

The Washington City Council met in a regular session on Monday, January 24, 2011 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; Edward Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Pete Connet, Interim City Manager; and Cynthia Bennett, City Clerk.

Also present were: Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Electric Director; John Rodman, Planning Director; Major Sandy Blizzard, Police Department; Philip Mobley, Parks and Recreation Director; Susan Hodges, Human Resource Director; Lynn Lewis, Tourism Director; Mike Voss, of the Washington Daily News and Delma Blinson, of the Beaufort Observer.

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

APPROVAL OF MINUTES

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the December 13, 2010 minutes as submitted.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Pro tem Roberson and Councilman Mercer requested adding the following three items for discussion under XII – Any other business from the Mayor or other members of Council:

1. Copper Wire
2. Planning Board request
3. NCEMPA

Councilman Mercer requested moving the following two items from the consent agenda for discussion under New Business:

1. **Adopt** – Budget Ordinance Amendment for the actual debt service for the Recovery Zone Projects (RZEDB) – as **Item B**
2. **Approve** – Purchase Orders in excess of \$20,000 – as **Item C**

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

CONSENT AGENDA

By motion of Councilman Mercer, seconded by Councilman Pitt, Council unanimously accepted the consent agenda as amended.

- A. **Adopt** – CDBG Housing Development Grant – WHI Deed of Trust and Promissory Note
- B. **Adopt** – Budget Ordinance Amendment for the Brooks Boatworks tax incentive (\$6903)

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 Economic Development Department portion of the General Fund appropriations budget be increased:
10-00-4650-4507 Brooks Boatworks Incentive \$6,903

Section 2. That account number 10-00-9990-9900, Contingency, of the General Contingency appropriations budget be decreased in the amount of \$6,903.

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 24th day of January, 2011.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/N. Archie Jennings, III
MAYOR

C. **Moved to New Business – Adopt** – Budget Amendment for the actual debt service for the Recovery Zone Projects (RZEDB)

D. **Adopt** – Budget Ordinance Amendment for Interim City Manager Employment
**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 City Manager Department portion of the General Fund appropriations budget be increased:

10-00-4120-0200	Salaries	\$65,100
10-00-4120-0500	FICA	4,980
10-00-4120-1400	Employee Devl.	10,432
10-00-4120-2600	Employee Advertising	<u>4,000</u>
	Total	\$84,512

Section 2. That account number 10-00-9990-9900, Contingency, of the General Contingency appropriations budget be decreased in the amount of \$84,512.

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 24th day of January, 2011.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/N. Archie Jennings, III
MAYOR

E. **Moved to New Business – Approve** – Purchase Orders in excess of \$20,000

F. **Authorize** – The Repurchase of Cemetery Lot G-36, Plot in Cedar Hill Cemetery for \$600 **and** Adopt Budget Ordinance Amendment

**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 Cemetery Fund be increased in the amount of \$600 in the account Transfer Form General Fund, account number 3 9-90-3980-1000.

Section 2. That account number 10-00-4400-3900, Transfer to Cemetery Fund be increased in the amount of \$600.

Section 3. That account number 39-90-4740-4901, Repurchase Cemetery Lots, portion of the Cemetery Fund appropriations budget be increased in the amount of \$600 to provide funds for the repurchase of cemetery lot G-36, plot 6.

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 24th day of January, 2011.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/N. Archie Jennings, III
MAYOR

COMMENTS FROM THE PUBLIC

No public comments at this time.

TIM PRICHARD – PARKING & TRAFFIC ON NORTH ACADEMY STREET

Tim Prichard voiced concern with parking issues in his neighborhood. Referencing distributed photographs he stated the parking problems are mainly Monday-Thursday and Sunday. He stated he has contacted the Police Department concerning some of the issues they are having and safety is his number one concern. Parents are parking on North Academy to drop their kids off at the First Christian pre-school. The Church has 4 acres over on 2nd Street with a front & side driveway but yet they choose to have this activity at North Academy Street. Letters were sent to the Pastors of neighboring Churches. Also, trash cans are visible on North Academy where they could be stored out of site.

Councilman Mercer mentioned that he is a member of the First Christian Church and is chairman of the board and that he is very familiar with that neighborhood. Councilman Mercer stated he made it a point to go look at Academy Street and counted seven empty parking places on Academy Street between the hours of 11-12 o'clock, it seemed to him that the street is not being crowded during that period of time. Councilman Mercer shared that he had looked at the area on numerous Sunday's but would like to point out that for many years we marked Academy Street one-way on Sunday morning. They had the City's permission and a sign was placed at 2nd and Academy and made it one-way coming from Main to 2nd. This was stopped at the objections of the neighbors. If a one-way street on Sunday morning will help the problem then we can try it again. However, if we are going to enforce the regulations, we should enforce them fairly and apply them to everyone. If the City needs to remark the street then Councilman Mercer would be willing to go to the church and make the recommendation that we may be able to address these problems. The Church would like to resolve the issue as well.

ACCEPT & APPROVE – THE BEAUFORT COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN UPDATE

Mayor Jennings opened the public hearing. Interim City Manager, Pete Connet stated the plan was presented to Council on 12-13-2010 and Council had requested time to read through the report. Comments from Councilman Mercer had been received by Mr. Reed Whitesell of Holland Consulting Planners and corrections to the language have been incorporated where there was a need. Mr. Connet shared how critical it is to adopt the plan this month due to some reimbursement from FEMA.

There being no further public comments, the public hearing was closed.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council unanimously accepted the recommendation of the Hazard Mitigation Advisory

Committee and approved the Beaufort County Multi-Jurisdictional Hazard Mitigation Plan Update as amended.

**CITY OF WASHINGTON
RESOLUTION ADOPTING THE
BEAUFORT COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN
UPDATE**

WHEREAS, the citizens and property within Beaufort County are subject to the effects of natural hazards and man-made hazard events that pose threats to lives and cause damages to property, and with the knowledge and experience that certain areas, i.e., flood hazard areas, are particularly susceptible to flood hazard events; and

WHEREAS, the county desires to seek ways to mitigate situations that may aggravate such circumstances; and

WHEREAS, the Legislature of the State of North Carolina has in Part 6, Article 21 of Chapter 143; Parts 3, 5, and 8 of Article 19 of Chapter 160A; and Article 8 of Chapter 160A of the North Carolina General Statutes, delegated to local governmental units the responsibility to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry; and

WHEREAS, the Legislature of the State of North Carolina has in Section 1 Part 166A of the North Carolina General Statutes (adopted in Session Law 2001-214 Senate Bill 300 effective July 1, 2001), states in Item (a) (2) "For a state of disaster proclaimed pursuant to G.S. 166A-6(a) after August 1, 2002, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act that is updated every five years"; and

WHEREAS, it is the intent of the Board of Commissioners of Beaufort County to fulfill this obligation in order that the county will be eligible for federal and state assistance in the event that a state of disaster is declared for a hazard event affecting the county; and

WHEREAS, Section 322 of the Federal Disaster Mitigation Act of 2000 states that local governments must develop an All-Hazards Mitigation Plan and update it every five years in order to receive future Hazard Mitigation Grant Program Funds; and

WHEREAS, the City of Washington actively participated in the planning process of the multi-jurisdictional Beaufort County plan and has fulfilled all their part of the multi-jurisdictional planning elements required by FEMA;

NOW, THEREFORE, be it resolved that the City Council of the City of Washington hereby:

1. Adopts the Beaufort County Multi-Jurisdictional Hazard Mitigation Plan; and
2. Separately adopts the sections of the plan that are specific to the City of Washington; and
3. Vests the City Manager with the responsibility, authority, and the means to:
 - (a) Inform all concerned parties of this action.
 - (b) Cooperate with Federal, State and local agencies and private firms which undertake to study, survey, map, and identify floodplain or flood-related erosion areas, and cooperate with neighboring communities with respect to management of adjoining floodplain and/or flood-related erosion areas in order to prevent aggravation of existing hazards.
4. Appoints the City Manager to assure that, in cooperation with Beaufort County, the Hazard Mitigation Plan is reviewed annually and in greater detail at least once every five years.
5. Agrees to take such other official action as may be reasonably necessary to carry out the strategies outlined within the 2010 Beaufort County Multi Jurisdictional Hazard Mitigation Plan.

Adopted this 24th day of January, 2011

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

**WILLIAM BARNVILLE – MARTIN COUNTY COMMUNITY ACTION (MCCA)
WEATHERIZATION PROGRAM**

Weatherization Program Administrator, Ms. Marisol Barr introduced Ms. Becky Copeland, Assistant Weatherization Coordinator-Quality Control. Ms. Copeland presented the Incorporated Report to City Council. The report had been updated from their Weatherization Assistance Program. Update from the last meeting, they recently hired auditors and carpenter assistants citing the training each had attended. In house training has been provided to both the auditors and carpenter assistants with more training scheduled. The total number of homes weatherized in Beaufort County is 105 with 78 of those homes being within the City of Washington. With the \$6,000 average cost per unit this leaves 29 units remaining before reaching the minimum program mandated number of 134. Also, in progress within Beaufort County there are 39 additional homes to be completed. Once this happens, it will result in 10 units above the mandated amount to be completed in the County. With this number it may be possible that the rest of the units will be done outside of the City as the number in the surrounding area is far less than what we have within the City. The Agency cost is currently \$6,298 per unit and is \$6,154.34 in Beaufort County.

As with all energy efficiency measures installed with DOE funds, refrigerator replacement must result in a savings-to-investment ratio (SIR) of 1.0 or greater. When the age of the refrigerator is approximately 10 years or more, the annual kilowatt usage must be determined by either metering or by obtaining estimated values from an approved database. A minimum of 10% of the refrigerators must be metered.

The weatherization program was reviewed by a State monitor in November. The monitor highlighted some needed improvements. Ms. Copeland stated they have already begun addressing these areas of concern by increasing efforts around unit close-outs and scheduled trainings to increase staff development. Also, future monitoring visits are being schedule.

All Health & Safety Contractors are required to maintain compliance with inspection permits. When required, permits are submitted with invoices prior to payment. A few cities in our service area require permits for shell work which equals to or exceed \$4,500. Ms. Copeland stated, to date, it has been our understanding that this is the case in the City of Washington. If and when that becomes a requirement please inform MCCA so that they may proceed accordingly.

The Customer Satisfaction Surveys for about 90% of customer in our county shows 98% of our customers is satisfied with our overall weatherization program. Of the population, 84% reports extreme satisfaction.

Ms. Copeland noted that office space became available in the Washington Square location and in an effort to remain fiscally responsible it has been determined that we relocate our weatherization staff. The weatherization staff began operating at the new location on January 24, 2011.

Mayor Pro tem Roberson requested a list of Washington applicants and would like the following information provided:

1. Date contractor was supposed to be there and the date the project was completed. Reason: If the City is beginning to do a new development block grant and doing housing rehabilitation, we do not want to get into an area which has been serviced with weatherization because that would put the project ineligible when sending it up to Raleigh.
2. Energy efficiency appliance replacement (hope refrigerators not being substituted for insulation).

3. Permit process being followed.

Ms. Copeland asked to clarify the request made by Mayor Pro tem Roberson:

1. Ms. Copeland will follow-up on providing this list to the City.
2. With regard to refrigerator metering – the program is about energy efficiency and they have determined that after that amount of years, a refrigerator that uses above the recommended amount of kilowatts is no longer efficient. The overall weatherization assistance is an effort to help the home become more energy efficient. Everything is addressed from lighting, air, refrigerator monitoring. The only time a stove is address is if there is a situation where there is a gas stove and there is a carbon monoxide issue.
3. If the scope of this work requires the permit, it must be submitted.

Planning & Development Director, John Rodman addressed permitting concerns. MCCA needs to insure their contractors go to the Inspection Department to request permits and advise staff they are with the Weatherization program. This way the Inspection Department can keep up with the permits issued to MCCA. Ms. Copeland stated when the contractor comes in they pull the contract under the license of their business and MCCA had never been informed to instruct the contractor to state it was for their agency.

MEMO - FEMA FIRE PREVENTION AND SAFETY GRANT APPLICATION

(Begin memo) This memo is to inform you of our intentions to apply for the FEMA – Fire Prevention and Safety Grant to purchase automatic extinguishing devices that attach under residential cooking hoods to assist in reducing the occurrence of cooking fires. Our intentions are to apply for funding in the amount of \$30,000.00 to purchase at least 1000 of these devices; and hopefully more with competitive pricing. Federal funding, if granted, would be 95% (\$28,500), with our 5% match of \$1,500. Our matching amount could be absorbed out of current or upcoming budget depending on award time line if application is successful.

This is a highly competitive grant with an application period from January 4, 2011 to February 4, 2011 and we welcome any comments concerning proceeding with this application. (End memo)

Councilman Mercer inquired how much it would cost to install the 1000 devices and where the money would come from. Chief Rose stated they would partner up with the Housing Authority on this program. A requirement of the grant is to target a group for cooking fires which was low income housing and senior citizens. Washington Housing Authority will take care of the installation part.

MEMO – LOAD MANAGEMENT DEVICE REPORT

(Begin memo) Listed herein is the load management switch installation activity for December 2010.

Total Load Management Switch Installations	103
Air Conditioner/Heat Pump Control Installations	89
Auxiliary Heat Strip Control Installations	57
Water Heater Control Installations	49
Total Appliance Control Installations for period	195

(End memo)

MEMO – APPLY FOR AN LSTA TECHNOLOGY GRANT

(Begin memo) The Library would like to apply for an LSTA Technology grant for a computer mobile lab. The grant would add 10 laptop computers that would be used to teach patrons how to fill out resumes, how to fill out job applications, how to use the internet, and email protocol. In addition, it would include adding an access point in the multi-purpose room where the classes would be taught by volunteers.

The grant would be approximately \$25,000 with a 20% match that would be included in this year's fiscal budget. (end memo)

MEMO – UPDATE POLICE FACILITY

(Begin memo) Chief Reed updated Council on the outcome of the community meeting regarding the construction of the new police facility held January 6, 2011 at 7 pm at Beaufort County Agricultural Center.

The agenda topics included:

1. Project overview: WPD Philosophy, facility need, site selection and funding (Chief Reed)
2. Design process (Kevin Ratigan, ADG)
3. Question and Answer (all)

Additionally, we seek the council's guidance regarding both a variance and special use permit from the Board of Adjustment.(end memo)

Lieutenant Chrismon suggested they had addressed some of Council's concerns and is seeking guidance from Council to go to the Board of Adjustment to request an easement and variance adjustment of 65' setback on the airport side.

Council directed Lieutenant Chrismon to go before the Board of Adjustment with the request for the footprint of the building and advised if approval is granted for the variance you will still need permission for the design.

By consensus, Council agreed and directed Lieutenant Chrismon to apply to the Board of Adjustment to approve the special use and the 65' setback on the airport side.

MEMO – DEBT SETOFF RESULTS

(Begin memo)The City of Washington participates in a debt setoff program administered by the NC League of Municipalities. The program applies delinquent debts to State tax refunds and education lottery winnings. As of December 2010 our results are as follows:

Total Debt Submitted	\$668,046
Amount Collected:	
2007	26,817
2008	42,247
2009	42,778
2010	42,837
Total	154,679

These results are due to the diligent efforts of Sharon Probert, our Revenue Collections Assistant and the Revenue Collections Department. (end memo)

MEMO – AUDIT REPORT CORRECTION

(Begin memo) Councilman Mercer questioned the schedule of revenue and expenditures of the Sewer Fund in our annual audit report during the December Council meeting. There was a formula error in the revenues over (under) expenditures total. The corrected number is \$401,601 and can be found on the attached. (end memo)

Schedule 28
Page 1 of 3

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance	2009
	Budget	Actual	Positive (Negative)	Actual
Operating Revenues:				
Sewer sales	\$ 2,900,000	\$ 2,937,486	\$ 37,486	\$ 2,910,493
Other Operating Revenues:				
Sewer taps	11,600	6,939	(4,661)	9,765
Total operating revenues	2,911,600	2,944,425	32,825	2,920,258
Non-Operating Revenues:				
Rural Center grant	-	40,000	40,000	-
Recovery of doubtful accounts	450	1,417	967	636
Late penalty charges	15,000	22,533	7,533	14,403
Interest earnings	15,000	8,214	(6,786)	30,930
Sewer assessments	30,111	9,090	(21,021)	6,233
FEMA assistance	-	-	-	4,834
Miscellaneous	-	1,250	1,250	1,340
Total non-operating revenues	60,561	82,504	21,943	58,376
Total revenues	2,972,161	3,026,929	54,768	2,978,634
Operating Expenditures:				
Sewer Administration:				
Public Works Director:				
Salaries and employee benefits	78,793	78,005	788	76,412
Supplies	300	294	6	22
Employee development	75	-	75	-
Dues and subscriptions	-	-	-	295
Telephone	600	564	36	486
Total Public Works Director	79,768	78,863	905	77,215
Miscellaneous - Non-Departmental:				
Workers' compensation	16,687	16,331	356	26,809
Printing and publishing	4,120	3,246	874	3,481
Insurance and bonds	76,446	67,273	9,173	69,250
Utility service fee - General Fund	283,376	283,376	-	286,177
Maintenance	480	397	83	397
Inventory reimbursement	100	-	100	55
Other expenses	4,000	-	4,000	508
Utility service fee - Electric Fund	49,675	49,675	-	40,494
Total miscellaneous - non-departmental	434,884	420,298	14,586	426,971
Total sewer administration	514,652	499,161	15,491	504,186
Waste Collection and Treatment:				
Wastewater Treatment:				
Salaries and employee benefits	443,610	421,397	22,013	414,672
Employee advertising	100	-	100	73
Employee development	3,051	3,027	24	1,039
Telephone	600	416	184	175
Printing and publishing	1,900	185	1,715	90

Schedule 28
Page 2 of 3

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance	2009
	Budget	Actual	Positive (Negative)	Actual
Water and electric service	296,600	295,837	763	273,544
Maintenance	81,965	53,051	28,914	95,034
Supplies	89,411	68,500	20,911	68,767
Dues	5,730	4,800	930	4,345
Professional services	36,984	27,745	9,239	58,667
Contract services	100,412	98,758	1,654	96,502
Licenses and permits	6,960	6,910	50	7,060
OSHA safety mandates	1,820	1,636	184	633
Total wastewater treatment	1,068,223	982,462	85,761	1,020,901
Wastewater Collection Maintenance:				
Salaries and employee benefits	123,960	123,259	701	119,265
OSHA safety mandates	500	231	269	118
Employee development	750	238	512	118
Telephone	3,000	2,689	311	2,621
Printing and publishing	26	-	26	115
Maintenance	13,721	12,700	1,021	12,552
Supplies	2,500	1,490	1,010	2,088
Materials	13,000	12,321	679	10,930
Contract services	114,260	34,669	79,591	32,233
Insurance	625	612	13	1,516
Professional services	203	203	-	144
Total wastewater collection maintenance	272,545	188,412	84,133	181,700
Sewer Pumping Station:				
Salaries and employee benefits	54,802	54,693	109	52,995
Water and electrical service	111,500	111,486	14	100,399
Maintenance	64,737	61,645	3,092	45,495
Supplies	2,130	1,905	225	1,299
Chemicals	-	-	-	23
Professional services	10,000	306	9,694	32,969
Total sewer pumping station	243,169	230,035	13,134	233,180
Total waste collection and treatment	1,583,937	1,400,909	183,028	1,435,781
Debt Service:				
General Obligation Bonds:				
Principal retirement	452,744	452,743	1	558,681
Interest	79,871	78,138	1,733	103,638
Installment Notes:				
Principal retirement	91,825	91,939	(114)	74,106
Interest	6,465	6,225	240	6,371
State Loan:				
Principal retirement	131,806	131,805	1	131,805
Interest	51,035	48,420	2,615	57,275
Total debt service	813,746	809,270	4,476	931,876
Capital outlay	314,330	171,032	143,298	427,408
Total operating expenditures	3,226,665	2,880,372	346,293	3,299,251
Revenues over (under) expenditures	(254,504)	146,557	(201,057)	(320,617)

401,061

CITY OF WASHINGTON, NORTH CAROLINA

ENTERPRISE FUND - SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance	2009
	Budget	Actual	Positive (Negative)	Actual
Total operating expenditures	3,226,665	2,880,372	346,293	3,299,251
Revenues over (under) expenditures	(254,504)	146,557	(291,025)	(320,617)
Other Financing Sources (Uses):			401,061	
Long-term debt issued	-	-	-	157,500
Appropriated fund balance	214,504	-	(214,504)	-
Transfers from:				
Sewer Capital Reserve Fund	80,000	80,000	-	-
Transfer to:				
Sewer Capital Project Fund	(40,000)	(40,000)	-	-
Total other financing sources (uses)	254,504	40,000	(214,504)	157,500
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 186,557	\$ 186,557	\$ (163,117)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 186,557		\$ (163,117)
Capital outlay		171,032		427,408
Principal retirement		676,487		764,592
Installment note proceeds		-		(157,500)
Increase in accrued vacation and sick pay		16,652		(8,284)
Change in OPEB liability		(20,869)		(20,195)
Depreciation		(633,363)		(606,294)
Bad debt (provision) recovery		(13,042)		(420)
Inventory adjustment		5		186
Loss on disposal of capital assets		(9,302)		-
Capital contributions, grant revenue from				
Pennsylvania Avenue Sewer Extension Project		405,639		-
Transfer to Sewer Capital Project Fund		40,000		-
Capital contributions		139,135		142,789
Change in net assets		\$ 958,931		\$ 379,165

MEMO – DRAFT – IMPRESSIONS LEASE UPDATE

(Begin memo) Impressions has leased from the City since 2006 and from Hamilton Beach for a period prior. The rent was \$.50/square foot through August 2009 and is currently \$1 or \$392,736 annually. The facility was in dire need of significant repair prior to Hamilton Beach’s exit and to date minimal maintenance has been performed, none at the City’s expense. The rent and any other revenue generated from this facility contribute to the General Fund with little offsetting expense.

The major focus of the lease negotiations has been to address the maintenance of the facility. City Staff and Counsel have met with Impressions on numerous occasions and are close to an agreement of which a draft is attached. A general contractor evaluated the building condition, identified the areas in most need of immediate repair, and provided cost estimates outlined below. Work will be bid out per NC General Statute requirements and costs finalized. The city will fund the improvements and recoup through an increase in rent of \$.45/ square foot over a five year period.

Building Improvements Summary:

\$457,430	Roof replacement/repair
108,861	Fire protection system
36,646	General Contractor
66,629	Contingency
<u>100,000</u>	Other repairs
\$769,566	Total

Staff will be meeting with Impressions January 14th with the intent of concluding the basis of the lease agreement and input from Council is appreciated. (end memo)

City Attorney, Franz Holscher was commended on his work for this project.

WASHINGTON HARBOR DISTRICT ALLIANCE

The City Council adopted the Downtown Revitalization and Reinvestment Strategy developed by Land Design. DWOV combined with the Historic Merchants Association and the Citizens for Revitalization Committee to form the Washington Harbor District Alliance. Two merchants were appointed to the WHDA Board and the events formerly handled by the Historic Merchants Association were assigned to the WHDA's Promotions Committee. The Chair of the Citizen's for Revitalization Committee joined the WHDA Board as the VP for Economic Restructuring bringing the members of the Revitalization Committee's working groups with him.

The Economic Restructuring Committee formed three subcommittees, City Government projects (Festival Park, restrooms/boaters facilities and city docks),

New Construction and Adaptive Reuse.

The City Council formally named the downtown area the Harbor District. The large evergreen tree was removed from Harding Square, creating a view corridor down Market Street to the water. The square's brickwork was redone. The plantings and benches were purchased and maintained by the Washington Garden Club. Working with the Parks Advisory Board, the Parks and Recreation Department and the City Council a \$295,000 grant was obtained to build a Performance pavilion, a gazebo, a playground for small children and bathrooms (as agreed to in the Land Design Plan). The first phase of this effort -performance pavilion, gazebo, tot lot and landscaping, is scheduled for completion in the spring of 2011. A grant for the construction of permanent public restrooms, boater showers and facilities on the west end of the promenade (including the dock master facility) has been applied for by the Planning Department. We are optimistic that we will be successful in obtaining this grant, as we were asked to apply after a pre-qualification review. Developed a plan for the orderly expansion of the city docks which includes a public pier at the end of Market Street. Enlisted the NC Department of Transportation to conduct of study of downtown traffic flow, to address the issue of one way verses two way streets. The study was to be completed in December of 2010, but will now be done in April of 2011. Working with the Chamber of Commerce and the NC Department of Commerce- Main Street Agency surveys were conducted to develop a business recruitment and retention plan to attract new business to the Harbor District.

Obtained money from the City to hire the National Development Corporation for one year. The NDC is a nonprofit corporation which has expertise in obtaining funding for public private partnerships which provide for the adaptive reuse of downtown buildings and the new construction of needed facilities. In concert with the Washington Area Historic Foundation and ECU's School of Interior Design, students presented several adaptive reuse designs for Old City Hall at two public meetings.

PROMOTIONS:

Formed a committee to run Music in the Streets, which revised the format of the event, including the placement of bands, and partnering with the Turnage Theater. Due to the efforts of our volunteers, lead by Mark Brunon of Notes Café and LaVon Drake, we had a highly successful season, conducting the series from April thru October. Instituted a monthly Movie in the Park series. Providing free movies to the public the third Friday of every month from May thru October. Using \$18,000 provided by the City to promote the downtown, we instituted a program to advertise events using media outlets outside of Beaufort County, with the aim of drawing visitors to Washington from a broader geographic area. This money is used to support all events no matter who is the sponsor (e.g.: The Washington Noon Rotary, BC Arts Council, Wash/BC Chamber of Commerce, the Eastern Carolina Wildlife Guild). Partnered with the Arts Council in staging two Art Walks, to promote downtown galleries and merchants. Supported the Noon Rotary in putting on Smoke on the Water (an event traditionally conducted by the Merchants Association). Combining the event with Music in the Streets, and one of our Movies in the Park. WTDA and WHDA ran several advertisements in West Virginia markets to attract Marshall University Alumni to stay in Washington while in NC for the ECU game. The movie shown was: We are Marshall. Put on Pickin' on the Pamlico (August), the Pirates Beach Music festival (September), and the Christmas flotilla (December).

Instituted an informal monthly meeting with the Chamber, Turnage, WTDA, BC Arts Council, and Washington City Parks and Recreation to coordinate activities and leverage resources. Coordinating with Parks and Recreation and Beaufort County Community College staff and students developed a web site aimed specifically at boaters to attract them to the City waterfront docks. www.washingtonncdocks.org Our goal is to promote a major event conducted in the Harbor District each month April through December (in addition to Music in the Streets). By using a coordinated advertising campaign, we will promote our City as an exciting place to live, work, shop and spend leisure time. We conducted the Saturday Farmers Market weekly from May through October. This year we enjoyed a highly successful season, with the addition of several new vendors.

LITTLE WASHINGTON SAILING CLUB:

The school enjoyed its second successful season. Floating Docks were purchased and the boats were given new sails. After being funded from WHDA operational funds for the past several years, the club is now self funding.

ORGANIZATION:

Promoted Beth Byrd, our only paid employee, from a part time to a full time, salaried position. Beth is now the Director and remains the only full time employee. Our treasurer instituted a comprehensive budget regime, which projects and tracks expenditures for each event and project. After a two year hiatus we received \$27,000 in City funds for operating expenses. We are conducting quarterly meetings with downtown merchants to assure that their interests are properly represented. At the merchants request we successfully proposed that the city change the parking time limit on Main and Market Streets from two to three hours. We have begun a Friends of the Alliance Campaign, to raise funds for operating expenses, to increase our volunteer membership, and to keep the public up to date with what is going on downtown.

DESIGN:

We conducted our annual "Spring Clean Up" enlisting the help of the Garden Clubs, to spruce up the waterfront, as well as Main and Market Streets. Using \$3,000 from the City we coordinated with the Parks and Recreation Dept. and the Electric Dept. to replace the Christmas tree lighting on Main and Market Streets.

GENERAL:

This year we have made huge strides. We are now partnering with the City and other nonprofit organizations in projects and activities which benefit not just the Harbor District but the City and county as well. All the members of our Board, with the exception of the President and the Secretary have begun their service in the past year. With the introduction of new board members and the synergy generated by combining with the Merchants Association and the Citizen's for Revitalization, we have energized our committee structure and embarked on new projects. WHDA has enjoyed excellent media support throughout the year, with a number of activities and initiatives earning reportorial, editorial and "Sound Off" support. The Executive Director has an excellent and working relationships with, the downtown merchants, our sister nonprofit organizations and city officials. This has enabled us to leverage our efforts by partnering with others in conducting events, obtaining grants for park facilities, and making our downtown a community asset.

WASHINGTON HARBOR DISTRICT ALLIANCE BOARD OF DIRECTORS:

President Ross Hamory

VP Economic Restructuring Chris Furlough

VP Design Bobby Roberson

VP Promotions Mac Hodges

VP Organization Rebecca Clark & Garleen Woolard

Merchant Bob Henkel

Merchant Glenn Wetherington

Secretary Sharon Pettey

Treasurer Bill Sykes

Ex-Officio: Catherine Glover, Lynn Lewis & Jim Smith (retired)

Council Liaison: Bobby Roberson
WHDA currently has a staff of one F.T. employee Director, Beth Byrd

WASHINGTON TOURISM DEVELOPMENT AUTHORITY

At the December WTDA Board meeting, CPA William Oden presented the audit report for fiscal year 2009-10. While a few recommendations were made regarding the way to report accruals, the overall audit was favorable. Copies of the audit will be provided for each Council Member.

The Visitor Center is relocating temporarily to 141 S. Market Street (pink building) while work is being done to repair some issues in the current location. This transition will begin on Monday, January 3 and should end two weeks later. The Visitor Center will continue to be open daily from 10 AM to 4 PM.

Proposals have been received to improve the quality of wireless internet access available at the Civic Center. Options are being considered to determine when/if the work can be completed.

December and January are slow months of the year with regard to visitation. These two months are used primarily for planning and preparations for the busy Spring season.

The WTDA Board will be having a goal-setting and planning workshop following its January meeting.

The WTDA has discussed its interest in continuing the management agreement for the Civic Center beyond the 5 year contract period that ends in June, 2011. This has been communicated to Mr. Connet and Mr. Rauschenbach. Washington will be re-joining the Historic Albemarle Tour for 2011. We have not been represented in this organization for several years, but the organization seems to have a renewed energy and direction.

FINANCIAL REPORTS

Councilman Mercer expressed his concerns for the January financials. He was concerned with expenditures being more than revenues and having a possible potential shortfall.

Chief Financial Officer, Matt Rauschenbach addressed this issue and shared that it would be address more during the budget session. He did share that property taxes appeared to be up this year compared to last year. Mr. Rauschenbach stated it appears they are doing a little better this year from a budget standpoint but he will take the opportunity to look at the expenses as Councilman Mercer alluded to. This will be addressed at the next Committee of the Whole meeting.

APPOINTMENT – FIREMAN’S RELIEF ASSOCIATION

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council unanimously approved the reappointment of William M. Alligood Jr. as the Fire Department appointee, and replaced Fred Watkins Jr. with Richard Brooks as the Council appointee to the Fireman’s Relief fund for a new term of two years to expire in January 2013.

ADOPT – RESOLUTION TO CONVEY THE PROPERTY LOCATED AT 507 WEST SECOND STREET TO REILLY SOFTWARE, LLC AND AUTORIZE THE MAYOR TO SIGN ALL NECESSARY LEGAL DOCUMENTS TO CONVEY SURPLUS PROPERTY AND AWARD UPSET BID (\$3,500)

Council Mercer inquired if the restrictions were the same as in the original proposal purchase by Mr. Banks. City Attorney, Franz Holscher noted the City received an offer (Council had authorize the Clerk to initiate the upset bid process which had been seen through). This is the last bid received without an upset. When the property was originally put through the upset bid process he helped draft the Resolution and the

Resolution states that if the Council awarded the bid that it would be subject to such restrictions and protection as a preservation agreement. If the Resolution is adopted, Council will be presented with a Special Warranty Deed containing certain restrictive and protective covenants as well as a preservation, rehabilitation and maintenance agreement for approval at a future meeting. The property will not actually be conveyed until Council has had the chance to see those covenants.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council unanimously adopted the Resolution to convey the property located at 507 West Second Street to Reilly Software, LLC in the amount of \$3,500 and authorized the Mayor to execute all the legal documents necessary to convey the surplus property consistent with the terms of the original and subsequent offers and public notices.

Mayor Jennings commended the Planning Board, Historic Commission Planning Board and the Council. This is the first by product of Demolition by Neglect.

**RESOLUTION STATING THE INTENT OF THE CITY OF WASHINGTON
TO CONVEY SURPLUS PROPERTY LOCATED AT 507 WEST SECOND
STREET**

WHEREAS, the City of Washington has declared the following real property, having an address of 507 West Second Street, to be surplus to the needs of the City.

WHEREAS, the upset bid procedure for selling real property, as outlined and set forth in North Carolina General Statute § 160A-269, has been followed.

WHEREAS, the required notices for the upset bid process were advertised in the Washington Daily News. The notices described the property, set out the amount and terms of the offer as well as subsequent offers, and specified the requirements for submission of an upset bid and subsequent upset bids.

WHEREAS, after several upset bids, a qualified offer has been received and is now being reported to City Council for their consideration.

NOW THEREFORE BE IT RESOLVED: The final bid in the amount of \$3,500.00 is accepted by the City of Washington and the Mayor is hereby authorized to execute all the legal documents necessary to convey the property located at 507 West Second Street to Reilly Software, LLC consistent with the terms of the original and subsequent offers and public notices.

Adopted this 24th day of January, 2011.

ATTEST:

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

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

**AUTHORIZE – INTERIM CITY MANAGER TO ENTER INTO A ONE
YEAR WEB CAM ADVERTISING AGREEMENT WITH WITN
(\$500/MONTH)**

Chief Financial Officer, Matt Rauschenbach stated this was a follow up item from the last Council meeting. The action item from the last meeting included the maximum exposure advertising proposal from WITN. Council directed staff to separate the web cam portion and defer it to the February meeting.

Councilman Mercer inquired if the \$6,000 was part of the \$24,000 and Mr. Rauschenbach responded 'no'. Mr. Rauschenbach mentioned the advertising through the daily news, the first quarter was at no cost to the City, ElectriCities agreed to fund that. Mayor Jennings noted that he heard all positive things from at least three channels of communications.

Mayor Pro tem Roberson inquired if the money was in the budget, Mr. Rauschenbach responded 'yes' but the advertising with the newspaper and other media will be at the City's expense starting around April.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council authorized the Interim City Manager to enter into a one year web cam advertising agreement with WITN. Motion carried 4-1, Councilman Mercer opposed.

ACCEPT BID AND AWARD CONTRACT – TO TD EURE, AUTHORIZE CITY MANAGER TO SIGN CONTRACT, ADOPT BUDGET ORDINANCE AMENDMENT IN THE AMOUNT OF \$211,627 FOR THE BIG-P Y08 PROJECT

Parks and Recreation Director, Philip Mobley highlighted the project details. Staff had been working on the 2008 BIG-Project since late 2006. The application was submitted in 2007 and the City was awarded the grant in 2008. This was a Federal grant and the City had participated against 8 other States and 3 foreign territories. The City is now in its third extension to complete the project. Bids were opened on January 13, 2011. Notification for the CAMA Permit finally came via email on Friday, January 14, 2011. The total cost needed for the project is \$432,391.

The City will need to appropriate \$211,627 to complete this project. There is a ten year payback of all City monies in this project, with the increase of available permanent slips and projected increase of revenues for new transient slips.

During the CAMA permitting process, the Army Corp of Engineers entertained a comment from the US Coast Guard about a perceived navigation concern in the Harbor. As a result, because of a comment made by the Corp, CAMA placed a condition on the permit which disallows dockage on the face of the new boat docks.

Mr. Mobley stated they had just received bids on the contract for the new pier extensions and from that standpoint they had received a total bid of \$354,400. At this particular time, we had cash on hand of \$225,000. The in-kind services wouldn't be allowed because we are not doing the new docks of G & H. We are now doing A & B extensions after the public input session. There are also some new fire codes. We are now working on a short time table and the City has already invested \$66,000 in engineering fees.

Mr. Mobley stated they have the Major CAMA permit now. Discussing the Big Grant with the Supervisor for the State, she has allowed the City to take as the dock sits now A & B to take the 4 faces and count them as the transient slip dock. This will allow us to qualify for the grant. We will need 12 slips and by getting those 4 we will qualify (this will give us 14 slips).

Mr. Mobley shared that Councilman Davis worked on the grant and enabled Parks & Recreation staff to contact Representative Jones with the Corp of Engineers and the Coast Guard.

Councilman Mercer suggested that Mr. Mobley indicated the CAMA permit states specifically that you cannot dock boats at the end of the reconstructed A & B and Mr. Mobley responded 'yes'. You also said that the project coordinator has stated they will give us credit for those 4 slips in order to qualify for the grant. Mayor Jennings suggested that 120 foot pier with power cost approximately \$32,000 and the City will be getting about 10 new slips for \$400,000, he feels we are out in front of ourselves even with the \$200,000 being funded by the grant. Essentially the City has \$250,000 in this project. Mayor Jennings inquired of Mr. Rauschenbach if the City has an original budgeted match for this in the FY08-09 or FY09-10 budget the response 'yes' and the amount was \$25,000.

Councilman Mercer stating he is opposed to funding unbudgeted items.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council accepted the bid from TD Eure in the amount of \$354,400 which includes Bid Alternate 1 and 2 in amount of \$24,500 for the BIG-P Y08 Project; and authorized the City Manager to sign a contract with TD Eure in the amount of \$354,400 and adopted a budget ordinance amendment in the amount of \$211,627. Motion carried 3-2; In favor of the motion: Davis, Pitt and Moultrie. Against the motion: Mercer and Roberson.

**AN ORDINANCE TO AMEND THE BUDGET ORINANCE
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 following accounts and amounts:

10-40-3614-3600 Water Front Docks Grant \$29,062
10-00-3991-9910 Fund Balance Appropriated 182,565
Total \$211,627

Section 2. That account 10-40-6124-7400, Capital Outlay in the Water Front Docks portion of the General Fund appropriations budget be increased \$211,627.

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 24th day of January, 2011.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

**AUTHORIZE – THE MAYOR AND CITY CLERK TO EXECUTE THE
UTILITY AND MUNICIPAL AGREEMENTS WITH THE NORTH
CAROLINA DEPARTMENT OF TRANSPORTATION FOR PROJECT
R-02510 C**

Interim City Manager, Pete Connet stated this was the third phase of the US 17 project. The four lanes will continue near Cherry Run Road to a point just North of NC 171. There are two agreements, the Municipal agreement (the City will be responsible for all municipal-owned utilities within existing NCDOT right of way) and there is a City water line that runs along US 17 and turns onto Cherry Run Road that will need to be relocated as part of the project. The preliminary estimate for the cost of relocating this line is \$131,120. The City is responsible for the relocation of this line because it is within the right of way US 17. This in no way (which will be pointed out in a letter to NCDOT) waives our rights to challenge the second section on the utility relocation cost that the NCDOT is trying to charge to the City.

City Attorney, Franz Holscher pointed out that the Utility agreement by contract obligates the City to pay for removing the lines and Mr. Lewis shared that is the way it will always be unless the City asked DOT (which would increase the cost of reimbursement process) to go beyond the right of way and place a utilities easement.

Councilman Mercer suggested including copies of the letter to Secretary Conti and Mr. Hugh Overholt and Council agreed.

Council directed the Attorney to include both gentlemen to receive copies as well. Mr. Holscher and Mr. Connet shared who was copied on the letter but they would be certainly willing to include the other two individuals.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council unanimously authorized the Mayor and City Clerk to execute the attached Utility and Municipal Agreements with NCDOT for Project R-2510-C.

NORTH CAROLINA
BEAUFORT COUNTY

1/22/09

NORTH CAROLINA DEPARTMENT
OF TRANSPORTATION

TIP MUNICIPAL AGREEMENT

AND

CITY OF WASHINGTON

PROJECT: R-2510 C
WBS: 34440.3.6

THIS MUNICIPAL AGREEMENT is made and entered into on the last date executed below, by and between the Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the "Department", and the City of Washington, a local government entity, hereinafter referred to as the "Municipality";

W I T N E S S E T H:

WHEREAS, the Department has plans to make certain street and highway constructions and improvements within the Municipality under Project R-2510 C, Beaufort County; and,

WHEREAS, the Department and the Municipality have agreed that the municipal limits, as of the date of the awarding of the contract for the construction of the above-mentioned project, are to be used in determining the duties, responsibilities, rights and legal obligations of the parties hereto for the purposes of this Agreement; and,

WHEREAS, this Agreement is made under the authority granted to the Department by the North Carolina General Assembly, including but not limited to, the following legislation: General Statutes of North Carolina, Section 136-66.1, Section 160A-296 and 297, Section 136-18, and Section 20-169, to participate in the planning and construction of a Project approved by the Board of Transportation for the safe and efficient utilization of transportation systems for the public good; and,

WHEREAS, the parties to this Agreement have approved the construction of said Project with cost participation and responsibilities for the Project as hereinafter set out.

I. D. # 18130

1

NOW, THEREFORE, the parties hereto, each in consideration of the promises and undertakings of the other as herein provided, do hereby covenant and agree, each with the other, as follows:

SCOPE OF THE PROJECT:

1. This project consist of the improvements to US 17 from US 17 south of SR 1001 (Cherry Run Road) to north of NC 171.

PLANNING, DESIGN AND RIGHT OF WAY:

2. The Department shall prepare the environmental and/or planning document, and obtain any environmental permits needed to construct the Project, and prepare the Project plans and specifications needed to construct the Project. All work shall be done in accordance with departmental standards, specifications, policies and procedures.

3. The Department shall be responsible for acquiring any needed right of way required for the Project. Acquisition of right of way shall be accomplished in accordance with the policies and procedures set forth in the North Carolina Right of Way Manual.

UTILITIES:

4. The Municipality, without any cost or liability whatsoever to the Department, shall relocate and adjust all municipally-owned utilities in conflict with the Project and shall exercise any rights which it may have under any franchise to effect all necessary changes, adjustments, and relocations of telephone, telegraph, and electric power lines; underground cables, gas lines, and other pipelines or conduits; or any privately- or publicly-owned utilities.

(A) Said work shall be performed in a manner satisfactory to the Department prior to the Department beginning construction of the Project. The Municipality shall make every effort to promptly relocate said utilities in order that the Department will not be delayed in the construction of the Project.

(B) The Municipality shall make all necessary adjustments to house or lot connections or services lying within the right of way or construction limits, whichever is greater, of the Project.

(C) The Department, where necessitated by construction, will make vertical adjustments of two (2) feet or less to the existing manholes, meter boxes, and valve boxes at no expense to the Municipality.

(D) If applicable, the Department shall reimburse the Municipality in accordance with the Municipally Owned Utility Policy of the Department approved by the Board of Transportation.

(E) If the Municipality requests the Department to include the relocation and/or adjustment of municipally owned utilities in its construction contract provisions, the Municipality shall reimburse the Department all costs associated with said relocation. The current estimated costs of this relocation is \$131,120.00 (estimate based on preliminary plans). Reimbursement will be based on final project plans and actual costs of relocation. If a request is received from the Municipality, a separate Utility Agreement will be prepared to determine the reimbursement terms and an updated cost estimate.

CONSTRUCTION AND MAINTENANCE:

5. The Department shall construct, or cause to be constructed, the Project in accordance with the plans and specifications of said Project as filed with, and approved by, the Department. The Department shall administer the construction contract for said Project.

6. It is further agreed that upon completion of the Project, the Department shall be responsible for all traffic operating controls and devices which shall be established, enforced, and installed and maintained in accordance with the North Carolina General Statutes, the latest edition of the Manual on Uniform Traffic Control Devices for Streets and Highways, the latest edition of the "Policy on Street and Driveway Access to North Carolina Highways", and departmental criteria.

3

7. Upon completion of the Project, the roadway shall be a part of the State Highway System and owned and maintained by the Department.

8. It is the policy of the Department not to enter into any agreement with another party that has been debarred by any government agency (Federal or State). The Municipality certifies, by signature of this agreement, that neither it nor its agents or contractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal or State Department or Agency.

9. To the extent authorized by state and federal claims statutes, each party shall be responsible for its respective actions under the terms of this agreement and save harmless the other party from any claims arising as a result of such actions.

10. All terms of this Agreement are subject to available departmental funding and fiscal constraints.

11. By Executive Order 24, issued by Governor Perdue, and N.C. G.S. § 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor).

IT IS UNDERSTOOD AND AGREED upon that the approval of the Project by the Department is subject to the conditions of this Agreement.

4

IN WITNESS WHEREOF, this Agreement has been executed, in duplicate, the day and year heretofore set out, on the part of the Department and the Municipality by authority duly given.

L.S.
ATTEST

BY: Cynthia S. Bennett
TITLE: City Clerk
DATE: Jan. 24, 2011

CITY OF WASHINGTON
BY: [Signature]
TITLE: Mayor
DATE: Jan. 24, 2011

N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

Approved by City Council of the City of Washington as attested to by the signature of Cynthia S. Bennett, clerk of the City Council on Jan. 24, 2011.
(date)

(SEAL)



This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act
BY: [Signature]
Finance Officer

Federal Tax Identification Number
56 6001364
City of Washington

Remittance Address:
City of Washington
P. O. Box 1988
Washington, NC 27889-1988

DEPARTMENT OF TRANSPORTATION
BY: [Signature]
STATE HIGHWAY ADMINISTRATOR
DATE: 2/8/11

APPROVED BY BOARD OF TRANSPORTATION ITEM O: 2-3-11
(date)

Recess at 7:45 pm

ADOPT – BUDGET AMENDMENT FOR THE ACTUAL DEBT SERVICE FOR THE RECOVERY ZONE PROJECTS (RZEDB)

Chief Financial Officer, Matt Rauschenbach addressed this budget amendment. This was a \$4,000,000 Recovery Zone Project and the corresponding net debt service as a result of the projects that was approved increasing the amount to \$5,040,000. Councilman Mercer expressed his concern with the increase compared to the amount of money borrowed. The debt service principle almost doubled. Mr. Rauschenbach stated he had not compared it back to the \$4,000,000 but the numbers are in line with the debt service that was presented when Council approved the \$5,000,000 in storm water projects.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council unanimously adopted a Budget Ordinance Amendment to appropriate funds for the actual debt service of the final amount borrowed for the Recovery Zone Projects and to demonstrate the correct numbers.

**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 Debt Service Department portion of the General Fund appropriations budget be increased:

10-50-4020-8400	Recovery Zone Principal	\$265
10-50-4020-8401	Recovery Zone Interest	<u>236</u>
	Total	\$501

Section 2. That account number 10-00-9990-9900, Contingency, of the General Fund Contingency appropriations budget be decreased in the amount of \$60.

Section 3. That account number 10-00-3832-0000, RZEDB Interest Rebate portion of the General Fund Revenue budget be increased in the amount of \$441.

Section 4. That the following accounts in the Debt Service Department portion of the Storm Water Fund appropriations budget be increased:

34-90-4020-8400	Recovery Zone Principal	\$ 66,063
34-90-4020-8401	Recovery Zone Interest	<u>52,400</u>
	Total	\$118,463

Section 5. That account number 34-90-9990-9900, Contingency, of the Storm Water Fund appropriations budget be decreased in the amount of \$2,225.

Section 6. That the following accounts in the Storm Water Revenue budget be increased:

34-90-3991-9910	Fund Balance Appropriated	\$ 61,113
34-90-3832-0000	RZEDB Interest Rebate	<u>55,125</u>
	Total	\$116,238

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 24th day of January, 2011.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

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

Councilman Mercer expressed his concerns over the following purchase orders:

1. Replace vehicle #160 - a 2005 Crown Vic with a purchase of a Crown Vic. Vehicle #160 was not in the budget for replacement this year. Councilman Mercer does not have a problem with a substitution and Mr. Rauschenbach shared this was a substitution. Councilman Mercer suggested this information be included when they received the request Councilman Mercer inquired if the purchase order has already been issued and the response was 'no' – all vehicle purchase orders come before Council before it goes to the vendor. Mayor Blizzard noted the transmission was slipping on #160. Mayor Jennings requested the change be documented in the purchase order request.
2. Councilman Mercer expressed his concern with the Tree trimming contract. Mr. Leggett confirmed he will stay within the budget.
3. Councilman Mercer expressed his concern on the vehicle purchase by the Electric Department. \$22,000 had been budgeted to replace vehicle 614 the Ford Explorer. The request states that Explorer's are no longer available on the State

contract this year and the Dodge is the best thing that will serve their needs which is a \$27,000 Durango. He understands the vehicle is assigned to the Electric Director's office. There are two vehicles on the State contract program namely: Jeep Liberty 4 X 4 for \$18,800 and a Ford Escape 4 X 4 for \$22,000. Mr. Hardt stated this vehicle is daily driver for the Electric System Engineer and noted that a Jeep and Ford were not long enough to hold all field equipment even with the seats folded down.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council unanimously approved the Crown Vic, the mowing contract (tree clearing crew) and the rebuild of the generator but requested further evaluation on the purchase of the Durango.

Requisition #8468, Capital Ford, \$22,239.30, Ford Crown Vie Police Interceptor to replace vehicle 160, a 2005 Crown Vic. Account 10-10-4310-7402.

Requisition #8489, Asplundh Tree Expert Company, \$102,000, tree clearing crew for the remainder of the year. Account 35-90-8380-4501.

Requisition #8504, Ilderton Dodge, \$27,096, Dodge Durango to replace vehicle 614. \$22,000 was budgeted based on last year's State contract price for a Ford Explorer. Explorer's are no longer available and the Dodge is the most reasonably priced vehicle that is suitable. Account 35-90-7220- 7401. (continued for further review)

Requisition #8517, Atlantic Power Systems, \$40,000, rebuild Camfil Farr peak shaving generator. Account 35-90-8370-1600.

DISCUSS – TDA AGREEMENTS AND LEASE FOR FEBRUARY AGENDA

Interim City Manager, Pete Connet noted this will hopefully be on the February agenda. Copies have been forwarded to City Council.

**DISCUSS – STRATEGIC PLANNING MEETING WHICH WAS
ORIGINALLY SCHEDULED FOR JANUARY 24, 2011 AT 3:00 PM –
BROWN LIBRARY**

Interim City Manager, Pete Connet requested Council set a date for the Strategic Planning Session.

By motion Councilman Davis, seconded by Mayor Pro tem Roberson, Council set the date for Monday, January 31, 2011 at 5:00 pm at Brown Library. *The Library was unavailable, subsequently the meeting was held in the Council Chambers.

DISCUSS – COPPER WIRE

Mayor Pro tem Roberson requested the Interim City Manager to report to Council with about the recent copper theft. This is the second report of theft the City have had in less than seven months. Chief Financial Officer, Matt Rauschenbach noted that some of the research is continuing and they don't have a total amount of the magnitude of filing the claim. We should have some information available later in the week.

DISCUSS – PLANNING BOARD REQUEST

Councilman Mercer had drawn up some specific wording regarding temporary signs and presented it at a previous meeting and requested it be forwarded to the Planning Board for comment. John Rodman, Planning Director is working on this project with the Planning Board.

DISCUSS – POWER AGENCY BOARD - NCEMPA

Councilman Mercer mentioned the Power Agency Board will be meeting Wednesday in Wilson and has requested the representatives on the Board to be prepared to discuss potential positions. Councilman Mercer requested concurrence from the Council to make a presentation or to make a statement. Councilman Mercer stated he was interested in having the Power Agency and ElectriCities look at the concept of

actually getting out of ownership to pay off debt with our buyout from Progress/Duke merger.

By consensus, Council agreed to explore this option for discussion proposes.

DISCUSS – GREEN FLEET POLICY

Councilman Mercer noted the Green Fleet Policy was adopted approximately 2 years ago. The Green Fleet Policy stated we would evaluate our Green Fleet in terms of cost of operation and come back to make recommendations. As part of the Green Fleet Policy we were going to look at compact cars. Can we have a report from that committee sometime within the next 60 days? Mr. Rauschenbach will compile a report for Council.

CLOSED SESSION – UNDER § NCGS 143-

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

By motion of Councilman Pitt, seconded by Councilman Davis, Council agreed to enter closed session under § NCGS 143-318.11(a)(3) Attorney/Client Privilege and under § NCGS 143-318.11(a)(6) Personnel at 8:22 PM.

By motion of Councilman Davis, seconded by Councilman Pitt, Council agreed to come out of Closed Session at 8:49pm.

**ADJOURN – UNTIL MONDAY, JANUARY 31, 2010 AT 5:00 PM IN THE
COUNCIL CHAMBERS AT THE MUNICIPAL BUILDING**

By motion of Councilman Davis, seconded by Councilman Pitt, Council adjourned the meeting at 9:00 pm until January 31, 2011 at 5:00 pm in the Council Chambers at the Municipal for the Strategic Budget Planning Session.

Cynthia S. Bennett, CMC
City Clerk