS FROM THE PUBLIC:

Michael Doran and Stan Sams, representing US Cellular reviewed the foundation of the lease with US Cellular and the City of Washington. Mr. Doran expressed the need for indemnification from City of Washington. Mr. Sams, an Attorney representing US Cellular reviewed concerns raised by the City. Most specifically regarding the indemnity language in the proposed lease referencing an incident that occurred on the neighboring property (the Hamilton Beach site). There is a report which relates to continued monitoring on the Hamilton Beach. An environmental report was performed on behalf of US Cellular on the City on site where the Water tower is located and where the proposed US Cellular tower is to be placed. Mr. Holscher expressed concern with the proposal of the indemnification request from US Cellular being the City was not the responsible party.

City Attorney, Franz Holscher noted that he and Mr. Sams have had discussions and they have reached an impasse on the indemnification request. Mr. Holscher stated he will not recommend to Council to indemnify US Cellular from something that is going on City property. Staff had not anticipated this item coming before Council tonight. It is unconstitutional for a municipality to indemnify a third party for potential liability.

Mayor Pro tem Mercer inquired if we could eliminate the indemnification paragraph in its entirety? Mr. Holscher stated he is not saying they should have the responsibility but if something was to happen we could contact the Brownfield's representatives. Mr. Holscher doesn't feel the City should permanently indemnify US Cellular for something that may arise.

Mr. Roberson noted staff and the City Attorney will continue to work with US Cellular representatives and will bring a recommendation back to City Council.

PUBLIC HEARING – ZONING: 6:00PM - NONE

PUBLIC HEARING: OTHER - NONE

SCHEDULED PUBLIC APPEARANCES: NONE

CORRESPONDENCE AND SPECIAL REPORTS:

MEMO – VEHICLE PURCHASES

Purchase orders are included in the agenda for a replacement vehicle for unit #551. \$27,000 is budgeted for the purchase of the replacement of a 2001 Dodge Ram ~ ton pickup. A purchase order for the replacement of vehicle #510, a 1999 Ford Ranger, \$20,000 budget

MOVED FROM CONSENT ITEM B: VEHICLE PURCHASE ORDERS

**Requisition #500, Ilderton Dodge, \$27,963 to replace vehicle #550, a 2003 Dodge Durango, \$28,000 budgeted. The current vehicle will be declared surplus, sold on Gov deals, and the proceeds applied to the Water Fund.*

**Requisition #556, Feyer Ford Lincoln Mercury, \$26,819.08 to replace vehicle #614, a 2004 Ford Explorer, \$35,000 budgeted. The current vehicle will be declared surplus, sold on Gov deals, and the proceeds applied to the Electric Fund.*

**Requisition #571, Piedmont Truck Center, \$51,535 (cab and chassis) and requisition #572, Quality Truck Bodies, \$12,328.55 (dump truck body), to replace vehicle #455, a 2001 Chevrolet dump truck, \$75,000 budgeted. The current vehicle will be declared surplus, sold on Gov deals, and the proceeds applied to the Vehicle Replacement Fund.*

Councilman Mercer referenced the purchase order for a replacement vehicle for #614. He further stated that when Council is requested to approve the purchase of vehicles, Council needs to invest the time in which one is being replaced and why it is being replaced. Discussion was held regarding the need for an SUV instead of a pickup truck. Mr. Lewis provided the explanation, which included but not limited to available vehicles on the State contract. Mr. Lewis voiced that the Dodge Durango is replacing a Dodge Durango and Adam Waters explained why he needed a Durango. Councilman Brooks explained that he understands the need for the requested vehicle. Councilman Beeman stated it sounds like legitimate work/safety concerns and agreed with the request.

By motion of Councilman Brooks, seconded by Councilman Beeman, Council approved all of the vehicle purchases as presented.

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:

HUMAN RELATIONS COUNCIL *(accepted as presented)*

Human Relations Council (HRC) report for the month of July

MISSION STATEMENT

- *To promote social and economic equality in the community, working with Local Government and other resources*
- *To appreciate the cultural and ethnic diversity of the citizens of Washington and Beaufort County*
- *To encourage citizens to live and work together in harmony and mutual respect*

SCHEDULED PUBLIC APPEARANCES: None

OLD BUSINESS:

Update – ‘National Night Out’ and 2015 Pro’s Week: *Kimberly Grimes, Police & Fire Services, provided the following updates: Ms. Grimes voiced ‘National Night Out’ has been scheduled for Tuesday, August 4, 2015 at Beebe Memorial Park from 6:00 – 8:00 pm. Ms. Grimes voiced Police & Fire Services will be partnering with Washington Housing Authority and Zaxby’s of Washington this year. A list participants and vendors were provided.*

Ms. Grimes suggested there will be games, free food for everyone and requested support from HRC Board members. Ms. Grimes shared that the 2015 Pro’s week was highly successful. The kids had an excellent time and there were over 200 kids served on Tuesday night. The attendance was great for the Football & Basketball Camp.

Update – Housing Symposium: *Board member Recko provided the following draft agenda for the City of Washington/Beaufort County Regional Committee Housing Symposium. The event has been scheduled for Thursday, July 30, 2015 at the Civic Center.*

Draft Agenda:

9:00 Registration
9:30 Welcome/Introduction
9:45 Mission of the City of Washington Human Relations Council
10:00 Keynote Speaker ~ Mr. William Kenney (USDA) or Lt. Chrismon (Police & Fire Services)
10:30 Realtor/Finance Overview ~ Mr. Tom Litchfield
11:00 A panel of speaker will review the status of community assistance housing
11:30 Break
11:45 Fair Housing ~ Mr. Phillip Jordan, NC Human Relations Council
12:30 Questions, Symposium Survey, and Closing
12:45 Lunch

NEW BUSINESS: *None*

OTHER BUSINESS:

FYI – *All FYI items and reminders were discussed inclusive of the June 16, 2015 report submitted to City Council, financial report, and board members contact information update.*

OPEN DISCUSSION: *NONE*

APPOINTMENTS:

APPOINTMENT – RECREATION ADVISORY COMMITTEE

By motion of Councilman Brooks, seconded by Councilman Pitt, Council appointed Garrick Witherspoon to the Recreation Advisory Committee to fill a vacant (**inside**) position, term to expire June 30, 2017.

APPOINTMENT – WASHINGTON HOUSING AUTHORITY

Pursuant to state law, Mayor Hodges appointed Cathy Gaynor to the Washington Housing Authority to fill the unexpired term of Crawford A. (Lex) Man, Jr., term to expire June 30, 2018.

OLD BUSINESS:

ADOPT – STEWART PARKWAY FOOD AND BEVERAGE VENDING CONTRACT AND AMEND SECTION 22-5 TO ALLOW PEDDLING ON THE WATERFRONT

The Recreation Department has received a request for vending on Stewart Parkway. Currently section 22-5 of the City Code prohibits peddling on the waterfront.

During the May 11, 2105 Council Meeting, by motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council voted to allow up to three vendors on Stewart Parkway and instructed staff to follow the RFP process as established in 2002.

During the July 13, 2015 Council meeting, Council provided input to the contract, those changes are reflected in the agenda packet.

By motion of Mayor Pro tem Mercer, seconded by Councilman Pitt, Council adopted the Stewart Parkway Food and Beverage Vending Contract to allow cart vendors on Stewart Parkway (3 locations) and adopted the ordinance to amend Section 22-5 of the City Code to allow peddling on the waterfront.

AN ORDINANCE AMENDING

CHAPTER 22, PARKS AND RECREATION, ARTICLE I, IN GENERAL, OF THE CODE OF THE CITY OF WASHINGTON, NORTH CAROLINA TO MAKE IT LAWFUL TO OPERATE CERTAIN FOOD AND BEVERAGE VENDING OPERATIONS

WHEREAS, North Carolina General Statute Chapter 160A, Cities and Towns, Article 18, Parks and Recreation, authorizes cities and towns to, among other things, operate parks and recreation programs.

WHEREAS, North Carolina General Statute Chapter 160A, Cities and Towns, Article 8, Delegation and Exercise of the General Police Power, authorizes cities and towns to, among other things, regulate certain acts.

WHEREAS, the Charter of the City of Washington grants the City of Washington the authority to exercise all of the powers, duties, rights, privileges and immunities conferred upon it by North Carolina General Statute Chapter 160A.

WHEREAS, the Washington City Council has adopted Rules and Regulations for parks and recreation areas as well as facilities and desires to amend the same.

NOW THEREFORE, BE IT ORDAINED by the City Council for the City of Washington, North Carolina that Chapter 22, Parks and Recreation, Article I, In General, of the Code of the City of Washington shall be amended as follows.

Section 1. Section 22-5, Rules and regulations, is hereby amended by deleting subsection (m) in its entirety and replacing it with the following subsection (m).

(m) There shall be no peddling or soliciting on parks or recreation properties or facilities, except on the site of and as a part of a permitted special event or pursuant to a contract entered into with the City.

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

Section 3. Should any provision of this ordinance be declared invalid or unconstitutional by any court of competent jurisdiction, such declaration shall not affect the validity of the ordinance as a whole or any part thereof which is not specifically declared to be invalid or unconstitutional.

Section 4. This ordinance shall take effect and be enforced from and after the date of its adoption.

This the 10th day of August, 2015.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/Jay MacDonald Hodges
Mayor

AMEND – SECTION 18-53 – INTERSECTIONS CONTROLLED BY TRAFFIC SIGNALS, AND SECTION 18-77 – STOP INTERSECTIONS, IN REFERENCE TO THE INTERSECTION OF MAIN STREET AND RESPESS STREET

Per Council's request, this ordinance amendment will allow for the removal of the traffic signal at Main and Respass and replace it with a three way stop condition.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council adopted an ordinance to amend Chapter 18, Section 18-53 - Intersections controlled by traffic signals and Sec. 18-77 - Stop intersections in reference to Main Street and Respass Street.

AN ORDINANCE TO AMEND CHAPTER 18, SECTION 53: INTERSECTIONS CONTROLLED BY TRAFFIC SIGNALS AND SECTION 77: STOP INTERSECTIONS 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 18-53 - Intersections controlled by traffic signals, be amended to delete the following:

Sec. 18-53. Intersections controlled by traffic signals.
Main Street and Respass Street.

Section 2. That Chapter 18 Section 18-77 - Stop intersections, be amended to add the following:
Sec. 18-77. Stop intersections.

Main Street, from Respass Street.
Respass Street, from Main Street.

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

Section 4. This ordinance shall become effective August 11, 2015.

This the 10th day of August, 2015.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/Jay MacDonald Hodges
Mayor

ADOPT – AMENDED ELECTRIC RATE SCHEDULES

In July 2015 the City Council voted to lower electric rates by 6% for the residential and small commercial rate classes. Included in this request are the affected rate schedules with the updated rate determinants.

By motion of Councilman Pitt, seconded by Mayor Pro tem Mercer, Council adopted the amended Residential Service - Inside Corporate Limits, Residential Service - Outside Corporate Limits, Residential Service Generation Option, Small General Service, Church Service and Recreational General Service electric rate schedules to be effective for electric service billed on or after 1 August 2015.

WASHINGTON ELECTRIC UTILITIES
Washington, North Carolina

Residential Service - Inside Corporate Limits
(Schedule RT1 / RT3)

AVAILABILITY

Service under this Schedule is available for separately metered and billed supply of electricity to single family residences, including residential farms where the farm uses are not taken through a separate meter, and common area residential lighting strictly used for residence owned decorative or security lighting for electric service delivered to premises located within the corporate limits of the City of Washington.

This Schedule is not available for (a) individual motors rated over 15 hp, (b) commercial use as in hotels, schools, institutions, public inns, motels, auto courts, tourist camps, trailer camps, and commercial, roadway, or billboard decorative and security lighting, (c) separately metered accessory buildings or equipment on residential property not suitable for residential use (other than small storage buildings expressly used for lawn and garden supplies and equipment), or (d) bulk barns and other seasonal high use facilities.

TYPE OF SERVICE

Alternating current, 60 hertz, single-phase, two or three wire service or three-phase three wire or four wire service at standard voltages of 240 volts or less are available under this Schedule.

MONTHLY RATE

Customer Charge:
Single Phase \$ 7.92 per month
Three Phase \$ 16.35 per month

Energy Charge:
All kWh \$ 0.117032 per kWh

WHOLESALE POWER COST ADJUSTMENT

All kilowatt-hours billed under this Schedule will be subject to Wholesale Power Cost Adjustments, if any, to recover wholesale power costs fully.

WASHINGTON ELECTRIC UTILITIES
Washington, North Carolina

Residential Service - Outside Corporate Limits
(Schedule RS1 / RS3)

AVAILABILITY

Service under this Schedule is available for separately metered and billed supply of electricity to single family residences, including residential farms where the farm uses are not taken through a separate meter, and common area residential lighting strictly used for residence owned decorative or security lighting for electric service delivered to premises located outside the corporate limits of the City of Washington.

This Schedule is not available for (a) individual motors rated over 15 hp, (b) commercial use as in hotels, schools, institutions, public inns, motels, auto courts, tourist camps, trailer camps, and commercial, roadway, or billboard decorative and security lighting, (c) separately metered accessory buildings or equipment on residential property not suitable for residential use (other than small storage buildings expressly used for lawn and garden supplies and equipment), or (d) bulk barns and other seasonal high use facilities.

TYPE OF SERVICE

Alternating current, 60 hertz, single-phase, two or three wire service or three-phase three wire or four wire service at standard voltages of 240 volts or less are available under this Schedule.

MONTHLY RATE

Customer Charge:
Single Phase \$ 8.35 per month
Three Phase \$ 17.41 per month

Energy Charge:
All kWh \$ 0.123192 per kWh

WHOLESALE POWER COST ADJUSTMENT

All kilowatt-hours billed under this Schedule will be subject to Wholesale Power Cost Adjustments, if any, to recover wholesale power costs fully.

SALES TAX

North Carolina State Sales Tax will be added to charges for service.

Washington Electric Utilities Schedule RT1/RT3, continued

SALES TAX

North Carolina State Sales Tax will be added to charges for service.

CONTRACT PERIOD

Open Order.

GENERAL

Service rendered under this Schedule is subject to the provisions of the Service Regulations of the City of Washington contained in the City Code of Ordinances.

Meters may be read in units of 10 kWh and bills rendered accordingly.

**WASHINGTON ELECTRIC UTILITIES
Washington, North Carolina**

Residential Service Generation Option
(Schedule RGN)

AVAILABILITY

Service under this Schedule is available for separately metered and billed supply of alternating current electricity to single family residences, including residential farms where the farm uses are not taken through a separate meter.

This Schedule is not available for (a) individual motors rated over 15 hp, (b) commercial use as in hotels, schools, institutions, public inns, motels, auto courts, tourist camps, trailer camps, and commercial, roadway, or billboard decorative and security lighting, or (c) bulk barns and other seasonal high use facilities.

TYPE OF SERVICE

Alternating current, 60 hertz, single-phase, three wire service at a standard voltage of 240 volts is available under this Schedule.

MONTHLY RATE

Customer Charge:	
Single Phase	\$ 8.90 per month
Generator Connection Facilities:	\$ 20.00 per month
Energy Charge:	
All kWh	\$ 0.127076 per kWh

WHOLESALE POWER COST ADJUSTMENT

All kilowatt-hours billed under this Schedule will be subject to Wholesale Power Cost Adjustments, if any, to recover wholesale power costs fully.

SALES TAX

North Carolina State Sales Tax will be added to charges for service.

CONTRACT PERIOD

Initial contract period of twelve (12) months, open order thereafter.

Washington Electric Utilities Schedule RGN, continued

GENERAL

Service rendered under this Schedule is subject to the provisions of the Service Regulations of the City of Washington contained in the City Code of Ordinances.

This Schedule provides for the City of Washington to own, install, and maintain Generation Connection Facilities on the customer owned metering facilities.

Meters may be read in units of 10 kWh and bills rendered accordingly.

Washington Electric Utilities

Schedule RS1/RS3, continued

CONTRACT PERIOD

Open Order.

GENERAL

Service rendered under this Schedule is subject to the provisions of the Service Regulations of the City of Washington contained in the City Code of Ordinances.

Meters may be read in units of 10 kWh and bills rendered accordingly.

**WASHINGTON ELECTRIC UTILITIES
Washington, North Carolina**

Small General Service
(Schedule GS1 / GT1 / GS3 / GT3)

AVAILABILITY

Service under this Schedule is available for nonresidential electric service when the customer's peak registered demand is less than 50 kW. Service will be provided at one of the Utility's standard single-phase or three-phase service voltages at one point of delivery.

Energy furnished under this Schedule may not be resold and may not be used for breakdown, standby, or supplemental service unless specifically provided in a service agreement.

All electric service from Washington Electric Utilities is subject to the City's Code of Ordinances and Electric Service Policies. The City Code, Electric Service Policies, and this Rate Schedule may be amended by the City Council.

MONTHLY RATE

Basic Charge:		
Single-phase		\$ 15.53
Three-phase		\$ 25.05
Energy Charge:		
First 2,000 kWh		\$ 0.133946 / kWh
Next 6,000 kWh		\$ 0.120900 / kWh
Over 8,000 kWh		\$ 0.100031 / kWh
Demand Charge:		
All over 30 kW		\$ 3.92 / kW

WHOLESALE POWER COST ADJUSTMENT

All kilowatt-hours billed under this Schedule will be subject to Wholesale Power Cost Adjustments, if any, to recover wholesale power costs fully.

SALES TAX

North Carolina State Sales Tax will be added to charges for service.

Washington Electric Utilities Schedule GS1/GS3, continued

BILLING DEMAND

Billing Demand will be the maximum kilowatts during any fifteen-minute interval in the billing month.

PAYMENT TERMS

Bills are due when received and are payable within ten days of the due date of the bill. For unpaid bills, a notice will be issued twenty-one days after the billing date stating electric service will be terminated in approximately twelve days if the bill remains unpaid. A late payment fee of 5.0% will be charged on any balance outstanding twenty-five days after the billing date.

CONTRACT PERIOD

Open Order, except for short term or temporary service when the customer is required to pay the entire cost of installation (including material, labor, transportation, and overhead) plus the cost of removal net the value of salvageable materials (Facilities Charge). The customer will pay an estimated charge in advance. The Facilities Charge will be adjusted when actual costs are known.

SEASONAL SERVICE

Monthly customer charges may be deferred and paid in the billing months of July - October for seasonal use, with three months Customer Charges billed each month.

**WASHINGTON ELECTRIC UTILITIES
Washington, North Carolina**

Church Service
(Schedule RC1 / RC3)

AVAILABILITY

Service under this Schedule is available for separately metered and billed supply of alternating current electricity to a church plant or premises.

This Schedule is not available for (a) individual motors rated over 15 hp, (b) commercial use as in hotels, schools, institutions, public inns, motels, auto courts, tourist camps, or trailer camps, (c) seasonal high use facilities.

TYPE OF SERVICE

Alternating current, 60 hertz, single-phase, two or three wire service or three-phase three or four wire service at the city's standard voltages are available under this Schedule.

MONTHLY RATE

Customer Charge:	
Single Phase	\$ 8.77 per month
Three Phase	\$ 18.88 per month
Energy Charge:	
All kWh	\$ 0.129399 per kWh

WHOLESALE POWER COST ADJUSTMENT

All kilowatt-hours billed under this Schedule will be subject to Wholesale Power Cost Adjustments, if any, to recover wholesale power costs fully.

SALES TAX

North Carolina State Sales Tax will be added to charges for service.

CONTRACT PERIOD

Open Order.

**WASHINGTON ELECTRIC UTILITIES
Washington, North Carolina**

Recreational General Service
(Schedule RG1 / RG3)

AVAILABILITY

Service under this Schedule is available for nonresidential, publicly owned recreation facilities requiring electric service when the peak registered demand is less than 150 kW. Service is provided and individually billed for multiple separately metered public recreation facilities.

This Schedule is not available for (a) individual motors rated over 15 hp, (b) commercial use as in hotels, schools, institutions, public inns, motels, auto courts, tourist camps, or trailer camps, (c) seasonal high use facilities, (d) residential use.

Energy furnished under this Schedule may not be resold and may not be used for breakdown, standby, or supplemental service unless specifically provided in a service agreement.

All electric service from Washington Electric Utilities is subject to the City's Code of Ordinances and Electric Service Policies. The City Code, Electric Service Policies, and this Rate Schedule may be amended by the City Council.

MONTHLY RATE

Energy Charge:	
First 2,000 kWh	\$ 0.140719 / kWh
Next 6,000 kWh	\$ 0.119907 / kWh
Over 8,000 kWh	\$ 0.099038 / kWh

Demand Charge:	
All over 30 kW	\$ 3.92 / kW

WHOLESALE POWER COST ADJUSTMENT

All kilowatt-hours billed under this Schedule will be subject to Wholesale Power Cost Adjustments, if any, to recover wholesale power costs fully.

SALES TAX

North Carolina State Sales Tax will be added to charges for service.

Washington Electric Utilities

Schedule RC1/RC3, continued

Washington Electric Utilities

Schedule, RG1/RG3, continued

GENERAL

Service rendered under this Schedule is subject to the provisions of the Service Regulations of the City of Washington contained in the City Code of Ordinances.

Meters may be read in units of 10 kWh and bills rendered accordingly.

BILLING DEMAND

Billing Demand will be the maximum kilowatts during any fifteen-minute interval in the billing month.

PAYMENT TERMS

Bills are due when received and are payable within ten days of the due date of the bill. For unpaid bills, a notice will be issued twenty-one days after the billing date stating electric service will be terminated in approximately twelve days if the bill remains unpaid. A late payment fee of 5.0% will be charged on any balance outstanding twenty-five days after the billing date.

CONTRACT PERIOD

Open Order, except for short term or temporary service when the customer is required to pay the entire cost of installation (including material, labor, transportation, and overhead) plus the cost of removal net the value of salvageable materials (Facilities Charge). The customer will pay an estimated charge in advance. The Facilities Charge will be adjusted when actual costs are known.

ADOPT – BUDGET ORDINANCE AMENDMENT TO REFLECT A 6% ELECTRIC RATE REDUCTION EFFECTIVE AUGUST 1, 2015 FOR RESIDENTIAL AND SMALL GENERAL SERVICE CUSTOMERS

Council approved the rate reduction during the July 13, 2015 Council Meeting. Further rate adjustments will be considered after the cost of service study is completed.

Mayor Pro tem Mercer requested deferring this item until later in the fiscal year.

By motion of Mayor Pro tem Mercer, seconded by Councilman Beeman, Council tabled adopting the budget ordinance amendment to reflect a 6% electric rate reduction until later in the fiscal year.

NEW BUSINESS:

ADOPT – RECOMMENDATION OF THE AIRPORT ADVISORY BOARD TO REDUCE LIQUIDATED DAMAGES FOR THE AIRPORT TERMINAL PROJECT

At the July 14, 2015, Airport Advisory Board meeting, the board heard the request from A.R. Chesson Construction to eliminate the liquidated damages that were applicable as a result of the project not being substantially completed by the end of the specified contract time. The adjusted completion date was April 14, 2015, and the actual substantial completion date was April 28, 2015. Per contract documents, the engineer, architect and staff recommended applying \$500/day in liquidated damages for a total of \$7,000. After A.R. Chesson Construction made their request during this meeting, board members discussed at length whether or not to charge the full amount of damages per the contract,

waive the damages altogether, or reduce the amount of the damages charged. Ultimately they voted 4-1 in favor of recommending that the total liquidated damages be reduced to \$3,500.

Mayor Pro tem Mercer commented the contractor was late in completing the original contract and the punch list has not completed.

By motion of Mayor Pro tem Mercer, seconded by Councilman Beeman, Council adopted the recommendation of the Airport Advisory Board to reduce the liquidated damages for the airport terminal project to \$3,500 provided the original contract and associated punch list is completed and accepted by the City of Washington by September 1, 2015.

APPROVE – SECOND ISP CONNECTION AT COMMUNICATION CENTER

In our continuing effort to ensure redundancy for all city network connections we are requesting an additional (ISP) internet connection with Suddenlink. Currently Suddenlink provides the city its primary connection via a dedicated fiber pair. This fiber connection at the City Hall location is currently our only connection for all city networking (i.e. data, voice, video). This second ISP will be a copper cable connection located at the Communication Center off Plymouth Street. It will ensure network communications will continue in the event of loss of fiber to city hall or if the fiber connection to the Communication Center is loss.

We are looking at 75Mbps (download)/10Mbps (upload) at an approx. monthly cost of \$155.45 (w/taxes); yearly cost approx. \$1,865.40. Terms of this contract will be for 36 months with \$0 for installation. This is the same contract we currently have at Washington-Warren Airport.

This second ISP will not be idle, with the help of our 3rd party networking group, we are looking to use this secondary connection for our disaster recovery backups. These backups take a snapshot every four (4) hours of our financials, utilities, & mail servers. Also a full network backup is run during the overnight hours. By using this second connection in this matter will increase transfer speed on our primary and decrease our backup times as well

By motion of Councilman Pitt, seconded by Councilman Brooks, Council approved the contract with Suddenlink for an additional ISP to be located at the Communication Center on Plymouth Street with an approximate monthly cost of \$155.45 for three (3) years and approved the corresponding purchase order.

APPROVE – BUDGET ORDINANCE AMENDMENT AND APPROVE THE SUBSEQUENT PURCHASE ORDERS RELATING TO THE FOREST HILLS SUBSTATION

Recently fault monitoring systems at the Forest Hills Substation detected low gas levels within the high voltage interrupters in the transformer protection breaker. (Schneider Electric-Square D 1991 Model). The equipment was taken out of service and inspected by Electric Department employees and the faulty components were identified. The manufacturer was contacted in an attempt to obtain repair parts. Schneider Electric indicated that they consider the equipment to be unrepairable due to the unavailability of replacement parts. These parts are no longer produced by the manufacturer. An attempt was made by the manufacturer and third party vendors to locate available replacement parts; none were found. During the period this breaker is not in service the City's electric system and the Forest Hills Substation power transformer are in a compromised state. Currently the necessary relay protection is not in service to protect the station transformer; only backup protective fusing which is intended only for emergency conditions and short term maintenance purposes.

The cost to replace the breaker equipment is \$42,760 with a delivery period of twenty (20) weeks. The professional engineering services that are required to update the drawings reflecting the equipment changes, perform the relay programming and testing, and perform the breaker commissioning are estimated not to exceed \$21,300.

Funds are not available in the current budget and a budget ordinance amendment is needed to complete the project.

Mayor Pro tem Mercer requested the total cost of the project and Mr. Hardt provided this information. Councilman Brooks asked Mr. Hardt about the potential of additional funds needed to finish the project. Mr. Hardt stated there are items that are already in stock such as connectors, wiring, etc.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council approved a budget ordinance in the amount of \$64,060 for the Electric Fund and approved the subsequent purchase orders.

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

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

Section 1. That the following account numbers in the Substation department of the Electric Fund appropriations budget be increased or decreased in the amounts indicated to provide funding for the replacement of the failed interrupter at the Forest Hills substation:

35-90-8370-0400	Professional Services	\$ 21,300
35-90-8370-7400	Capital Outlay	42,760
35-90-9990-9900	Contingency	<u>(64,060)</u>
		0

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 10th day of August, 2015.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/Jay MacDonald Hodges
Mayor

**ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:
NONE**

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

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to enter into closed session under NCGS § 143-318.11(a)(3) Attorney/Client Privilege and (a)(6) Personnel at 6:10pm.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to come out of closed session at 6:45pm.

**ANY OTHER BUSINESS FROM THE CITY MANAGER
POLICE/FIRE STATION**

Interim City Manager, Bobby Roberson provided that it is staff's recommendation to actually retrofit Fire Station #1 and then look at the proposed site at 5th Street & Bonner Street to construct the new Police Station. Staff would like to proceed with phase II of the environmental study for the 5th Street & Bonner Street location. Recently, approximately \$40,000 was expended at Fire Station #1 for roof and other associated repairs. Mr. Roberson noted that Fire Station #1 was good structural shape. Councilman Brooks noted a concern with a rear door at the Fire Station.

Mayor Hodges noted that wherever the new Police Station is built, we should ensure there is enough room on the site to build a Fire Station, if needed, in the future. Mayor Hodges discussed the property located near 3rd Street & Bridge Street (former Dr. Pepper Plant site). Council asked Mr. Roberson to obtain the cost of this property and bring this back to Council at a future meeting. Councilman Pitt noted this site was looked at several years ago when Council first discussed building a new Police Department.

CONTRACT WITH MARTIN COUNTY COMMUNITY COLLEGE – TRAINING PURPOSES

Bobby Roberson noted he has received a request from Martin County Community College to allow students to ride with Fire/EMS staff for learning exercises (Advanced EMT Class).

By motion of Councilman Beeman, seconded by Councilman Brooks, Council authorized the Manager to sign the agreement with Martin County Community College.

Mr. Holscher stated there needs to be a release in the agreement and Mr. Roberson voiced the agreement does contain a release.

ADJOURN:

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting at 6:50pm until Monday, August 24, 2015 at 5:30 pm, in the Council Chambers.

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