

The Washington City Council met in a regular session on Monday, August 11, 2014 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

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

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

APPROVAL OF MINUTES:

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the minutes of July 28, 2014 as presented.

APPROVAL/AMENDMENTS TO AGENDA:

Mayor Hodges reviewed the requested amendments to the agenda:

- Add – Under Other Business from Mayor & Council – Item A: Letter of support for Montessori School - USDA Loan
- Add – Under Other Business from Mayor & Council – Item B: League Advocacy Goals
- Add – Under New Business Item D: Designating Impressions Purchase Monies for Specific Projects
- Add – Under Other Business from City Manager – Item A: Notification of Street Closing Request by 1st Presbyterian Church
- Add – Under Other Business from City Manager – Item B: Request by Beaufort County Schools – Tennis Courts

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

RECOGNITION: BASEBALL TOURNAMENT WINNERS:

Mayor Hodges presented certificates to the following Baseball Tournament Winners:

Washington 9U All-Stars - Cal Ripken 2014 Area 3 Champion



Eli Huynh, Hodges Manning,
Hayden Moore, Dawson Mitchell,
Evan Waters, Conner Flowers,
Connor Edwards, Evan O'Neal,
Austin Cherry, Keifer Boyd,
Reid Apple, Isaac Campbell
Coaches: Chip Edwards,
Adam Waters, Keith Mitchell

*Washington 12U All-Stars
District 7 Champion, Little Tarheel 12U 2014 State Champion*



Benjamin Beach, Brodie Moore, Bryson
Sawyer, Colby Case, Matt Oehrli,
Harrison Schmidt,
Logan Hale, Robert Pollock, Hundley
Stallings, Patrick Lovenburg,
Mason Weaver
Coaches: Harvey Case, Tony Hale,
Sean Weaver

CONSENT AGENDA:

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the consent agenda as presented.

- A. Approve – Purchase Orders >\$20,000
 - Requisition # 14923, \$24,051, to Capital Ford (State contract) for a Ford F150 to replace vehicle #810, account 10-40-6130-7400.
 - Requisition # 14927, \$23,401, to Piedmont Truck Center (State contract) for a Ford350 to replace vehicle #807, account 10-40-6130-7400.
 - Requisition # 14948, \$24,189, to Blackboard Inc. for the phone call notification system, account 10-00-4135-5300.
 - Requisition # 14958, \$175,000, to Asplundh Tree Expert Co. for annual power line tree trimming contract, account 35-90-8380-4501.
 - Requisition # 14981, \$41,350, to Logics, LLC for the annual software maintenance agreement, account 10-00-4130-4504.

COMMENTS FROM THE PUBLIC: NONE

PUBLIC HEARING ON ZONING: NONE

PUBLIC HEARING – OTHER: NONE

SCHEDULED PUBLIC APPEARANCES: NONE

CORRESPONDENCE AND SPECIAL REPORTS:
REPORT – LOAD MANAGEMENT DEVICE INSTALLATION
FOR THE MONTH OF JUNE

Mayor Pro tem Roberson asked the estimated completion date for installing the load management devices. City Manager, Brian Allgood explained this is an ongoing project. Councilman Mercer noted the project would end when Council stops the funding. Councilman Pitt inquired about the saturation rate. Keith Hardt, Electric Utilities Director explained he would forward the requested information to Council as he didn't have the exact percentage.

Load Management Device Installation Report

Project Start Date : October 2010

	June 2014	Project to Date
Total Load Management Device Installations	33	2,808
Total Accounts Added with Load Management	25	2,023
Appliance Control Installations		
Air Conditioner / Heat Pump	26	2,099
Auxiliary Heat Strip	10	1,069
Electric Furnace	0	276
Water Heater	12	1,635
Total Encumbrances to Date		
Load Management Devices		\$ 130,600
Contractor Installations		\$ 280,000
Total Project Encumbrances		\$ 410,600
Total Expenses to Date		
Load Management Device Purchases		\$ 130,600
Contractor Installation Expenses	\$ 2,785	\$ 276,935
Total Project Expenses		\$ 407,535
Average Cost per Load Management Device Installed		\$ 145.13
Average Installed Cost per Controlled Appliance		\$ 80.24

Load Management Devices Remaining in Stock 692

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES: NONE

**APPOINTMENTS - TO WASHINGTON ELECTRIC UTILITIES ADVISORY BOARD
& PARKS AND RECREATION ADVISORY COMMITTEE:**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council appointed Susan Francis to the Washington Electric Utilities Advisory Board to fill the un-expired term of James Gaynor (inside), term to expire June 30, 2015.

By motion of Councilman Brooks, seconded by Councilman Mercer, Council appointed Leah Pyburn to the Parks and Recreation Advisory Committee to fill the expired term of Audrey Woolard (inside), term to expire June 30, 2017.

OLD BUSINESS:

**AUTHORIZE – STAFF TO PROCEED WITH INSTALLING THREE CURB CUTS AT
KEYS LANDING SUBDIVISION WITH AN AGREEMENT FOR THE DEVELOPER
TO REIMBURSE THE CITY \$1,320/LOT WHEN HOMES ARE SOLD**

Summary provided in agenda packet: City Manager, Brian Allgood explained this action is coming back to City Council for action due to the request on June 28, 2014 failed due for lack of a four vote majority. Mr. Allgood stated three homes are being constructed at this CDBG grant subdivision and the driveways do not align with the curb cuts. The developer, Metropolitan Housing, committed to the Department of Commerce to close on three homes by August 31st and the final two homes by November 30th.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council authorized staff to proceed with installing three curb cuts at the Keys Landing subdivision with an agreement for the developer to reimburse the City \$1,320/lot when the homes are sold.

REVEREND DAVID MOORE – KEYS LANDING

Reverend Moore explained that he is too close to closing on lots 1, 2 and 3 (\$1,320 per lot - \$3,960) to pay for fixing the curb cuts. He requested that Council allow him to pay for the curb cuts out of the proceeds from the sale of lots 4 & 5.

Councilman Mercer expressed that a motion has already been made for staff to proceed with installing the three curb cuts at the Keys Landing subdivision with the agreement for the developer to reimburse the City \$1,320/lot when the homes are sold.

Mr. Allgood explained that Council would have to vote to reconsider the motion and pass with a majority vote.

A motion was made by Mayor Pro tem Roberson to reconsider the allocation of funds for the curb cuts for lots 1, 2, and 3 (rescind the previous motion). Councilman Pitt seconded the motion. Motion carried 4-1 with Councilman Mercer opposing.

Rev. Moore explained that the agreement with the State is that houses 4 & 5 (lots 11 & 12) will have homes built and sold by November 30, 2014. Councilman Brooks asked if the \$3960 would be paid when the homes are built and sold on lots 4 & 5. Rev. Moore explained that he has to sell lot 1 before he starts on lots 4 & 5. Rev. Moore anticipates the closings to occur by the middle of September. Allen Lewis explained his department could have the curb cuts installed by the end of the week (weather permitting).

A motion was made by Mayor Pro tem Roberson for the developer to pay for fixing the curb cuts on lots 1, 2, & 3 (total of \$3,960) in Keys Landing using sales proceeds from lots (11 & 12) houses 4 & 5 (\$1,980 per lot). Councilman Pitt seconded the motion. Motion carried.

**ADOPT – BUDGET ORDINANCE AMENDMENT TO REALLOCATE THE 2011 AND 2012
AIRPORT VISION 100 GRANTS**

The 2011 and 2012 Vision 100 grants require reallocation to the specific grant the funds are being utilized for.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council adopted a Budget Ordinance Amendment to reallocate the 2011 and 2012 Vision 100 grants.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2014-2015**

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

Section 1. That the Estimated Revenues in the Airport Fund be increased or decreased by the following amounts to reallocate the 2011 & 2012 Vision 100 grant funds:

37-90-3490-0009	Vision 100 36237.38.10.1	\$ (10,093)
37-90-3490-0010	Vision 100 36237.38 TBA	10,093
37-90-3490-0010	Vision 100 36237.38 TBA	1,273
37-90-3991-9910	Fund Balance Appropriated	<u>141</u>
	Total	\$ 1,414

Section 2. That the Airport Fund appropriations budget be increased or decreased by the following amounts:

37-90-4530-4515	Vision 100 36237.38.10.1	\$ (11,213)
37-90-4530-4523	Vision 100 36237.38 TBA	11,213
37-90-4530-4523	Vision 100 36237.38 TBA	<u>1,414</u>
	Total	\$ 1,414

Section 3. That the Estimated Revenues in the Airport Terminal Grant Fund be increased or decreased by the following amounts to reallocate the 2011 & 2012 Vision 100 grant funds:

66-90-3490-0004	State Aid	\$ (1,273)
66-90-3352-0000	City Contribution	(<u>141</u>)
	Total	\$ (1,414)

Section 4. That the Airport Terminal Grant Fund appropriations budget be increased or decreased by the following amounts:

66-90-4530-0400	Professional Services	\$ (1,414)
-----------------	-----------------------	-------------

Section 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 6. This ordinance shall become effective upon its adoption.

Adopted this the 11th day of August, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

**ADOPT – BUDGET ORDINANCE AMENDMENT 2013-2014 PROJECTS NOT
COMPLETED IN FY 2013-2014**

Mr. Allgood explained these are projects that were budgeted in FY 2013-2014 but not completed. Councilman Mercer expressed concern with the reallocation of funds shown in the Electric Fund, Vision 100 Grant and Cemetery Fund.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council adopted a Budget Ordinance Amendment to appropriate funds for projects that were budgeted in FY 2013-2014 and not completed.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2014-2015**

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

Section 1. That the following accounts of the General Fund revenue budget be increased or decreased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

10-00-3991-9910	Fund Balance Appropriated	\$ 146,382
-----------------	---------------------------	------------

Section 2. That the following accounts of the General Fund appropriations budget be increased or decreased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

10-20-4511-4500	Street Paving	\$ 141,982
10-40-6170-9113	Veterans Park	4,400
	Total	146,382

Section 3. That the following accounts of the Water Fund revenue budget be increased or decreased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

30-90-3991-9910	Fund Balance Appropriated	\$ 93,386
-----------------	---------------------------	-----------

Section 4. That the following accounts of the Water Fund appropriations budget be increased or decreased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

30-90-8189-7400	Capital Outlay	93,386
-----------------	----------------	--------

Section 5. That the following accounts of the Electric Fund revenue budget be increased or decreased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

35-90-3991-9910	Fund Balance Appropriated	\$ 237,221
-----------------	---------------------------	------------

Section 6. That the following accounts of the Electric Fund appropriations budget be increased or decreased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

35-90-8390-7400	Capital Outlay	237,221
-----------------	----------------	---------

Section 7. That the following accounts of the Warren Field Airport Fund revenue budget be increased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

37-90-3453-0005	Grant Funds 36244.51.8.1	\$ 6,221
37-90-3490-0008	Grant Funds 36244.51.8.2	11,787
37-90-3991-9910	Fund Balance Appropriated	<u>2,002</u>
	Total	20,010

Section 8. That the following accounts of the Warren Field Airport Fund appropriations budget be increased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

37-90-4530-4521	Vision 100 Grant 36244.51.8.1	\$ 6,913
37-90-4530-4522	Vision 100 Grant 36244.51.8.2	<u>13,097</u>
	Total	20,010

Section 9. That the following accounts of the Cemetery Fund revenue budget be increased or decreased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

39-90-3991-9910	Fund Balance Appropriated	\$ 7,223
-----------------	---------------------------	----------

Section 10. That the following accounts of the Cemetery Fund appropriations budget be increased or decreased by the respective amounts indicated for projects budgeted but not completed in 2013-2014:

39-90-4740-5600	Materials	\$ 7,223
-----------------	-----------	----------

Section 11. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 12. This ordinance shall become effective upon its adoption

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

ADOPT – BUDGET ORDINANCE AMENDMENT FOR OUTSTANDING PURCHASE ORDERS FROM FY 13/14

City Manager, Brian Alligood reviewed the Budget Ordinance Amendment for Outstanding Purchase Orders from FY 13/14 and not at the close of fiscal year 2013-2014 the City had the following amount of outstanding purchase orders, by fund, issued for service contracts and merchandise:

General Fund	\$154,665
Water Fund	167,638
Sewer Fund	106,562
Electric Fund	232,126
Solid Waste Fund	861
Cemetery Fund	<u>700</u>
Total	\$662,552

Funding for these outstanding purchase orders is restricted in fund balance at June 30, 2014. Therefore, the funding needs to be appropriated in the current fiscal year for spending.

Councilman Mercer expressed concern with purchase orders written in late June and purchase orders that exceed the original budget allocation. Mr. Alligood explained that funds can be transferred within line items in order to cover these expenses. Mr. Rauschenbach explained that our purchase order system will not allow an account to be over drawn, the system will reject the request.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council adopted a budget ordinance amendment for purchase orders outstanding from fiscal year 2013-2014 that are being brought forward into fiscal year 2014-2015 for payment. Motion carried 4-1 with Councilman Mercer opposing.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2014-2015**

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

Section 1. That the following amounts are hereby appropriated for spending in FY 14/15 in order to satisfy existing contracts, grant obligations, and purchase orders at the end of last fiscal year.

Schedule A. General Fund

Human Resources	\$300
Information Systems	28,933
Fire	8,105
Code Enforcement	1,427
Planning/Zoning	1,000
Public Works Administration	330
Library	1,237
Recreation Administration	2,140
Recreation Events & Facilities	315
Senior Programs	18,406
Waterfront Docks	10,370
Aquatic Center	2,711
Parks & Grounds	76,871
Outside Agency	<u>2,520</u>
Total	\$154,665

Schedule B. Water Fund

Water Administration	500
Water Meter Service	10,000
Water Treatment Plant	5,543
Water Maintenance	10,893
Water Construction	<u>140,702</u>
Total	\$167,638

Schedule C. Sewer Fund

Miscellaneous	\$74,094
Wastewater Administration	300
Wastewater Maintenance	630
Wastewater Treatment Plant	22,255
Sewer Lift Stations	<u>9,283</u>
Total	\$106,562

Schedule D. Electric Fund

Electric Administration	\$9,543
Meter Services	1,740
Utility Communications	62,369
Power Line Maintenance	501
Power Line Construction	<u>157,973</u>
Total	\$232,126

Schedule E. Solid Waste Fund

Operations	\$861
------------	-------

Schedule F. Cemetery Fund

Operations	\$700
------------	-------

Section 2. That the following revenues be increased in the respective amounts to meet the foregoing obligations:

General Fund Balance Appropriated	154,665
Water Fund Balance Appropriated	167,638
Sewer Fund Balance Appropriated	106,562
Electric Fund Balance Appropriated	232,126
Solid Waste Fund Balance Appropriated	861
Cemetery Fund Balance Appropriated	<u>700</u>
Total	\$662,552

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 11th day of August, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

NEW BUSINESS:

**APPROVE AND AUTHORIZE – THE MAYOR TO EXECUTE THE DEED OF TRUST
RELEASES FOR LOTS 1, 2, 3, 11, AND 12 IN KEYS LANDING SUBDIVISION**

Mr. Alligood reviewed the documents on executing the deed of trust releases for lots 1, 2, 3, 11, and 12 in Keys Landing Subdivision. House numbers 4 & 5 will be setting on lots 11 & 12.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council approved and authorized the Mayor to execute the deed of trust releases for lots 1, 2, 3, 11 and 12 in the Keys Landing Subdivision contingent upon the properties being conveyed to LMI qualified purchasers and their LMI status being verified by the CDBG administrator.

**APPROVE AND AUTHORIZE – THE MAYOR TO EXECUTE THE DEED OF TRUST
RELEASE FOR LOT 158 IN NORTHGATE SUBDIVISION**

Jason Briley came forward and requested a release for lot 158 in Northgate Subdivision. This home/lot is currently under contract to be sold once the release is approved. There are also three additional lots (166, 51 & 151) that have houses completed on them and are ready to be sold. Mr. Briley is requesting the three additional lots be released as well. Mr. Briley explained there would be 40+ lots for the city to use as security.

Mayor Pro tem Roberson acknowledged the 7+ acres that Mr. Briley has dedicated for common space and noted he would be ready to release the other requested lots once the homeowner's association accepts this space. Councilman Mercer noted that the motion would actually release the remaining lots. Mr. Holscher summarized an email from Jimmy Nelson (Briley's attorney) noting that Northgate already has a homeowner's association and there may be additional work to be done if the maintenance of the common space is supposed to be the responsibility of the HOA.

Mayor Pro tem Roberson noted he didn't mind authorizing the release of lot 158 and continue to work with the HOA to maintain the recreation space before releasing the remaining lots. He also stated that the original agreement was to install sidewalks in the subdivision, but he is fine with exchanging the sidewalks for the 7+ acres of common space.

Councilman Mercer suggested that he would like to have written documentation of when the HOA met and any action they have taken in regard to accepting and maintaining the 7+ acres of common space. He expressed concern with cancelling the remaining deed of trusts.

Jimmy Nelson (Briley's Attorney) discussed various ways to accept and maintain the common space.

Mr. Briley explained that the grant has been satisfied/fulfilled with the State.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved and authorized the Mayor to execute the attached deed of trust release for lot 158 in Northgate Subdivision upon the creation and report of the meeting of a Northgate Subdivision Homeowners' Association (or similar entity) to maintain the 7.4 +/- acres of land in the subdivision that Mr. Briley has committed to donate as subdivision common space.

Franz Holscher City Attorney explained that the homeowner's association has already been created. Mr. Holscher inquired if he is at liberty to have the release for lot 158 executed and given to Mr. Briley? If not, what has to occur before the release for lot 158 can be given to Mr. Briley? Councilman Mercer said they will need to have a homeowner's association meeting and create a report of the meeting.

Mr. Alligood noted that Mr. Briley's request is to go ahead and release lot 158 because he has a buyer for this lot and then we can deal with the remaining issue. Mr. Alligood noted that Councilman Mercer's motion stated that lot 158 will not be released until the HOA is created and a report of that meeting has been presented to Council. Mr. Alligood noted that the intent of the motion was to release 158 now, then upon the creation and report of the creation of the HOA to maintain the 7.4 +/- acres, the entire deed of trust would be released.

Councilman Mercer requested to reconsider the motion.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved and authorized the Mayor to execute the deed of trust release for lot 158 in Northgate Subdivision. Prior to the release of any further lots, a homeowners' association be created and a report of that meeting be presented to the City Council for further action.

PREPARED BY and RETURN TO:
RODMAN, HOLSCHER, PECK & EDWARDS, P.A.
Attorneys at Law
320 North Market Street
Post Office Box 1747
Washington NC 27889
Telephone: (252) 946-3122

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

THIS RELEASE is made and entered into this the 12th day of August, 2014, by and between **THE CITY OF WASHINGTON**, a North Carolina Body Politic, and **FRED N. HOLSCHER**, as Trustee, Grantors, to **NORTHGATE DEVELOPMENT, L.L.C.**, a North Carolina Limited Liability Company, Grantee.

WITNESSETH

That the Grantors, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration to them paid by the Grantee, the receipt and legal sufficiency of which is hereby acknowledged, do hereby release from the lien and operation of that certain Deed of Trust recorded in the Beaufort County Registry in Deed Book 1287, Page 218 which has been re-recorded in Book 1296, Page 125, that portion of land therein described as follows:

LYING AND BEING IN WASHINGTON TOWNSHIP, BEAUFORT COUNTY, NORTH CAROLINA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IT BEING ALL of Lot No. ONE HUNDRED AND FIFTY-EIGHT (158) of NORTHGATE SUBDIVISION as the same is shown on the survey prepared by Rivers &

Associates, Inc. entitled "Final Plat Northgate Subdivision Addition" of record in Plat Cabinet G, Slides 34-4 through 34-8, Beaufort County Registry, to which survey plats reference is herein made and incorporated for a more complete and detailed description.

TO HAVE AND TO HOLD the same unto the said Grantee, its successors or assigns, free and discharged of the lien of said Deed of Trust, but the lien thereof as to the remaining properties therein described is expressly retained.

IN WITNESS WHEREOF, the said FRED N. HOLSCHER, as Trustee, has hereunto set his hand and adopted as his seal, the typewritten word "SEAL" appearing beside his name, and the said THE CITY OF WASHINGTON, a municipal corporation, Grantor, has caused this instrument to be executed in its name by its Mayor, attested by its City Clerk, and its corporate seal to be hereto affixed, all by proper corporate authority duly given, this the day and year first above written.



Cynthia S. Bennett, City Clerk

CITY OF WASHINGTON

BY: Jay MacDonald Hodges (SEAL)
Jay MacDonald Hodges, Mayor

BY: Fred N. Holscher (SEAL)
Fred N. Holscher, Trustee

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, Reatha B. Johnson, a Notary Public of the State and County aforesaid, certify that CYNTHIA S. BENNETT personally appeared before me this day and acknowledged that she is City Clerk of the CITY OF WASHINGTON, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by JAY MACDONALD HODGES, Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the 12 day of August, 2014.


NOTARY PUBLIC JOHNSON

My Commission expires: 12/14/2014



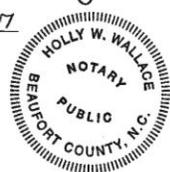
STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

Before me, the undersigned Notary Public in and for the State and County aforesaid, this day personally appeared FRED N. HOLSCHER, as Trustee, and acknowledged the due execution by him of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and official seal, this the 13th day of August, 2014.


NOTARY PUBLIC

My Commission expires: 5/26/2017



APPROVE AND AUTHORIZE – THE CITY MANAGER TO SIGN THE PROMISSORY NOTE TO THE BEAUFORT COUNTY COMMITTEE OF 100 (\$25,000)

The Beaufort County Committee of 100 has agreed to fund the UNC SOG-DFI project in the amount of \$25,000. The funding is structured as a 3-year no interest loan to the City. The Committee of 100 has agreed that a portion of, or the entire loan, may be forgiven in its sole discretion, if a substantial development results in new investment and the creation of jobs in Beaufort County.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council approved and authorized the City Manager to sign the promissory note to the Beaufort County Committee of 100 for \$25,000 to fund the UNC School of Government Development Finance Initiative (UNC SOG-DFI) project.

DESIGNATING IMPRESSIONS PURCHASE MONIES FOR SPECIFIC PROJECTS

Councilman Mercer discussed his desire to have the proceeds from the Impressions sale to be set aside for specific projects/activities. His suggested designations of \$200,000 to each of the following: Streetscape project, Havens Gardens Recreation Area, Airport Hangar Construction and Police Station Fund.

Mayor Pro tem Roberson expressed concern with using this money until we have a better understanding about the upcoming budget. Councilman Brooks suggested that we wait to allocate these funds until all of the business subcommittees have met and submitted their solutions to the Council regarding budget deficits. Councilman Pitt agreed that we should hold the funds and not designate them to specific projects.

City Manager, Brian Allgood discussed the \$1.2 million difference in the Parks and Recreation budget and noted the subcommittees are looking at possible solutions to reduce the difference and they should have a plan to present to Council within the next 30 days. The committee is looking at breaking out pieces that you would have to do no matter what, pieces that do not generate revenue. The General Assembly has cut our funding by \$120,000-\$150,000 by eliminating Privilege License.

ANY OTHER ITEMS FROM CITY MANAGER:

NOTIFICATION OF STREET CLOSING REQUEST BY 1ST PRESBYTERIAN CHURCH

City Manager, Brian Allgood reported that he has approved a request by 1st Presbyterian Church to close Gladden Street between Main and Second Street from 9:00am-2:00pm on Sunday, September 7th.

REQUEST BY BEAUFORT COUNTY SCHOOLS – TENNIS COURTS

The City Manager reviewed a request from Beaufort County Schools regarding the resurfacing of the tennis courts located at Washington High School. Mr. Alligood explained that the request is for the City to pay for resurfacing the tennis courts (approx. \$40,000), but this is a project that was not included in the budget. Mr. Alligood reviewed prior agreements with the school system, but we currently have no legal obligation regarding the tennis courts. When the tennis courts were first installed, the City of Washington agreed to pay \$60,000 of the \$120,000 total cost. The minutes from that time stated that the tennis courts would be owned and operated by the school system. The school board is interested in a future joint use agreement regarding the tennis courts at Washington High School. Mr. Alligood is seeking direction from Council regarding the tennis courts.

The City Attorney reviewed some historical data regarding joint use agreements with different facilities, but there currently is not an agreement regarding the tennis courts. A prior agreement which included the tennis courts was terminated by the school system in December 2008. In 2010, joint use agreements were entered into regarding John Cotton Tayloe, Kugler Field and the Aquatics Center.

Council, by consensus, advised Mr. Alligood to discuss with the school system, that they would be interested in a future joint use agreement with the school system regarding the tennis courts, but at this time this project is not included in the budget. Council also discussed the possibility of including a discussion regarding City owned tennis courts during the next budget cycle.

ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:
LETTER OF SUPPORT FOR MONTESSORI SCHOOL'S USDA LOAN APPLICATION

Mayor Hodges discussed a request from the Montessori School for a letter of support for their USDA loan application in order to expand their school system. This is only a letter of support and there is no financial obligation from the City.

By consensus, Council authorized the Mayor to write a letter of support for the Montessori School's USDA loan application.

LEAGUE ADVOCACY GOALS

Councilman Pitt reminded Council members of the August 28th deadline for submission of League Advocacy Goals. Discussion was held regarding the regulation of golf carts on public streets.

CLOSED SESSION – UNDER NCGS § 143-318.11(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)(6) personnel at 7:00pm.

By motion of Councilman Brooks, seconded by Councilman Pitt, Council agreed to come out of closed session at 8:20pm.

AUDIO

Council members discussed audio concerns regarding the televised City Council meetings. Staff will research this problem and possible solution.

WATER LEAK

The City Manager discussed a major water leak in our system and staff members are working to locate the problem. Over the last month, we have experienced a loss of 500,000-700,000 gallons.

ADJOURN

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting at 8:40pm until August 25, 2014 at 5:30pm in the Council Chambers at the Municipal Building.

Cynthia S. Bennett, CMC
City Clerk