



MAY 24, 2010  
4:30pm

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval/Amendments to Agenda

1. Public Works Budget (Water/Sewer/Storm Water/Solid Waste/ Cemetery Funds)
2. **\*6:00PM Public Hearing**
  - A . **Budget**
  - B. **Adoption of a temporary moratorium on electronic gaming operations (internet sweepstakes cafes)**
4. Recovery Zone Economic Development Bonds
5. Revenue Neutral Tax Rate
6. Health Insurance- 401K – 457
7. Approve - Load Management Switch Purchase

Adjourn - Until Tuesday, June 1, 2010 at 4:30 pm in the Council Chambers at the Municipal Building.



City of Washington

**REQUEST FOR CITY COUNCIL ACTION**

---

**To:** Mayor Jennings & Members of the City Council  
**From:** John Rodman, Planning & Development  
**Date:** May 19, 2010  
**Subject:** Public Hearing: Adoption of a temporary moratorium on electronic gaming operations (internet sweepstakes cafes).  
**Applicant Presentation:** None  
**Staff Presentation:** Glenn Moore  
John Rodman

**RECOMMENDATION:**

I move we accept the recommendation of the Washington Planning Board and adopt an Ordinance placing a temporary moratorium on the use of electronic gaming operations (internet sweepstakes cafes) in the proposed the City of Washington's Extra-territorial Zoning Jurisdiction (ETJ) for a period of ninety days (90) days.

**BACKGROUND AND FINDINGS:**

The Planning Board discussed during their April meeting, the definition and the history of Electronic Gaming Operations or Internet Sweepstakes Cafes. The Planning Board discussed the possibility of a moratorium being established in order to allow Planning staff an opportunity to review internet sweepstakes operations and their compatibility with city plans and other land uses. The Planning Board recommends that City Council establish a temporary moratorium on internet sweepstakes sites.

**PREVIOUS LEGISLATIVE ACTION**

The City Council set the date for the public hearing for Monday, May 24, 2010.

**FISCAL IMPACT**

\_\_\_ Currently Budgeted (Account \_\_\_\_\_) \_\_\_ Requires additional  
Appropriation \_\_\_ No Fiscal Impact

**SUPPORTING DOCUMENTS**

Proposed ordinance.

---

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** \_\_\_\_\_ Concur \_\_\_\_\_ Recommend Denial  
\_\_\_\_\_ No Recommendation \_\_\_\_\_ Date



# City of Washington

P.O. Box 1988, Washington, NC 27889-1988

---

## MEMORANDUM

5/19/2010

City Council  
City Hall  
Washington, North Carolina 27889

Dear Mayor and Council members:

Attached for your consideration is an ordinance establishing a Moratorium on Electronic Gaming Operations (aka Internet Sweepstakes Operations) within the City of Washington. At the May 10, 2010 meeting, City Council approved a resolution scheduling a public hearing for a temporary moratorium for electronic gaming operations for May 24, 2010.

The purpose of the moratorium is to allow some time to receive some guidance as to the legality of these operations from the North Carolina General Assembly Short Session scheduled for May 2010 and to allow staff an opportunity to review electronic gaming operations and their compatibility with city plans and other land uses.

Passage of the attached Ordinance is recommended.

Respectfully submitted,



Glen Moore  
Planning Administrator



# City of Washington

P.O. Box 1988, Washington, NC 27889-1988

---

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

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

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

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

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

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

WHEREAS, the State Legislature is scheduled to address internet sweepstakes operations during its upcoming short session in May 2010 and may be able to offer some guidance as to the legality of these operations.

WHEREAS, the City needs to consider how internet sweepstakes operations should be classified under current City code and what protections should be associated with these

activities including but not limited to spacing requirements, parking requirements, regulations relating to hours of operation, and advertising and marketing regulations.

WHEREAS, the City would like the opportunity to amend its current zoning ordinance to address these issues before additional internet sweepstakes operations begin operation or the current ones expand.

**THEREFORE, BE IT RESOLVED:**

1. THAT a ninety (90) day moratorium is adopted immediately on the establishment, creation, opening or expansion of an internet sweepstakes operation, or similar activity, whether independent or incidental to or accessory to any other permitted use;
2. THAT those activities or businesses that, as of this date, have been properly permitted and licensed by the City may be opened and operated as permitted;
3. THAT this ninety (90) day moratorium shall apply throughout the City's Jurisdiction;
4. THAT this ordinance shall become effective immediately upon its adoption.

Adopted on May 24, 2010

---

N. Archie Jennings III, Mayor

ATTEST:

---

Cynthia S. Bennett, City Clerk

## Recovery Zone Economic Development Bonds Bond Issuance Extension Process

I spoke with Mark Poole of the NC Dept. of Commerce concerning the extension process for bond issuance to provide time to have projects “shovel ready”:

1. Initial award was granted April 19<sup>th</sup> with a 90 day window until July 18<sup>th</sup> to issue the bonds
2. A 90 day extension request to NC Tax Reform Allocation Committee (TRAC) may be made for the June 21<sup>st</sup> meeting
3. Extension request are to include a timeline of the key steps to having the project ready (plans, permits, environmental, bids, financing, etc.)
4. Additional extension requests may be made prior to the lapse of the previous extension. These will likely be approved as long as we demonstrate progress in the achievement of steps along the timeline.

At Monday’s workshop we should explore these projects, our ability to service the debt by this fund, and get Council’s endorsement or disapproval to proceed. If endorsement is received we should get River’s & Associates started. If not, bond allocation should be returned to the State for re-distribution

## City of Washington - Recovery Zone Economic Development Bond Projects

	Bond Request
<b>Police Station Relocation</b>	<b>\$1,000,000</b>
<p>Build an adequately sized station that is not in the flood zone. Current facility was built in 1972, is 6,500 square feet and requirements are 15,800 feet. Budget allocation is \$3,000,000. The Public Safety Capital Reserve and other funds are to provide \$2,000,000 of the project cost.</p>	
<b>Replace Roof on Fire Station #1</b>	<b>42,000</b>
<p>Roof is leaking severely and must be replaced.</p>	
<b>Replace Roof on Bobby Andrews Recreation Center</b>	<b>15,984</b>
<p>Roof is leaking severely and must be replaced. Estimated cost \$15,984</p>	
<b>City Hall</b>	<b>250,000</b>
<p>1913 building is in dire need of exterior and interior maintenance. Work to include window repair/replacement, exterior cleaning and preservation, interior painting, restroom renovation, etc. Estimated Cost \$250,000</p>	
<b>Old City Hall</b>	<b>50,000</b>
<p>1858 building's roof has been replaced. The second floor needs to be stabilized, windows replaced, and deteriorated exterior repaired and painted. Estimated cost \$50,000</p>	
<b>Fiber Network</b>	<b>70,000</b>
<p>Install fiber for City wide data network to connect the Peterson Building, Brown Library, Operations Center, Maintenance Yard, Warehouse, Fire Station #2, \$70,000.</p>	
<b>Storm Water Drainage Improvements</b>	<b>4,475,000</b>
<p>Drainage improvements in the Jack's Creek drainage basin, along Airport canal, and Smallwood subdivision to reduce the frequency and duration of flooding that occurs with every significant rain event. Estimated cost \$4,475,000</p>	
<b>Haven's Garden Walkway</b>	<b><u>75,000</u></b>
<p>Complete walkway under the Runyon Creek bridge. Estimated cost \$75,000.</p>	
<b>Total Bond Reallocation Request</b>	<b>\$5,977,984</b>

	C.I.P.	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
<b>STORMWATER FUND (34)</b>											
<b>Existing Debt:</b>											
WACHOVIA INSTALLMENT NOTE # 33		2,517	1,144								
BB&T INSTALLMENT NOTE # 4		11,136	11,136	8,352							
BB&T INSTALLMENT NOTE # 6		12,875	12,875	12,875	12,875	7,494					
<b>Total Existing Debt Service</b>		<b>26,528</b>	<b>25,155</b>	<b>21,227</b>	<b>12,875</b>	<b>7,494</b>					
 <b>CIP</b>											
Cash Capital											
LTD											
Installment		2,189									
1 S-SWM-1 Remove Charlotte Street Bridge	65,000			5,674	5,674	5,674	5,674	5,674	5,674	5,674	5,674
Automated Bar-screen at Park Dr.	400,000			34,916	34,916	34,916	34,916	34,916	34,916	34,916	34,916
1 S-SWM-2 Jack's Creek Drainage Basin Impr.	3,075,000			268,413	268,413	268,413	268,413	268,413	268,413	268,413	268,413
1 S-SWM-3 Smallwood Drainage Impr.	400,000			34,916	34,916	34,916	34,916	34,916	34,916	34,916	34,916
1 S-SWM-4 Airport Canal Drainage Impr.	925,000			80,742	80,742	80,742	80,742	80,742	80,742	80,742	80,742
<b>Total Capital &amp; New Debt Service</b>	<b>4,865,000</b>	<b>2,189</b>	<b>0</b>	<b>424,660</b>							
Net Revenue			304,645	304,645	304,645	304,645	304,645	405,600	405,600	405,600	405,600
Fund Balance Appropriated				120,015	120,015	120,015	120,015	19,060	19,060	19,060	19,060
				424,660	424,660	424,660	424,660	424,660	424,660	424,660	424,660
Fund Balance		490,724	795,369	675,354	555,339	435,324	315,308	296,248	277,188	258,128	239,068

Notes:	Interest %	Term
1 Recovery Zone ED Bond	3.58%	15.00

2010-2011 Budget:	Total	GF
Storm Water Fees	494,500	
Stormwater Operations	(88,900)	
Admin. Charges to GF	(100,955)	
Nutrient Control		
Payroll	-	290,944
<b>Total Available for Capital/Debt Service</b>	<b>304,645</b>	<b>-</b>

Discontinue GF Admin Charge 2015/2016	Total
Admin. Charges to GF	100,955
<b>Total Available for Capital/Debt Service</b>	<b>405,600</b>

## Jack's Creek Drainage Improvements (\$3,540,000)

Within the Jack's Creek Area, improvements should begin downstream at Charlotte Street and Brown Street before upstream improvements are made. Most importantly, stormwater storage capacity should be increased downstream of 8<sup>th</sup> Street to John Small Avenue. The natural floodplain of Jacks Creek is constricted by undersized arch pipes and small channels in this region.

- It is proposed to increase the existing channel downstream of E. 8th St. by increasing the side slopes to a 4:1 slope for adequate drainage capacity. The channel will also be cleaned out and re-graded as needed.
- Replace existing 87" x 63" CMP arch with two 7' x 5.5' RCBC's under foot path southwest of Harvey St. A less costly alternative may be to construct a pedestrian bridge at this location.
- Remove 58" x 36" CMP arch and flared end section where flow splits, just north of sewer lift station at 7<sup>th</sup> and Harvey..
- Replace existing 76" x 55" CMP arch with two 9' x 5.5' RCBC's from existing channel adjacent to Harvey St. to south side of E. 7th St. Continue with the two 9' x 5.5' RCBC's to the north side of John Small Ave., replacing a CMP arch of unknown size and a 92" x 65" CMP arch (next to old Ed-Tech building). A less costly alternative may be to excavate a 15' base and 2:1 side slope (or flatter) channel if feasible in this area.
- Remove Charlotte Street and open channel up upon completion of Brown Street bridge and re-opening of Brown Street.
- Install automated bar-screen at stormwater pump station at Park Drive.

At a minimum, Charlotte Street culvert removal should be made upon completion of the Brown Street bridge replacement.

## Smallwood Subdivision Drainage Improvements (\$400,000)

Within the Smallwood Subdivision Area, improvements should begin with the pipe replacements and catch basin installations from Lawson Road to Reed Drive with downstream channeling of the channel east of Reed Drive.

- Replace 24" RCP with 42" RCP, starting at north side of Lawson Rd., crossing Lawson, then crossing Reed Dr. and running down east side of Reed Dr. across Alderson Rd. to existing channel just south of Alderson.
- Replace existing 58" x 36" CMP arch with dual 36" RCP's across Reed Dr., just south of Alderson Rd. Construct additional catch basins to increase inlet capacity in this area.
- Replace three existing 36" CMP's with 9' x 3.5' RCBC across Reed Dr., south of Alderson Rd. Construct additional catch basins to increase inlet capacity in this area.
- The existing channel flowing east from Reed Dr. should be excavated to maintain 2:1 side slopes or flatter for adequate drainage capacity.

## Airport Canal Drainage Improvements (\$925,000)

Within the Airport Canal Area, improvements should begin downstream between US Highway 17 and Whispering Pines Road before most upstream improvements are made. Some work along Heritage Drive will reduce flooding near Minuteman Lane without impairment to downstream properties. The most pressing need for improvements within the Airport Canal Study Area is located in the area between US Highway 17, West 15th Street, and Whispering Pines Road. At a minimum, last two recommendations should be addressed. These recommendations will provide some relief to both upstream residents along West 13th Street and those off of Minuteman Lane.

- Replace 15" concrete pipe across Heritage Dr. at Minuteman Lane with a 24" RCP.
- Replace existing 18" concrete pipe with 24" RCP on west side of Minuteman Lane, south of Heritage Dr. and re-grade existing roadway ditch.
- Replace existing 15" concrete pipe network with 24" RCP network across Hamilton Rd. and Heritage Dr. to the outlet. Three catch basins to be replaced in this location.
- Replace existing 108" x 50" (approximate) CMP arch with 10' x 5' RCBC from an unknown junction to the outlet on the western side of the intersection of US 17 and West 15th Street.
- A private drive off of US Highway 17 should be removed or the existing 112" x 75" CMP arch should be replaced with three 8' x 6' RCBC's. A less costly alternative may be to install a bridge crossing or close the driveway and re-open channel at this location.

## Revenue Neutral Tax Rate

### GS 159-11(e):

In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, deannexation, merger, or similar event.

### Summary:

1. Determine a rate that would produce revenues equal to those produced for the current year using the reappraisal valuation.
2. Increase that rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal
3. Adjust the rate to account for any annexation, deannexation, merger, or similar event.

### Property Owner Impact:

While the revenue neutral rate will generate the same revenue as the previous year adjusted for average growth it will not result in the same real property tax bill as the previous year for each property owner for the following reasons:

1. Real property owner's change in valuation is more or less than the City wide average change of 35.87%.
2. Average rate of growth of 2.37% is included in revenue-neutral tax rate
3. In a revaluation year, the assessed value of real property equals its market value as of January 1 of that year. In each subsequent year, the assessed value of real property (other than new construction) remains constant, though its market value typically increases. Personal property, in contrast, is valued at its market value each year. In a revaluation year a realignment occurs in the tax burden between real and personal property when both are reset to current market value. As a result, many individual real property owners receive increased tax bills in revaluation years. (UNC School of Government Property Tax Bulletin #144)

<b>2009 Property Valuation</b>					
Description	Real	Personal	Public	Vehicles	Total
Tax Billing	492,364,969	103,988,813	9,770,794	56,622,297	662,746,873
Real Deferred	(1,381,586)				(1,381,586)
Personal Exemptions	(4,797,048)				(4,797,048)
Tax Releases		(4,562,196)		(804,053)	(5,366,248)
Tax Misc. Dr. Cr.				(4,570)	(4,570)
Write-off		(2,666)			(2,666)
Tax Refund	0	(5,318)	0	0	(5,318)
<b>Total</b>	<b>486,186,335</b>	<b>99,418,633</b>	<b>9,770,794</b>	<b>55,813,675</b>	<b>651,189,437</b>
% of Total	74.7%	15.3%	1.5%	8.6%	100.0%
<b>Subtotal Adj. Above</b>	<b>(6,178,634)</b>	<b>(4,570,180)</b>	<b>0</b>	<b>(808,623)</b>	<b>(11,557,437)</b>

\$ Levy
3,976,481
(8,290)
(28,782)
(32,197)
(27)
(16)
(32)
<b>3,907,137</b>

<b>2010 Property Valuation</b>					
Description	Real	Personal	Public	Vehicles	Total
Property Valuation	683,628,243	103,988,813	9,770,794	56,622,297	854,010,147
-3.370% Appeal Adjustments	(23,038,272)				(23,038,272)
Tax Releases & Other Ad	0	(4,570,180)	0	(808,623)	(5,378,803)
<b>Net 2010 Property Valuation</b>	<b>660,589,971</b>	<b>99,418,633</b>	<b>9,770,794</b>	<b>55,813,675</b>	<b>825,593,073</b>
% of Total	80.0%	12.0%	1.2%	6.8%	100.0%
<b>% Change</b>	<b>35.87%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>26.78%</b>

2009                    65,119 =.01  
 2010                    82,559 =.01

# Neutral Property Tax Increase

City of Washington

Note: The top part of this worksheet is used as working papers to make it easier for you (counties and municipalities) to calculate amounts that should be used in the actual

## Revaluations as of:

January 1, 2010 and 2002

Fiscal year	Assessed Valuation as of June 30	Annexation (Deannexation)	Total Adjusted for Annexation or Deannexation	Valuation Increase	Percentage change
2010-11	825,593,073	(3,474,560)	09-10 829,067,633 08-09 651,189,437		
2009-10	651,189,437	494,232	08-09 650,695,205 07-08 628,194,500	22,500,705	3.58%
2008-09	628,194,500		08-09 628,194,500 07-08 619,972,410	8,222,090	1.33%
2007-08	619,972,410	739,433	08-09 619,232,977 07-08 605,185,152	14,047,825	2.32%
2006-07	605,185,152	448,538	08-09 604,736,614 07-08 589,114,135	15,622,479	2.65%
2005-06	589,114,135	259,832	08-09 588,854,303 07-08 577,120,521	11,733,782	2.03%
2004-05	577,120,521		07-08 577,120,521 06-07 574,570,043	2,550,478	0.44%
2003-04	574,570,043	599,040	06-07 573,971,003 05-06 550,577,101	23,393,902	4.25%
2002-03	550,577,101	1,134,101			2.37%
					<b>Average growth % Doesn't include revaluation increase</b>
<b>Last year prior to revaluation</b>				<b>Tax rate</b>	<b>Estimated tax levy</b>
2009-10	651,189,437			0.6000	3,907,137
<b>First year of revaluation</b>				<b>Tax rate to produce equivalent levy</b>	
2010-11	825,593,073			0.4733	3,907,137
<b>Increase tax rate for average growth rate</b>				<b>Revenue neutral tax rate, to be included in budget ordinance, adjusted for growth</b>	
2010-11	825,593,073			0.4845	3,999,831
				<b>Increase in Tax Levy</b>	92,695
				<b>Average Percentage Increase</b>	2.37%





# QUOTATION AND ORDER FORM

Date: 5-17-10

Quote No: 051710-C-001-DQP

Page: 1 of 1

Quote is valid for 90 days

**Quoted to:**

Mr. Ed Pruden  
Washington Electric  
250 Plymouth Street  
Washington, NC 27889

Email: [epruden@washingtontnc.ws](mailto:epruden@washingtontnc.ws)

**Quoted by:**

Mrs. Dawn Peterson  
Customer Relations Manager  
120 Eagle Rock Avenue, Suite 190  
East Hanover, NJ 07936  
Tel: 973-947-6058 or 908 391 5173

Fax Orders to: 973-695-1880

Authorized Signature: *Dawn Peterson*

Item.	Quantity	Description	Unit Price	Total Price
1.	1500	<b>DCU-62053-22-04-JB</b> – Digital Control Unit, on the SA-205 format used to control an air conditioner/heat pump and water heaters. Unit includes 120/240 VAC power input, internal antenna, (2) two 5A relays and (1) 30 A Relay. Frequency – 173.20375. Junction Box Enclosure  <b>Units to include the following additions/changes:</b> Unit input power 120/240 VAC wiring # 10 AWG Cu Stranded Black, White and Red; (2) 5 Amp Relay wiring – 16 AWG Cu Stranded Yellow for AC and Orange for Heat Strip; 30 Amp Relay wiring #10 AWG Cu Stranded Blue for Water Heater.  Door latch to facilitate locking with wire seal. Screw Points at 4 corners of the door.	\$65.00	\$97,500
2.	Any	<b>Palm Field Agent</b> – Test tool used to perform the function of a (PTU/PCD and PRP).	\$650	
Total				

**Special Terms, Conditions, & Warranty:**

Warranty - 12 Months from Shipment

**Comverge, Inc.'s standard Terms and Conditions apply and are available upon request**

**FOB:** Factory, prepaid and billed.

**Estimated Delivery:**

*12 Weeks ARO for DCUs*

Payment Terms: Net 30 days

**CUSTOMER ORDER:**

Customer: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Customer Order No.: \_\_\_\_\_  
Authorized Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**ACCEPTANCE OF ORDER:**

For Comverge, Inc.  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Authorized Signature: \_\_\_\_\_  
Date: \_\_\_\_\_



EnTek Systems  
 562 Starlight Drive Sautee, GA 30571  
 Office 706-219-4809 Cell 770-331-4780  
[gdavis@entekllc.com](mailto:gdavis@entekllc.com)

**Quotation to :**  
 City of Washinton NC

Date

May 5, 2010

Line Item	Description	Quantity	Unit price	Extended Price
1	FC340 with Smart REMS coding and Junction Box #10 AWG Wires #16 AWG Wires for HVAC 173.203750 MHz	1500	\$ 81.89	\$ 122,835.00
				\$ -
				\$ -
				\$ -
				\$ -
2	PDC 2000 (Optional Windows based )	1	\$ 650.00	\$ 650.00
				\$ -
3	PTT 1000 (Optional Handheld tester)	1	\$ 550.00	\$ 550.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ 124,035.00

Prices shown are good for 90 days from date of quotation  
 Wires per Washington Spec

Lead Time 12 Weeks ARO  
 Payment Terms  
 Domestic 30 Days from shipping