



NOVEMBER 8, 2010
5:30 PM

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of Minutes from October 11, 2010 **(page 5)**

Approval/Amendments to Agenda

I. Consent Agenda:

- A. Adopt – Budget Ordinance to appropriate \$10,000 for Brown Library part-time salaries to expand library hours to include Sundays, from 1-6 pm **(page31)**
- B. Adopt – Budget Ordinance Amendment for Sewer Improvements along Pennsylvania Avenue **(page33)**
- C. Adopt – Budget Ordinance Amendment to reimburse the Washington Harbor District Alliance for the purchase of holiday lighting for all trees on downtown Main Street (\$3,000) **(page35)**
- D. Approve – Purchase Orders in excess in \$20,000 **(page37)**
- E. Approve – Load Management Technician Position **(page41)**
- F. Accept – 2010 Edward Byrne Memorial Justice Assistance Grant \$12,852) **(page44)**

II. Comments from the Public:

III. Public Hearing on Zoning: **6:00 PM**

- A. None

IV. Public Hearing – Other:

- A. Authorize – To Provide and Receive Information and Public Comments Concerning the Closeout of the 2008 Community Development Block Grant (CDBG) – Infrastructure Project (\$) **(page46)**



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- B. Adopt – FY08 CDBG - Capacity Building Grant Closeout (**page47**)
- V. Scheduled Public Appearances:
 - A. Rachel Mills – History Room Renovations – Friends of Brown Library
 - B. A. G. Swanner
 - C. Jason Briley – Report on Northgate, Subdivision (**page49**)
 - D. Bob Gary – Energy Reduction Technologies Update (formally BreezePlay) (**page50**)
- VI. Correspondence and Special Reports:
 - A. Discussion – Status of current grants (2010 Departmental American Recovery and Reinvestment Act (ARRA) and Non-ARRA funding opportunities) (**page52**)
 - B. Update – Quarterly – Weathrization Assistance Program (**page58**)
- VII. Reports from Boards, Commissions and Committees:
 - A. Human Relations Council (**page61**)
 - B. Financial Reports (as available)
 - 1. General
 - 2. Enterprise Funds
- VIII. Appointments:
 - A. None
- IX. Old Business:
 - A. Approve – Legally Binding Commitment (LBC) between the City of Washington and Washington Housing Inc. (WHI) (**page62**)
 - B. Update – Report, Keys Landing Subdivision (**page71**)
 - C. Memo – Land Release Request to Federal Aviation Administration (**page78**)



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- D. Memo – Assignment of Classes to Grades and Ranges for 2010-11 **(page84)**
- E. Update – Electric Load Management Program **(page89)**
- F. Adopt – Ordinance Amendment for Chapter 38- Water and Wastewater, to add Sections 38-400 – 38-411 – Water Shortage Response Plan **(page95)**
- G. Approve – LWCF Conversion **(page104)**
- X. New Business:
 - A. Award – Contract for Electric Relocation Project for NCDOT **(page107)**
 - B. Adopt – Policy Regarding Claims Payment Policy “Failure of Equipment” **(page109)**
 - C. Award – Construction for Stormwater Improvements Pennsylvania Avenue **(page113)**
 - D. Authorize – Chief Financial Officer to act as the Authorized Agent for the NC Department of State Treasurer, Local Government Commission (LGC) application for approval of installment purchase contract **(page116)**
 - E. Award – Financing Bid for the Installment Purchase Contract of the Recovery Zone Economic Development Bond (RZEDB) **(page117)**
 - F. Adopt – Resolution of support in applying for NCDOT Bicycle Comprehensive Plan **(page118)**
 - G. Authorize – City Manager to sign the Authorized Agent Consent Agreement to amend the Major CAMA Permit for Havens Gardens **(page120)**
 - H. Approve and Authorize – City Manager to execute Lease Agreement with NC Wildlife Resources Commission **(page122)**
 - I. Approve and Authorize – Director of Parks and Recreation or his designee to execute the Waterfront Docking Agreement for NC Estuarium, River Rover **(page128)**



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- J. Adopt - Resolution - Code of Ethics for City Council as required by NCGS 160A-86 **(page129)**
- K. Award – Contract for Banking Services **(page137)**
- L. Adopt – A Declaration of Official Intent to Reimburse itself for expenditures related to budgeted installment purchases incurred prior to the issuance of debt **(page138)**
- M. Authorize – City Manager to enter an IT Managed Services Contract **and** Adopt Budget Ordinance **(page141)**
- N. Adopt – Budget Schedule for FY 2011-2012 **(page150)**
- XI. Any Other Items From City Manager:
 - A. None
- XII. Any Other Business from the Mayor or Other Members of Council
 - A. None
- XIII. Closed Session – Under NCGS 143-318.11(a)(5) Acquisition of Real Property located at 131 Bridge Street and owned by Floyd Banks and NCGS 143-318.11(a)(1) Disclosure of Confidential information and NCGS 143-318.10(e) Public Records Act.
- XIV. Adjourn - Until Monday, November 22, 2010 at 5:30 pm, in the Council Chambers at the Municipal Building.

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

October 11, 2010

The Washington City Council met in a regular session on Monday, October 11, 2010 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Franz Holscher, City Attorney and Cynthia Bennett, City Clerk.

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

Mayor Jennings called the meeting to order and Mayor Pro tem Roberson delivered the invocation.

APPROVAL OF MINUTES

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the minutes from September 13th and 27th as presented.

APPROVAL/AMENDMENTS TO AGENDA

Councilman Mercer requested to move Consent Item D: Adopt – Budget Ordinance Amendment for Brown Library Part-Time Salaries \$5,110 and combine with Item: XIIA Discussion of Brown Library Hours of Operation. Mayor Jennings moved Item D: New Business-Memo - US 17 Bypass Water/Sewer Utility Relocations and Powell Bill Funding to Closed Session – Attorney/Client Privilege.

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

CONSENT AGENDA

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

- A. Accept – Grant From Mid-East Commission Area Agency On Aging And Adopt Budget Ordinance Amendment (\$3,409)

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

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

Section 1. That the Estimated Revenues in the General Fund be decreased in the amount of \$3,409 in the account Mid-East Grant, account number 10-40-3621-3300.

Section 2. That the following account numbers in the Senior Programs portion of the General Fund appropriations budget be increased or decreased in the amounts shown to reflect the actual grant award:

10-40-6123-0200	Salaries	(\$1,848)
10-40-6123-0301	Part-Time Salaries -Mid-East	10,000
10-40-6123-4500	Mid-East Grant Match	(111)
10-40-6123-4501	Mid-East Grant -General HP	(6,450)
10-40-6123-4504	Mid-East Grant-Center Operations	(5,000)
	Total	(\$3,409)

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 11th day of October, 2010.

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

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

- B. Accept – Grant From Mid-East Commission Area Agency On Aging And Adopt Budget Ordinance Amendment \$6,665

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

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

- Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$6,665 in the account Mideast Grant Recreation, account number 10-40-3621-3300.
- Section 2. That account number 10-40-6123-4509, Mideast GrantCare Giver Support, Senior Programs portion of the General Fund appropriations budget be increased in the amount of \$6,665 to provide funds for caregiver support services.
- 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 October, 2010.

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

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

- C. Adopt – Budget Ordinance Amendment For Replacement Of Brick Crosswalks At Stewart Parkway And Respass Street \$8,000

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

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

- Section 1. That account number 10-00-3991-9910, Restricted Powell Bill, Fund Balance portion of the General Fund revenue budget be increased in the amount of \$8,000 to provide funds to repair the brick crosswalks on Stewart Parkway.
- Section 2. That account number 10-20-45 11-1501, Repairs and Maintenance Grounds, Powell Bill Department portion of the General Fund appropriations budget be increased in the amount of \$8,000.
- 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 October, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

- D. **Moved to XII.A** Adopt – Budget Ordinance Amendment For Brown Library Part-Time Salaries \$5,110
- E. Adopt – Budget Ordinance For Vendor Purchase Orders Carried Forward

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

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

Section 1. That the following accounts of General Fund revenue budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Account	Description	Amount
10-00-3991-9910	Fund Balance Appropriated	\$ 4,000
10-00-3991-9910	Fund Balance Appropriated	3,000
10-00-3991-9910	Fund Balance Appropriated	2,922
10-40-3614-3600	Waterfront Docks Grant	169,688
10-00-3991-9910	Fund Balance Appropriated	27,600
10-40-3613-3603	Recreation Trail Grant	74,206

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

October 11, 2010

10-00-3991-9910 Fund Balance Appropriated 18,570

Section 2. That the following accounts of General Fund appropriations budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Department	Account	Description	Amount
Planning	10-10-4910-4505	Contract Services	\$ 4,000
Planning	10-10-4910-7000	Non-Cap. Purchases	3,000
Library	10-40-6110-7000	Non-Cap. Purchases	2,922
Waterfront Docks	10-40-6124-7400	Capital Outlay	169,688
Parks & Grounds	10-40-6130-7300	Other Improvements	27,600
Parks & Grounds	10-40-6130-7305	Property Improvements	92,776

Section 3. That the following accounts of Electric Fund revenue budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Account	Description	Amount
35-90-3991-9910	Fund Balance Appropriated	\$199,612
35-90-3991-9910	Fund Balance Appropriated	119,000

Section 4. That the following accounts of Electric Fund appropriations budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Department	Account	Description	Amount
Substation Maintenance	35-90-8370-7000	Non-Cap. Purchases	\$199,612
Substation Maintenance	35-90-8370-7401	Installment Note Purch.	119,000

Section 5. That the following accounts of Warren Field Airport Fund revenue budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Account	Description	Amount
37-90-3490-0006	Vision 100 Grant	\$ 80,505
37-90-3991-9910	Fund Balance Appropriated	8,945

Section 6. That the following accounts of Warren Field Airport Fund appropriations budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Department	Account	Description	Amount
Warren Field Airport	37-90-4530-4512	Grant Funds	\$ 89,450

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 11th day of October, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

COMMENTS FROM THE PUBLIC –

(citizens signed up were already scheduled speakers)

WASHINGTON NOON ROTARY - SMOKE ON THE WATER UPDATE

Mr. Spencer Stanley, Noon Rotary Representative updated the Council regarding Smoke on the Water. Mayor Jennings stated he is scheduled for the “pig parade”, dunking booth and chili judging session. Pam Daw distributed information regarding the “Fire Engine Pull”. Ms. Daw stated the fire engine pull is sort of a “tug of war” with Washington Fire Department’s 30,000 pound Engine 3. This event is a fundraiser sponsored by Beaufort County Developmental Center, Inc.

TYRONE WILSON – 15TH STREET BASKETBALL COURTS

Tyrone Wilson came forward and thanked the Recreation Advisory Board for their efforts at the recent meeting regarding the 15th Street basketball courts. The meeting proved there was not a problem with the courts being located near Oakdale Cemetery.

**NORTHWOOD/ROWAN PLACE RESIDENTS –
SMALLWOOD DRAINAGE ISSUES**

Several citizens from Smallwood came forward and presented photos representing the ongoing problems with the drainage at Smallwood. Mr. and Mrs. Terry Sawyer, 301 Northwood Drive stated they had to replace their HVAC system again for \$5300 due to flooding at Smallwood. Ms. Graham, 500 block of Smallwood voiced concern over the large drainage ditch behind her house with the sides caving in. Mr. Hackney High voiced concern over the drainage and stated the City needs to spend the money to resolve the drainage issues. He further stated the same presentation was made to Council in 2006 and nothing has been done to resolve the problem yet.

Mayor Jennings acknowledged the drainage issues at Smallwood and the study that was completed in 2007 suggested it would cost approximately \$12 million to resolve the issue in Washington. He continued to explain what could be accomplished using Recovery Zone Bonds. Council approved using \$4 million to address the drainage issues, although the City was approved for \$6 million. Mayor Jennings stated we could accommodate the majority of these problems with the \$4 million in RZED Bonds.

Allen Lewis, Public Works Director stated the project would begin with replacing the undersized pipes under Eden Drive and work is in progress with NCDOT to discuss the drainage pipes under Keysville Road. In order to complete the area from Northwood and Eden Drive an additional \$300,000-\$400,000 would be needed as well as easements from those surrounding property owners. Councilman Moultrie voiced concern for other areas in Washington that flooded, such as Heritage Park and other areas need assistance as well. Mayor Jennings asked Council to think about going the extra mile to relieve these drainage issues. Mayor Pro tem Roberson suggested

holding a public meeting with the residents of Smallwood explaining what the drainage improvements will include. Mayor Jennings stated we didn't have access to these funds before, now with the Recovery Zone Economic Development Bonds we can focus on this issue.

Mr. Smith suggested adding the extension to this area as an addition to the project to allow Council to go ahead with the larger project. Allen Lewis stated this could be done as a change order using the same contractor with the same per unit price used in the original bid/project. Mr. Lewis will schedule a community meeting in the next week or so and at this time he can discuss easements with the property owners.

**ADOPT – RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR
APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY
NCGS 160A-20**

Mayor Jennings opened the public hearing. Matt Rauschenbach stated the resolution of findings along with a public hearing on the Recovery Zone projects are requirements of the application of approval of installment purchases by the State of NC Department of State Treasurer, Local Government Commission. Mayor Pro tem Roberson asked if it was too late to get more funding? Mr. Rauschenbach stated "no" that at the suggestion of the Department of Commerce and the Local Government Commission, we were advised to advertise showing the total allotment of approximately \$6 million, even though Council has authorized \$4 million. This allows Council to have the flexibility of adding additional projects without having to go through the public notice process again. Annual debt service on the \$4 million is close to \$20,000 a year less than with previous interest rates. Stormwater fees can adequately support this debt over 15 years. Councilman Mercer requested attending the meeting with the LGC.

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

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council adopted a resolution authorizing the filing of an application for approval of a financing agreement authorized by NC General Statute 160A-20 for Recovery Zone Economic Development Bonds.

**RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR
APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH
CAROLINA GENERAL STATUTE 160A-20**

WHEREAS, the City of Washington, North Carolina desires to finance storm water drainage improvements and replace the roof on Fire Station #1 (the "Project") with the proceeds from the issuance of Recovery Zone Economic Development Bonds (RZEDB) purchased by a single financing institution to better serve the citizens of Washington; and

WHEREAS, The City of Washington desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Washington, North Carolina, meeting in regular session on the 11th day of October, 2010, make the following findings of fact:

1. The proposed contract is necessary and expedient because storm water drainage improvements are necessary to reduce the frequency and duration of roadway and personal property flooding during significant rain events in the Jacks Creek, Cherry Run, and Runyon Creek drainage basins. The improvements proposed in the Jack's Creek basin serve the area south of the Kingswood sub-division, east of Hackney Avenue, north of Second Street, and west of Hudnell Street. The improvements proposed in the Cherry Run basin serve the area west of the old Kmart property to Whispering Pines Road. The improvements proposed in the Runyon Creek basin serve the Smallwood sub-division area. These projects were included in the five year Capital Improvement Plan and can be undertaken now with the availability of RZEDB's and the Storm Water Funds net revenue improvement. The project is the first major capital improvement for which the Storm Water fund was established in 2002/2003 other than the culverts installed in the Jack's Creek basin at Park Drive and Main Street in 2004.
2. The proposed contract is preferable to a bond issue for the same purpose because the issuance cost and interest rate is higher for general obligation bonds and the issuance of RZEDB's can be done in a more expedient manner.
3. Based upon information provided to the Council, the costs of the financing described above is favorably comparable to the costs associated with other alternative means of financing and is acceptable to the Council.
4. The City of Washington debt management procedures and policies have been carried out in strict compliance with law.
6. No increase in ad valorem taxes or storm water fees are necessary to service this debt.
7. The City of Washington is not in default under any obligation for repayment of borrowed money.
8. The net revenues of the Storm Water fund and available fund balance are adequate to service the debt of this financing.
9. The attorney for the City of Washington will render an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Mayor is hereby authorized to act on behalf of the City of Washington in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 11th day of October, 2010.

The motion to adopt this resolution was made by Mayor Pro tem Roberson seconded by Councilman Moultrie and passed by a vote of 5-0.

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

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

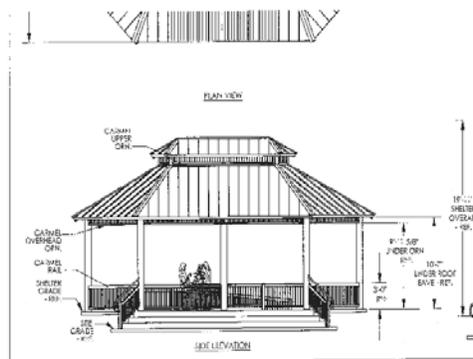
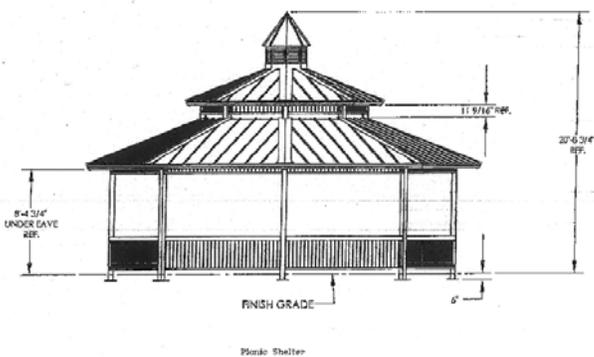
**JOE TAYLOR – REPORT FROM PARKS AND RECREATION
ADVISORY BOARD**

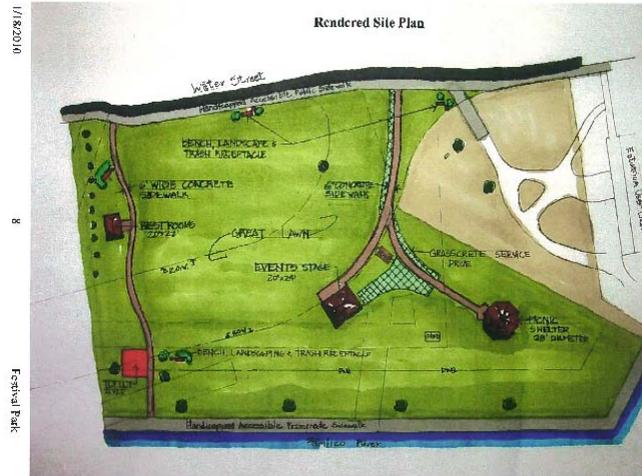
Mr. Joe Taylor, Chairman of Recreation Advisory Board discussed the public meeting that was held on Sept. 20th regarding the 15th Street basketball courts. Approximately 50 people attended with 15 people speaking, which included representative from three funeral homes. The Recreation Advisory Board voted to recommend to City Council to keep the 15th Street basketball court as it is, as a community collaborative. The motion was made in view of the fact that there were no complaints made to the funeral homes nor police department in regards to the basketball court. In fact, as Derik Davis stated, “sometimes they stop play and sometimes they don’t, but it had not been an offense to the families they serve”. The motion was also made with the realization that one person complained to the City Council and one person complained to the Parks and Recreation Department. Dave Smith added at the end of that meeting that the elder players would continue to teach the younger players what is acceptable in that area, as they play.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council accepted the recommendation of the Parks and Recreation Advisory Board to keep the 15th Street basketball courts as it is.

Mr. Smith said it was also discussed at the meeting regarding the possibility of moving the Project Next Step Coordinator to the Recreation Building near the basketball courts. The building would need some minor renovations. Mayor Pro tem Roberson stated he was in favor of that idea. Mayor Jennings said we will continue to take positive steps regarding this issue.

Mr. Taylor also updated Council on the Festival Park. The committee has been meeting on a weekly basis to review the functions of the park and how that would benefit the citizens of Washington. Multi-using of the structure was very important to the committee. The structure will be built off-site and then put together by a local contractor.





ANTROMEED JOHNSON – UTILITIES

Ms. Antromeed Johnson came forward to discuss the list of questions she left with Council last month regarding her concerns over the electric rates. She discussed possible ways of communication regarding load management: newspaper, automated phone calls, flyers in utility bills, emails, etc. Mayor Jennings presented Ms. Johnson with a list of accomplishments since the last Council meeting.

1. Requested proposals on operating systems from Tideland Electric, Electricities, and Greenville Utilities
2. Meet with Electricities to discuss the following:
 - a. Communication plan for citizens
 - b. Communication plan for public
 - c. Funding for 3rd party assessment of our system
 - d. Analysis of methodology for assessing proposals
3. Produced video presentation on the benefits of load management
4. Mayor and Manager held Town Hall style meeting with employees of Electric Department to hear their concerns and understand their position
5. Mayor attended organizational meeting of the Eastern North Carolina Mayor's Association to discuss electric rates
6. Councilman Mercer attended a NCEMPA meeting where he argued for a rate cut at the agency level only to have that idea defeated in a Board vote
7. Bids for load management

ROGER WARNER – EASEMENTS ON CLINTON AVENUE - absent

HUMAN RELATIONS COUNCIL

Human Relations Council (HRC) Report for the month of August

1. Update -Confirming meeting with Ms. Daniel's (Pitt/Greenville Human Relations Council)
2. Discussion-Tabled on Government Cell Phones
3. Report- Activities of Downtown on the Waterfront

4. Update D.R.E.A.M.
5. Discussion National Night Out Approach school system before scheduling next year

Human Relations Council (HRC) Report for the month of September

1. Appointment Marisol Barr
2. Mr. Bill Davis Chairman of Crime Stoppers will be attending a meeting at the Chamber of Commerce on October 13 and requested to be placed on next month's agenda for a presentation.
3. Fire Chief Robbie Rose Observance of Mr. Ed Peed. Chief Rose suggested with the improvements at Beebe Park to have a marker installed for Mr. Peed and requested support from the HRC Board of the following.
 - Price quotes on the monument (Chief Rose has contacted Paul Funeral Home)
 - Monetary sponsorship
 - Inscription or passage (the wording on the marker)
 - Type and color of stone
 - Concept

VOLUNTARY ASSIGNMENT BY BOARD MEMBERS

- Board member Lodge to coordinate with Chief Rose and Leon Randolph Funeral Home Staff to visit Beebe Park.
 - Board member O'Pharrow to coordinate location, size and placement of the marker.
4. Discussion Representation on the Human Relations Council (applications are offered to anyone who wishes to apply and not centered around one nationally).
More transparency needed.
 5. Update Event that occurred Downtown (Discussion last month by Board member Lodge).
 6. Attendance Letter presented to Board member Saleem (By-Laws).

WASHINGTON HARBOR DISTRICT ALLIANCE

USDA – Farmers Market Farmers Market Promotion Program Grant – \$50,000 was applied for in April 2010 for marketing for the Saturday Market. (\$20,000 of this money would be spent on designing a permanent outdoor farmer's market). Announcements of the awards were supposed to happen in September but no announcements have been made yet. (No City funds will be needed for this grant)

Main Street Energy Grant Round II – No word on this grant.

NDC - National Development Council

The Economic Restructuring Committee (Citizens for Revitalization) has formed a steering committee to work directly with NDC. This sub-committee consists of Chris Furlough, Mac Hodges, Trent Tetterton, Tom Atkins, Tom Richter, Fred Watkins, John Rodman, Jim Smith, Don Harte, Bob Henkle, Bill Sykes, Beth Byrd and Ross Hamory. The committee has cataloged the projects proposed for the Harbor District and placed them in three categories. Adaptive reuse, new construction and public sector initiatives. The committee has created a *projects priority sheet* to determine which project has top priority. Three initiatives have been identified as the leading projects at this time; the Fowle building first floor indoor farmer's market and commercial kitchen, the second floor rehab/business expansion of Inner Banks

Artisans center and to create structure for a bidding process on the Old City Hall building. If the private initiatives do move forward they must submit the items outlined on this attached form ***Key items required for submittal of a Development Project*** in order to be considered. Hank Coleman is scheduled to be in Washington on Wednesday Oct. 6th.

Downtown Business Analysis and Development Plan

Many of the issues facing economic restructuring of the downtown were discussed during the process of creating the ***Washington Visualization & Reinvestment Strategy*** for the Washington waterfront last fall. The Chamber of Commerce and WHDA brought Bob Murphrey, NC Main Street Coordinator to town June 30th, when he presented the detailed steps of creating a Downtown Development plan for Washington. The purpose of this plan is to identify the opportunities for business and real estate development in downtown Washington. By producing this analysis of Washington's strengths, weaknesses and opportunities, it will help us all to understand what direction should be forged in the future. Trent Tetterton has stepped forward and offered his assistance to WHDA and the Chamber in acquiring the myriad of information needed. All statistics and surveys have been sent to Bob Murphrey. We are waiting for the completion of the report.

Pickin' On the Pamlico

We are happy to report a \$5,000 profit from this event. Many people have stated that it was one of the best Pickin' on the Pamlico events ever. Tickets sales were down by around 100 tickets. We blame this on the economy and the fact that we had to move the date from the traditional weekend because of a scheduling conflict with Dancing with Our Stars.

Movies in the Park (MITP)

October 9th we broadcast the ECU vs. S. Miss Live at 7:30. WHDA will wrap up the season on October 22nd when we will show **We Are Marshall**.

Music In The Streets (MITS)

The last MITS of the 2010 season will be on Friday, October 22nd.

Pirates Beach Music Festival

Although the WHDA planned and conducted the 2010 Beach Music Festival to the best of our ability, we could not control Mother Nature. Because of the forecasted chance of rain, the attendance for the festival was down over half of what we experienced last year. Everyone that attended the festival had a fantastic time. Support services by the City of Washington Police were outstanding. WHDA did not make a profit. This is discouraging news since we had relied on these funds to balance our budget for this year. The board is looking for other avenues of revenue to fill that gap. Rebecca Clark and Garleen Woolard (Organization Chair) are planning "Friends of the Alliance" Membership drive which will be launched in November.

2010 Hometown Holidays the first weekend in December.

Plans are underway for to produce a coordinated effort to promote the first weekend in December as a great time to visit and shop in downtown Washington. The day will begin with the Christmas parade and end with the Christmas Flotilla. During the day many events will be offered. The Turnage holiday home

tour, old Christmas movies shown throughout the day at the Turnage, pictures with Santa, horse drawn carriage rides, carolers, retailers open house, etc. Mark December 4th on your calendar today.

Washington Harbor District Board

Russell Smith was not able to fulfill his board duties because of a change scheduling at his store. He has resigned from the board. A couple of other candidates are being considered. Bobby Roberson has been elected as the new VP of Design since Scott Campbell has resigned.

**Key Items Required for Submittal of a Development Project to the
Washington Harbor District Alliance (WHDA)**

- 1. Cover letter summarizing the Project (its phases/components and size of each, and the proposed project) and any requests being made of the WHDA for assistance with this project.**
- 2. Site Control and Development Process**
 - a. Evidence of site control (i.e. copy of deed, executed contract of sale, etc).
 - b. Preliminary zoning analysis and chart (i.e. proposed zoning, floor area ratio (FAR), and unit per density, yard requirements, building height, open space and parking requirements).
 - c. Preliminary site plan and related documents if any.
 - d. Proposed development program (i.e. residential, mixed use, commercial, etc.), total gross square footage of project with program breakdown.
 - e. Copies of building or construction-related permits (assumes construction to commence near term).
- 3. Economic and Community Impact in the geographic area of the City.**
 - a. Retained and proposed City-based employment estimates.
 - b. Methods for encouraging local and minority hiring during construction.
 - c. Methods for encouraging permanent post-construction hiring of residents and minorities.
 - d. Level of infrastructure improvements needed (if any) to support the proposed project.
- 4. Financial Feasibility & Developer Team Qualifications**
 - a. Detailed construction budget defining specific hard and soft cost.
 - b. Sources and uses of funds including breakdown of specific City/State subsidies, incentives, abatements, etc.
 - c. Market and feasibility studies for proposed project
 - d. Projected cash flow for the proposed project, submitted in hard copy and electronically in Microsoft Excel.
 - e. Statement of assumptions upon which the calculations were based.

- f. Detailed description of proposed equity investment and construction and permanent financing.
- g. Letters of interest or intent from financial institutions (no more than 90 days old from date of project submittal to WHDA).
- h. History of company and its business including similar projects previously completed.
- i. Ownership structure and property management plan.
- j. Level of pre-leasing/pre-sales by product type or commitment by tenants(s).

5. Compatibility with Surrounding Community, Design Excellence and Sustainability

- a. Description of smart growth elements and compatibility with the City of Washington Master Plan.
- b. Architectural Design-conceptual drawings, representative floor plans and rendering for the proposed project with all square footages identified.
- c. Green design and certification plans and proposals (e.g. will project achieve Energy Star certification, any level of LEED certification etc.).

6. Implementation Schedule

- a. Detailed project schedule and phasing plan (if multiple phases) from predevelopment through completion. Include dates the developer is willing to commit to for key benchmarks such as groundbreaking, construction and project completion.
- b. Status of process and level of interaction with other city, state or federal regulators and other entities.
- c. Description of any environmental remediation required (include schedule),

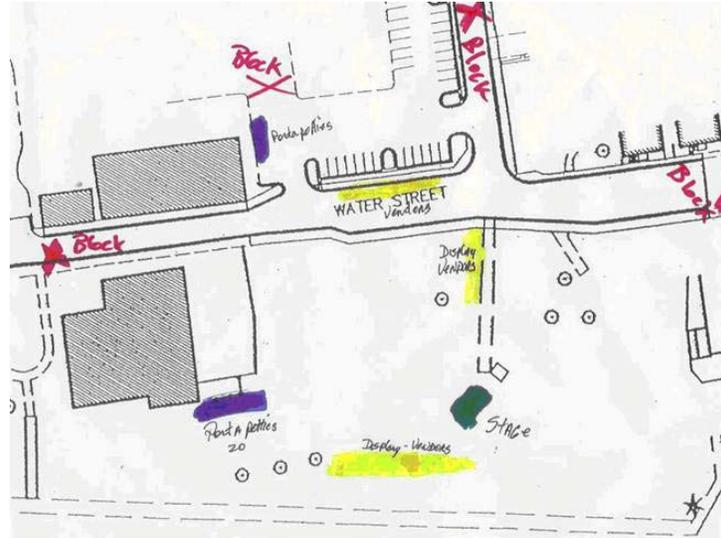
**The City of Washington's
Fourth of July Celebration 2011
Sponsored by Lee Chevrolet**

Mac Hodges stated the Washington Harbor District Alliance is hoping to help bring the 2011 Fourth of July festivities to Washington. As usual, we would hope the City would furnish the fireworks, the insurance for the event, the police required, pods/electrical hook-up and the trash removal. With Lee Chevrolet's sponsorship WHDA would like to arrange for entertainment which would start a couple hours before the fireworks, staging, porta-potties (10 regular and 1 handicapped) and the amplification permit. WHDA will arrange for food vendors to be present. WHDA will be responsible to set-up and take down and provide volunteers at the event. They would like to attach this event to the City's insurance policy for the fireworks. As well as have the City cover the cost for the Police Department for a few extra hours during the event.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council supported the efforts of the Washington Harbor District Alliance for the 4th of July events

including the extension of the City's insurance policy and the additional police coverage as well as the consideration of joining the City's name along with Lee Chevrolet for advertising purposes.

Proposed site map for the event:



Beth Byrd, WHDA asked Council for assistance with the Christmas light program for downtown. It is suggested that starting at west of Main Street at Gladden and continuing east past S. Respass that the City replace lights with all LED warm white lights at a cost of \$756.12 in materials. The process would continue on an annual basis replacing lights on 10 trees at the time until all the lights were replaced. This would take approximately four years. WHDA would also request that the lights be turned on during special events.

Mayor Jennings suggested replacing lights in all the trees and make a statement about Washington. How a community presents itself at Christmas really makes a statement about the community itself.

By motion of Councilman Moultrie, seconded by Councilman Pitt, Council accepted the recommendation of the Washington Harbor District Alliance to replace the lights on the trees downtown, furthermore, Council voted to replace all the lights on all the downtown trees instead of replacing them over a four year period.

AIRPORT ADVISORY COMMITTEE

The Warren Field Airport Advisory Committee has now had three meetings. Their initial meeting held in the conference room at Warren Field Airport was essentially a get acquainted meeting. The second meeting was a tour of the airport facilities and landing field. At the recent meeting of the committee, lack of adequate Terminal maintenance by Tradewind Aviation, the Warren Field FBO was discussed. The committee would like to have an update on the airport financial status from Finance Director, Matt

Rauschenbach, and an opportunity to meet with Thomas Dolder of Tradewind aviation at its next meeting. At a future date in the Committee would like to hold a meeting for pilots and aircraft owners at Warren Field.

The committee also began a review of the Airport Rules and Regulations with a focus on requirements for part-time flight instructors. An application to become an independent part-time flight instructor was expected to be filed with the City. The present rules for flight training instructors as contained in the current Airport Rules and Regulations do not make provisions for part-time instructors independent of the airport FBO. I have been in contact with the NCDOT Division of Aviation on several occasions recently with regard to this issue which has faced all the general aviation airports in the State. On the one hand, since airports are largely funded with public funds, use of the airport facilities should be available to the public. At the same time if part-time, nonaffiliated instructors are allowed to undercut airport FBO's it will require a greater amount of public funds to subsidize FBO's, especially in these difficult economic times. The committee felt that part-time flight instructors should be permitted on a reasonable competitive base with the FBO's own flight instruction program.

The committee recommended the following change to the Warren Field Rules and Regulations:

- Flight instructors operating from Warren Field Airport should be permitted to instruct in their own owned or employer owned aircraft or in a student's owned aircraft (some students are upgrading their pilot's license).
- Flight instructors should have full flight instructors insurance with the City named as additional insured, not just insurance under the aircraft owners policy.
- An hourly use fee should be paid for use of space in the terminal building for instructional purposes if the instructor is not a fixed base operator or employee of the fixed base operator.

The committee set the third Monday of each month at 9:30 AM to meet in the Warren Field terminal conference room as their regular monthly meeting date/place. The next meeting will be on October 18.

FINANCIAL REPORTS

Council accepted the financial reports as presented.

APPOINTMENTS

Human Relations Council: By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council appointed Derik Davis to the Human Relations Council to fill the vacant position, term to expire June 30, 2013.

Human Relations Council: By motion of Councilman Pitt, seconded by Councilman Moultrie, Council appointed Nattalie Castro to the Human Relations Council to fill the unexpired term of Yvonne Saleem, term to expire June 30, 2012.

Airport Advisory Committee: By motion of Councilman Mercer, seconded by Councilman Moultrie, Council appointed Raymond Ward to the Airport Advisory Committee.

Recess: 7:00pm - 7:15pm

APPROVE – DEPARTMENT HEAD TRAVEL BONUS

Councilman Mercer stated the travel bonus issue has been discussed in some detail. The Personnel Policy states the Council will determine during the budget sessions if there will be a travel bonus appropriated. This was not discussed during the last budget session and he feels it is inappropriate to discuss it at this time.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council voted not to approve the conversion of the travel bonus to salary and instructed the staff to revert to the procedure used in FY 09-10 budget, effective October 1, 2010.

Mayor Pro tem Roberson stated this means we go back to the \$350 per month, travel allowance. Councilman Mercer suggested having staff look at part of the remainder of this year and have them keep a mileage log that will be used in the decision making process during the next budget process. Mayor Pro tem Roberson wanted to make sure that the travel log is consistent among the departments.

**AUTHORIZE – CITY MANAGER TO IMPLEMENT CLASSIFICATION AND
PAY GRADE CHANGES**

A motion was made by Councilman Mercer, seconded by Mayor Pro tem Roberson to delay the (item B) classification, pay grade changes and (item C) assignment of classes to grades/ranges until the new City Manager is hired and allow that person to look at staffing and pay classifications. Discussion.

Councilman Moultrie stated we have a Manager on board now and shouldn't wait to make decisions that need to be made. Susan Hodges stated she would request that the reclassifications not be delayed. Mayor Jennings stated we don't need to stop business while waiting for the new manager to be hired. The Water Department reorganization became effective when the Supervisor retired and he submitted his retirement papers on July 2nd. The money is available in the Water Fund to cover the reorganization of this division at a cost of \$10,114. Adam Waters stated they have actually saved money by reorganizing the division.

Robbie Rose, Fire Chief stated we had three Division Chiefs at one time: Fire Prevention, Training and Operations. One Division Chief position was eliminated at the Fire Department and the Training Division Chief responsibilities were combined with Division Chief for Operations.

Councilman Mercer questioned the new Planning Department position. Beckey Veazey stated this salary range is recommended for an entry level Planner.

Councilman Mercer and Mayor Pro tem Roberson amended the motion to split the motions to defer (item B) classification, pay grade changes until the new manager is hired and/or the next budget process. Voting for the motion: Mercer; Against: Roberson, Pitt, Moultrie and Davis. Motion failed: 4-1.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council authorized the City Manager to implement the classification and pay grade changes and the in range pay adjustments for the positions in the Planning and Community Development, Fire/Rescue/EMS and Public Works departments that have been affected by reorganization and as recommended by the MAPS Group effective October 11, 2010. Motion carried 4-1, with Councilman Mercer opposing.

ADOPT – ASSIGNMENT OF CLASSES TO GRADES AND RANGES 2010-2011

Susan Hodges stated this would impact the job rates which get our salaries in line with the rest of the market as we are below market right now. This would mostly affect the job maturity raises with a fiscal impact of \$4,422. Approximately 25 individuals were reassessed with an increase of \$3.00 to \$282.00 per employee.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council continued this item until November 8th to allow time for Ms. Hodges to determine the actual fiscal impact on this budget year.

**ADOPT – BUDGET ORDINANCE TO APPROPRIATE FUNDS FOR
PROJECTS THAT WERE BUDGETED IN FY 2009-2010 AND NOT COMPLETED**

Matt Rauschenbach, Chief Financial Officer reviewed the budget ordinance with Council. In prior years the budgeting technique to account for unfinished projects was to write purchase orders to the City of Washington and carry them forward to the new year along with open vendor purchase orders. After thorough review with Council it was determined that another acceptable approach would be to appropriate for the unfinished portion of the project and eliminate the writing of purchase orders to the City.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council adopted a Budget Ordinance to appropriate funds for projects that were budgeted in 2009-2010 and not completed.

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

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

Section 1. That the following accounts of General Fund revenue budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Account	Description	Amount
10-00-3991-9910	Fund Balance Appropriated	\$ 4,000
10-00-3991-9910	Fund Balance Appropriated	3,000
10-00-3991-9910	Fund Balance Appropriated	2,922
10-40-3614-3600	Waterfront Docks Grant	169,688

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

October 11, 2010

10-00-3991-9910	Fund Balance Appropriated	27,600
10-40-3613-3603	Recreation Trail Grant	74,206
10-00-3991-9910	Fund Balance Appropriated	18,570

Section 2. That the following accounts of General Fund appropriations budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Department	Account	Description	Amount
Planning	10-10-4910-4505	Contract Services	\$ 4,000
Planning	10-10-4910-7000	Non-Cap. Purchases	3,000
Library	10-40-6110-7000	Non-Cap. Purchases	2,922
Waterfront Docks	10-40-6124-7400	Capital Outlay	169,688
Parks & Grounds	10-40-6130-7300	Other Improvements	27,600
Parks & Grounds	10-40-6130-7305	Property Improvements	92,776

Section 3. That the following accounts of Electric Fund revenue budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Account	Description	Amount
35-90-3991-9910	Fund Balance Appropriated	\$199,612
35-90-3991-9910	Fund Balance Appropriated	119,000

Section 4. That the following accounts of Electric Fund appropriations budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Department	Account	Description	Amount
Substation Maintenance	35-90-8370-7000	Non-Cap. Purchases	\$199,612
Substation Maintenance	35-90-8370-7401	Installment Note Purch.	119,000

Section 5. That the following accounts of Warren Field Airport Fund revenue budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Account	Description	Amount
37-90-3490-0006	Vision 100 Grant	\$ 80,505
37-90-3991-9910	Fund Balance Appropriated	8,945

Section 6. That the following accounts of Warren Field Airport Fund appropriations budget be increased by the respective amounts indicated for projects budgeted but not completed in 2009-2010:

Department	Account	Description	Amount
Warren Field Airport	37-90-3480-0000	Grant Funds	\$ 89,450

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 11th day of October, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

AWARD – LOAD MANAGEMENT INSTALLATION CONTRACT

Keith Hardt, Electric Director stated Council authorized \$300,000 load management initiative in May 2010. Bids for the installation of load management switches to complement the installation by the City's line crew were opened October 11th at 2 p.m. The lower bid contractor was Buck Electric to install new, additional and upgraded load management switches. Purchase orders will be written to pay for the installation of switches.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council awarded the load management switch installation contract to Buck Electric.

Load Management Switch Installation Bid Tabulation
City of Washington
Washington, North Carolina
Bid Opening: Monday, 11 October 2010 - 2:00 p.m.

Contractor Name	Item I			Item II			Item III			Contractor Info/ License
	New Switch Install			Additional Switch Install			Upgrade Switch Install			
	1F	2F	3F	1F	2F	3F	1F	2F	3F	
Buck Electric	\$70	\$115	\$160	\$45	\$90	\$135	\$50	\$70	\$90	Yes
Modlin Electric	\$135	\$225	\$270	\$125	\$200	\$250	\$175	\$265	\$290	Yes

MEMO – ELECTRICAL CONTRACTOR LICENSE

(memo from Keith Hardt) Jim Smith, Ed Pruden, and I met with Jesse Skinner of the NC State Board of Examiners of Electrical Contractors (NCBEEC) on September 30th to discuss Load Management switch installation and license requirements. Recap:

1. The City is required to have an electrical contractors license
2. Process to obtain a license:
 - a. Hire an individual with a license or someone who is a qualified individual (passed exam) on someone else's license
 - b. Individual surrenders license to NCBEEC, remains qualified
 - c. City requests license from NCBEEC with qualified individual listed on license
 - d. License is for 12 months with continuing education requirements (8 hours)
 - e. More than one qualified individual can be listed on license
3. Other employees may become qualified under the supervision of the licensed individual. Must complete coursework, hours of experience requirements, and score at least 75 on exam.
4. Three license classifications:
 - a. Limited- \$40,000/job, <600 volt
 - b. Intermediate- \$110,000/job, unlimited voltage, \$40,000 minimum bonding
 - c. Unlimited- unlimited \$/job, unlimited voltage, \$110,000 minimum bonding
5. City plans to advertise this position with Council's concurrence.(end memo)

Energy Management 11/3/2010 Budget	
\$	Description
97,500	Switches (1,500 @ \$65/)
1,300	Testing/programming equipment
96,715	Line crew labor and related fringes (2)
24,375	Load Management Technician (licensed electrician for 6 months)
4,000	Vehicle repair & maintenance. Utilize Whse. truck
20,000	Marketing
56,110	Installation contract Labor
300,000	Total

Installation Completion:

4	Locations/day/crew
1.2	Switches/location (80% 1/20%2)
4.8	Switches/crew/day
2	Crews
1,500	Switches
31	Weeks to Install

Assumes adequate backlog of requests at all times

Matt Rauschenbach stated we will need an appropriation from Council for this position. We are required to have a licensed electrician to install, inspect and manage the load management switches. Mr. Hardt stated this position is already listed in our pay and classification list as we had someone in this position in years past. The City will actually hold the license.

APPROVE – PURCHASE ORDERS IN EXCESS OF \$20,000

(memo from Matt Rauschenbach) Requisition # 7984, Booth & Associates, \$119,000: T3/T4 project installment purchase budgeted in 2009-20 10. This will complete the project and is included in the 2009-2010 Projects Not Completed Budget Ordinance in today's agenda. Account 35-90-8370-7400.

Requisition #8122, Westinghouse Electric, \$32,625: main substation B2 breaker replacement budgeted in 2010-2011, total project \$45,000. Account 35-90-8370-7400.

Requisition #8178, Utility Service Co., \$31,947: clean media in all eight filters at Water Plant in lieu of replacing at a cost of \$400,000. \$100,000 budgeted this year and was planned for next three years. Account 30-90-8100-7000.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council approved the presented purchase orders(#7984, #8122, #8178) in excess of \$20,000

**ACCEPT – STUDENT ENERGY INTERNSHIP AND FELLOWSHIP PROGRAM AND
ADOPT BUDGET ORDINANCE AMENDMENT \$30,000**

Bianca Gentile, Special Projects stated that on March 8, 2010 permission was granted to seek funding from the State Energy Office.

By motion of Councilman Moultrie, seconded by Councilman Pitt, Council accepted the State Energy Office grant entitled “Student Energy Internship and Fellowship Program” and adopt the budget ordinance amendment in the amount of \$30,000.

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

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

Section 1. That account number 10-10-3491-3305, State Energy Grant, portion of the General Fund revenue budget be increased in the amount of \$30,000 for the State Energy Grant for Student Interns.

Section 2. That account number 10-10-4910-45 11, Contract Services- Energy, Planning/Zoning portion of the General Fund appropriations budget be increased in the amount of \$30,000.

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 October, 2010

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

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

**APPROVE - LEGALLY BINDING COMMITMENT (LBC) CDBG HOUSING
DEVELOPMENT GRANT**

Councilman Mercer stated he and Mayor Pro tem Roberson met with the City Attorney and agreed upon a revised draft of the Legally Binding Commitment. John Rodman, Planning Director reminded Council of the meeting with WHI on Tuesday. If WHI does not agree to the current draft without change, then the agreement will have to come back to Council for approval.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the Legally-Binding Commitment (LBC) between the City of Washington and Washington Housing Non-Profit, Inc., related to the proposed development of 13 new stick built homes with FY 09 Community Development Block Grant (CDBG) funds, subject to approval by WHI.

**AUTHORIZE – SUBMISSION OF APPLICATION TO NC EMERGENCY
MANAGEMENT’S PRE-DISASTER MITIGATION GRANT PROGRAM FOR THE
ACQUISITION OF WASHINGTON POLICE DEPARTMENT**

Bianca Gentile stated on May 10, 2010 Council granted permission to submit a letter of intent to acquire and demolish the current Washington Police Facility and will leave as open space in perpetuity. There were issues with the first valuation of the property and structure as the benefit cost analysis conducted by FEMA has used the data from the 2008 tax card with a value of the building and land at approximately \$389,000. By using the current tax valuation, the value of the building and land is \$702,000 the budget would net a \$786,000 benefit for the construction of the new police facility. Ms. Gentile explained the benefit/cost analysis and the procedure that FEMA uses. Ms. Gentile stated that FEMA prepared the cost analysis. Councilman Mercer voiced concern over leaving the location vacant and inquired about other uses of the facility. Mayor Jennings inquired if the area could be used for parking? Mayor Pro tem Roberson stated that pervious pavers could be installed on the lot and possibly allow the use as a parking facility. Mr. Smith noted the current Police Department and Sheriff’s Department are located in the flood plain. Councilman Davis stated we are expressing our interest in getting the grant and will require Council approval if the grant is received.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council authorized the submission of an application to NC Emergency Management’s Pre-Disaster Mitigation Grant Program for the Acquisition of the current Washington Police Department. Councilman Mercer opposed.

**APPROVE AND AUTHORIZE - PARKS AND RECREATION DIRECTOR TO
EXECUTE WATERFRONT DOCKING AGREEMENT FOR EAST CAROLINA
UNIVERSITY**

(memo from Philip Mobley, Parks and Recreation Director) East Carolina University approached the City to dock the R/V Riggs, a 36’ research vessel at the docks south of the NC Estuarium. On June 14, 2010 City Council approved Tom Stroud, NC Estuarium to sign the Authorized Agent Consent Agreement with CAMA which will allow the NC Estuarium to apply for the General CAMA Permit on behalf of the City of Washington to drive pilings to accommodate the R/V Riggs. On September 1, 2010 East Carolina University sent a signed “generic” Waterfront Docking Agreement. The agreement included some incomplete information. Since that time Staff and the City Attorney have been working with East Carolina University on the Waterfront Docking Agreement for East Carolina University.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved and authorized the Director of Parks and Recreation or his designee to execute the Waterfront Docking Agreement for East Carolina University.

(copy attached)

**APPROVE – RFP FOR PREPARATION OF A COMPREHENSIVE PLAN AND
AUTHORIZATION TO PROCEED WITH A COMPETITIVE PROCUREMENT
PROCESS**

(memo from Planning Dept.) Request for Proposals is the first step in securing a qualified consulting firm to assist in preparation of a Comprehensive plan. The REP requires specific information on the preparation a Comprehensive Plan including, but not limited to, capabilities of the firm, timing, knowledge of the area, and costs. It is intended by staff to distribute the REP as soon as possible following Council approval. After receiving and reviewing the proposals, staff will return to Council with a recommendation on which firm to select.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the Request for Proposals and authorized the Planning and Development Department to proceed with a competitive procurement process for the preparation of a Comprehensive Plan for the City of Washington.

**APPROVE AND AUTHORIZE - THE MAYOR TO EXECUTE THE RESOLUTION -
DESIGNATION OF APPLICANT’S AGENT FORM FROM THE NC DIVISION OF
EMERGENCY MANAGEMENT**

Approval of State and Federal funding will be pending approval and federal declaration of disaster as a result of flooding damage from the storm event on September 30, 2010.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council approved and authorized the Mayor to execute the Resolution “Designation of Applicant’s Agent” form from the NC Division of Emergency Management designating Robbie Rose Primary Agent, and Matt Rauschenbach Secondary Agent for the City of Washington to act on behalf of the City of Washington to execute and file applications for federal and/or state assistance for the purpose of obtaining state and federal assistance under the Robert T. Stafford Disaster Relief & Emergency Assistance Act.
(copy attached)

**ACCEPT – OPERATION AGREEMENTS WITH BEAUFORT COUNTY BOARD OF
EDUCATION FOR SCHOOL RESOURCE OFFICERS FOR WASHINGTON HIGH
SCHOOL AND P.S. JONES FOR SCHOOL YEAR 2010-2011 (PAGE161)**

Chief Mick Reed stated an Operational Agreement has been completed since FY 1997-1998. The Beaufort County Board of Education has agreed to fund a School Resource Officer (SRO) at the Washington High School in the amount of \$37,838 and at P.S. Middle School in the amount of \$37,838.

Councilman Mercer stated he felt it was time for us to ask the School Board to pay part of the salaries and expenses for the vehicles that are being used for these activities. Chief Reed stated this figure is set at the State level and this is the reason the amount has not changed over the years.

By motion of Councilman Moultrie, seconded by Councilman Pitt, Council accepted the Operational Agreements with the Beaufort County Board of Education to provide School Resource Officers (SRO) for Washington High School and P.S. Jones Middle School for the school year 2010-2011. Councilman Mercer opposed.

(copy attached)

**AUTHORIZE – CREDIT OF AREA LIGHT CHARGES BEYOND THE ONE YEAR
CITY POLICY**

Mr. Rauschenbach stated the area light for the referenced account was removed after damage sustained during Hurricane Dennis in 2002. A service order was not generated for this work and is normally what triggers a change in billing service for an account. As a consequence, the residential account has continued to be billed to present. The account brought to the City's attention in September after disputing the August billing. The total months involved are 95, less the two months disputed and one year city policy leave 81 months outstanding.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council authorized the 81 months credit of area light charges beyond the one year City Policy for account 4504200.00 97 in the amount of \$1,210.79.

**MEMO - US 17 BYPASS WATER/SEWER UTILITY RELOCATIONS AND POWELL
BILL FUNDING (item moved to Closed Session)**

**DISCUSSION – BROWN LIBRARY HOURS OF OPERATION &
ADOPT – BUDGET ORDINANCE AMENDMENT FOR BROWN LIBRARY PART-TIME
SALARIES \$5,110**

Councilman Mercer discussed the budget ordinance regarding part-time salaries at the Library. Mr. Mercer stated that if we are planning to extend the hours at the Library then we will also need to increase the funding for part-time salaries.

(memo ref: Budget Ordinance) In July 2007, Gloria Moore became Library Director and her full-time Librarian position was never filled. Miss Moore was Head of Technical Services and the Library cataloger. A full-time employee has been pulled from the circulation desk to take on the cataloging role but has no cataloging experience. In addition, two additional part-time positions were cut from the budget in 2010. Staff struggles to provide access to all patrons and to continue providing excellent customer service. Adding an additional part-time employee at fifteen hours per week would provide better coverage of the circulation desk and provide patrons with more one-on-one time with computer training reference, and reader's advisory. \$10,000 for a feasibility study of Brown & BHM Library budgeted in 2009-2010 is not planned.(end memo)

Gloria Moore, Library Director discussed the need for the additional funding to cover part-time employees filling in for a full time employee that was out on FMLA leave and now unable to return to work. Councilman Mercer stated if we are planning to expand the hours of operation at the Library then we should do that now and include the

funding in this request. Council members discussed the current hours of the Library and the requested additional hours and additional funding in the amount of \$10,000.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council extended the hours of operation at Brown Library to include 1:00pm-6:00pm on Sunday and adopted a budget ordinance in the amount of \$10,000 for Brown Library Part-time Salaries(amended budget ordinance to be approved 11-8-10).

Hours of operation will be:

MWF 10-7

T-TH 11-8

Sat 10-3

Sun 1-6

DISCUSSION - MUNICIPAL BUILDING PARKING LOT

Mayor Pro tem Roberson stated he would like to see the chain link fence removed from the Municipal parking lot. He would also like to have steps placed along the side to ease the transition from the grassy area down to the newly leased parking lot beside the Municipal Building. Mayor Pro tem Roberson stated his original suggestion was that the parking spaces next to the building at the rear lot including the Mayor's space would become customer parking, then rotate the other parking spaces. Mr. Smith stated he understood the request, but felt uncomfortable with the Mayor relinquishing his space so he decided to give up the Manager's parking space as well. With the suggested redesign one Department Head would lose their parking space along the rear of the building. The Department Heads decided amongst themselves that all of them would move to other parking lots instead of choosing one or two Department Heads losing their spaces. Mayor Pro tem Roberson will meet with Allen Lewis, Public Works Director to determine the most appropriate design for the Municipal parking lot.

DISCUSSION – OCTOBER COMMITTEE OF THE WHOLE

Mayor Jennings stated the scheduled date for the October Committee of the Whole falls during the NCLM Annual Conference. Councilman Mercer stated he would prefer to see if there was a need to have a meeting. Mayor Jennings stated Cynthia Bennett, City Clerk said at this time nothing was scheduled for the Committee of the Whole meeting. If something comes up that needs to be discussed Council will call a meeting.

By motion of Councilman Pitt, seconded by Councilman Moultrie not meet on October 25 for the Committee of the Whole, but authorized a meeting at another time if so needed.

**CLOSED SESSION – UNDER NCGS 143-318.11(A)(6) PERSONNEL;
(A)(3) ATTORNEY/CLIENT PRIVILEGE**

By motion of Councilman Davis, seconded by Councilman Pitt, Council agreed to enter into closed session under NCGS 143-318.11(A)(6) Personnel and (A)(3) Attorney/Client Privilege.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council agreed to come out of closed session at 9:20pm.

DISCUSSION – NCLM CONFERENCE

Council members will meet at City Hall at 10:00am on Sunday, October 24th to depart to Winston-Salem.

ADJOURN

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council adjourned the meeting at 9:25pm until November 8, 2010 at 5:30 pm in the Council Chambers at the Municipal.

(subject to approval of City Council)

**Cynthia S. Bennett
City Clerk**



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Gloria J. Moore, Library Director
Date: November 8, 2010
Subject: Funds for Part Time Salaries
Applicant Presentation: N/A
Staff Presentation: Gloria J. Moore, Library Director

RECOMMENDATION:

I move that the City Council adopt a Budget Ordinance to appropriate \$10,000 for Brown Library part-time salaries to expand library hours to include Sundays, from 1-6 pm.

BACKGROUND AND FINDINGS:

On October 11, 2010, Library Director Gloria J. Moore requested \$5,110 to add an additional part-time employee at fifteen hours per week to provide better coverage of library services and greater access to the public. A feasibility study of Brown Library and BHM Library budgeted in 2009-2010 is not planned. Council approved the \$10,000 for additional part-time help to expand library hours to include Sundays from 1-6 pm.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Budget amendment

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review:  Date Concurs 11/4 Recommend Denial _____ No Recommendation _____

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

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

Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$10,000 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That account 10-40-6110-0300, Part Time Salaries in the Brown Library portion of the General Fund appropriations budget be increased \$10,000.

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 8th day of November, 2010.

MAYOR

ATTEST:

CITY CLERK



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *AL*
Date: 10-28-10
Subject: Adopt Budget Ordinance Amendment for Sewer Improvements Along Pennsylvania Avenue.
Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that Council adopt a budget ordinance amendment to re-allocate funds for sewer improvements along Pennsylvania Avenue as shown on the attached budget ordinance amendment.

BACKGROUND AND FINDINGS:

This project is complete and project close-out public hearing will be held tonight. The project finished under budgeted costs by approximately \$45,000. The attached budget ordinance is needed in order to pay the Mid-East Commission the remainder of funds due them for this project. The original budget ordinance did not take into consideration the additional \$2,000 shown on the attached amendment for this project.

PREVIOUS LEGISLATIVE ACTION

Last action item included budget ordinance amendment on July 12, 2010.

FISCAL IMPACT

Currently Budgeted (Account 71-90-8000-4500) _____ Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

See attached Budget Ordinance Amendment.

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review: *AL* Concur _____ Recommend Denial _____ No Recommendation *11/4* Date

**AN ORDINANCE TO AMEND THE PROJECT ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2009-2010**

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

Section 1. That the Construction portion of the CDBG Grant Fund Pennsylvania Avenue Sewer Extension project be decreased in the amount of \$2,000, account number 71-90-8000-4500.

Section 2. That account number 71-90-8000-0401, Grant Administration portion of the CDBG Grant Fund Pennsylvania Avenue Sewer Extension project be increased in the amount of \$2,000.

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 8th day of November, 2010.

MAYOR

ATTEST:

CITY CLERK



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: November 8, 2010
Subject: Downtown Tree Lights
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a budget ordinance to reimburse the Washington Harbor District Alliance for the purchase of lights for all of the trees on downtown Main Street.

BACKGROUND AND FINDINGS:

The Washington Harbor District Alliance will coordinate the purchase and permanent installation of LED lights.

PREVIOUS LEGISLATIVE ACTION

Council endorsed purchasing lights for all trees vs. completing over a four year period during the October 11, 2010 Council Meeting.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact .

SUPPORTING DOCUMENTS

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: MR Concur _____ Recommend Denial _____ No Recommendation
11/8 Date

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

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

Section 1. That account number 10-00-3991-9910, Fund Balance Appropriated, portion of the General Fund revenue budget be increased in the amount of \$3,000 to provide funds to reimburse the Washington Harbor District Alliance for the purchase of LED tree lights.

Section 2. That account number 10-00-44650-4520, WHDA, Economic Development portion of the General Fund appropriations budget be increased in the amount of \$3,000.

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 8^h day of November, 2010.

MAYOR

ATTEST:

CITY CLERK



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: November 8, 2010
Subject: Purchase Orders > \$20,000 Approval
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council approve the attached purchase orders.

BACKGROUND AND FINDINGS:

Requisition # 8246 & 8247, Mid-East Commission, \$40,000: grant administration for Penn and havens sewer project. Account 71-90-8000-0401.

Requisition #8280, C.W. Wright Construction Co., \$35,296.42: 10 % retention on Hwy. 17 utility relocation reimbursable from DOT. Account 35-90-7220-0405.

PREVIOUS LEGISLATIVE ACTION

2010-2011 adopted budgets

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Requisition # 8246, 8247, 8280

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *[Signature]* Concur _____ Recommend Denial _____ No Recommendation
[Signature] Date _____

Requisition Form

City Of Washington

P.O BOX 1988

WASHINGTON, NC 27889

Requisition #:8246

PO #: Not Assigned

User Name: Mike Woodward

Date: 10/22/2010

Approved By:

Approved Code: Awaiting Final Approval

Total Amount: \$20,000.00

Ship To:

CITY OF WASHINGTON CITY HALL (PW)

102 EAST SECOND ST.

WASHINGTON, NC 27889

MID-EAST COMMISSION
1385 JOHN SMALL AVENUE
WASHINGTON, NC 27889

Vendor Instructions:Public Works Department

Allen Lewis

975-9302

Do Not Mail

Quantity	Description	Job Number	Unit Price	Extended
1	Grant Administration for Penn & Havens Project		\$20,000.00	\$20,000.00
Sub Total				\$20,000.00
Total Tax				\$0.00
Total				\$20,000.00

Account Number	Account Description	Amount
71-90-8000-0401	GRANT ADMINISTRATION	\$20,000.00
Total		\$20,000.00

Approval List

Dept Level Approval: _____

Department Head: _____

PO Level Approval: _____

Purchase Order Prep: _____

Requisition Form

City Of Washington

P.O BOX 1988

WASHINGTON, NC 27889

Requisition #:8247
PO #: Not Assigned
User Name: Mike Woodward

Date: 10/22/2010

Approved By:
Approved Code: Awaiting Final Approval
Total Amount: \$20,000.00

MID-EAST COMMISSION
1385 JOHN SMALL AVENUE
WASHINGTON, NC 27889

Ship To:
CITY OF WASHINGTON CITY HALL (PW)
102 EAST SECOND ST.
WASHINGTON, NC 27889

Vendor Instructions: Public Works Department
Allen Lewis
975-9302
Do Not Mail

Quantity	Description	Job Number	Unit Price	Extended
1	Grant Administration for Penn & Havens Project		\$20,000.00	\$20,000.00
Sub Total				\$20,000.00
Total Tax				\$0.00
Total				\$20,000.00

Account Number	Account Description	Amount
71-90-8000-0401	GRANT ADMINISTRATION	\$20,000.00
Total		\$20,000.00

Approval List

Dept Level Approval: _____
Department Head: _____
PO Level Approval: _____
Purchase Order Prep: _____

Requisition Form

City Of Washington

P.O BOX 1988

WASHINGTON, NC 27889

Requisition #:8280

PO #: Not Assigned

User Name: Nicole Williams

Date: 11/01/2010

Approved By:

Approved Code: Awaiting Final Approval

Total Amount: \$35,296.42

Ship To:

CITY OF WASHINGTON CITY HALL (ELEC

102 EAST 2ND STREET

WASHINGTON, NC 27889

C.W. WRIGHT CONSTRUCTION COMPANY, INC.

11500 IRONBRIDGE ROAD

CHESTER, VA 23831

Vendor Instructions: Electric Department
Nicole Williams 975-9303

Quantity	Description	Job Number	Unit Price	Extended
1	Inv 62522 Billing of retention		\$35,296.42	\$35,296.42
			Sub Total	\$35,296.42
			Total Tax	\$0.00
			Total	\$35,296.42

Account Number	Account Description	Amount	
35-90-7220-0405	HWY 17 230 KV RELOCATION	\$35,296.42	
		Total	\$35,296.42

Approval List

Dept Level Approval: _____

Department Head: _____

PO Level Approval: _____

Purchase Order Prep: _____



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Keith Hardt, Electric Director
Date: November 8, 2010
Subject: Load Management Technician Position
Applicant Presentation: N/A
Staff Presentation: Keith Hardt

RECOMMENDATION:

I move that City Council approve the addition of a load management technician to the City's full time budgeted employees.

BACKGROUND AND FINDINGS:

The City must obtain an electrical contractor's license for the installation of load management switches by City staff. An employee will be hired that has a license that can be conveyed to the City. The position is a pay grade 16 with a salary range of \$29,041 to \$42,981. This position was included in the \$300,000 budget for the load management project.

PREVIOUS LEGISLATIVE ACTION

2009-2010 & 2010-2011 adopted budgets

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Electrical Contractor license memo
Load management program budget

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *js* Concur _____ Recommend Denial _____ No Recommendation
11/4 Date



City of Washington
MEMORANDUM

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: October 11,, 2010
Subject: Electrical Contractor License

Jim Smith, Ed Pruden, and I met with Jesse Skinner of the NC State Board of Examiners of Electrical Contractors (NCBEEC) on September 30th to discuss Load Management switch installation and license requirements. Recap:

1. The City is required to have an electrical contractors license
2. Process to obtain a license:
 - a. Hire an individual with a license or someone who is a qualified individual (passed exam) on someone else's license
 - b. Individual surrenders license to NCBEEC, remains qualified
 - c. City requests license from NCBEEC with qualified individual listed on license
 - d. License is for 12 months with continuing education requirements (8 hours)
 - e. More than one qualified individual can be listed on license
3. Other employees may become qualified under the supervision of the licensed individual. Must complete coursework, hours of experience requirements, and score at least 75 on exam.
4. Three license classifications:
 - a. Limited- \$40,000/job, <600 volt
 - b. Intermediate- \$110,000/job, unlimited voltage, \$40,000 minimum bonding
 - c. Unlimited- unlimited \$/job, unlimited voltage, \$110,000 minimum bonding
5. City plans to advertise this position with Council's concurrence

Budget

\$	Description
97,500	Switches (1,500 @ \$65/)
1,300	Testing/programming equipment
96,715	Line crew labor and related fringes (2)
24,375	Load Management Technician (licensed electrician for 6 months)
4,000	Vehicle repair & maintenance. Utilize Whse. truck
20,000	Marketing
<u>56,110</u>	Installation contract Labor
300,000	Total

Installation Completion:

- 4 Locations/day/crew
- 1.2 Switches/location (80% 1/20%2)
- 4.8 Switches/crew/day
- 2 Crews
- 1,500 Switches
- 31 Weeks to Install

Assumes adequate backlog of requests at all times



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: G. Mitchell Reed, Chief of Police *LMR*
Date: October 28, 2010
Subject: Accept the 2010 Edward Byrne Memorial Justice Assistance Grant (\$12,852) and adopt budget ordinance amendment.

Applicant Presentation:
Staff Presentation: N/A

RECOMMENDATION:

I respectfully request that the Washington City Council accept the 2010 Edward Byrne Memorial Justice Assistance Grant, in the amount of \$12,852.00, and adopt a budget ordinance amendment.

BACKGROUND AND FINDINGS:

- \$12,852 is available to the City of Washington in non-competitive, direct appropriation funds through the Edward Byrne Memorial Justice Assistance Grant (JAG) Program to the City of Washington.
- These grants are designed to assist local governments in combating violence against women, fighting internet crimes against children, improving the function of the criminal justice system, assisting crime victims, and supporting youth mentoring.
- The City proposes to use the funds to purchase essential police gear including uniforms, badges, and holsters.
- Participation in the program requires no local match.
- Application of this grant was approved at the July 26, 2010 meeting.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance Amendment

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *JK* Concur _____ Denial _____ No Recommendation *1/14* Date _____
 Page 44 of 152

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

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

Section 1. That account number 10-10-3433-3400, Byrne JAG Grant, portion of the General Fund revenue budget be increased in the amount of \$12,852 for the grant award received.

Section 2. That account number 10-10-4310-3603, Uniforms/Equipment Byrne JAG Grant of the General Fund Police Department appropriations budget be increased in the amount of \$12,852.

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 8^h day of November, 2010.

MAYOR

ATTEST:

CITY CLERK



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *Allen Lewis*
Date: 10-28-10
Subject: Public Hearing to Provide and Receive Information and Public Comment Concerning the Closeout of the 2008 Community Development Block Grant (CDBG)-Infrastructure Project.

Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that Council authorize staff to proceed with the project closeout submittals for the formal closeout of the 2008 CDBG infrastructure grant which included the extension of 900 linear feet of 24-inch sewer line along Pennsylvania Avenue.

BACKGROUND AND FINDINGS:

The purpose of this hearing is to provide and receive information and public comment concerning a 2008 Community Development Block Grant-Infrastructure grant as administered by the North Carolina Department of Commerce through Division of Community Assistance. The project included the extension of 900 linear feet of 24-inch gravity sewer along Pennsylvania Avenue near the Pennsylvania and Havens pump station and associated street repairs and related construction. The total cost of the project is \$495,174 with the grant covering \$455,174 of the total project cost.

PREVIOUS LEGISLATIVE ACTION

Numerous Council Action items over the last 2-3 years including a final budget ordinance amendment tonight.

FISCAL IMPACT

Currently Budgeted (Account 71-90-8000-XXXX) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review: *AL* Concur _____ Recommend Denial _____ No Recommendation 11/4 Date



City of Washington

P.O. Box 1988, 102 E. 2nd St., Washington, NC 27889

MEMORANDUM

DATE: 27, October 2010
TO: Mayor and City Council
FROM: Bianca Gentile, Special Projects
SUBJ: FY08 CDBG- Capacity Building Grant

The City has been working on the FY08 CDBG- Capacity Building project in conjunction with Washington Housing Incorporated. All funds have been expended and approved activities complete. The City would like to begin close out procedures, an action consistent with the originally proposed project timeline.

CITY OF WASHINGTON, NORTH CAROLINA

**NOTICE OF CLOSE-OUT PUBLIC HEARING
FISCAL YEAR 2008 COMMUNITY DEVELOPMENT
SMALL CITIES BLOCK GRANT PROGRAM
(COMMUNITY REVITALIZATION CATEGORY)**

Notice is hereby given that the City of Washington City Council will hold a public hearing on Monday, November 8, 2010 at 6:00pm., in the councils' meeting room, City of Washington municipal Building, 102 East Second Street, Washington, NC 27889. The purpose of this hearing is to review the budget and activities that have been accomplished through the city's FY08 CDBG-Capacity Building Program. The program activities are complete, and the city is in the process of closing out the program. All interested citizens are encouraged to attend this public hearing, and all comments are welcome. Written comments concerning the close-out of this grant should be submitted to Ms. Cynthia Bennett, City Clerk, City of Washington, P0 Box 1988, 102 E 2nd s., Washington, NC 27889, no later than 5:00pm., Friday November 5, 2010.



City of Washington

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

MEMORANDUM

DATE: October 29, 2010
TO: Mayor Jennings & Members of City Council
FROM: John Rodman, Planning & Development
RE: Report, Northgate Subdivision
Infrastructure Project I-2, CHAF-00-D-133

The City of Washington, in conjunction with Northgate Development LLC, was awarded a grant in the amount of \$1,620,000 under the Crisis Housing Assistance Program from the NC Department of Commerce, as a result of Hurricane Floyd. The grant funds were used to construct infrastructure improvements consisting of water, sewer, streets and drainage improvements to vacant lots throughout Northgate Subdivision. The improvements have been completed and the developer was to make available 81 lots to Hurricane Floyd victims from the total number of 162 lots. Since the inception of the grant the conditions have been modified by the funding agency to include sales to low to moderate income (LMI) persons as the eligible activity for compliance. Furthermore, the numbers of lots needed to be sold to LMI have been decreased from the original allocation of 81 to 32 lots. As to date, 21 lots have qualified as being sold to LMI with 11 additional sales to LMI being required. The original build out date for the Northgate project was October 2007. An extension was granted that extended the deadline until December 31, 2009. In November 2009 the City and Mr. Jason Briley requested an extension of the project until December 31, 2010. The State granted an extension of the project to December 31, 2010 with an acceptable agreement between the City and Northgate Development. A Letter of Credit from Mr. Briley was established to cover any lots that had not been sold to LMI up to the number of 32 and would expire in March 2010. As part of the agreement for the extension of the project a new Letter of Credit for \$140,000 would be required that would recapture \$10,000 per lot not sold to LMI.

No action is required at this time, however, it was agreed upon by Council to have Mr. Jason Briley come before City Council, at least on a quarterly basis, to report on the progress being made on the sale of the lots within the Northgate subdivision. With the grant deadline quickly approach, Mr. Briley needs to begin to formulate a plan of action.

Washington Electric Utilities

A City of Washington Enterprise



Post Office Box 1988 • Washington, North Carolina 27889-1988

Office of the Director

MEMORANDUM

To: James C. Smith, City Manager

From: Keith Hardt, P.E., Electric Utilities Director

Ref: 8 November 2010 City Council Meeting
- Presentation by Bob Gary

Date: 28 October 2010

Bob Gary from e-dux, Energy Reduction Technologies, Inc. (formally BreezePlay) requests time on the 8 November 2010 City Council agenda to discuss the status of their current project in Washington.





Utility Partners

Military/GSA

Products

Contact Us

ENERGY REDUCTION TECHNOLOGIES

e-dux is a home energy management and utility services company dedicated to providing innovative home solutions for the consumer, and answers for Utility Providers to reduce their peak demand usage.

Through an innovative mixture of hardware devices and software written specifically for these applications, e-dux provides needed automation for appliances throughout the home, as well as programs for Utility providers to aggregate data and make load control events much more transparent.



Approved Vendor



e-dux on Facebook

better by degrees^o

November 8, 2010
Page 51 of 152



CITY OF WASHINGTON

MEMORANDUM

DATE: 27, October 2010

TO: Mayor and City Council

FROM: Bianca Gentile, Special Projects

SUBJ: 2010 Departmental, American Recovery and Reinvestment Act (ARRA) and Non-ARRA funding opportunities

Notifications and Awards:

- **Energy Efficiency in Government Buildings Grant (Government Round 2). \$259,972 AWARDED**
The North Carolina State Energy Office (SEO) re-released its solicitation for proposals from local governments, public K-12 schools and community colleges for energy efficiency upgrade projects. The focus of this grant is to reduce energy consumption and provide jobs or retain existing jobs. Funds come from the American Recovery and Reinvestment Act of 2009. Institutions must follow competitive bid process requirements for proposed projects. The City of Washington submitted a proposal to upgrade lighting in seven municipal buildings. Proposed actions:
 - Replace light bulbs (switching T-12 to T-8 or T-5) and ballasts;
 - Install lighting control technology, including occupancy sensors;
 - Install a direct fire gas heating system in the Impressions Building

Submittals:

- **NC Emergency Management: Critical Facility Acquisition/Demolition (Police Department).** Submitted to NC Emergency Management. Total project \$1,182,000

Special Project grant awards

Total ARRA funding to date:

- Grants: \$ 521,514 (Two Department of Justice grants and two Department of Energy grants- please note: none of these awards require a local cash match)
- Loan: \$ 3,000,000 (USDA)

Non-ARRA grant awards:

- CDBG Housing Development: \$ 227,700 (no local cash match)
- Department of Justice: \$12,852 (no local cash match)

Pending notification:

- FEMA: \$184,000 – Old Health Department (no local cash match, administrative dollars requested)
- FEMA: 1,182,062- Demolition of Public Structure, Police Department (25% cash match)
- Main Street Energy Fund: \$71,000, upgrade downtown building efficiencies

Total Impact of Special Projects position: \$5,199,128

Project Activity Summary

DEPARTMENTAL GRANT SUMMARY

Grant Program	Project Summary	Department	Applied/ Deadline	Total Project	Match	Other	Status
DEPARTMENT: PARKS AND RECREATION, Philip Mobley							
NC Recreational Trails Program	"Build 3000" walkway along Jack's Creek	Parks and Recreation	Yes Start: Nov. 2009 End: Jan. 2011	\$100,000	\$25,000	25% match. Funds have been allocated through admin/cash	\$75,000 awarded. Waiting to clarify trail route.
US Fish and Wildlife: Boating Infrastructure Grant Program (BIG-P), 2008	Construct 12 Transient Slips along Waterfront	Parks and Recreation	Yes Start: Jan, 2007 End: Jan. 2011 extension may be requested	\$300,000	\$25,300	\$25,300 cash match and \$104,676 in-kind match	\$200,000 awarded. Project in Process, Environmental Assessment is in State clearinghouse and will begin major CAMA permitting process 3-6months to renew.
The North Carolina Parks and Recreation Trust Fund (PARTF)	Develop Festival Park	Parks and Recreation	Yes Start: May 2010 End: July 2013	\$590,250	\$295,250	\$295,125	\$295,250 awarded Design phase for the picnic shelter and stage area has begun. 50% match (three years to match money and can use grants)
US Fish and Wildlife: Boating Infrastructure Grant Program (BIG-P), 2011	East and west end bathrooms	Parks and Recreation/ Planning	Yes	\$50,000 (east end = \$36K, West end = \$14K)	25% or \$12,500	Match obtained through non-federal dollars	\$50,000 award recommendation pending through April 2011. Planning and Parks and Recreation Department of working together.
Division of Marine Fisheries	Increase fishing access	Parks and Recreation	Yes Pending	\$410,000	\$25,000		\$385,000: total request pending

Grant Program	Project Summary	Department	Applied/ Deadline	Total Project	Match	Other	Status
DEPARTMENT: PLANNING AND COMMUNITY DEVELOPMENT, John Rodman							
Div. of Coastal Management – Public Beach & Coastal Access Grant	Waterfront Dockmaster and Public Restroom Facilities for Stewart Parkway	Planning and Community Dev' mt	Informally invited to submit final application	\$325,000	\$32,500	Final Application , November, 2010	\$3 million available for 20 coastal counties - \$200,000 average grant award. 10% match of grant award with 5% of that amount available as in-kind
Federal Emergency Management Agency : NC Division of Emergency Management	Repetitive Losses-Elevates/demo structures suffering from repetitive environmental damage	Planning and Community Dev' mt	August, 2009* Notification: Nov., 2010	\$293,755	None or \$ 0	Partnered w/ Washington Park and HCP Several.	\$293,755: Total project budget. Partnered with County (HCP managing) to submit joint application. NC Emergency Management reports FEMA funds are on hold until further notice. FY10 and FY11 may be bundled into one award.
Community Development Block Grant (CDBG) : Housing development	Washington Housing, Inc. will partner with City to construct 13-15 homes for LMI families	Planning and Community Dev' mt	Yes, submitted October, 2009	\$250,000 (22,700 admin)	None	Submitting this grant was a requirement of Capacity Building grant	\$227,000 awarded. Competitive grant environment. Release of funds expected by Nov. 2011
Community Development Block Grant (CDBG) : Capacity Building grant	Washington Housing, INC will develop capacity to manage housing development projects	Planning and Community Dev' mt	Y; Active Project	\$75,000 (10% admin)	None	Partnered with Washington Housing, Inc.	\$75,000 awarded. Close out public hearing expected November/December, 2010.

Grant Program	Project Summary	Department	Applied/ Deadline	Total Project	Match	Other	Status
Community Development Block Grant (CDBG) : Community Revitalization	6 th and 7 th Street Deliverables: -Water, sewer, housing rehab or demo to 13 units	Planning and Community Dev'mt	Y;Active Project	\$850,000	\$0	Holland consulting planners managing project	Close out documentation submitted to DCA.
Community Development Block Grant (CDBG) : Housing Development	Keyesville Road deliverables: -Acquisition of parcels -Sewer/ water installation -Four homes	Planning and Community Dev'mt	Y: Action project	\$250,000	\$60,000	Holland consulting planners managing project	Expended: \$130,000 (acquisition, engineering, legal and administrative fees) An Environmental Review will be completed for the second parcel.
Main Street Energy Fund	Energy retrofits for public and private buildings/street lighting or solar trash compactors.	Planning and Community Dev'mt	January 31, 2010	\$143,076	50% (City will offer in-kind administration)	50/50 grant (match supplied by building owners)	\$71,538.29 requested. Building owners participating: Moss House, Edward Jones, Carolina Wind and Yacht, Turnage Theater, Mason and Jones, Century 21
State Energy Office: Student Internship	Two competitive internships proposed. Partnered with ECUs Political Science Sociology Depts.	Planning and Community Dev'mt	Submitted March 17, 2010	\$30,000	In kind match		\$30,000 awarded. Interns are expected to be in place by 10.1.10
DEPARTMENT: FIRE, Chief Robert Rose							
FEMA 2009 Fire Act Grant	Replacement of 22 complete sets of turn-out-gear	Fire Department	Yes	\$50,930	\$2,546		\$50,930 awarded. Award number has been posted on online application
FEMA 2010 Fire Act Grant	Cleaning/Drying equipment	Fire Department	Yes pending award	\$16,000	\$800		\$15,200 requested. Award expected, May 2011.

Grant Program	Project Summary	Department	Applied/ Deadline	Amount	Match	Other	Status
DEPARTMENT: POLICE, Chief G. M. Reed							
NC Gov Crime Commission	2 year drug market / gang reduction called Project Next	Police Department	Awarded 07/01/2008	\$ 284,212	\$71,053		\$ 284,212 awarded. Grant is active and in final year
Bureau of Justice: Rural Law Enforcement	2-year gang/crime investigator, plus license plate recognition technology f	Police	Yes: award notification September 30	\$191,408	None	*Award reflects actual amount.	\$191,308 awarded; all ARRA reports current.
Bureau of Justice: Local Solicitation	Hire Law Enforcement Development Planner	Police	Yes: award notification July 31	\$40,234	None	Direct appropriation	\$40,234 awarded; all ARRA reports current.
Bureau of Justice: Edward Byrne Memorial Justice Assistance grant	To purchase police equipment, including light weight duty gear and special event uniforms.	Police	Yes	\$12,852	\$0		\$12,852, awarded. Items to satisfy the grant's special conditions (evidence of public hearing) have been submitted and should should be lifted by November, 2010.
USDA Rural Development: community facilities	Construction of New Police facility	Police	October, 2009	Project estimated @ \$3.0 loan	None	Loan package submitted	\$3.0M Loan awarded submitted to USDA on 10.17.09, awarded loan and grant March, 2010 Grant: \$100K awarded/decline

Grant Program	Project Summary	Department	Applied/ Deadline	Amount	Match	Other	Status
DEPARTMENT: LIBRARY, Gloria Moor							
State Library of North Carolina – Library Services/ Technology Act	Library program enhancements	Library	LOI: 11.17.10	\$20,000-\$25,000	25% or a max of \$6,250	Submission: 2.18.2011	Matching funds may be provided with assistance from the friends of brown library.
DEPARTMENT: Public Works, Allen Lewis							
DPPEA	Roll-out cart recycling grant	Public Works	Grant submitted	\$100,000			\$100,000 awarded Contract awarded to roll-cart supplier on 09-13-10. Expected delivery by 12-31-10.
State Energy Office: Energy Efficiency in Government Buildings, R2	Energy efficiency upgrades in 7 municipal buildings See attached project summary	Public Works	Submitted 8.10.10	\$ 259,979	\$ 28,800	Match breakdown: \$23,000, Impressions \$5,800 in-kind admin	\$ 259,979 Awarded City Hall, Peterson Building, Civic Center, Communications Center, Brown Library, and the Impressions Building
Federal Emergency Management Agency : NC Division of Emergency Management	Repetitive Loss: Old Health Department	Public Works	August, 2009 Letter of Interest submitted (May, 09)	\$184,000 (covers acquisition and demo costs)	None	Budget reflects use of 2010 property values and actual demo estimates	\$184,000 requested. City must match 25% of project total with in kind or cash matches. NC Emergency Management reports FEMA funds are on hold until further notice. FY10 and FY11 may be bundled into one award.
NC Emergency Management; FEMA	Police Station Acquisition/Demo	Police/ Public Works	Yes	\$1,182,068	295,517		\$786,080 federal grant due in December



CITY OF WASHINGTON

MEMORANDUM

DATE: 1 November 2010

TO: Mayor and City Council

FROM: Bianca Gentile, Special Projects

SUBJ: Quarterly update, weatherization assistance program

Respectfully submitted is a quarterly update on Martin County Community Action Agency's efforts to weatherize 200 homes or 25 per quarter. To date, MCCA has weatherized 93 homes. Recent changes to state/federal program mandates decreased the required total number of homes from 200 to 134. However, this change increased the average cost per unit (amount invested in weatherizing home) from \$4,000 to \$6,000.

Please see the attached quarterly update.

Martin Community Action, Inc.
“Rebuilding the communities we serve, one family at a time.”

ARRA-WAP
Beaufort County
October 29, 2010

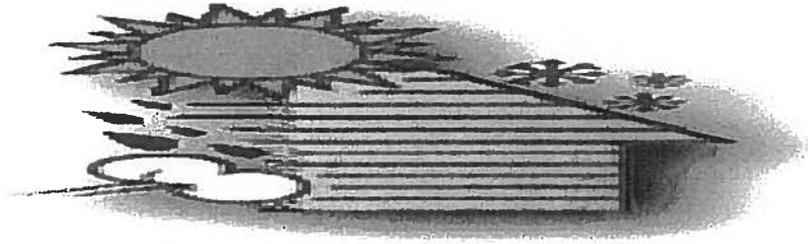
Update from last meeting:

1. Our agency received a budget amendment that increased the average cost per unit from \$4,000 to \$6,000. As a result of this change our current number of homes to serve in Beaufort is 134.
2. The WAP Coordinator, Mr. Barnville strategically planned a concentrated effort to deploy our auditors and crew in the county. This effort yielded a substantial increase in the number of homes we were able to complete over the past months. ARRA-WAP increased from 24 homes as of June 14 to 93 as of October 29, 2010.
3. We are now seeking to employ two new auditors and four new carpenter assistants to expand our production capacity. These additions will increase the number of jobs created by ARRA-WAP to thirty six.
4. Three sub-contractors have completed all training and certification requirements and are assisting with the weatherization of the homes we serve.
5. Multi-family homes are still pending additional guidance.

Most Recent Updates:

1. Our energy auditors are metering 100% of all refrigerators in client homes. Consequently more than 90% are receiving new energy efficient refrigerators that are purchased from Lowes or Sears.
2. The average cost per unit in Beaufort County is \$3,715.31. This has increased by \$1,218.23 due to an increase in materials and measures.
3. Approximately 65% of our clients need heating and air replacements. For clients who are not eligible for HARRP units are replaced through Health & Safety funds which are not included in the average cost per unit. Some homes require costly knob and tubing electrical upgrades. This cost is extracted from Health & Safety also and is not reflected in the average cost per unit.

Upcoming: Our agency has been awarded a Housing Preservation Grant by the USDA to further assist 30 families over the next two years in Beaufort and Martin counties. These funds will be supplementary for walkaway cases.



“Weatherization Works”

Program Total	Completed	Remaining	To Be Audited	Walkaways
134	93	43	52	43

Total Applications	Total Approved	Total Denied	Total Pending
332	247	85	27

Bath-4	Bethel-2	Belhaven-6	Pinetown-1
Chocowinity-4	Greenville-1	Washington-63	Blounts Creek-2
Aurora-3	Panetgo-4	Ayden-1	Edwards-2



HUMAN RELATIONS COUNCIL

102 East 2nd Street

Washington, NC 27889

Phone: 252-975-1280

Fax: 252-974-6461

Human Relations Council (HRC) Report for the month of October Monday November 9, 2010 City Council Meeting

1. **Appointments** – Mr. Galen Derick Davis and Ms. Nattalie Castro
2. **Update** – Ed Peed commemoration
 - Price quote for 21' x 29' x 4" flat marker of \$290
 - Location- on top of hill beside Mr. Beebe
 - Suggested a price quote for 14' x 15' x 7" stand-up type
3. **Joint meeting with Pitt/Greenville HRC** – Traveled to Greenville on November 3, 2010
4. **Update** – April Corbett, Project Next Step (PNS) Coordinator addressed the following:
 - Project Next Step
 - Pill Drop
 - D.R.E.A.M. camp
 - National Night Out
 - Teen Pregnancy Program
 - Crime Prevention Month



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: John Rodman, Planning & Development
Date: October 28, 2010
Subject: Approval of Legally Binding Commitment (LBC) between the City and Washington Housing Inc. (WHI)
Applicant Presentation: N/A
Staff Presentation: John Rodman, Planning and Development

RECOMMENDATION:

Staff is requesting City Council approve the Legally Binding Commitment (LBC) between the City of Washington and Washington Housing Inc. (WHI) related to the proposed development of 13 new stick-built homes with FY 09 Community Development Block Grant (CDBG) funds.

BACKGROUND AND FINDINGS:

We have reviewed and edited the draft of the Legally Binding Commitment (LBC) included in the FY09 CDBG Housing Development project application and made extensive modifications to clarify the agreement and guarantee that the city is provided security if the non-profit developer fails to complete the development and conveyance of 13 new stick-built homes to low to moderate income households as specified in the FY-09 CDBG-HD Grant Agreement between the City of Washington and the NC Division of Community Assistance. The new homes are to be located on parcels on 7th Street and in the Northgate Subdivision, owned by Washington Housing Authority and Northgate LLC, respectively

PREVIOUS LEGISLATIVE ACTION

6-14-10 Approval of original LBC
6-14-10 Adopt budget ordinance
7-13-09 Approval to submit application to DCA

FISCAL IMPACT

Currently Budgeted (Account _____) _____ requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Legally Binding Commitment

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *[Signature]* Concur _____ Recommend Denial _____ No Recommendation

11/9/10 Date
November 8, 2010
Page 62 of 152

Legally Binding Commitment

City of Washington and Washington Housing Nonprofit Inc.

FY2009 CDBG Housing Development Program

This Legally Binding Commitment for the City of Washington FY09 CDBG Housing Development Program (hereinafter referred to as the "Agreement") is entered into as of the _____ day of _____, 2010, by and between the City of Washington (hereinafter referred to as the "City") and Washington Housing Nonprofit Inc. d/b/a Washington Housing Incorporated (hereinafter referred to as "WHI").

RECITALS

WHEREAS, the City has received a Community Development Block Grant-Housing Development (hereinafter referred to as "Grant") in the amount of \$227,700.00 from the North Carolina Department of Commerce, Division of Community Assistance (hereinafter referred to as "DCA"). The purpose of the Grant is to provide funds for acquisition, development, construction and conveyance of thirteen (13) stick built homes specifically for and to low to moderate income individuals (hereinafter referred to as "LMI") within the time period allowed by the Grant and/or DCA, which Grant is incorporated herein by reference as if fully set forth.

WHEREAS, WHI is a nonprofit organization that promotes asset building strategies for LMI in the City and Beaufort County, and will perform its obligations under this Agreement consistent with the terms, conditions, and considerations contained herein, said Grant, and the FY09 Grant Project Application (hereinafter referred to as "Grant Application"), which Grant Application is incorporated herein by reference as is if fully set forth.

WHEREAS, release of Grant funds by DCA is contingent upon a legally binding commitment between the City and WHI that obligates both parties to fulfill the terms of the Grant and, more particularly, defines WHI's specific commitment to utilize Grant funds to acquire, develop, construct and convey said homes to LMI.

NOW, THEREFORE, in consideration of and in exchange for the mutual promises set forth herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the City and WHI mutually agree as follows.

PART A – ACTIVITIES AND PERIOD OF PERFORMANCE

Section 1 WHI will perform the following.

1. Acquire thirteen (13) proposed development sites from the Washington Housing Authority, or some other entity acceptable to DCA, utilizing Grant funds.
2. Complete construction and conveyance of thirteen (13) affordable housing units as described in the Grant and Grant Application to LMI no later than April 26, 2013 (36 months from the date of the executed Grant).
3. Qualify and counsel potential homebuyers to purchase completed units.
4. Market and coordinate the sale of the properties to LMI.
5. Address all questions regarding the Grant to the City-appointed Grant contact, not DCA.
6. Fulfill all of its and the City's obligations under the Grant and Grant Application that are either directly or indirectly dependent upon WHI for fulfillment. Such obligations include, but are not limited to complying with all applicable certifications and requirements, including but not limited to those certifications and

requirements required by the North Carolina Department of Commerce and DCA. As more specifically provided for in the Grant, WHI shall, among other things, comply with the procurement standards set forth in 4 N.C. Administrative Code 19L. 0908.

Section 2 The City will perform the following.

1. Provide financial management of Grant funds.
2. Assist WHI with property acquisition and the real estate closing process.
3. Establish benchmarks and monitor the project for progress toward goals.
4. Provide WHI with copies of relevant DCA correspondence regarding the project including, but not limited to, policy interpretation or changes, reporting requirements, monitoring visits, etc.
5. Assist WHI with establishment of procedures for establishing homeowner eligibility and homeowner counseling.
6. Manage all Grant compliance activities, including environmental, labor standards, procurement, fair housing, and EEO requirements.

PART B – TERM OF AGREEMENT

This Agreement shall commence on the day first above written and continue until April 26, 2013 or until such time as DCA requires in order to close out the Grant and receive any reimbursement that may then be due DCA.

PART C – MISCELLANEOUS/SPECIAL CONDITIONS

1. The City and DCA, or their respective duly authorized representatives, shall have the right to request status reports from WHI regarding requests for reimbursement of WHI staff and overhead costs with Grant funds, the disposition of Grant funds, and the progress of programmed activities funded through the Grant.
2. Amendments: The Grant, Grant Application, and this Agreement may not be amended or revised without written approval of both parties and concurrence from DCA.
3. WHI shall keep and maintain all books, records, and other documentation that are its responsibility, under its control, and directly related to its receipt and disbursement of Grant funds and its fulfillment of this Agreement as well as the Grant.
4. Notwithstanding anything herein to the contrary, the parties hereto acknowledge the due execution of the Grant between the City and DCA, and agree that any conflict between the provisions, requirements, duties, or obligations of this Agreement and the Grant shall be resolved in favor of the Grant.
5. This Agreement constitutes a legally enforceable contract and shall be governed by and construed in accordance with the laws of the State of North Carolina.
6. Liabilities and Loss: The City assumes no liability with respect to accidents, bodily injury, illness, breach of contract, or any other damages or loss, or with respect to any claims arising out of any activities undertaken by WHI under this Agreement, whether with respect to persons or property of WHI, or third parties. WHI agrees to obtain insurance or otherwise protect itself or others as it may deem desirable. Further, WHI agrees to indemnify, defend and save harmless the City and its officers, agents and employees from any and all claims and losses arising from this Agreement, including but not limited to those claims and losses accruing or resulting to any and all subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or

resulting to any person, firm, corporation who may be injured or damaged by WHI or its agents in the performance of this Agreement.

7. WHI shall at all times comply with all laws, ordinances, and regulations of federal, state, and local governments which may in any manner affect or be related to the performance of this Agreement.
8. WHI may not assign any interest in this Agreement, nor transfer any interest in the same, without the written consent of the City.
9. WHI represents that it has, or will secure at its own expense, all personnel required to monitor, carry out, and perform the scope of services of this Agreement and the Grant. Such employees shall not be employees of the City. Such personnel shall be fully qualified and shall be authorized under state and local law to perform the required services.
10. In carrying out the terms and conditions of this Agreement, WHI is an independent party from the City and is not an agent or employee of the City. Nothing in this Agreement shall create or be construed as creating a partnership, joint venture, or employee relationship between the City and WHI.
11. This Agreement may be executed in one or more counterparts, each of which, when executed, shall be deemed an original, and all such counterparts, together, shall constitute one and the same Agreement which shall be sufficiently evidenced by one of such original counterparts.
12. WHI shall execute and provide the City with a promissory note(s) and deed(s) of trust, in a form satisfactory to the City in the City's sole discretion, secured, singularly or collectively, by all properties acquired in conjunction with this Agreement and the Grant, including Grant funds. Said promissory note(s) and deed(s) of trust shall, among other things, secure WHI's performance of its obligations arising from this Agreement, the Grant, and the Grant Application. WHI may make application to the City for a release(s) from said promissory note(s) and deed(s) of trust. Said application must include, among other things, such evidence and documentation as the City may, in its sole discretion, require in order to verify that WHI has a LMI qualified purchaser(s) who has(have) secured qualified financing for the lot or lots to be released. WHI shall cause \$6,000.00 from each closing/sale of a lot, including home constructed thereon, that was initially purchased by WHI with Grant funds or otherwise obtained and is subsequently sold by WHI in conjunction with this Agreement to be set aside and deposited into a joint account in the name of the City and WHI. The parties hereto agree that the funds deposited in said joint account initially shall be dedicated, disbursed and paid toward any reimbursement that may be required of the City by DCA under the Grant. Once the City is fully collateralized, WHI will no longer be required to make such deposits and WHI shall, subject to prior written permission received from the City Attorney, in the City Attorney's sole discretion, receive disbursements from said account in an amount(s) that allows the City to remain fully collateralized. For the purposes of this Agreement, fully collateralized shall mean security or collateral totaling \$227,000.00 and shall be realized through a combination of sales of lots, including homes constructed thereon, that DCA confirms were made to LMI qualified purchasers and otherwise satisfies the requirements of the Grant (valued at approximately \$18,000.00 per lot) plus funds in said joint account. Any funds remaining in said joint account after the Grant is closed out shall be disbursed to WHI upon confirmation that either DCA will not require any reimbursement under the Grant or any reimbursement required by DCA under the Grant has been satisfied.

PART D – NON-PERFORMANCE BY WHI AND REIMBURSEMENT OF GRANT FUNDS

If WHI fails to acquire, develop, construct, and convey thirteen (13) affordable housing units to LMI as described in this Agreement, the Grant, or the Grant Application by April 26, 2013 and if the City is required to reimburse DCA any Grant funds expended due to WHI's non-performance, including but not limited to deliberate or non-deliberate improper

expenditure of Grant assistance, which reimbursement may include any pro rata portion (approximately \$18,000.00 per unit), WHI agrees to pay or reimburse the City for 100% of any reimbursement required by DCA of Grant funds. Among other possible remedies and recourses of action, the City may utilize said set aside funds or pursue collection of the above referenced promissory note(s) as well as deed(s) of trust through foreclosure of the same to fund said reimbursement or otherwise upon WHI's failure to perform any obligation required by or arising from this Agreement, the Grant, or the Grant Application.

PART E – COMMUNITY DEVELOPMENT BLOCK GRANT PROVISIONS

If through any cause either party shall fail to fulfill in a timely and proper manner the obligations under this Agreement or violate any of the covenants, agreements, or stipulations of this Agreement, one party may, without waiving any claim or recourse it may have against the other party, terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date of such termination. In such event, all finished or unfinished documents, data, studies, drawings, maps, models, photographs, and reports prepared by WHI under the terms of this Agreement shall, at the option of the City, become City property without additional consideration. In the event this Agreement is terminated by either party, all related accounts shall be frozen, an accounting may be obtained as directed by the City, and the City may elect, in its sole discretion, to administer the remaining funds, consistent with DCA policy.

1. CONFLICT OF INTEREST: MEMBERS, OFFICERS, OR EMPLOYEES OF THE LOCAL GOVERNING BODY OR OTHER PUBLIC OFFICIALS:

No member, officer, or employee of the City, no members of the governing body of the locality or localities who exercise any functions or responsibilities with respect to the CDBG-HD program during his tenure and for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The City and WHI shall incorporate, or cause to be incorporated, in all contracts arising herefrom a provision prohibiting such conflict of interest consistent with the purpose of this section.

2. NON-DISCRIMINATION

No person in the United States shall, on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the performance of this Agreement.

No qualified personnel shall, on the basis of age or handicap, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under the performance of this Agreement.

3. EXECUTIVE ORDER 11246 CLAUSE

- (i) WHI and the City will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. WHI and the City will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment; upgrading, demotion or transfer; recruitment and advertising; layoff or termination; rates

of pay or other forms of compensation; and selection for training including apprenticeships. WHI and the City agree to post, in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

- (ii) WHI and the City will, in all solicitations or advertisements for employees placed by or on behalf of WHI or the City, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (iii) WHI and the City will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers representative of WHI and the City commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (iv) WHI and the City will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (v) WHI and the City will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (vi) In the event WHI or the City fails to comply with the non-discrimination clauses of this Contract or with any of such rules, regulations, or orders, this Agreement may be canceled, terminated or suspended in whole or in part and WHI or the City may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rules, regulations, or order of the Secretary of Labor, or as otherwise provided by law.
- (vii) WHI and the City will include the provisions of this and the preceding Paragraphs (i) through (vii) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965 so that such provisions will be binding upon each subcontractor or vendor. WHI and the City will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance. Provided, however, that in the event WHI or the City become involved in, or are threatened with litigation by a subcontractor or vendor as a result of such direction by the contracting agency, WHI or the City may request the United States to enter into such litigation to protect the interests of the United States.

4. SECTION 3 COMPLIANCE IN THE PROVISION OF EMPLOYMENT AND BUSINESS OPPORTUNITIES

- (i) The work to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is

subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

- (ii) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- (iii) WHI and the City will send to each labor organization or representative of workers with which it has a collective bargaining agreement or other Contractor or understanding if any, a notice advising said labor organization or workers' representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- (iv) WHI and the City will include these Section 3 clauses in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR 135. Neither WHI nor the City will subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- (v) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135 and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be conditions of the federal financial assistance provided for in conjunction with the project and shall be binding upon the applicant or recipients for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors, and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR 135.

5. NON-DISCRIMINATION CLAUSE CONCERNING HANDICAP AND AGE

WHI/the City will not discriminate on the basis of age under the Age Discrimination in Employment Act of 1975, as amended (42 U.S.C 6101 et seq.), or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C 794), or as otherwise prohibited by state or federal law.

6. ACCESS TO RECORDS AND RECORD RETAINAGE CLAUSE

In general, all official project records and documents must be maintained during operation of this project and for five (5) years following close out in compliance with 15 NCAC13.1 Rule 0922, Record Keeping.

The Department of Commerce, the North Carolina Department of Treasurer, the Controller, the Attorney General of North Carolina, the United States Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the administering agency which are pertinent to the execution of this Agreement for the purpose of making audits, examinations, excerpts, and transcripts.

7. LOBBYING CLAUSE

- (i) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person by the undersigned for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Federal contract, grants, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLC, "Disclosure Form to Report Lobbying" in accordance with its instructions.

This is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, and U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

IN WITNESS THEREOF, the City and WHI have executed this Agreement through duly authorized representatives, all as of the date written above.

(Signatures On Following Page)

PRE-AUDIT CERTIFICATE

This Agreement has been pre-audited per North Carolina General Statute § 159-28 in the manner required by the Local Government Budget and Fiscal Control Act.

Matt Rauschenbach, Chief Financial Officer
City of Washington

WASHINGTON HOUSING NONPROFIT INC.

CITY OF WASHINGTON

By: _____ (SEAL)

By: _____ (SEAL)

Printed Name

Title

Date

Printed Name

Title

Date

**NORTH CAROLINA
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid, hereby certifies that _____ personally appeared before me this day, and being duly sworn by me, acknowledged that he/she is _____ of **Washington Housing Nonprofit Inc.**, and that by authority duly given and as the act of Washington Housing Nonprofit Inc. the foregoing instrument was signed by him.

Witness my hand and notary seal this _____ day of _____ 2010.

Notary Public
My Commission expires: _____

**NORTH CAROLINA
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid, hereby certifies that _____ personally appeared before me this day, and being duly sworn by me acknowledged that he is _____ of the **City of Washington**, and that by authority duly given and as the act of the City the foregoing instrument was signed by him.

Witness my hand and notary seal this _____ day of _____ 2010.

Notary Public
My Commission expires: _____



City of Washington

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

MEMORANDUM

DATE: November 2, 2010
TO: Mayor Jennings & Members of City Council
FROM: John Rodman, Planning & Development
RE: Update Report, Keys Landing Subdivision
CDBG Housing Development Project
Grant #05-C-1490

The City of Washington was awarded a Community Development Block Grant for Housing Development from the Division of Community Assistance (DCA) for acquisition of property and to construct street and utility improvements to Keys Landing Subdivision located off Keysville Road. The grant was awarded during fiscal year 2005. The application for the grant was originally proposed for a parcel of property located on Keysville Road and would contain 15 lots to sell for construction of affordable housing. Due to difficulties in securing title from multiple heirs to the property the application was subsequently changed to include a different parcel of property in close proximity to the original location and the number of lots was reduced to 12.

Following several delays in the execution of the grant caused by right-of-way acquisition, reengineering the project and bid documentation, the subject grant is under review by the Division of Community Assistance. DCA's chief concern is the project's lack of a new Environmental Review. DCA feels this oversight is serious enough to impact the future of the project. The City is working in conjunction with Holland Consulting Planners and Metropolitan Housing to take the necessary steps to satisfy DCA's concerns and bring the project into compliance.

Attachments:

Timeline of Environmental/Grant Conditions Compliance
Letter from DCA

**Timeline of Environmental /Grant Conditions Compliance
City of Washington CDBG Housing Development Project
Grant # 05-C-1490**

<u>Date</u>	<u>Event</u>
March 23, 2006	Application Submitted to DCA
August 10, 2006	City executed Grant Agreement
October 31, 2006	HCP submitted Environmental Review Record to City (mailed to DCA 11-3-06)
November 6, 2006	City submitted release of funding conditions package (excluding LBC)
December 20, 2006	Clearinghouse review completed (<u>NO SITE-SPECIFIC COMMENTS</u>)
January 18, 2007	FONSI/RFROF published
February 3, 2007	Request for Release of Funds and Certification submitted to DCA
May 9, 2007	City submitted letter requesting variance from 15-day FONSI comment period (city had been advised by DCA compliance section that FONSI public comment period was one day short)
May 23, 2007	Map amendment submitted to DCA (substitute parcel) Note: HCP stated in its draft letter that the city would send public hearing documentation and <u>PER</u> (Preliminary Engineering Report) at later date – city clerical staff added “Preliminary Environmental Report”) to final letter by error – there is no such thing as a “Preliminary Environmental Report” in CDBG parlance. Also, it was not appropriate for the city to follow up with any additional environmental information related to the map amendment (if requested) until the scope of public works improvements required to serve the alternate parcel was clearly articulated by Rivers & Assoc. following acquisition of the required sewer easement and preparation of final bid documents (<u>April 2010</u>).
May 30, 2007	DCA approved a grant condition extension request acknowledging the receipt and approval of the LBC.
June 29, 2007	<u>DCA approved the map amendment submitted 5/23/07 acknowledging that the original parcel was unsuitable for development; i.e., that the proposed action did NOT “limit the choice of reasonable alternatives”. NO ADDITIONAL INFORMATION RELATED TO ENVIRONMENTAL COMPLIANCE WAS REQUESTED BY DCA IN THIS LETTER OR THEREAFTER UNTIL THE PROJECT WAS MONITORED ON MAY 24, 2010.</u>

July 16, 2007 DCA requested that the city publish a new FONSI/RFROF notice due to the error on the public comment period in the original FONSI notice. Note: This request was made after the approval of the map amendment. No additional correspondence was received concerning ERR compliance during the discussions related to the second FONSI notice.

July 27, 2007 The city published a second FONSI/RFROF notice with a corrected comment period.

August 14, 2007 The city submitted a second Request for Release of Funds and Certification.

August 31, 2007 The city mailed a Formal Offer to Purchase to the owners of the substitute parcel (anticipating Release of Funds in mid-September)

September 19, 2007 **The city received notice of Release of Funds from DCA (effective 9/6/07)**

November 13, 2007 The City of Washington acquired the substitute parcel with CDBG funds provided by DCA.

Nov. 2007 – Sept. 2009 HCP, city staff, Rivers, and city attorney managed several complex title/easement/design/subdivision issues related to the number and size of parcels to be developed and provision of the infrastructure (sewer easement) on the substitute parcel. The city staff, city attorney, and city council are well aware of these difficulties, and DCA was advised of the difficulties in a letter dated June 24, 2009 (see below).

June 24, 2009 The city submitted a detailed letter to DCA stating the reasons for delay of the project and requesting an extension through March 30, 2010.

August 25, 2009 The city received approval of an extension request through March 1, 2010 from DCA. No additional environmental information was requested.

August 31, 2009 Joyce Smith of DCA monitored the project with HCP and city staff. She advised HCP and city staff not to submit any additional extension requests until bids were received. No additional environmental information was requested during this site visit.

April 27, 2010 Bids were received for Phase I improvements, including the sewer outfall located outside of the substitute parcel identified in the map amendment. The proposed Phase I construction cost (4 parcels) exceeds available 2005 CDBG funds available for infrastructure.

May 24, 2010 DCA monitoring reps Johnnie Quick and Susan Nolan (not Joyce Smith) monitored the project. The city was advised that there was an environmental compliance problem during this visit, and only during this visit and by

correspondence dated October 19, 2010. Funds were frozen on June 2, 2010. DCA has provided no formal monitoring letter despite repeated efforts by HCP to obtain one since June 2010.

September 27, 2010 At David Moore's request, HCP submitted a proposal to DCA requesting permission to prepare an ERR for the entire propose 12-unit subdivision. That request was denied and the city subsequently received the 10/19/10 correspondence requesting reimbursement of funds expended to date.

Summary of Objections to DCA Correspondence dated 10/19/10

- The city submitted an environmental review for the original parcel and then received notice of release of funds subsequent to written approval of a map amendment summarizing the location and description of the substitute parcel.
- The first communication from DCA related to a problem with environmental compliance was during monitoring on May 24, 2010, three years after submittal of the map amendment, despite the fact that the city submitted a detailed extension request letter in June 2009 explaining the issues with the substitute parcel. Environmental compliance was not discussed during monitoring by DCA in August 2010.
- It is HCP's assumption that DCA approved the map amendment and released funds without a request for additional environmental information due to the proximity of the new parcel to the original parcel and the lack of environmental issues related to the land acquisition. The only hard costs expended on the project to date are acquisition costs. No CDBG infrastructure construction contracts have been awarded to date.
- The city did state in its amendment request that it would provide a "PER" at a later date and it has always been the city's intention to do so, once the scope of the project was defined and the funding issues resolved. These issues include the fact that a sewer easement had to be acquired outside of the map amendment parcel, and the fact that when bids for the Phase I development were opened in April 2007, it was apparent that the project cannot be completed as originally planned without the infusion of additional funds. The reference in the map amendment letter to "Preliminary Environmental Review" was a clerical error; there is no document in CDBG parlance called a "Preliminary Environmental Review" and it was HCP's intention that the acronym "PER" be construed as a "Preliminary Engineering Report", which is common CDBG parlance.
- There are no environmental issues related to the substitute parcel that were not applicable to the original parcel review by the Clearinghouse.
- In good faith, the developer has communicated with DCA and the city that he wants to proceed with the entire project an attempt to identify additional funding to make the project work. Both the city and the developer have excellent track records in completing similar projects. The city provided written communication to the agency that it would be happy to prepare an ERR for the entire proposed subdivision and attendant infrastructure; that offer was declined.

- The city does not feel that it should bear the burden of lack of compliance oversight given the factors cited above, if in fact there is an actual compliance issue that cannot be satisfactorily resolved. The city is concerned about the manner in which this has been handled internally by the agency, particularly with reference to the tone and timing of the most recent correspondence received by the city. Moreover, it is the city's opinion that the only compliance issue related to HUD oversight is the actual land acquisition cost to date, not the entire \$114,457 expended to date, which includes administration, legal, and engineering costs. Those costs could certainly be construed as exempt activities by HUD (24CFR58.34).



North Carolina
Department of Commerce
Division of Community Assistance

Beverley Eaves Perdue, Governor
J. Keith Crisco, Secretary

Henry C. McKoy, Assistant Secretary
Gloria Nance-Sims, Director

October 19, 2010

The Honorable N. Archie Jennings, III, Mayor
City of Washington
Post Office Box 1988
Washington, North Carolina 27699-4313

Dear Mayor Jennings:

Subject: Status of Grant
CDBG Number: **05-C-1490**

As communicated in our letter dated **June 2, 2010**, the subject grant has been under review by the Division of Community Assistance (DCA). Our assessment revealed several major problems with the administration of the grant which will be addressed in a subsequent monitoring letter. However, DCA's chief concern is the project's lack of a valid Environmental Review; which is an oversight serious enough to impact the future viability of the project.

The City's decision to proceed with the purchase of land prior to the submission of the environmental review has resulted in a violation of **24 CFR Part 58.22**. This regulation states that all project participants are prohibited from undertaking projects or activities prior to National Environmental Policy Act (NEPA) compliance if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives. With this rule, HUD is attempting to stop any actions which could diminish and bias objective consideration of alternative locations/choices (including a no action alternative) for a proposed project, prior to the completion of the environmental review. Choice limiting actions include site-specific real property acquisition and related site improvements.

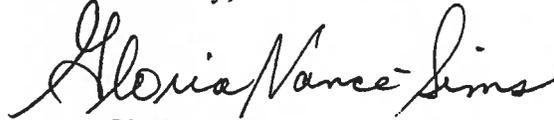
Our review of the history of the grant showed that on **May 23, 2007**, the City asked for permission to change the proposed land parcel to a different one on the same road. In its proposal, the City stated that upon DCA's initial approval, an amendment public hearing would be held and a revised Environmental Review and subdivision documents would be submitted for final approval. Based on this letter, DCA approved the change to the land parcel. However, the City never followed through with the new environmental review.

The Honorable N. Archie Jennings, III, Mayor
September 30, 2010
Page 2

Because this oversight has resulted in a violation of 24 CFR 58.22, DCA is required to disqualify the entire project. The \$135,542.92 in remaining funds will be deobligated and the City is required to return the \$114,457.08 already expended in the project. **Funds should be returned to DCA no later than December 31, 2010**, with the check payable to the Department of Commerce Division of Community Assistance.

We regret the necessity of having to take this action and want to assure the City that this decision will not affect other existing or future grants between the City and DCA. If you have questions, please contact Vanessa Blanchard, CDBG & CDBG-R Chief at (919) 571-4900, extension 225 or vblanchard@nccommerce.com.

Sincerely,



Gloria Nance-Sims
Director

cc: Mr. John Rodman, Planning Director
Ms. Anita Radcliffe, Finance Director
— Mr. Chris Hilbert, Holland Consulting Planners
Ms. Toni Moore, DCA Finance Office



Washington City Police

201 W. 3rd Street, Washington, NC 27889
Telephone: (252) 946-1444 Fax: (252) 948-9448
www.washingtonnc.gov



G. Mitchell Reed
Chief of Police

Sandy Blizzard
Deputy Chief of Police

City Council Land Release Request to Federal Aviation Administration

As directed, this memo is to update Council on the progress of the Land Release process.

Pursuant to FAA guidelines regarding the Land Release Request, the FAA requires a commitment from the Airport owner (City) to use the "proceeds" from the release of the property exclusively for the airport improvement program (see Section H of the Land Release Request). In order to determine the value of those "proceeds," staff has taken the following steps.

- A. An appraisal of the tract of land designated for the Police facility was ordered and conducted by Grantham Appraisal and Realty. As FAA requires, a review of this appraisal was conducted by a second appraiser, in this case C.P. Shaw Associates, Limited. The appraised value of the designated land was identified as \$355,500.00. Upon staff review, it was felt that this appraisal was unrealistic for a variety of reasons (see section C of Land Release Request). Therefore, it was decided that a second appraisal was advisable for the City of Washington.
- B. S. Ann McRoy of the Appraisal Group conducted a second appraisal of the designated land and provided an appraised value of \$100,000.00, which staff felt was a much more realistic value. As stated above, FAA requires a review of the appraisal to be completed and a review of this appraisal is in progress. This review is anticipated to be completed by November 5th and will be included in Council packet if available.

FAA representatives have directed that the City provide both appraisals and reviews to FAA for consideration.

G. Mitchell Reed
Chief of Police

Cc: City Manager, City Attorney

LAND RELEASE REQUEST

To: Federal Aviation Administration
From (Sponsor): City of Washington, North Carolina
Compiled By: Rodman, Holscher, Francisco, & Peck, PA,
Attorneys for the City of Washington

REQUEST

The City of Washington, North Carolina ("City") requests a full, fee simple release of airport dedicated real property from the Federal Aviation Administration ("FAA") to allow the City to utilize 5.10 acres of real property that is currently included in its Warren Field Airport ("Airport") layout plan for the location and construction of a new law enforcement/public safety facility.

BACKGROUND

The City of Washington has made the replacement of its existing Washington Police Station facility a high priority as it has been determined that the existing facility is inadequate to serve critical departmental needs and is incapable of allowing the Washington Police Department to meet accepted professional law enforcement standards and criteria due to a variety of incurable constraints. The existing facility is substandard, flood-prone, beyond its designed useful life, and only 6,150 square feet in area. The initial Space Needs Assessment compiled in conjunction with this project and the subsequent Architectural Feasibility Report from Architect Design Group recommend in excess of 14,000 square feet, designed to accommodate additional, future expansion, for an adequate law enforcement facility. The City conducted an exhaustive site selection review process that involved the City's Planning Department and a citizen-led site selection committee. Twenty-three potential locations were analyzed before concluding that the property described herein was the best location for the new law enforcement facility. A critical issue in selecting the site was the potential for flooding. Most of Washington is in a FEMA identified flood zone. The subject property is outside the 500 year flood plain.

SPECIFIC RELEASE REQUIREMENTS

A. Identification Of Airport's Obligating Agreements

The federal obligations associated with the subject property include the Airport Improvement Plan grant agreements. The City customarily receives an annual Vision 100 grant that is used to

make improvements to the Airport. It is believed the City has received various grants of federal funds, including most recently a grant of federal funds to construct a self service fuel farm. Please see the attached Exhibit "A" "Grant History" that lists sources of federal funds the City has received for the Airport since 2002. In addition, for many years, the subject property has been described in the City's Airport layout plan and included on the map depicting the City's Airport property, thereby dedicating or obligating the property for airport purposes. However, the Airport layout plan has never contained a specific "airport" plan or use for the subject property other than vacant. In fact, the property appears to be shown outside the "existing property line" on the current FY 11 – FY 15 TIP, attached hereto as Exhibit "B" and the City has determined that said property is not needed for present or future airport purposes.

B. Legal Description Of Subject Property

Lying and being in the City of Washington, County of Beaufort, State of North Carolina, more particularly described as follows:

BEING all of that certain 5.10 acre tract of land located on Market Street Extension and Airport Road as shown on that certain survey by Waters Surveying, Inc. dated July 12, 2010, a copy of said survey being recorded in the Beaufort County Registry in Plat Cabinet ____, Slide _____. Reference is herein made to said survey and the same is incorporated herein for a more complete and adequate description.

The subject property is a portion of the property conveyed by and described in those deeds listed in Exhibit "C". Please also see Exhibit "D" for a metes and bounds legal description and Exhibit "E", a "Survey for the City of Washington Proposed New Police Center." Please note that an electronic version of the legal description will be forwarded separately.

C. Current Appraised Value of Land and Improvements

Please see Exhibit "F", "Appraisal of 5.10 Acre Parcel Southwest Corner of Market Street Extension & Airport Road, Washington, Beaufort County, North Carolina", and Exhibit "F-1", "Appraisal Review", which appraisal and appraisal review the City maintains is an accurate valuation of the subject property. The City obtained said appraisal and appraisal review after receiving the Anthony L. Grantham Appraisal which is attached hereto as Exhibit "G" and C.P. Shaw Appraisal Review which is attached hereto as Exhibit "G-1". The City maintains that the Grantham/Shaw appraisal and review are entirely inaccurate and are therefore not useful for valuation purposes.

The City owns a tract of land across from the subject property on Airport Road known as the Susiegray McConnell Sports Complex. In an arms length transaction in September of 2009, the City purchased a much more valuable and useful piece of property adjacent to said Complex and previously known as the Annie Laura Mayo property that consisted of 3.50 acres, was located on a major intersection and appraised for \$67,150.00. As you can see, the Mayo property, which the City maintains is much more useful and valuable than the subject property, was appraised and purchased for approximately \$19,185.71 per acre, which is significantly less than the

Grantham/Shaw appraisal and review, which is approximately \$69,705.88 per acre. This comparison produces and supports a conclusion that the Grantham/Shaw appraisal and review are inaccurate and not useful for valuation purposes.

Appraisal adjustments are dollar values or percentage amounts that, when added to or subtracted from the sales price of a comparable, provide an indication of the value of a subject property. Adjustments are necessary to compensate for variations in the features of the comparable relative to the subject property. The Grantham/Shaw appraisal and review makes a 5% downward adjustment across the board to all of its comparables in an effort to compensate for the fact that they are not located in an airport transition zone like the subject property and therefore not subject to the same restrictive land use constraints as the subject property. Among other things, it is the City's belief that the 5% adjustment is inadequate to compensate for the significant variations between the comparables and the subject property, as both FAA and City zoning severely limit land use in and around the airport transition zone. The Grantham/Shaw appraisal and review do not appear to accurately take into consideration the FAA requirement that airport owners (the City) strive to attain compatible zoning around the airport in order to prevent incompatible land uses that could 1) cause sufficient conflict that endangers the airport 2) cause it to be closed or 3) require substantial remedial investment to purchase nearby property that has been developed in conflict with aeronautical uses.

The Grantham/Shaw appraisal and review uses only three comparables. Each of the comparables is zoned commercial and located in or around a heavily trafficked transportation corridor in an existing commercial district (prior to the time of sale, all comparables were located in commercial districts and no variances to the City code were required for development to occur). The subject property is not located in or around a heavily trafficked transportation corridor and is not located in an existing commercial district. The subject property is currently zoned Airport District, AP. Although there are some commercial uses that are allowed in the AP zone if a property owner is granted a special use permit, there are very few commercial uses that are permitted in the AP zone. Likewise, the City must pursue a special use permit in order to use the subject property for critical facilities, like a police station. According to the City code, commercial development in the AP Zone is considered an incompatible land use. Thus, the Grantham/Shaw appraisal and review used incompatible as well as incomparable commercial parcels as comparables and inadequately adjusted their values to compensate for the restrictive land uses of the subject property.

The appraisal and review the City maintains is accurate does not make an across the board adjustment based upon the property being located within the airport transition zone, but factored that facet into its entire valuation when viewed as a whole because a) location and land uses were specific factors in the valuation and b) the comparables were much more compatible and comparable.

D. Type Of Release Being Requested

A full, fee simple release of airport dedicated real property to allow the City to utilize 5.10 acres for the location and construction of a new law enforcement/public safety facility.

E. Justification For Release

As noted above, the Airport layout plan has never contained a specific “airport” plan or use for the subject property other than vacant. In fact, the property appears to be shown outside the “existing property line” in the current FY 11 – FY 15 TIP, attached hereto as Exhibit “B”. The subject property has never been, is not currently and it is not foreseeable that it will ever be needed for aeronautical purposes. In fact, a full release is not only justifiable, but perhaps mandatory in that the subject property is separated from the other Airport property by a blue line stream/ditch, which would effectively prevent expansion of the Airport onto or across the subject property. All things considered, this release request is both reasonable as well as practical, will have no effect on needed aeronautical facilities, will not reduce the net benefit to civil aviation, and is compatible with the needs of civil aviation.

Please see the above background section for a discussion of the use to which the City intends to put this real property once released. As more specifically provided for therein, it is critical for the City to use this property for a law enforcement/public safety facility.

F. Explanation Of How This Request Is Consistent With The Approved Airport Layout Plan

This release request is consistent with the approved Airport layout plan attached here as Exhibit “H”, which plan has never contained a specific “airport” plan or use for the subject property other than vacant. In fact, the property appears to be shown outside the “existing property line” in the current FY 11 – FY 15 TIP, attached hereto as Exhibit “B”. Please also see Exhibit “I” which is a statement confirming consistency with the approved Airport layout plan from Talbert & Bright, Engineering and Planning Consultants, who assist the City with its airport planning, including compilation of its Airport layout plan.

G. Proposed Use Of Land

Law Enforcement/Public Safety Facility

H. Commitment From Airport Owner To Use The Proceeds From The Release Of The Property Exclusively For The Airport

Proceeds from the release, equal to the appraised value of the subject property, will be expended on the Airport for eligible items such as Airport Improvement Program (“AIP”) eligible projects and Airport maintenance. It is understood by the sponsor that such proceeds are ineligible to be used for matching funds for an AIP project.

I. List of Federal Obligations From Which The Subject Land Must Be Released

The sponsor is aware of no federal obligations other than those discussed in Section A hereinabove from which the subject land must be released.

J. Environmental Analysis If Required By Order 5050.4B

It is the sponsor's understanding that an environmental analysis is unlikely to be required by Order 5050.4B; however, please find attached as Exhibit "J" the environmental analysis done in conjunction with the anticipated law enforcement/public safety facility project.

DRAFT 10.28.10



City of Washington

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

MEMORANDUM

DATE: 3, November 2010

TO: Mayor and City Council

FROM: James C. Smith, City Manager *JCS*
Susan C. Hodges, Human Resources Director *Susan Hodges*

SUBJ: Assignment of Classes to Grades and Ranges for 2010-11

At the City Council meeting on October 11, 2010, a request was made to increase the salary ranges for City positions from a 48% to 50% spread from beginning (hiring rate) to maximum based on salary data collected by the MAPS Group which reflected a prevailing average for salary ranges of 50%. This change in the City's salary schedule was requested to be retroactive. By making the change effective at the beginning of the fiscal year, July 1, 2010, it would insure pay equity among City employees in regards to qualifying for job maturity and merit pay adjustments.

As discussed, the impact of this proposed change in the pay plan is an increase in the job rate by .67% and in the maximum by 1.35% for each salary grade. Twenty one employees would be affected by the change in job rate with a total financial impact of \$2,661 for the current fiscal year. Because employees at the maximum receive a merit bonus in lieu of salary adjustment, no additional funds would be required this year.

Although the financial impact of this proposed change is minimal, given consideration to the fact that we are almost halfway through the current fiscal year, it would be our recommendation that we postpone implementation of the salary schedule revision until next fiscal year. This will improve our ability to accurately plan for the fiscal year 2011 -2012 budget.

A copy of the current salary schedule with a 48% range and including implementation of the class and pay changes from the October City Council meeting is attached.

**CITY OF WASHINGTON
ASSIGNMENT OF CLASSES TO GRADES AND RANGES
F/Y 10-11**

<u>Grade</u>	<u>Classification</u>	<u>FLSA</u>	<u>Hiring Rate</u>	<u>Minimum</u>	<u>Job Rate</u>	<u>Maximum</u>
8	Maintenance Worker I Sanitation Worker		19,655	20,638	23,429	29,089
9	Maintenance Worker II		20,638	21,670	24,600	30,544
10	Library Assistant Maintenance Worker III Meter Reader Recreation Maintenance Worker Utility Maintenance Worker		21,670	22,754	25,831	32,072
11	Sanitation Equipment Operator I		22,754	23,892	27,123	33,676
12	Customer Services Representative Equipment Operator Field Services Representative Lead Meter Reader Lead Recreation Maintenance Worker Library Program Assistant Revenue Collections Assistant Sanitation Equipment Operator II		23,892	25,087	28,479	35,360
13	Inventory Control Assistant Police Records Clerk Utility Billing and Collections Specialist Utility Maintenance Technician		25,087	26,341	29,904	37,129
14	Administrative Support Specialist Equipment Mechanic I Senior Equipment Operator Telecommunicator Utilities Communication Technician Utility Maintenance Crew Leader Welder		26,341	27,658	31,399	38,985

CITY OF WASHINGTON
ASSIGNMENT OF CLASSES TO GRADES AND RANGES
F/Y 10-11

<u>Grade</u>	<u>Classification</u>	<u>FLSA</u>	<u>Hiring Rate</u>	<u>Minimum</u>	<u>Job Rate</u>	<u>Maximum</u>
15	Civic Center Coordinator Evidence & Records Specialist Fire & EMS Apprentice Human Resources Technician Library Services Coordinator Recreation Program Specialist Senior Utility Billing System Operator Treatment Plant Operator		27,658	29,041	32,968	40,934
16	Accounting Technician Building Code Enforcement Officer Code Enforcement Officer Electric Line Worker I Electric Meter Technician Fire and EMS Administrative Specialist Firefighter/EMT Load Management Technician Public Works Supervisor I Telecommunications Supervisor		29,041	30,493	34,617	42,981
17	Aquatics and Fitness Center Supervisor Chemical Analyst Cross-Connection Control Technician Electric Substation Technician I Equipment Mechanic II Police Officer School Resource Officer Senior Administrative Support Specialist Treatment Facilities Maintenance Mechanic		30,493	32,018	36,348	45,130
18	Chemical/Pretreatment Analyst Electric Line Worker II Electric Substation Technician II Engineering Technician Environmental Health & Protection Officer Fire Engineer/EMT Public Works Supervisor II Senior Accounting Technician		32,018	33,619	38,166	47,387

**CITY OF WASHINGTON
ASSIGNMENT OF CLASSES TO GRADES AND RANGES
F/Y 10-11**

<u>Grade</u>	<u>Classification</u>	<u>FLSA</u>	<u>Hiring Rate</u>	<u>Minimum</u>	<u>Job Rate</u>	<u>Maximum</u>
19	Assistant Police Unit Supervisor Criminal Justice Program Administrator Data Systems Specialist Electric Meter Services Supervisor Fleet Maintenance Supervisor * Police Detective Recreation Maintenance Supervisor Revenue Collections Supervisor	E	33,619	35,300	40,074	49,756
20	Distribution and Collection System Supervisor Electric Line Worker III Fire Company Officer Laboratory Supervisor Plant Maintenance Supervisor Recreation Program Supervisor Senior Building Codes Enforcement Officer Utilities Business Manager	E E E	35,300	37,065	42,078	52,244
21	Fire Shift Commander Police Unit Supervisor Risk Management Officer		37,065	38,918	44,181	54,856
22	Accountant Lead Electric Line Service Worker Public Works Superintendent	E E	38,918	40,864	46,390	57,599
23	City Clerk Community Development Planner Electric Line Crew Leader Planner Purchasing Agent Recreation Events & Facilities Manager	E E E E E	40,864	42,907	48,710	60,479
24	Fire Division Chief Treatment Plants Operations Supervisor	E E	42,907	45,052	51,145	63,502
25	Electric System Engineer Police Division Commander	E E	45,052	47,305	53,702	66,677

* Police Detective - no new appointments to this classification after July 1, 2007

**CITY OF WASHINGTON
ASSIGNMENT OF CLASSES TO GRADES AND RANGES
F/Y 10-11**

<u>Grade</u>	<u>Classification</u>	<u>FLSA</u>	<u>Hiring Rate</u>	<u>Minimum</u>	<u>Job Rate</u>	<u>Maximum</u>
26	Assistant Finance Director	E	47,305	49,670	56,387	70,011
	Library Director*	E				
	Technology Services Director*	E				
	Tourism Development Director*	E				
27	Assistant Police Chief	E	49,670	52,154	59,207	73,512
	Assistant Public Works Director	E				
	Electric Line Operations Superintendent	E				
	Electric Support Superintendent	E				
	Human Resources Director*	E				
	Water Resources Superintendent	E				
28			52,154	54,762	62,168	77,188
29	Parks and Recreation Director*	E	54,762	57,500	65,276	81,048
30	Chief of Fire/Rescue/EMS/Inspections*	E	57,500	60,375	68,540	85,100
	Community Development&Planning Director*	E				
	Police Chief*	E				
31	Finance Director*	E	60,375	63,394	71,967	89,355
32			63,394	66,564	75,566	93,823
33	Electric Utilities Director*	E	66,564	69,892	79,344	98,515
	Public Works & Water Resources Director*	E				
34			69,892	73,387	83,311	103,440
35			73,387	77,056	87,477	108,613

E = Exempt from the overtime provisions of the Fair Labor Standards Act (FLSA)

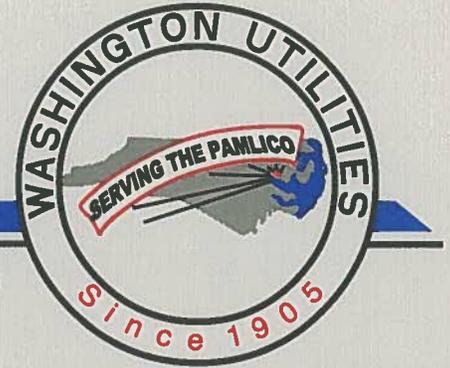
* Department Head

10/22/2010

Washington Electric Utilities

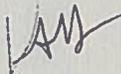
A City of Washington Enterprise

Post Office Box 1988 • Washington, North Carolina 27889-1988



Office of the Director

MEMORANDUM

To: James C. Smith, City Manager
From: Keith Hardt, P.E., Electric Utilities Director 
Date: 2 November 2010
Reference: Electric Load Management Program Update

Please include the following in the packet for the November 8th City Council Meeting.

- The full shipment of load management switches has been received from the manufacturer and programming is complete.
- The new load management program marketing plan is being developed by ElectriCities of North Carolina. We will have a draft plan completed by November 12th.
- The City's contracted load management installer has begun their work. The first group of service orders and installation units has been accepted by the contractor and they are proceeding with installations.
- A cost separate load management budget cost center will be created within the City's general ledger. This new budget cost center will allow for tracking of contract and force account labor, materials, and equipment for load management functions.
- As of the date of this memorandum one application has been received for the City's Electric Load Management Technician position currently being advertised. The closing date for applications for this position is Friday, November 5th.



On Friday I met with Mike Epperson, the newly appointed City Manager of New Bern. He provided me the following information:

New Bern currently has switches installed at 10,700 residential customer locations controlling 27,000 appliances; this is out of 18,000 total residential customers or 59%

They credit the customer \$5 for controlling an air conditioner during the summer months, \$5 for controlling a water heater year round, and \$5/\$10 for controlling the heat strips in a heat pump during the winter months.

They require that all new homes have LM switches installed before a certificate of occupancy is issued, and that the homes be prewired during the rough in stage to accommodate the switches. Building inspectors enforce these requirements within the City. Their rebate plan for Heat Pumps and Water Heaters requires that all devices within the home have LM switches to get the rebate. They get access to install switches on water heaters, heat pumps and air conditioners through the rebate program requirement. It is not mandatory at this time for every service. They use the rebates as a way of encouraging participation and cooperation from customers and contractors. They have not advertised the program in recent years but have a backlog of demand for new switches and reconnects. In addition to their other crews New Bern currently employs two LM tech's that perform the installation maintenance of the switches. They also have contracts with two local HVAC/licensed electricians to install and reconnect switches. These are paid by switch install or reconnect.

New Bern cut approximately 7 to 12 MW off of their monthly peak with the switches; at \$12,500 per MW this is a savings of about \$125,000 savings each month.

Load Management FAQs from New Bern's website

Q: What is Load Management?

A: Load Management is the process of reducing electric load from our system during periods of peak demand. Managing the peak is an excellent way to conserve natural resources and to help to control rising electric costs in the long run. We reduce the load by remotely turning off your large appliances (hot water heaters, heat pumps, heat strips, and swimming pool pumps) for certain amounts of time with load management switches. Typically, this happens on hot summer afternoons and cold winter mornings.

Q: Will I be inconvenienced?

A: No. Turning off the appliances should not affect your comfort level. Water

heaters are designed to keep water hot for several hours after the power is turned off.

For heat pumps in heating mode, we will turn off only the auxiliary heat strips. The heat pump compressor will not be affected; it is the most efficient means of the unit and will continue to heat your home during load management periods.

Heat pumps in cooling mode and central air conditioners are controlled in 25% cycles unlike the 100% water heater and heat strip programs, and, therefore, provide 22 ½ minutes of cooling every half hour. Also, only the compressor is turned off, which allows you to use the unit's fan to circulate previously cooled air during the 7½ minutes when your compressor is not running.

Q: Do you control the appliances every day?

A: No. Load Management takes place only a few days a month, and on the days when it does take place, we usually control your appliances for only a few hours.

The aim of load management is to reduce usage during the one hour of the month when our wholesale electric system is reaching its peak for the month. Generally, peaks occur between

7 and 9 a.m. on winter weekdays, and between 1 and 6 p.m. on weekdays in the summer. Because the peak changes each month, we have to allow some "misses" when aiming for it.

Past history shows load management for an average of three to five days per month and two hours for each of those days.

Q: How much will it cost me to join?

A: Nothing. The City's electric department pays for installing, moving, checking, and removing switches. All work is done by qualified City employees or licensed electrical contractors. You have nothing to lose and everything to gain.

Q: What do I have to do after the switches are installed?

A: Nothing. The switches are radio-controlled by the City personnel and require no maintenance by the customer. **In fact, IT IS ILLEGAL FOR A CUSTOMER TO ATTEMPT ANY MAINTENANCE OR TO REMOVE A SWITCH, considered under the City's tampering policy to be the same as an electric meter. Under North Carolina General Statutes 14-151-1, It is unlawful for any unauthorized person to alter, bypass, interfere with, or cut off any load management device, or system which has been installed by the electric supplier for the purpose of limiting the use of electricity at peak-load periods, provided, however, if there has been a written request to remove the load management**

equipment, or system to the electric supplier and the electric supplier has not removed the device within two working days, there shall be no violation of this section.” If you ever change your mind, you need only call the City of New Bern Electric Department to have someone remove the switch.

Q: How do I sign up?

A: Simply call New Bern Electric Utilities at 636-4070 and say you want to sign up for the load management programs that interests you.

Q: Don't I receive some sort of credit for participating?

A: Yes. Credits are issued to participating customers' electric accounts for the interrupting power to the controlled appliances for short periods which occur each its are issued during the following specified months, although appliances may also l for short periods of time in other months, if necessary, to reduce peak demand. ot water heaters are issued monthly. Credits for central air conditioners are issued in .ugust, and September. Credits for swimming pool pumps are issued in June, July, September. Credits for heat pumps and electric furnaces will be issued in December, ruary, and March. The credits for these appliances are as follows:

Water Heaters- (per unit) \$5.00/mo.

Central Air Conditioners- (per unit) \$5.00/mo. (June through Sept.)

Swimming Pool Pumps- (per unit) \$4.00/mo. (June through Sept.)

Heat Pumps/Electric Furnaces- (per home) \$10.00/mo. (January & February)

\$5.00/mo. (December & March)

Q: How does the rebate program work?

A: A \$400 rebate credit is offered for central heat pumps (minimum 12 SEER rating and at least one ton) for replacement units. A \$150 rebate credit is offered for high efficiency water heaters (minimum 0.91 energy factor and at least 30 gallons) for replacement units. Load management switches must be installed on these appliances. Customers must request a rebate credit for installing the energy efficient heat pumps and water heaters. After inspection and rebate form is approval by electric utilities, the rebate credit will be applied to the customer's electric account or a rebate check is issued to a landlord. If necessary, the load management switches can be removed from these appliances. If the customer requests the switches be removed within two years of the date that the rebate credit is issued, the full amount of the rebate credit will be charged back to the customer's electric account. A request for a switch removal after two years but within four years will result in one-half of the rebate credit being charged back to the

customer's electric account. After four years, if a switch is removed, none of the rebate credit is charged back to the customer's electric account.

On October 14 I had a conversation with Rich Olson, City Manager of Elizabeth City, Regarding their Energy Conservation Program.

Approximately four years ago, Elizabeth City started its own weatherization program. The City designates \$100,000 annually within its Electric Department budget for, in very broad terms, "weatherization". Elizabeth City hired an individual to do energy audits before ElectriCities had theirs. That individual does approximately 300-350 Energy Audits a year. He spends a lot of time educating residents. Whenever Elizabeth City has someone come in with complaints about a high bill, the first thing they do as a prerequisite is a free Energy Audit of the facility or home. He goes out to the site, inspects and tells people what the issues are. Elizabeth City is somewhat like the City of Washington in that they have a high proportion of rental units within their community (over 60%). Elizabeth City will work directly with both the tenants and the landlord on having a house weatherized.

Elizabeth City's own weatherization program mirrors the federal weatherization fund and uses the federal criteria. What Elizabeth City has done is contract with the weatherization program provider in its area so that they match whatever Elizabeth City does. The City had an arrangement that if Elizabeth City does 21-22 homes, the agency will do 21-22 homes within the Elizabeth City area. This has been pretty successful. Elizabeth City spends somewhere around \$3500-\$4000 per household for weatherizing a unit. In the period they have analyzed, in most cases owners/renters save anywhere from 25%-35% in individual utility bills. In the event of a tenant/landlord occupied home, the City strongly encourages that the landlord does not raise rent to offset his/her costs. It is a need based program based on the occupant's income. The City uses the federal guidelines and priority list in determining how their funds may be used. Priority is given to senior citizens who own their own home. Elizabeth City would much rather deal with property owner occupied units than a landlord. Four years ago, the City adopted a rental housing ordinance, which requires that all landlords meet minimum housing standards with inspections of rental units required every three years.

They feel it doesn't take that much to have an employee trained and equipped. Elizabeth City hired an employee away from the local Community Action Agency who did weatherization in the northeast part of the State. They continue to provide educational opportunities for him. He can now do some commercial and industrial buildings. He is one of the leading auditors in the State. He teaches classes at Elizabeth City State University on energy audits and also at the College of the Albemarle.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *AL*
Date: 11-03-10
Subject: Adopt Ordinance Amendment for Chapter 38, Water and Wastewater, to add Sections 38-400 – 38-411 - Water Shortage Response Plan.

Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move Council adopt an ordinance to amend Chapter 38 by adding Sections 38-400 – 38-411 - Water Shortage Response Plan per Article 38 of Chapter 143 of the North Carolina General Statutes.

BACKGROUND AND FINDINGS:

As you are aware from previous discussion, the Public Works department has been working on a Water Shortage Response Plan for some time now to meet the minimum requirements of Article 38 of Chapter 143 of the North Carolina General Statutes. We have finally met all of these requirements and have received written approval by NCDENR of the attached code amendment. This plan would be implemented in the event of drought conditions in an effort to conserve water consumption. As a point of reference, during the dry spell we had in this area a few years ago, we never came close to the triggers that would have required any mandatory consumption reductions outlined in the attached plan.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

___ Currently Budgeted (Account ___) ___ Requires additional appropriation X No Fiscal Impact

SUPPORTING DOCUMENTS

Attached ordinance amendment for Water Shortage Response Plan.

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review: *yes* Concur _____ Recommend Denial _____ No Recommendation 11/4 Date

**AN ORDINANCE TO AMEND CHAPTER 38, WATER AND WASTEWATER, BY ADDING
ARTICLE IX, WATER SHORTAGE RESPONSE PLAN**

WHEREAS, Article 38 of Chapter 143 of the North Carolina General Statutes requires, among other things, each unit of local government that provides public water service to prepare a local water supply plan and submit it to the Department of Environment and Natural Resources, which plan must include water conservation measures to respond to drought or other water shortage conditions.

NOW THEREFORE, BE IT ORDAINED by the City Council for the City of Washington, North Carolina that Chapter 38, Water and Wastewater, be amended as follows.

SECTION 1. That Chapter 38, Water and Wastewater, Article VIII, Enforcement, be amended by adding the following.

Sec. 38-371 – 38-399. Reserved.

SECTION 2. That Chapter 38, Water and Wastewater, be amended by adding the following Article IX, Water Shortage Response Plan.

ARTICLE IX. Water Shortage Response Plan (“Plan”).

Sec. 38-400. Purpose and Policy.

The purpose of this Article is to establish procedures for reducing potable water use during times of water shortage whenever existing water supply sources are inadequate to meet the then current demands for potable water.

A water shortage condition will exist whenever it is predicted that the water level in the Castle Hayne Aquifer will decline to the extent that continued availability of water for human consumption, sanitation, health, fire protection, and commercial usage is at risk after considering aquifer levels, demands, long-term precipitation forecasts, and availability of water from other sources. In the event a water shortage condition exists, it shall become necessary to declare a water shortage and implement the conservation requirements under the standards set forth herein.

Sec. 38-401. Definitions.

The following words, terms, and phrases, when used in this Article, shall have the meaning subscribed to them in this section except where the context clearly indicates a different meaning:

Customer’s average usage means water usage, measured in gallons, during the corresponding billing period of the most recent twelve month period ending June 30th in which no water use restriction pursuant to this Plan was in effect.

Sec. 38-402. Authorization.

Whenever the trigger conditions outlined in Sec. 38-404 are met, the City Manager shall declare a water shortage condition and implement the water shortage response provisions contained herein.

Sec. 38-403. Notification.

Upon declaration of a water shortage condition by the City Manager, City employees shall be informed of the declaration and the response measures that are required via a Citywide departmental meeting and e-mail notification. The residential, commercial, institutional, and industrial water customers shall be notified of the declaration and the response measures that are required by the following means of communication:

- (a) Connect CTY mass notification service;
- (b) City's website <http://www.washingtonnc.gov>;
- (c) City's cable channel 9;
- (d) Local newspaper(s);
- (e) Local television stations - WITN, WNCT and WCTI; and
- (f) Local radio stations.

Section 38-404. Levels of Response.

There shall be four levels of water shortage responses. A description of each response level and the corresponding water reduction measures are listed below. A customer education and outreach program will be available to encourage water conservation and assist with obtaining maximum results at each stage.

(a) *Stage I, Voluntary Reductions.*

In Stage I, Voluntary Reductions, all water customers will be asked to voluntarily reduce their normal water consumption by five (5) percent per day of the customer's average usage. Examples of such voluntary reductions and efficiency measures include the following:

- (1) Washing dishes by hand or fully loading dishwashers;
- (2) Identifying and repairing plumbing leaks;
- (3) Limiting the frequency of car washing;
- (4) Watering plants with leftover household water;
- (5) Watering plants deeply to encourage root growth;
- (6) Delaying the seeding or sodding of new lawns;
- (7) Washing clothes only with fully loaded washers;
- (8) Installing flow restriction devices on showers and toilets;
- (9) Prohibiting children from playing in lawn sprinklers; and
- (10) Putting industrial/commercial voluntary conservation programs into effect which:
 - a. Restrict water use for dust control,
 - b. Limit the washing of commercial vehicles,
 - c. Reduce usage of automatic exterior sprinklers, and
 - d. Limit the wash down of exterior impervious services.

With the exception of Beaufort County Hospital, private medical offices as well as public health clinics, and customers who purchase water at a wholesale rate, all non-residential customers who consume 1,000 cubic feet (7,480 gallons) of water

or more per day shall submit plans to the City Manager demonstrating the ability to reduce water consumption by ten (10) percent per day of the customer's average usage (Stage II, Mandatory Reductions I), which ten (10) percent shall be cumulative and may include any measures to achieve the five (5) percent voluntary reduction, and thirty (30) percent per day of the customer's average usage (Stage III, Mandatory Reductions II), which thirty (30) percent shall be cumulative and may include any measures to achieve the ten (10) percent reduction.

Determining the customers who consume 1,000 cubic feet (7,480 gallons) or more of water per day shall be based on the customer's average usage. If no meter readings are recorded or otherwise available for a customer's billing period, the City Manager will establish an average based on other users similar to the customer with no recorded readings.

(b) *Stage II, Mandatory Reductions I.*

In Stage II, Mandatory Reductions I, all residential water customers shall reduce their normal water consumption by five (5) percent per day of the customer's average usage, which five (5) percent shall be cumulative and may include any measures to achieve the five (5) percent voluntary reduction. With the exception of Beaufort County Hospital, private medical offices as well as public health clinics, and customers who purchase water at a wholesale rate, all non-residential customers who consume 1,000 cubic feet (7,480 gallons) of water or more per day shall implement the plan submitted in Stage I, Voluntary Reductions, for a ten (10) percent per day reduction and achieve a ten (10) percent per day reduction (cumulative) of the customer's average usage.

When Stage II, Mandatory Reductions I, is in effect and unless specifically allowed, it shall be a violation of this Article for any water customer to use water supplied by the City from the public water system for any of the following purposes.

- (1) Watering lawns, grasses, shrubbery, trees, flowers, and vegetable gardens except under the following circumstances.
 - a. Such watering is done on either a Wednesday and Saturday or Thursday and Sunday schedule as determined by geographic location within the City between the hours of 6:00 p.m. and 9:00 p.m. and such watering is done either by a handheld hose or container, a drip irrigation system, or automated sprinkler devices.
 - b. Persons regularly engaged in the sale of plants shall be permitted to use water to maintain such plants.
 - c. The City Manager shall have the authority to equitably adjust the foregoing restrictions by establishing zones or districts in which watering can be done on specified days and, further, depending on the water level in the aquifer, may authorize the operation of irrigation systems and other water uses restricted or prohibited by this Article, on specified days in specified zones or districts as he

determines is consistent with water conservation and the then current level of the aquifer.

- (2) Filling of newly constructed or drained pools, wading pools, ornamental fountains, ponds, or other structures designed to hold more than 100 gallons of water.
- (3) Washing outside areas such as streets, sidewalks, patios, service station aprons, parking lots, exteriors of office buildings, homes, or apartments, or using water for similar purposes; provided, however, that firms having a license from the City to conduct a pressure cleaning business in the City may wash residential, commercial, and office structures and other ancillary facilities as necessary to maintain public health and sanitation standards.
- (4) Using water for dust control or compaction.
- (5) Washing automobiles, trucks, trailers, vans, boats, airplanes, or any other type of mobile equipment; provided, however, persons regularly engaged in the business of washing motor vehicles or operating commercial car wash facilities shall be permitted to use water for such purposes and provided further, a business regularly engaged in the sale and/or leasing of vehicles may wash vehicles at the site of the business when they are received prior to placement on display for sale or lease, and when they are sold or leased to a new owner or lessor.
- (6) Using water from public or private fire hydrants for any purpose except fire suppression or other public emergency or other public works department needs.
- (7) Serving water in restaurants, cafeterias, or other eating establishments except upon request of patrons.

(c) *Stage III, Mandatory Reductions II.*

In Stage III, Mandatory Reductions II, all residential water customers shall reduce their normal water consumption by ten (10) percent per day of the customer's average usage, which ten (10) percent shall be cumulative and may include any measures to achieve the previous five (5) percent mandatory reduction. With the exception of Beaufort County Hospital, private medical offices as well as public health clinics, and customers who purchase water at a wholesale rate, all non-residential customers who consume 1,000 cubic feet (7,480 gallons) of water or more per day shall implement the plan submitted in Stage I, Voluntary Reductions, for a thirty (30) percent per day reduction and achieve a thirty (30) percent per day reduction (cumulative) of the customer's average usage.

When Stage III, Mandatory Reductions II, is in effect and unless specifically allowed, it shall be a violation of this Article for any water customer to use water supplied by the City from the public water system for the following purposes.

- (1) Using water in any of the ways restricted by the Stage II, Mandatory Reductions I, except as hereinafter provided or modified.
- (2) Watering lawns, grasses, shrubbery, trees, flowers, and vegetable gardens except under the following circumstances.

- a. Such watering is done either on a Saturday or Sunday, as determined by geographic location within the City, between the hours of 6:00 p.m. and 9:00 p.m. and such watering is done only by handheld hose or container, or a drip irrigation system.
 - b. Persons regularly engaged in the sale of plants shall be permitted to use water to maintain such plants.
 - c. The City Manager shall have the authority to equitably adjust the foregoing restrictions by establishing zones or districts in which watering can be done on specified days and, further, depending on the water level in the aquifer, may authorize the operation of irrigation systems and other water uses restricted or prohibited by this Article, on specified days in specified zones or districts as he determines is consistent with water conservation and the then current level of the aquifer.
- (3) Filling or refilling any swimming or wading pools, ornamental fountains, ponds, or other structures designed to hold more than 100 gallons of water.
- (4) Commercial car wash facilities shall be permitted to use water for washing motor vehicles provided they can certify to the City Manager that their car wash facility recycles a minimum of fifty (50) percent of the water.

All thirty (30) percent per day water consumption reduction plans required by this Article must be approved by the City Manager, in his sole discretion, and shall be subject to revision in the discretion of and at the direction of the City Manager. If the managed reduction in water usage cannot be obtained without threatening health or safety, or if there has been a significant change in the customer's circumstances, the customer may apply to the City Manager for a variance of that customer's plan and/or the water use reduction and restriction requirements of this Article. Customers may appeal the administrative decisions of the City Manager as described herein to the City Council.

(d) *Stage IV, Emergency and/or Water Rationing.*

In Stage IV, Emergency and/or Water Rationing, water consumption is restricted solely to providing drinking water to protect public health, such as in residences, residential health care facilities and correctional facilities. All water customers are only permitted to use water at the minimum required for public health protection. Firefighting is the only allowable outdoor water use. Pickup locations for distributing potable water will be announced via the means of communication listed in the notifications section contained hereinabove.

Sec. 38-405. Triggers or Conditions for Each Level.

Stage I, Voluntary Reductions, will be declared and implemented by the City Manager when drought condition thresholds are reached in the City's service area or regionally.

Stage II, Mandatory Reductions I, will be declared and implemented by the City Manager at any time the static water levels drop in any three (3) of the City's eight (8) monitoring wells to a level that is within twenty (20) feet of the corresponding production well's intake, or current trends indicate levels will reach said level within the next thirty (30) days. Stage II, Mandatory, Reductions I, may also be declared and implemented by the City Manager at any time the City's water treatment facilities treatment capability is reduced by twenty-five (25) percent of its maximum rated capacity.

Stage III, Mandatory Reductions II, will be declared and implemented by the City Manager at any time the static water levels drop in any four (4) of the City's eight (8) monitoring wells to a level that is within fifteen (15) feet of the corresponding production well's intake, or current trends indicate levels will reach said level within the next thirty (30) days. Stage III, Mandatory Reductions II, may also be declared and implemented by the City Manager at any time the City's water treatment facilities treatment capability is reduced by forty-five (45) percent of its maximum rated capacity.

Stage IV, Emergency and/or Water Rationing, will be declared and implemented by the City Manager at any time the static water levels drop in any four (4) of the City's eight (8) monitoring wells to a level that is within ten (10) feet of the corresponding production well's intake, or current trends indicate levels will reach said level within the next thirty (30) days. Stage IV, Emergency and/or Water Rationing, may also be declared and implemented by the City Manager at any time the City's water treatment facilities treatment capability is reduced by fifty-five (55) percent of its maximum rated capacity.

Sec. 38-406. Drought Surcharge Rates.

Drought surcharge rates may be implemented in Stages II, III and IV, and shall be determined and set by the City Council at or after the outset of each respective stage. The percentage increase in rates for residential and non-residential customers, respectively, that results from the imposition of drought surcharge rates at each respective stage shall not exceed the percentage decrease in average usage that is required for residential and non-residential customers, respectively, at each respective stage.

Sec. 38-407. Enforcement of Each Level.

The requirements of this Article will be enforced by the City's Public Works Department representatives, Code Enforcement Officers, and/or Police personnel. Any person who violates this Article shall be subject to a civil citation and shall be liable to the City for the civil penalties listed below, plus actual damages incurred by the City, per violation, per day so long as the violation continues. In addition to the civil penalties and damages specified in this section, the City may recover attorney's fees, court costs and other expenses of enforcement litigation. North Carolina General Statute § 14-4 shall be inapplicable to this Article and violations of this Article shall not be considered a breach of the penal laws of the State of North Carolina.

- (a) *Residential Users:*
 - (1) First Violation – Warning notice.
 - (2) Second Violation – One hundred dollar (\$100.00) civil penalty.
 - (3) Third Violation – Two hundred fifty dollar (\$250.00) civil penalty.
 - (4) Fourth Violation – Termination of service until such time as the violator establishes to the reasonable satisfaction of the City Manager that such customer has taken appropriate steps to prevent any further violations.
 - (5) Fifth Violation – Termination of service until the City Manager declares an end of the water shortage.
- (b) *Non-Residential Users:*
 - (1) First Violation – Warning notice.
 - (2) Second Violation – Two hundred fifty dollar (\$250.00) civil penalty.
 - (3) Third Violation – Five hundred dollar (\$500.00) civil penalty.
 - (4) Fourth Violation – Termination of service until such time as the violator establishes to the reasonable satisfaction of the City Manager that such customer has taken appropriate steps to prevent any further violations.
 - (5) Fifth Violation – Termination of service until the City Manager declares an end of the water shortage.
- (c) *Non-Residential High Volume Water Users – 1,000 cubic feet (7,480 gallons) or more per day:*
 - (1) First Violation – Warning notice.
 - (2) Second Violation – One thousand dollar (\$1,000.00) civil penalty.
 - (3) Third and Subsequent Violations – Five thousand dollar (\$5,000.00) civil penalty.

Sec. 38-408. Variance Protocols.

Applications for the variances provided for in this Article are available from the Public Works Director's Office. All variance applications must be submitted to the Public Works Department for review by the City Manager or his/her designee. The variance approval or denial will be given within two (2) weeks of the Public Works Director's Office's receipt of a properly completed application and will be determined by consideration of, among other things, the current water supply and demand. Variances are revocable in the discretion of the City Manager.

Sec. 38-409. Abatement.

As water shortage conditions abate, water conservation and reduction measures employed during each stage will be decreased in reverse order of implementation. Permanent measures directed toward long-term monitoring and conservation will be implemented or continued so that the community will be in a better position to prevent shortages and respond to recurring water shortage conditions.

Sec. 38-410. Effectiveness.

The effectiveness of this Article will be evaluated by the measured reductions in water usage for residential and non-residential customers according to each

percentage of reduction per stage and the time elapsed during each stage compared to the past history of each customer.

Sec. 38-411. Revision.

This Article will be reviewed and revised as needed to adjust to new water demands based on the City's need and at least every five (5) years. The City Manager and staff will evaluate the Plan after the induction and completion of the Plan. If recommendations for changes are made, the City Manager will notify the City Council and the public of the recommended changes and submit recommended changes to City Council for its consideration.

* **State Law References** – Water conservation measures for drought, G.S. 143-355.2; Publicly and Privately Owned Water System Water Shortage Response Planning Requirements, 15A NCAC 02E .0607.

SECTION 3. All prior ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

SECTION 4. Should any provision of this Ordinance be declared invalid or unconstitutional by any court of any competent jurisdiction, such declaration shall not affect the validity of the Ordinance as a whole or any part thereof that is not specifically declared to be invalid or unconstitutional.

SECTION 5. This Ordinance shall become effective upon adoption.

Adopted this the _____ day of _____, 2010.

Mayor

ATTEST:

City Clerk



City of Washington
MEMORANDUM

To: Mayor Jennings & Members of the City Council
From: James C. Smith, City Manager *JCS*
Date: November 8, 2010
Subject: LWCF Conversion Approval

The City recently received approval (attached) through the NC Department of Environmental and Natural Resources (DENR) from the National Park Service (NPS) for our request to replace the .5 acres of Haven's Garden property purchased by DOT for the Hwy. 32 bridge project with the following:

Property	\$ Cost	Acres
- Mayo Tract 1	67,150	3.5
- Mayo Tract 2	6,000	0.25
- Mayo Tract 3	53,000	5.36
- Healthplus	<u>175,000</u>	<u>3.439</u>
- Total	301,150	12.549

The proceeds from DOT for the .5 acres were \$145,200. After the Mayo purchases \$19,050 of the \$175,000 Healthplus purchase can be covered with DOT proceeds. It is contemplated that the remaining \$155,950 would be provided for by the Recovery Zone Economic Development Bond financed storm water drainage project.

To provide flexibility to incorporate or allow some incidental uses of the property that are compatible with, or at least do not frustrate or interfere with, recreational use of the Healthplus property, it is suggested that our conversion request be amended to reflect a proportionate share of the acreage that is consistent with NPS's valuation requirements.



North Carolina Department of Environment and Natural Resources
Division of Parks and Recreation

Beverly Eaves Perdue, Governor

Lewis R. Ledford, Director

Dee Freeman, Secretary

October 27, 2010

Mr. Matt Rauschenbach
City of Washington
P.O. Box 1988
Washington, North Carolina 27889-1988

RE: LWCF Conversion Approval – Haven Gardens Park
LWCF Project # 37-00622B

Dear Mr. Rauschenbach:

The N.C. Department of Environment and Natural Resources (DENR) has received approval from the National Park Service (NPS) for the city's request to convert .50 acres at Haven Gardens Park to allow DOT to replace the N.C. Highway 32 bridge. The Land and Water Conservation Fund (LWCF) conversion approval includes the city being required to replace the converted land with 12.549 acre of new parkland adjacent to existing city parks. The approved replacement land includes Mayo Tract #1 (3.5 acres), Mayo Tract #2 (0.25 acres), Mayo Tract #3 (5.36 acres) and Healthplus Tract A (3.439 acres).

With the conversion approval, the protected Section 6(f)(3) boundaries for the Haven Gardens Park's LWCF project will include a total of 19.039 acres (Haven Gardens Park – 6.49 acres, Seventh Street Park – increase its LWCF acreage by 3.439 acres from the Healthplus tract A, and Susiegray McConnell Sports Complex will increase its park acreage by 9.11 acres).

To complete the LWCF conversion process, the city is required to acquire the replacement tracts and to place an "LWCF affidavit/notification of limitation of use" statement as part of each deed for each of the four tracts. The affidavit should include the language "the property identified has been acquired/developed with federal Land and Water Conservation Fund assistance from the National Park Service and pursuant to the requirements of that program must be used for public recreation purposes only in perpetuity."

It's DENR's understanding the city received an LWCF waiver from NPS to acquire all the replacement property in advance of NPS approving the LWCF conversion. Therefore, we request for the city to expedite inclusion of the LWCF affidavit as part of the deeds and to submit three (3) copies of each deed to DENR.

The conversion will be officially completed once the deeds are received by DENR. I have enclosed a copy of the executed NPS conversion amendment for the city's Haven Gardens Park's LWCF project file.

If you have any questions, please contact Steve Moler at (252) 948-3888.

Sincerely,

John C. Poole, Grants Program Manager

Cc: Franz Holscher, City Attorney; Phil Mobley, Recreation Director; Steve Moler, RRS

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November 8, 2010
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UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

STATE North Carolina

Project Amendment No. 37-00553.2

AMENDMENT TO PROJECT AGREEMENT

(OMB No. 1024-0033, August 31, 2010)

THIS AMENDMENT To Project Agreement No. 37-00553 is hereby made and agreed upon by the United States of America, acting through the Director of the National Park Service and by the State of North Carolina pursuant to the Land and Water Conservation Fund Act of 1965, 78 Stat. 897 (1964).

The State and the United States, in mutual consideration of the promises made herein and in the agreement of which this is an amendment, do promise as follows:

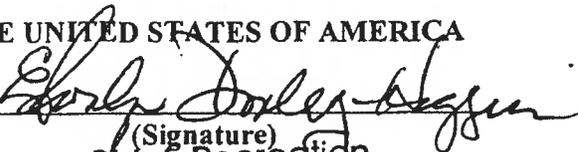
That the above mentioned agreement is amended by adding the following:

In accordance with Section 6(f)(3), DENR request to delete .50 acres valued at \$145,200 and to replace the converted land with 12.549 acres valued at \$ 246,650.

In all other respects the agreement of which this is an amendment, and the plans and specifications relevant thereto, shall remain in full force and effect. In witness thereof the parties hereto have executed this amendment as of the date entered below.

THE UNITED STATES OF AMERICA

By



(Signature)
Chief, Recreation
Programs Branch
(Title)

National Park Service
United States Department of the Interior

Date

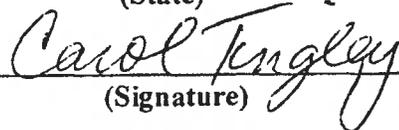
10-19-10

STATE

North Carolina

(State)

By



(Signature)

Carol Tingley

(Name)

Alternate State Liaison Officer

(Title)

Estimated Burden Statement: The public reporting burden for this collection of information is estimated to average 3 hours per response including time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding this burden estimate or any aspect of this form should be sent to the National Park Service, State and Local Assistance Programs Division, 1849 C Street NW, Washington, DC 20240.

Paperwork Reduction Act Statement: This form is necessary to provide data input into an NPS project database which provides timely data on projects funded over the life of the program. Such data is used to monitor project progress and to analyze program trends. A Federal Agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Any comments on the burden estimate or other aspects of this collection of information may be addressed to the National Park Service, State and Local Assistance Programs Division, 1849 C Street NW, Washington, DC 20240.



City of Washington **REQUEST FOR CITY COUNCIL ACTION**

To: Mayor Jennings & Members of the City Council
From: Keith Hardt, P.E., Electric Director *WH*
Date: 28 October 2010
Subject: Award Contract for Electric Relocation Project for NCDOT
Applicant Presentation: None
Staff Presentation: Keith Hardt, P.E., Electric Director

RECOMMENDATION:

I recommend that the City of Washington award a contract in the amount of \$ _____ to _____ for the relocation of electric infrastructure associated with the NCDOT 2510C US Highway 17 Widening project.

BACKGROUND AND FINDINGS:

This request is to award a contract for the labor, materials, and equipment to relocate the electrical distribution facilities in the vicinity of the NCDOT 2510C US 17 Highway 17 widening project.

The North Carolina Department of Transportation (NCDOT) has requested that the City of Washington relocate the overhead electrical distribution facilities in the vicinity of US Highway 17 North so that the roadway can be widened. **The City of Washington has easements and prior rights for all of the existing City electrical distribution facilities and such will not be required to pay any of the costs associated with this electric utility relocation. All costs associated with this relocation will be paid by NCDOT.**

Due to current construction schedules NCDOT has requested that the City of Washington award this contract as soon as possible to coordinate with the NCDOT environmental permits and their construction schedule associated with the construction of the roadway.

The bid opening was held on Thursday, 4 November 2010 at 2:00 p.m. A bid tabulation and award recommendation will be distributed to the City Council meeting at their 8 November 2010 meeting.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *WH* Concur November 2010 Denial _____ No Recommendation 11/4 Date _____
Page 107 of 152

PREVIOUS LEGISLATIVE ACTION

None.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Attached.



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Keith Hardt, P.E., Electric Director *KH*
Date: 28 October 2010
Subject: Adopt Policy Regarding Claims Payment Policy
Applicant Presentation: None
Staff Presentation: Keith Hardt, P.E., Electric Director

RECOMMENDATION:

I recommend that the City of Washington approve the attached insurance policy.

BACKGROUND AND FINDINGS:

The City of Washington currently has bodily injury and property damage insurance coverage with the North Carolina League of Municipalities (League). There has been included in prior year's City budgets monies to pay for damages above and beyond those damages covered under the League's insurance coverage. The directive given to the League's adjustors was that any private property damage caused by a "failure of equipment" on the City's electric system was paid in the same manner as all other paid claims made on the City. This insurance payment disparity exists between the electric department and all other departments. In addition, we can find no other City electric department or other public/private electric utility in the State of North Carolina that has this practice.

Attached is a policy to adjust all claims made on the City of Washington in accordance with the insuring agreement between the League and the City of Washington. All claims filed with respect to the City's electric system shall be adjusted in the same manner as all other claims made on the City of Washington.

PREVIOUS LEGISLATIVE ACTION

None.

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review: *god* Concur _____ Recommended _____ Denial _____ No Recommendation *11/4* Date _____
 November 8, 2010
 Page 109 of 152

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Attached.

From the North Carolina League of Municipalities:

SECTION I - COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance does not apply to punitive damages or exemplary damages. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result.

Proposed City of Washington Policy:

Based on the recommendation of the City's insurance carrier and the carrier's adjuster, the City of Washington shall authorize payment for only those sums that the City of Washington becomes legally obligated to pay as compensatory damages because of "bodily injury" or "property damage" to which the policy issued by the insurance carrier applies. This insurance does not apply to punitive damages or exemplary damages. The City of Washington's insurance carrier will have the right and duty to defend the City of Washington against any "suit" seeking those damages. However, insurance carrier shall have no duty to defend the City of Washington against any "suit" seeking damages for "bodily injury" or "property damage" to which the insurance carrier's policy does not apply. The insurance carrier may, at their discretion, investigate any "occurrence" and settle any claim or "suit" that may result.

"Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

"Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

"Suit" means a civil proceeding in which damages because of "bodily injury," "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *AL*
Date: 11-03-10
Subject: Tentatively award the construction contract for stormwater improvements Pennsylvania Ave.

Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that Council tentatively award the construction contract to T.A. Loving Company stormwater improvements in various parts of the City.

BACKGROUND AND FINDINGS:

The Public Works Department advertised to receive bids on November 2, 2010 for the stormwater improvements in various parts of the City that have been discussed in previous Council meetings. There were three bids received. Attached is a copy of the bid tabulation sheet. T.A. Loving Company was the low bidder with a bid price, including two bid alternates, of \$3,500,774.00. With your permission, we will begin negotiations with T.A. Loving Company and Rivers and Associates to include the Northwood area drainage improvements that were previously identified in a drainage study and further discussed at the October 11, 2010 council meeting. The result of those negotiations will be brought to Council for approval as well.

The project will consist of storm drainage improvements in three (3) areas: the Airport Canal drainage area from Minuteman Lane to Whispering Pines Road, Jack's Creek from Park Drive to 8th Street and the Smallwood area from Keysville Road to Lodge Road. With Council's approval and successful negotiations, the Smallwood improvements should be extended to the Northwood area as well. These projects, once completed should help reduce the frequency and duration of flooding during severe rain events.

PREVIOUS LEGISLATIVE ACTION

Most recently: adopted resolution authorizing the filing of an application for approval of a financing agreement – October 11, 2010.

FISCAL IMPACT

Currently Budgeted (Account 58-90-5710-7400) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Bid summary sheet.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *JA* Concur _____ Recommend Denial _____ No Recommendation *N/Y* Date _____

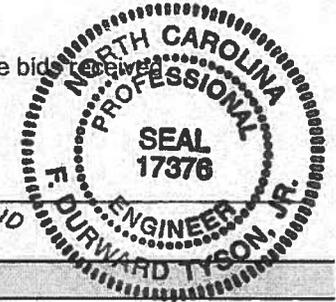
**CITY OF WASHINGTON
 BID SUMMARY SHEET**

Rivers & Associates, Inc.
 Greenville, NC 27858

PROJECT: City of Washington
 Storm Drainage Improvements
OWNER: City of Washington
BID OPENING: November 2, 2010 @ 2:00pm
LOCATION: City Council Chambers, Municipal Bldg.

I certify that this is a true record of the bids given.

11-3-10



<u>CONTRACTOR</u>	<u>LIC. NO.</u>	<u>BID BOND</u>	<u>ADD. RECEIVED</u>	<u>TOTAL PROJECT BASE BID</u>	<u>TOTAL ALT. BID #1</u>	<u>TOTAL ALT. BID #2</u>	<u>TOTAL ALT. BID #3</u>
<u>T.A. Loving Company</u>	<u>325</u>	<u>5%</u>	<u>1 & 2</u>	<u>\$2,887,914.00</u>	<u>\$501,235.00</u>	<u>\$111,625.00</u>	<u>\$1,930,500.00</u>
<u>Greenville Paving & Contracting, Inc.</u>	<u>19366</u>	<u>5%</u>	<u>1 & 2</u>	<u>\$3,411,010.86</u>	<u>* \$518,195.78</u>	<u>\$93,689.75</u>	<u>* \$2,574,086.25</u>
<u>Trader Construction Co.</u>	<u>2943</u>	<u>5%</u>	<u>1 & 2</u>	<u>\$4,488,196.20</u>	<u>\$748,124.75</u>	<u>\$88,193.75</u>	<u>\$2,041,545.00</u>

* indicates corrected figure



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: November 8, 2010
Subject: Authorized Agent, Application for Approval of Installment Purchase Contract

Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council authorize Matt Rauschenbach to act as the Authorized Agent for the NC Department of State Treasurer, Local Government Commission (LGC), application for approval of installment purchase contract.

BACKGROUND AND FINDINGS:

Approval for the issuance of the Recovery Zone Economic Development Bonds is a requirement of the LGC. The application is scheduled to be submitted November 9th and will be on the agenda for the LGC's review on December 7.

PREVIOUS LEGISLATIVE ACTION

Multiple

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact .

SUPPORTING DOCUMENTS

Application for approval of installment purchase contract

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *[Signature]* Concur November 8, 2010 Recommend Denial No Recommendation
 Date *11/8/10* Page 116 of 152



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: November 8, 2010
Subject: Award the Financing Bid for the Installment Purchase Contract of the Recovery Zone Economic Development Bond (RZEDB) Projects
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council award a not to exceed \$5,977,984 installment purchase bid to _____ for the financing of the RZEDB projects.

BACKGROUND AND FINDINGS:

In fiscal year 2009-2010 Council authorized the City to apply for \$5,977,984 of RZEDB's that were subsequently allocated. \$4,000,000 of the initial award is included in the 2010-2011 budget. \$42,000 of the \$4,000,000 is for Fire Station #1 roof replacement. Council has expressed interest in expanding the project to include the Northwood section of Smallwood dependant on the outcome of construction and financing bids and the ability to service the debt from \$400,000 per year net revenue generated in the Storm Water Fund.

We now know that the storm water project including the Northwood section will cost \$_____ and can be serviced with the net revenue and available resources including fund balance of the Storm Water Fund.

PREVIOUS LEGISLATIVE ACTION

2010-2011 adopted budgets and various Council actions.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Financial institution bids
Storm water debt service schedule

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: gjr Concur _____ Recommend Denial _____ No Recommendation
11/8 Date November 8, 2010
Page 117 of 152



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Philip Mobley, Director Parks and Recreation *pm*
Date: November 8, 2010
Subject: Adopt Resolution of Support in applying for NCDOT Bicycle Comprehensive Plan
Applicant Presentation: None
Staff Presentation: None

RECOMMENDATION:

1) I move that City Council adopt a Resolution of Support to apply for a NCDOT grant for a Bicycle Comprehensive Plan.

BACKGROUND AND FINDINGS:

The purpose of this Council Action is for City Council to adopt a resolution of support for a City of Washington Bicycle Comprehensive Plan. This Comprehensive Plan is an important step to developing the Rails to Trails project.

The Parks and Recreation Department would like to submit an application to NCDOT for funding to do a Bicycle Comprehensive Plan. The funding amount is \$36,000. Funding is 80% NCDOT and 20% cash by City of Washington.

If the City of Washington is awarded the grant, the award committee will make a recommendation to NC DOT in March 2011. Staff will return to City Council for authorization to accept the grant.

The Deadline for submitting the application is December 3, 2010.

PREVIOUS LEGISLATIVE ACTION

The City of Washington has applied for the past 3 years but was not awarded the Grant. September 21, 2009- City Council adopted resolution to support Washington-Greenville Greenway planning activities.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Resolution of Support

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *js* Concur _____ Recommend Denial _____ No Recommendation *nlv* Date _____

**RESOLUTION STATING THE SUPPORT
OF THE CITY OF WASHINGTON
FOR SUBMITTING A BICYCLE SYSTEM PLANNING GRANT TO
THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION**

A meeting of the City Council of the City of Washington was held in the Washington City Hall, the regular meeting place, on November 8, 2010. There were _____ City Council members present.

The City Council members were advised that the City intends to submit an application for grant funding in the amount of \$28,000 to the North Carolina Department of Transportation. The grant application will be submitted under the North Carolina Department of Transportation Bicycle and Pedestrian Planning Grant Program to develop a City wide bicycle trail system plan for the City of Washington. There is a local match of _____% that will be required of the City.

Council Member _____ introduced the following resolution, which was read:

- 1) That the City of Washington is aware of the community's needs with respect to providing a safe and efficient transportation system including access for cyclists.
- 2) That the City of Washington fully supports submission of an application by the City Parks and Recreation Department to the North Carolina Department of Transportation for funding to develop a bicycle trail system plan.
- 3) That the Director of Parks and Recreation be hereby authorized to sign and execute the grant application to be submitted to the North Carolina Department of Transportation.
- 4) That upon completion of the application the completed document will be filed in the City of Washington City Hall. Upon motion of Council Member _____, and seconded by Council Member _____, said resolution was unanimously passed.
- 5) That if the application for funding is successful, the Washington City Council authorizes the use of \$7,000 in general funds to be utilized as a local match required under the terms of the North Carolina Department of Transportation Bicycle and Pedestrian Planning Grant Program."

I, _____, Clerk of the City of Washington, North Carolina, do hereby certify that the foregoing is a true copy of the proceedings of the Washington City Council, at a meeting held November 8, 2010, as related to submittal of an application for grant funding to the North Carolina Bicycle and Pedestrian Planning Grant Program.

WITNESS my hand and seal of the said City of Washington, this the ___ day of _____, 2010.

(SEAL)

(MAYOR)

(CLERK TO THE BOARD)



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Philip Mobley, Director Parks and Recreation *plm*
Date: November 8, 2010
Subject: Authorize City Manager to sign the Authorized Agent Consent Agreement to amend the Major CAMA Permit for Havens Gardens

Applicant Presentation: None
Staff Presentation: None

RECOMMENDATION:

1. I move City Council authorize the City Manager sign the Authorized Agent Consent Agreement as the Property Owner, to amend the major CAMA Permit for Havens Gardens.

BACKGROUND AND FINDINGS:

Monica Ferrari is heading an initiative to install a kayak dock on the north side of Havens Gardens next to the Havens Gardens Boat Ramp. In order to install this ramp an amendment to the current Major CAMA permit for Havens Gardens is needed

After a presentation by Monica Ferrari, the Recreation Advisory Committee unanimously agreed to support the installation of the kayak launch at Havens Gardens and to amend the CAMA Permit with City Council's Approval.

PREVIOUS LEGISLATIVE ACTION

- Major CAMA Permit for Havens Gardens

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Authorized Agent Consent Agreement

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

Authorized Agent Consent Agreement

I _____, hereby authorize _____ to act on
(Property Owner) (Authorized Agent)
my behalf in obtaining CAMA permits for the location listed below.

Property Address:

Property Owner's Mailing Address:

Property Owner's Signature: _____

Authorized Agent Signature: _____

Date: _____



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Philip Mobley, Dir. Parks and Recreation 
Date: November 8, 2010
Subject: Approve and Authorize the City Manager to execute Lease Agreement with NC Wildlife Resources Commission
Applicant Presentation: None
Staff Presentation: Philip Mobley

RECOMMENDATION:

I move that Council approve and authorize the City Manager to execute a lease agreement with the NC Wildlife Resources Commission for the Havens Gardens Boat Ramp Area.

BACKGROUND AND FINDINGS:

For the past two years, the Washington Parks and Recreation Department has been in negotiations with the NC Wildlife Resources Commission (WRC) for the possibility of the WRC Maintaining the Havens Gardens Boat Ramp Area.

With the help of WRC Commissioner, Mitch St Clair, the result is a 25 year lease for this area. A copy is attached for City Council to review and approve.

I have met with the owners of Back Water Jacks and Inner Banks Outfitters to show them maps of the proposed lease site and to answer questions about parking.

We have met on several occasions with the local kayak group to explain the city's proposed new role at the site if the lease agreement is approved.

The Washington Recreation Advisory Committee has discussed the WRC proposal at numerous meetings and is in favor of the upgrade and lease agreement with the WRC.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

- Map of site
- Lease Agreement

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review:  Concur _____ Recommend Denial _____ No Recommendation 11/4 Date
 November 8, 2010
 Page 122 of 152

MEMORANDUM OF AGREEMENT

AGREEMENT TO REPAIR, IMPROVE, AND OPERATE A PUBLIC BOATING ACCESS FACILITY

This agreement is made and entered into this the _____ day of _____, 2010, by and between the **NORTH CAROLINA WILDLIFE RESOURCES COMMISSION**, hereinafter referred to as the **COMMISSION**, and the **City of Washington**, hereinafter referred to as the **CITY**.

I. PURPOSE OF THE AGREEMENT

It is mutually agreed that the COMMISSION and the CITY will cooperate to provide free public boating access to the Pamlico River on Runyon Creek North of NC 32 near where Runyon Creek enters the Pamlico River.

II. RESPONSIBILITIES

A. The COMMISSION agrees to:

1. Provide design development for repairs and improvements to the public boat landing, including the parking area.
2. Obtain all regulatory permits required for repairs and improvements.
3. Construct all repairs and improvements to the boat landing and adjacent courtesy docks.
4. Maintain the landing, in a serviceable condition, as a free public boating access area, with no closure of the site, except for repair purposes or emergency situations.

B. The COUNTY agrees to:

1. Provide free public boat access including vehicle and trailer parking, open 24 hours a day 7 days a week with no closure of the site, except for repair and improvements or emergency situations.
2. Maintain the grounds surrounding the site keeping the grass mowed at regular intervals year round and litter removed regularly.

III. TERMINATION

It is mutually agreed that either party may terminate its involvement in this agreement by written notice to the other at least 120 days in advance of the date on which termination is to become effective. At said time of termination, the TOWN will reimburse the COMMISSION for a prorated amount of the improvements to the site based on a 25 year amortization.

IV. TERM OF AGREEMENT

This agreement shall become effective upon full execution and shall continue in effect for a period equal to 25 years.

IN TESTIMONY WHEREOF, this Cooperative Agreement has been executed by the parties hereto, in duplicate originals, as of the date first above written.

City of Washington

Jim Smith, City Manager

ATTEST

Name, Title

NORTH CAROLINA WILDLIFE RESOURCES
COMMISSION

Gordon S. Myers, Executive Director

ATTEST

Erik Christofferson, Engineering Services
Division Chief

MEMORANDUM OF AGREEMENT

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1. Provide design development for repairs and improvements to the public boat landing, including the parking area.
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City of Washington

Jim Smith, City Manager

ATTEST

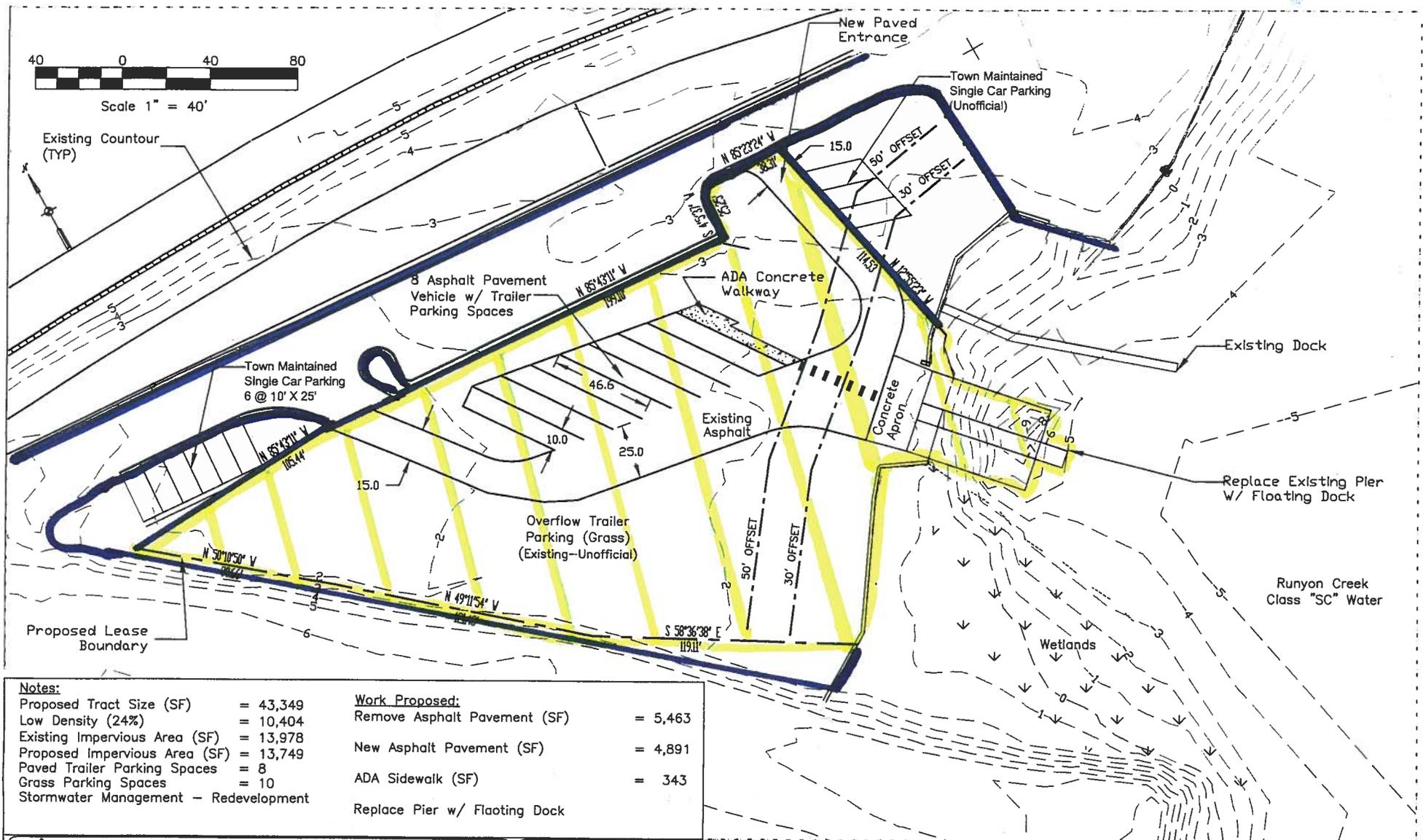
Name, Title

NORTH CAROLINA WILDLIFE RESOURCES
COMMISSION

Gordon S. Myers, Executive Director

ATTEST

Erik Christofferson, Engineering Services
Division Chief



Notes:		Work Proposed:	
Proposed Tract Size (SF)	= 43,349	Remove Asphalt Pavement (SF)	= 5,463
Low Density (24%)	= 10,404	New Asphalt Pavement (SF)	= 4,891
Existing Impervious Area (SF)	= 13,978	ADA Sidewalk (SF)	= 343
Proposed Impervious Area (SF)	= 13,749	Replace Pier w/ Floating Dock	
Paved Trailer Parking Spaces	= 8		
Grass Parking Spaces	= 10		
Stormwater Management - Redevelopment			

NORTH CAROLINA WILDLIFE RESOURCES COMMISSION DIVISION OF ENGINEERING SERVICES <small>STATE SERVICE CENTER WASHINGTON, NORTH CAROLINA 27878</small>	Haven Garden Washington, NC Tar River	DESIGN ENGINEER: <i>dec</i> APPROVED: REVISION: CAD FILE ID: <i>haven garden.dwg</i>	DATE: <i>October 2010</i> DATE: DATE:	SHEET 1 OF 1
	Conceptual Improvements			

Yellow is the proposed 25 yr lease area at Havens Gardens Boat Ramp area by WRC.

Blue the remaining area of HGBR area to be retained by the City of Washington



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Philip Mobley, Director Parks and Recreation 
Date: November 8, 2010
Subject: Approve and Authorize Director to execute Waterfront Docking Agreement for NC Estuarium River Rover
Applicant Presentation: None
Staff Presentation:

RECOMMENDATION:

1. I move City Council Approves and Authorizes the Director of Parks and Recreation or his designee to execute the Waterfront Docking Agreement for NC Estuarium, River Rover.

BACKGROUND AND FINDINGS:

Staff and the City Attorney have been working with the NC Estuarium to update the Waterfront Docking Agreement for the River Rover. The River Rover gives tours of the Pamlico and Tar Rivers to patrons of the NC Estuarium.

The Washington Recreation Advisory Committee has approved this proposed updated Waterfront Docking Agreement for NC Estuarium when we reviewed the docking agreement with the R/V Riggs, the ECU Research Vessel.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Proposed Waterfront Docking Agreement for NC Estuarium.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review:  Concur _____ Recommend Denial _____ No Recommendation 11/4 Date



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Cynthia S. Bennett, City Clerk
Date: October 28, 2010
Subject: Adopt Resolution Adopting Code of Ethics for the City Council as required by NCGS 160A-86
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that the City Council adopt a Resolution adopting a Code of Ethics for the City Council of the City of Washington as required by NCGS 160A-86.

BACKGROUND AND FINDINGS:

The resolution or policy containing a Code of Ethics is required by G.S. 160A-86 shall be adopted by each municipality, county, local board of education, unified government, sanitary district, and consolidated city-county on or before January 1, 2011.

PREVIOUS LEGISLATIVE ACTION

October 8, 1990 - Resolution of Intent of the City Council of the City of Washington Regarding Standards of Conduct for City Officials

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

1990 - Standards of Conduct
Code of Ethics

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *JCS* Concur _____ Recommend Denial _____ No Recommendation 11/4 Date

Resolution Adopting a Code of Ethics for the
City Council of
The City of Washington, North Carolina

WHEREAS, the Constitution of North Carolina, Article 1, Section 35, reminds us that a “frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty,” and

WHEREAS, a spirit of honesty and forthrightness is reflected in North Carolina’s state motto, *Esse quam videri*, “To be rather than to seem,” and

WHEREAS, Section 160A-86 of the North Carolina General Statutes requires local governing boards and Councils to adopt a code of ethics, and

WHEREAS, as public officials we are charged with upholding the trust of the citizens of this town, and with obeying the law, and

NOW THEREFORE, in recognition of our blessings and obligations as citizens of the State of North Carolina and as public officials representing the citizens of the City of Washington, and acting pursuant to the requirements of Section 160A-86 of the North Carolina General Statutes, we the City Council do hereby adopt the following General Principles of Code of Ethics to guide the Council members in its lawful decision-making.

GENERAL PRINCIPLES UNDERLYING THE CODE OF ETHICS

- The stability and proper operation of democratic representative government depend upon public confidence in the integrity of the government and upon responsible exercise of the trust conferred by the people upon their elected officials.
- Governmental decisions and policy must be made and implemented through proper channels and processes of the governmental structure in compliance with the letter and intent of the City Charter.
- Council members must be able to act in a manner that maintains their integrity and independence, yet is responsive to the interests and needs of those they represent.
- Council members must always remain aware that at various times they play different roles:
 - As advocates, who strive to advance the legitimate needs of their citizens.
 - As legislators, who balance the public interest and private rights in considering and enacting ordinances and resolutions.
 - As decision-makers, who arrive at fair and impartial quasi-judicial and administrative determinations.

- Council members must know how to distinguish among these roles, to determine when each role is appropriate, and to act accordingly.
- Council members must be aware of their obligation to conform their behavior to standards of ethical conduct that warrant the trust of their constituents. Each official must find within his or her own conscience the touchstone by which to determine what conduct is appropriate.

CODE OF ETHICS

The purpose of this Code of Ethics is to establish guidelines for ethical standards of conduct for the City Council and to help determine what conduct is appropriate in particular cases. It should not be considered a substitute for the law or for a Councilmember's best judgment.

Section 1. Council members should obey all laws applicable to their official actions as members of the Council. Council members should be guided by the spirit as well as the letter of the law in whatever they do.

At the same time, Council members should feel free to assert policy positions and opinions without fear of reprisal from fellow Council members or citizens. To declare that a Council member is behaving unethically because of disagreeing with that Council member on a question of policy (and not because of the Council member's behavior) is unfair, irresponsible, and itself unethical.

Council members should endeavor to keep up to date, through the Council's attorney and other sources, about new or ongoing legal or ethical issues they may face in their official positions. This educational function is in addition to the day-to-day legal advice the Council may receive concerning specific situations that arise.

Section 2. Council members should act with integrity and independence from improper influence as they exercise the duties of their offices. Characteristics and behaviors consistent with this standard include the following:

- Adhering firmly to a code of sound values.
- Behaving consistently and with respect toward everyone with whom they interact.
- Exhibiting trustworthiness.
- Living as if they are on duty as elected officials regardless of where they are or what they are doing.
- Using their best independent judgment to pursue the common good as they see it, presenting their opinion to all in a reasonable, forthright, consistent manner.
- Remaining incorruptible, self-governing, and unaffected by improper influence while at the same time being able to consider the opinions and ideas of others.
- Disclosing contracts and information about issues that they receive outside of public meetings and refraining from seeking or receiving information about quasi-judicial matters outside of the quasi-judicial proceedings themselves.

- Treating other Council members and the public with respect and honoring the opinions of others even while the Council members disagree with those opinions.
- Not reaching conclusions on issues until all sides have been heard.
- Showing respect for their offices and not behaving in ways that reflect on those offices.
- Recognizing that they are a part of a larger group and acting accordingly.
- Recognizing that individual Council members are not generally allowed to act on behalf of the Council but may only do so if the Council specifically authorizes it, and that the Council must take official action as a body.
- Avoiding conflicts of interest.

Section 3. Council members should avoid impropriety in the exercise of their official duties. Their official actions should be above reproach. Although opinions may vary about what behavior is inappropriate, this Council will consider impropriety in terms of whether a reasonable person who is aware of all of the relevant facts and circumstances surrounding the Council member's action would conclude that the action was inappropriate.

If a Council member believes that his or her actions, while legal and ethical, may be misunderstood, the member should seek the advice of the Council's attorney and should consider publicly disclosing the facts of the situation and the steps taken to resolve it.

Section 4. Council members should faithfully perform the duties of their offices. They should act as especially responsible citizens whom others can trust and respect. They should set a good example for others in the community, keeping in mind that trust and respect must continually be earned.

Council members should faithfully attend and prepare for meetings. They should carefully analyze all credible information properly submitted to them, mindful of the need not to engage in communications outside the meeting in quasi-judicial matters. They should demand full accountability from those over whom the Council has authority.

Council members should be willing to bear their fair share of the Council's workload. To the extent appropriate, they should be willing to put the Council's interests ahead of their own.

Section 5. Council members should conduct the affairs of the Council in an open and public manner. They should comply with all applicable laws governing open meetings and public records, recognizing that doing so is an important way to be worthy of the public's trust. They should also remember that local government records belong to the public and not to Council members or their employees.

In order to ensure strict compliance with the laws concerning openness, Council members should make clear that an environment of transparency and candor is to be maintained at all times in the government unit. They should prohibit unjustified delay in

fulfilling public record requests. They should take deliberate steps to make certain that any closed sessions held by the Council are lawfully conducted and that such sessions do not stray from the purpose for which they are called.

Adopted this _____ day of October, 2010.

N. Archie Jennings, III
Mayor

ATTEST:

Cynthia S. Bennett
City Clerk

*Very nice
Standards of Conduct*

RESOLUTION OF INTENT OF THE CITY COUNCIL OF
THE CITY OF WASHINGTON REGARDING STANDARDS OF
CONDUCT FOR CITY OFFICIALS

WHEREAS, the proper operation of democratic government requires that public officials and employees be independent, impartial and responsible to the people; and

WHEREAS, government decisions and policy must be made in proper channels of the governmental structure; and

WHEREAS, the public office must not be used for personal gain; and

WHEREAS, the public must have confidence in the integrity of its government.

In recognition of these goals, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, as follows:

1. That this resolution of intent be adopted to establish guidelines for ethical standards of conduct for all such officials by setting forth some of those acts or actions that may be incompatible with the best interest of the City of Washington. To that end, all city officials, hereinafter defined as including the Mayor, members of the City Council, City Manager, Department Heads, the City Attorney and all other city employees shall be subject to and abide by the following standards of conduct:
 - (a) No city official shall have or hereafter acquire an interest in any contract or agreement with the City if he will privately benefit or profit from the contracting or undertaking in violation of North Carolina General Statutes 14-234.
 - (b) No city official shall use his official position on the City's facilities for his private gain, nor shall he appear before or represent any private person, group or interest before any department, agency, commission or board or the City except in matters of purely civic or public concern. The provisions of this paragraph are not intended to prohibit city officials' use of parking permits and are not intended to prohibit his speaking before neighborhood groups and other non-profit organizations.
 - (c) No city official shall use or disclose confidential information gained in the course of or by reason of his official position for purposes of advancing his financial or personal interest.

- (d) No city official shall engage in, or accept private employment or render service, for private interest when such employment or service is incompatible with the proper discharge of his official duties or would tend to impair his independence of judgement or action in the performance of his official duties, unless otherwise permitted by law.
- (e) No city official shall directly or indirectly solicit any gift; or accept or receive any gift having a value of Fifty Dollars (\$50.00) or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him, or could reasonably be expected to influence as a reward for any official action on his part. Legitimate political contributions shall not be considered as gifts under the provisions of this paragraph.
- (f) No city official shall grant any special consideration, treatment or advantage to any citizen beyond that which is available to every other citizen.

2. BE IT FURTHER RESOLVED that this resolution of intent shall be subject to enforcement in the following matter, said sanctions being the exclusive remedies available hereunder.

- (a) The City Manager shall take whatever lawful disciplinary action he deems appropriate, including but not limited to, reprimand, suspension, demotion or termination of service, for any officer, department head or employee in the administrative service of the City under his jurisdiction who he finds has violated this resolution of intent.
- (b) For all other persons, the City Council may adopt a resolution of censure which shall be placed as a matter of record in the minutes of an official council meeting.
- (c) No sanction provided for hereunder shall be invoked until an adequate investigation shall have been made and the person charged with the violation shall be afforded all of his legal and constitutional rights including a due process hearing, the right to present evidence, to cross-examine the witnesses and to be represented by counsel at the hearing, upon the request of the person so charged.

3. BE IT FURTHER RESOLVED that copies of the foregoing resolution be distributed to all public officials effected hereunder, present and future; and that the City Manager and the City Attorney for the City of Washington be instructed to periodically on at least an annual basis present an instructional program for the benefit of the persons effected by this resolution informing them of its implications.

DULY ADOPTED THIS 5th day of OCTOBER, 1990.

SAM Fawcett
MAYOR

ATTEST:

Rita Thompson
CITY CLERK



City of Washington
MEMORANDUM

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: November 8, 2010
Subject: Banking Services Selection

Banking and merchant services (credit card) have been provided by the Bank of America. The contract for these services expired June 30, 2010 and was extended to provide time to conduct a request for proposal (RFP) process. Banking RFPs were sent to the following:

- Bank of America
- BB&T
- East Carolina Bank
- First Citizens
- First South
- RBC
- Wachovia

After careful review and consideration East Carolina Bank was awarded the bank services contract and Wachovia the merchant services contract. The RFP's were based on February 2010 account activity. The annual savings for the new contracts based on February activity is \$99,923. This includes replacing armored car deposit service with a Police escort.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: November 8, 2010
Subject: Declaration of Official Intent to Reimburse
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a Declaration of Official Intent to Reimburse itself for expenditures related to budgeted installment purchases incurred prior to the issuance of debt.

BACKGROUND AND FINDINGS:

Expenditures will be incurred prior to the issuance of debt for these projects. The intent is to time the debt more closely to its intended use. This declaration authorizes the City to reimburse itself for these expenditures.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact .

SUPPORTING DOCUMENTS

Installment purchases schedule

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

INSTALLMENT PURCHASES

Detail \$ Budget \$ Summary \$

10-00-4132-7402	Information Technology			34,050	
		Storage Area Net	11,500		
		Ethernet Switches	12,500		
		Virtual Server Host	10,050		
10-00-4400-7401	Miscellaneous	Telephone system		100,000	
10-10-4310-7402	Police	Two Police vehicles		66,000	
10-20-4510-7401	Street Maintenance	Ditch bank mower		25,000	
	Total General Fund				225,050
35-90-7220-7401	Electric Director	Vehicle 614		22,000	
35-90-7250-7401	Electric Meter Services			104,000	
		Vehicle 658	24,000		
		3 phase meters	40,000		
35-90-8370-7401	Substation Maintenance			305,000	
		Main sub B2 breaker replacement	45,000		
		Generator relocation	120,000		
		Distribution reclosers	22,000		
		SCADA radios	15,000		
		Load management switches	12,500		
		Capacitors	8,500		
		Wharton sub transformer	35,000		
		Main sub T2 protection relay upgrades	12,000		
		Travel Store Generator relocation (Cratch's)	15,000		
		Substation recloser replacement 5 th St circuit	20,000		
35-90-8390-7401	Power Line Construction			460,000	
		Vehicle 604, bucket truck	200,000		
		6.5 miles of line rebuild Pinetown to Terra Ceia	260,000		
	Total Electric Fund				891,000
38-90-4710-7401	Solid Waste Collection	Vehicle 488 rearload garbage truck		<u>140,000</u>	
	Total Solid Waste Fund				<u>140,000</u>
Grand Total				1,256,050	1,256,050

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 Projects is \$1,256,050.
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 8th day of November, 2010

Mayor

Seal:

City Clerk



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: James C. Smith, City Manager *JCS*
Date: November 8, 2010
Subject: Authorize City Manager to Enter an IT Managed Services Contract and Adopt Budget Ordinance

Applicant Presentation: N/A
Staff Presentation: Ray Midgett/Matt Rauschenbach

RECOMMENDATION:

I move that City Council authorize the City Manager to enter into a managed services support contract with The SoundSide Group, Inc. and adopt a corresponding Budget Ordinance.

BACKGROUND AND FINDINGS:

Ray Midgett, the City's IT Director is retiring December 31, 2010. The City explored a managed services arrangement with three suppliers in lieu of hiring a replacement and selected The SoundSide Group. Reinvesting the personnel savings with this approach enhances our technical skills/knowledge through the availability of multiple resources with varying areas of expertise and 24/7 monitoring support. The group is located in Plymouth, NC and has worked on multiple projects for the City through the years. Annual saving's in excess of \$22,000 are anticipated. This year's savings will be \$4,846 due to six months of personnel and related savings offset by the services agreement beginning November 15th to ensure a smooth transition. The IT Department will report to the C.F.O./Assistant City Manager as of January 1, 2011 rather than remaining an independent City Department.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance
Managed Services Support Contract

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *JCS* Concur _____ Recommend Denial _____ No Recommendation
11/14 Date

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

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

Section 1. That the following accounts in the IT Department portion of the General Fund appropriations budget be decreased:

10-00-4132-0200	Salaries	\$31,721
10-00-4132-0500	FICA	2,432
10-00-4132-0600	Group Insurance	1,918
10-00-4132-1100	Telephone	<u>775</u>
	Total	\$36,846

Section 2. That account number 10-00-4132-4500, Contract Services, of the General Fund IT Department appropriations budget be increased in the amount of \$32,000.

Section 3. That account number 10-00-9990-9900, Contingency, of the General Contingency appropriations budget be increased in the amount of \$4,846.

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 8^h day of November, 2010.

MAYOR

ATTEST:

CITY CLERK



**THE SOUND SIDE
G R O U P**

The Experience. The Technology. The Vision.

125 West Water Street
Plymouth, NC 27962
(252) 793-9226
Fax (252) 793-9253

City of Washington

Managed Services Support Proposal

Prepared for: Ray Midgett / Matt Rauschenbach

Date: November 3, 2010

Submitted By: Mark Hendrix

This document has been prepared exclusively for The City of Washington. This document is for the express use of The City of Washington, and should not be distributed to any other party without the written consent of an authorized agent of The SoundSide Group, Inc.

Page 1 THE SOUND SIDE GROUP, INC. Confidential and Proprietary, (as referenced in Terms and Conditions)
Custom Applications • Support • Network Engineering • Phone Systems • Voice and Data Cabling

The SoundSide Group Overview

Since 2000, The SoundSide Group has been successfully delivering IT solutions for business and government in Eastern North Carolina. With over 30 employees, The SoundSide Group delivers technology solutions with a deep understanding of the issues and challenges organizations face in today's fast paced, ever changing environment. Partnered with the leading vendors in the industry, our team of certified, experienced professionals helps clients lay the foundation for success. Our vision is to be your IT partner, delivering exceptional service at a reasonable price. Our staff performs a full range of installation, upgrade, and maintenance functions related to all aspects of Information Technology.

The SoundSide Group is a Systems Integration firm with its home office located in Plymouth, NC. Our service area now extends throughout most of Eastern, NC and Southern, VA. SoundSide has many years of technical expertise in the Educational, Commercial, Governmental and Health Care markets.

Our core business is Information Technology Support and Services which includes all aspects of voice and data networks. A flexible customer driven approach creates partnerships that deliver exceptional services at reasonable rates. The SoundSide Group strives for total customer satisfaction by ensuring the highest quality of support.

The SoundSide Group Inc.

STATE OF NORTH CAROLINA
COUNTY OF Beaufort

THIS CONTRACT entered into this the 15th day of November, 2010, by and between **The SoundSide Group, Inc.**, a corporation organized and existing under the laws of the State of North Carolina, and the **City of Washington**.

WITNESSETH:

WHEREAS, The SoundSide Group, Inc. (hereinafter "SoundSide") is engaged in the business of providing computer and network support services to public and private businesses; and

WHEREAS, City of Washington has deemed it necessary and advisable to contract for Information Technology support to provide managing and monitoring services as well as CIO level assistance.

WHEREAS, City of Washington has agreed to contract with SoundSide to provide the aforementioned services to City of Washington on the terms and conditions set out herein.

NOW, THEREFORE, in consideration of ten dollars and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. SoundSide shall provide Information Technology management and technical services for the City of Washington in accordance to the following:

- (a) Device Management & Troubleshooting & Monitoring Services. SoundSide shall:
 - 1. Monitor PCs for predictive faults, licensing inconsistencies, performance characteristics
 - 2. Monitor Servers for potential issues, health checks, updates
 - 3. Monitor network / SNMP devices (switches, routers, etc.)
 - 4. Review Network Security (Identify vulnerabilities, take corrective action)
 - 5. Conduct Windows Patch management
 - 6. Conduct Patch management of 3rd Party apps (i.e. AR, Flash Player, etc.)
 - 7. Provide Antivirus monitoring and control

- (b) Management Services. SoundSide shall:
 - 1. Meet periodically with City personnel
 - 2. Provide strategic guidance and assist in budget preparation
 - 3. Perform security analysis as needed
 - 4. Perform systems analysis and assist in system design
 - 5. Assign a support engineer as a primary contact
 - 6. Support engineer available for site visits

Service Detail: Provide support services onsite two days per month and on-call in accordance to the City of Washington's operating days. Meet with the proper City of Washington Personnel on a bi-monthly basis. Technical support and services can be provided onsite, via phone or electronically as needed. Proactive monitoring is 24x7. If SoundSide personnel are not onsite and an emergency occurs, SoundSide will guarantee a 4hr response to the issue. This does not mean that the problem will be solved in 4hrs, but we will formulate a plan of action during that time and do everything we can to rectify the situation. Mark Hendrix will be the Project Manager and Jeremy Smith will be the Lead Technology Consultant.

Patch management support for servers will be automated using free Microsoft tools on existing hardware.

The City of Washington will be responsible for maintaining backup tapes offsite if needed. After initial evaluation of existing processes, if City of Washington desires automated backups offsite, this will be an additional service that SoundSide could provide, but outside the scope of this agreement.

Provide support with application vendors including problem resolution and negotiations for City of Washington applications. SoundSide will be an extension of City of Washington and will act in their best interest in all situations to get the problem resolved.

SoundSide will review IT licenses and contracts as needed. We will compile an inventory of existing licensing and vendor related information, making City of Washington aware of licensing violations.

Prepare and maintain web-based technical documentation

Meet periodically with City of Washington management and department heads to discuss progress, formulate plans, and resolve any issues that may arise.

Create a standard method to centrally report and track support issues. It is suggested but not required to have a phone extension and designated area that SoundSide can use as needed.

SoundSide will observe all holidays and closings observed by City of Washington. SoundSide's hours shall be 8:30 a.m. to 5:00 p.m. The project team will be composed of regularly scheduled SoundSide employees and

The SoundSide Group Inc.

supplemented by additional SoundSide employees as determined in their absolute discretion. SoundSide will provide assistance as needed for catastrophic events and other necessary after hours support as part of this contract.

Provide guidance in the selection of all computing equipment.

2. TERM: This contract shall have a term of three years beginning November 15, 2010, and ending June 30, 2013.

3. In consideration for the services provided by SoundSide, City of Washington shall pay SoundSide as follows:

- (a) For the period beginning November 15, 2010 and ending June 30, 2013, City of Washington shall pay SoundSide in equal monthly installments of \$3200, each in advance by the tenth day of each month with the first payment being due on November 15, 2010.
- (b) The proactive monitoring, management and remediation of the network/devices will require a suite of software tools to produce the necessary infrastructure to be purchased at City of Washington's expense. The list of recommended software components is below:

Estimated initial costs not including tax:

\$ 480.00	itControlSuite Site license – includes basic alerts (Annual Subscription)
\$ 1,875.00	Solarwinds Network IPMonitor (One Time License + Annual Subscription)
\$ 1,250.00	External IP vulnerability Scan (Annual Fixed Service)
\$ 5,550.00	Patch Management using WSUS/EminentWare plugin (One Time License + Annual Subscription)

The associated annual subscription cost will be prorated where possible to make the annual software costs align with the City's annual budget cycle.

4. This contract does not include voice/data cable installation or any application development. Major server and network software upgrades and replacements labor will be quoted separately.

5. The SoundSide Group has the right to sub-contract any services described herein to subcontractor(s) of SoundSide's choosing, provided that such subcontractor(s) shall possess appropriate qualifications to perform the subcontract work. SoundSide shall retain ultimate responsibility for compliance with the terms of this contract.

The SoundSide Group Inc.

6. SoundSide agrees that the information, data and programs handled on City of Washington's network are the sole and exclusive property of City of Washington. SoundSide shall treat this information as confidential and shall not disclose it to any third party without the client's written consent or in the ordinary course of performing SoundSide's obligations under this contract.

7. Prohibition against Hiring. During the term of this contract, and for a period of 12 months following the expiration of this contract, City of Washington shall be prohibited from hiring any employee of SoundSide without SoundSide's consent. The parties agree that the violation of this provision will cause irreparable damage to SoundSide, the amount of which is difficult to ascertain. As such, the parties agree that this provision may be enforced by equitable remedies, including restraining orders, preliminary and permanent injunctions.

8. The parties hereto shall not be liable to one another for delay or failure in performance of any of the acts required by this Agreement when such delay or failure arises from circumstances beyond the reasonable control of said party (including, without limitation, acts of God, fire, flood, war, explosion, sabotage, terrorism, embargo, civil commotion, acts or omissions of any government entity, supplier delays, communications or power failure, equipment or software malfunction, or labor disputes), and without the negligence or willful misconduct of said party.

9. The parties acknowledge and agree that this contract does not create an employer/employee relationship between City of Washington and SoundSide, or its personnel, employees or agents. The parties and their respective agents and employees are independent contractors and shall have no authority to bind the other party to any obligations or liabilities without the prior written consent of the other party.

10. This agreement constitutes the entire agreement between the parties. This contract may not be modified or amended except by a written agreement signed by both parties hereto.

11. Neither party may assign the Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

12. If any provision or any portion thereof contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable and shall not be effective and shall remain in full force and effect. This agreement shall be governed by the laws of the State of North Carolina.

13. The parties hereto shall not be liable to one another for delay or failure in performance of any of the acts required by this Agreement when such delay or failure arises from circumstances beyond the reasonable control of said party (including, without limitation, acts

The SoundSide Group Inc.

of God, fire, flood, war, explosion, sabotage, terrorism, embargo, civil commotion, acts or omissions of any government entity, supplier delays, communications or power failure, equipment or software malfunction, or labor disputes), and without the negligence or willful misconduct of said party.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals by their authorized representatives, the day and year first above written.

City of Washington

ATTEST:

BY: _____(SEAL)
City Manager

Clerk

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Officer

The SoundSide Group, Inc.

By: Mark Hendrix (SEAL)
Vice President

ATTEST:

Jeremy Smith
Services Manager



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: November 8, 2010
Subject: Budget Schedule
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt the attached budget schedule for fiscal year 2011-2012.

BACKGROUND AND FINDINGS:

Schedule will insure timely and efficient budget process that accomplishes the City's strategic goals and objectives.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact .

SUPPORTING DOCUMENTS

Current and last year's budget schedule

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

Budget Schedule 2010 - 2011

Week Of	Scheduled Date	Budget Task
1/4/2010	Complete	CIP Review- Manager
1/18/2010	2/15/2010	Budgetary & Strategic Planning Retreat
1/18/2010	Complete	Revenue Estimate- Finance
1/18/2010	Complete	Fees & Charges Schedules Distributed
1/18/2010	Complete	Budget Packets Distributed to Management Team
1/18/2010	Complete	CIP Plan Distributed to Council
1/25/2010	Complete	Budget Goals Provided to Management Team
1/25/2010	Complete	External Agency Budget Requests
2/22/2010	Complete	CIP Review- Years 2 - 5
2/22/2010	Complete	CIP Review- Year 1
3/1/2010	Complete	Budgets and Performance Measures Submitted to Finance
3/15/2010	Complete	Budget Review with Manager- General Fund
3/22/2010	Complete	Budget Review with Manager- Water/Sewer/Storm Water/Solid Waste/Cemetery Funds
3/22/2010	Complete	Budget Review with Manager- Electric Fund
4/12/2010	Complete	Manager's Recommended Budget Presented to Council
4/13/2010	Complete	Budget Available for Public Viewing at City Clerk's Office
4/26/2010	4/26/2010	Town Meeting - Electric
5/3/2010	5/3/2010	Budget Workshop- Electric Fund
5/17/2010	5/17/2010	Budget Workshop- Benefits & Pay, General Fund
5/24/2010	5/24/2010	Budget Workshop- Water/Sewer/Storm Water/Solid Waste/Cemetery Funds
5/24/2010	5/24/2010	Revenue Neutral Tax Rate
5/24/2010	5/24/2010	Public Hearing
5/31/2010	6/1/2010	2% Budget Reduction Workshop
6/14/2010	6/14/2010	Budget Adopted (complete budget included, not just workshop changes and budget ordinance)

Budget Schedule 2011 - 2012

Week Of	Scheduled Date	Budget Task
10/25/2010	10/26/2010	CIP template worksheet available on Intranet
11/22/2010		Revenue Estimate- Finance
11/22/2010		Budgetary & Strategic Planning Retreat
11/29/2010	12/1/2010	CIP worksheets due back to Finance
12/13/2010		Fees & Charges Schedules Distributed
12/13/2010		Budget Packets Distributed to Management Team
12/13/2010		Budget Goals Provided to Management Team
1/10/2011		CIP reviewed by City Manager with Department Heads
1/17/2011		CIP document to Council
1/24/2011		Council reviews CIP
2/14/2011		Council approval of CIP
2/14/2011		External Agency Budget Requests
2/14/2011		Budgets Submitted to Finance
2/28/2011		Budget Review with Manager- General Fund
3/7/2011		Budget Review with Manager- Water/Sewer/Storm Water/Solid Waste/Cemetery Funds
3/7/2011		Budget Review with Manager- Electric Fund
3/28/2011		Manager's Recommended Budget Presented to Council
3/28/2011		Budget Available for Public Viewing at City Clerk's Office
4/25/2011		Budget Workshop- Electric Fund
5/16/2011		Budget Workshop- Benefits & Pay, General Fund
5/23/2011		Budget Workshop- Water/Sewer/Storm Water/Solid Waste/Cemetery Funds
5/23/2011		Public Hearing
6/13/2011		Budget Adopted (complete budget included, not just workshop changes and budget ordinance)