

The Washington City Council met in a regular session on Monday, March 17, 2008 at 4:30 p.m. in the Council Chambers at the Municipal Building. Present were: Judy Jennette, Mayor; Doug Mercer, Mayor Pro tem; Gil Davis, Councilman; Darwin Woolard, Councilman; Archie Jennings, Councilman; Richard Brooks, Councilman; Jim Smith, City Manager; Rita A. Thompson, City Clerk; and Franz Holscher, City Attorney.

Also present were: Carol Williams, Finance Director; Jimmy Davis, Fire Chief; Allen Lewis, Public Works Director; Bobby Roberson, Planning and Community Development Director; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Keith Hardt, Electric Director, and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order and Council Woolard delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Jennette added approval of February 25, 2008 minutes, moved Item VI.A.1. to VII.C, changed VI.B.6. to VIII. C., added I.F. Budget Information, added VI.A. 6. Skateboard Park, and VI..A.7.Project Help. Under Item X., Councilman Jennings added A, Stormwater Management B. Harbor Management Plan, and C. Bridge for Highway 32. Mayor Pro tem Mercer removed Item I.B. from the Consent Agenda to V.A.2. and added the following under item X.: Discussion – Hiring Freeze, Capital Plan and Airport Grant. Councilman Davis added a closed session on personnel.

On motion of Councilman Jennings, seconded by Councilman Woolard, Council unanimously approved the agenda, as amended.

APPROVAL OF MINUTES

On motion of Councilman Woolard, seconded by Councilman Davis, Council unanimously approved the minutes of February 11, February 20, and February 25, 2008, as submitted.

CONSENT AGENDA

On motion of Councilman Woolard, seconded by Mayor Pro tem Mercer, Council unanimously approved the Consent Agenda, as amended:

- A. Adopt – Resolution to Authorize City Manager to execute T-Hangar Lease

RESOLUTION RATIFYING CERTAIN T-HANGAR LEASES AND AUTHORIZING THE CITY MANAGER TO ENTER AS WELL AS EXECUTE T- HANGAR LEASES

WHEREAS, the City of Washington (hereinafter referred to as “City”) owns the Warren Field Airport, including T-hangars currently located thereon.

WHEREAS, the City leases said T-hangars on an annual basis to individuals and entities. Those individuals and entities occupying a T-hangar during a previous year have priority to lease the same T-hangar in a subsequent year; if a vacancy occurs in certain T-hangars, individuals and entities currently occupying other T-hangars have priority to move to those certain T-hangars that become vacant; and a waiting list is maintained by the City to establish the priority from which it fills any T-hangar that subsequently becomes vacant.

WHEREAS, the rental amounts for said T-hangars are set and reestablished annually based upon the annual percentage increase of the Bureau of Labor Statistics CPI (South Class Size B Series IV. CUURD 300 SAO) or 5%, whichever is less. Excepting for said rental increases, all other terms and conditions of said T-hangar leases remain constant from year to year.

WHEREAS, North Carolina General Statute § 63-53 authorizes a city to, among other things, vest authority for the operation and regulation of an airport established by it in an officer and to lease such airports or other airport navigation facilities or real property acquired or set apart for airport purposes to private parties.

WHEREAS, cities are authorized by State law to delegate their authority to approve, enter and execute contracts, including leases.

THEREFORE, the City Council for the City of Washington resolves as follows.

1. All T-hangar leases heretofore entered and executed by the City Manager on behalf of the City of Washington are hereby ratified.
2. The City Council hereby delegates and authorizes the City Manager or his/her designee to approve, enter and execute T-hangar leases on behalf of the City of Washington.

Adopted this the 17TH day of May, 2008

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

- B. **MOVED TO NEW BUSINESS** Adopt – Budget Amendment for Electric Fund (\$368,778)
- C. FYI – Macswood Paving
- D. FYI – Dissolve Aquatic Pool Committee
- E. Authorize – City Manager to sign Release, Hold harmless and Indemnification Agreement with Bridge Harbor, LLC (Fireworks)

NORTH CAROLINA
BEAUFORT COUNTY

RELEASE HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

WHEREAS, the City of Washington ("City") has contracted with Melrose Pyrotechnics Inc. to provided a fireworks show for the public on July 4, 2008;

WHEREAS, the City leases has requested Bridge Harbor, LLC to allow its property to be used in conjunction with the above; and

WHEREAS, Bridge Harbor, LLC desires to permit its property to be used in conjunction with the above upon the condition that the City furnish it with this Release, Hold Harmless and Indemnification Agreement ("Release").

NOW THEREFORE, know all persons by these presents, upon execution of this Release and in consideration of the foregoing, which consideration is acknowledged to be sufficient and legally binding, the City does for itself, hereby agree to unconditionally release, hold harmless, and will indemnify, acquit and forever discharge Bridge Harbor, LLC, and their respective agents, representatives, insurers, successors, and assigns,

and each of them, respectively, of and from all and any manner of action or actions, cause and causes of actions, claims, demands, costs, expenses, attorney's fees, and consequential, general, special, and punitive damages or liabilities, known or unknown, on account of, or in any way related to or growing out of the use of Bridge Harbor, LLC's property to produce a firework show for the public on July 4, 2008 as more particularly described hereinabove.

IN WITNESS WHEREOF, the City has caused this instrument to be executed in its name by its City Manager, attested by its City Clerk, and its corporate seal to be hereunto affixed, all by proper corporate authority duly given.

This the 17TH day of May, 2008

s/James Smith
JAMES SMITH
CITY MANAGER

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

- F. Approve – Agreement for Reimbursement of Training & Equipment Expenses (Fire Department)

AGREEMENT FOR REIMBURSEMENT

OF TRAINING & EQUIPMENT EXPENSES

THIS AGREEMENT FOR REIMBURSEMENT OF TRAINING AND EQUIPMENT EXPENSES (this "Agreement") is made as of the ____ day of _____, 20____ by the City of Washington, North Carolina ("City") and _____ ("Applicant").

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows.

1. Recitals. The parties recite the following facts.
 - a. Applicant has applied to the City for employment as a Firefighter/EMT, a position for which Applicant lacks the specific training and equipment that is necessary and/or legally required in order to fulfill the proper conduct and duties associated with said position. Applicant hereby acknowledges that the City is committed to incurring substantial expenses on behalf of Applicant in order to provide said specific training and equipment to Applicant in the event the City employs Applicant.
 - b. In light of the above commitment on the part of the City to incur said expenses, Applicant acknowledges that it would be inequitable and cause economic hardship to the City if Applicant either i) fails to satisfactorily complete said training, ii) chooses not to continue Applicant's employment with the City after the completion of said training, or iii) leaves Applicant's employment with the City within the Continued Employment Period provided for hereinafter, all of which the City recognizes may occur and/or that Applicant is free to do at any time.

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- c. Applicant hereby agrees to reimburse the City, as more specifically provided for hereinafter, in the event Applicant either i) fails to satisfactorily complete said training, ii) chooses not to continue Applicant's employment with the City after the completion of said training, or iii) leaves Applicant's employment with the City within the Continued Employment Period provided for hereinafter.

Any such payment by Applicant to the City as provided for herein shall constitute reimbursement to the City for said expenses it incurs on behalf of Applicant, but shall not constitute a penalty or damages.

2. Non-Recoverable Equipment. If the City employs Applicant, the City shall provide Applicant with custom fit uniforms and certain specialized equipment ("non-recoverable equipment").
3. Training. If the City employs Applicant and so long as the City continues to employ Applicant, the City shall provide Applicant with any necessary professional training to serve as a Firefighter/EMT through a fully accredited firefighter and/or EMT training program(s) and/or departmental field training program, depending upon Applicant's qualifications at the time of initial employment. "Pre-Certification Training", as used herein, shall mean and refer to the period of time spent in firefighter academy and/or EMT basic training while employed with the City.
4. Continued Employment Period. If Applicant is employed by the City as a Firefighter/EMT and continues such employment for a Continuous period of twenty-four (24) months following Completion of In-Service Field Training (the "Continued Employment Period"), this Agreement shall automatically terminate, and neither party shall have any further obligations to the other under this Agreement. "Continuous", as used herein, shall mean and refer to Applicant's employment with the City as a Firefighter/EMT after Completion of In-Service Field Training, uninterrupted by any factor other than illness, injury, military leave, approved vacation, or other good cause (as determined in the sole discretion of the City) for fourteen (14) days or less. "Completion of In-Service Field Training", as used herein, shall mean and refer to Applicant's completion of the in-service field training following any required Pre-Certification Training.
5. Reimbursement for Training and Equipment Expenses.
- a. Calculation of Reimbursement for Training and Equipment Expenses. If Applicant shall fail to satisfactorily complete said training, including Pre-Certification Training or In-Service Field Training as may be required, or, during the Continued Employment Period, shall fail, for any reason, to complete Continuous employment as described in Section 4 hereinabove, Applicant shall reimburse to the City an amount equal to Training and Equipment Expenses (as defined below) incurred by the City with respect to Applicant. "Training and Equipment Expenses" shall mean the following expenses, as may be amended from time to time consistent with the then current, respective amounts:
- (i) Pre-Certification Training
(100% of salary paid during said training period) _____
 - (ii) In-Service Field Training
(50% of salary paid during said training period) _____
 - (iii) Non-recoverable Equipment Expenses _____
- TOTAL _____

For each full month of Continuous employment with the City during the Continued Employment Period, Training and Equipment Expenses, for the purposes of

calculating the amount of reimbursement, shall be reduced by one twenty-fourth (1/24).

- b. Repayment Terms. If Applicant is required to reimburse the City for Training and Equipment Expenses under this Agreement, reimbursement shall be payable in twenty-four (24) substantially equal consecutive monthly installments, due on the first (1st) day of each month, beginning on the first (1st) day of the calendar month immediately after Applicant's separation from employment with the City, and continuing until the entire indebtedness is fully paid. To secure Applicant's obligations under this Agreement, Applicant shall execute and deliver to the City a promissory note substantially in the form shown on Schedule A, which is attached hereto and incorporated herein by reference. In the event Applicant is employed by the City during said Continued Employment Period and completes Continuous employment as provided in Section 4 above, the Note shall be endorsed by the City as being fully paid and satisfied as well as marked void and shall be delivered to Applicant as such.
6. At-Will Status Unaffected. The parties acknowledge that, in the event the City employs Applicant, the employment relationship shall be and shall remain AT-WILL. Irrespective of the provisions contained in this Agreement, it is distinctly and expressly understood and agreed by the City and Applicant that (i) the duration of employment, if employment is offered to Applicant, is unspecified and either party may terminate the employment relationship with or without cause and without notice; (ii) this Agreement does not create any expectation, covenant, guaranty, promise, warranty, or right as to or in continued employment or job security; and (iii) this Agreement does not create or vest any rights or expectations in Applicant with respect to Applicant's potential, continued, or future employment with the City.
7. Miscellaneous Provisions.
 - a. Headings. The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.
 - b. Binding Effect and Entire Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives. This Agreement and the schedule hereto contain the entire agreement and understanding of the parties with respect to the transactions contemplated hereby; and this Agreement and the schedule hereto supersede all prior understandings and agreements of the parties with respect to the subject matter hereof.
 - c. Amendment, Modification and/or Supplement. The parties may amend, modify, and/or supplement this Agreement in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplements are reduced to writing and signed by the parties or their successors in interest.
 - d. Gender and Number. Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.
 - e. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.
 - f. Survival. Any termination, cancellation or expiration of this Agreement notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

- g. Non-waiver. No waiver of any term or condition of this Agreement by any party shall be deemed a continuing or further waiver of the same term or condition or a waiver of any other term or condition of this Agreement.

(Applicant is encouraged to seek the advice of an attorney before signing this legally binding Agreement.)

SCHEDULE A

PROMISSORY NOTE

US _____
_____, 20_____

FOR VALUE RECEIVED, the undersigned (“Borrower”) promises to pay to the order of the CITY OF WASHINGTON, NORTH CAROLINA, its successors and assigns (“Note holder”), in lawful money of the United States of America, the principal sum of _____ AND 00/100 DOLLARS (\$_____), or so much as may be advanced under the terms of this Note and that certain Agreement for Reimbursement of Training & Equipment Expenses (“Agreement”) entered into between the parties, which Agreement is incorporated by reference as if fully set forth, together with no interest thereon. All installments of principal shall be payable at 102 E. Second Street, Washington, NC 27889, or at such other place as Note holder may designate to Borrower in writing from time to time.

Commencing on the first (1st) day of the month after the Employment Termination Date (as hereafter defined), principal shall be repaid in twenty-four (24) substantially equal consecutive monthly installments. The “Employment Termination Date” shall be the date that Borrower is no longer employed by the City as a Firefighter/EMT consistent with and as more specifically provided for in said Agreement.

This Note secures the obligations of Borrower to the City under said Agreement. Reference is herein made to said Agreement, and all amendments and supplements thereto for a description of the rights, duties and obligations of Borrower and the rights of Note holder with respect thereto.

Following an Event of Default (as hereinafter defined), Note holder may, at its option, declare the entire principal balance to be immediately due and payable. It shall be an “Event of Default” under this Note if either: (1) any principal or other amount of money due under this Note is not paid in full when due and Borrower fails to cure such delinquency within ten (10) days after notice is given to Borrower of Borrower’s failure to make such payment when due.

Without limiting any rights or remedies of Borrower on default and acceleration, judgment may be confessed by Borrower through its attorney-in-fact. Borrower hereby constitutes and appoints any attorney employed by _____, any of whom may act as its true attorney-in-fact in its name, place and stead on the occurrence of an Event of Default under this Note. Borrower’s attorney-in-fact may confess judgment against Borrower in the General District Court of Beaufort County, North Carolina, or in any other court of proper jurisdiction for all unpaid principal and interest on this Note, plus costs, expenses and attorney’s fees as specified in this Note on the occurrence of any Event of Default. Borrower hereby ratifies and confirms the acts of each such attorney-in-fact as if those acts were done by Borrower.

Borrower may prepay the principal amount outstanding in whole or in part without the payment of penalties or premiums.

Acceptance by Note holder of any payment in an amount less than the amount then due on any indebtedness shall be deemed an acceptance on account only and shall not in any way excuse the existence of an Event of Default.

Borrower waives notice of maturity, presentment for payment, demand, protest, and notice of protest, notice of nonpayment and notice of dishonor, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other document securing this Note). Borrower waives the benefit of all homestead and similar exemptions as to this Note. Borrower submits (and waives all rights to object) to non-exclusive personal jurisdiction in the state of North Carolina and venue in Beaufort County, North Carolina, for the enforcement of any and all obligations under this Note.

Borrower agrees to pay a late charge of five percent (5%) of any installment due under this Note if paid more than ten (10) days after its due date.

All notices, requests, demands and other communications required or desired to be given hereunder shall be in writing and shall be deemed to have been given: (i) when personally delivered, (ii) two (2) days after mailed by first class mail, postage prepaid, addressed as follows (to the extent applicable for mailing), or (iii) the next "Business Day" (as hereafter defined) after sent by regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with carrier, made for the payment of such fees, addressed as follows (to the extent applicable for overnight delivery).

To Borrower _____

or to such other address as may be furnished in writing for such purposes. For the purposes of this Note, "Business Day" shall mean any day other than a Saturday, Sunday or legal holiday in the state of North Carolina.

If Note holder retains an attorney in connection with any default or at maturity to collect, enforce or defend this Note or any other document securing this Note, in any lawsuit or any reorganization, bankruptcy, arbitration or other proceeding, then Borrower agrees to pay to Note holder, in addition to principal, interest and other sums owing to Note holder, all reasonable costs and expenses incurred by Note holder in trying to collect this Note or in any such suit or proceeding, including reasonable attorney's fees.

A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

This Note shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

No failure by Note holder to exercise and no delay by it in exercising any right, power, or privilege under this Note shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies under this Note are cumulative and not exclusive of any rights or remedies provided by law.

IMPORTANT NOTICE

THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.

IN WITNESS WHEREOF, this Promissory Note has been duly executed by the undersigned Borrower.

_____, Borrower

- G. Adopt – Ordinance to amend Chapter 9, Section 77 – Stop Intersections (McNair and Water Street)

**AN ORDINANCE TO AMEND CHAPTER 9,
SECTION 77: STOP INTERSECTIONS
OF THE WASHINGTON CITY CODE**

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

Section 1. That Chapter 9 Section 9-77 – Stop Intersections, be amended to add the following:

Sec. 9-77. Stop Intersections.

Water Street from McNair Street.

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

Section 4. This ordinance shall become effective March 21, 2008.

This the 17th day of March 2008.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

**REV. DAVID MOORE – REQUESTING CITY TO PROVIDE
WATER/SEWER AND IMPACT FEES FOR FOUR HOUSES (PAGE 67)**

Rev. David Moore appeared before Council to request that Council provide the water and sewer taps and impact fees for four (4) proposed houses for low to moderate income families on West MLK Jr. Drive and Hackney Avenue. Rev. Moore reiterated his past partnering with the City which began twenty years ago. He stated that those four (4) houses at \$110,000 per house would be \$264,000 a year in ten years which makes good sense...taking vacant land and putting it on the tax rolls.

Mayor Pro tem Mercer stated that we have a large number of substandard housing because there is nothing else available. He stated that every time Metropolitan goes in with a home ownership project, you see immediate difference in that neighborhood. To reduce the amount of substandard housing, he wholeheartedly supports..

Councilman Jennings stated that Council was cooperative in extending monies through a grant cycle. He stated we should be consistent with overall projects. Make sure Council is true to our past rulings on impact fees. He stated that whatever we do can be defended in terms of a precedent.

After discussion, on motion of Mayor Pro tem Mercer, seconded by Councilman Woolard, Council unanimously agreed to waive impact fees and connection fees on (4) four houses located on West MLK and Hackney Avenue (\$2,356.)

Mr. Smith asked if that is to be paid from the General Fund? Mayor Pro tem Mercer stated that his assumption is that we are waiving a water tap fee and sewer tap fee that should come from those units. Mr. Smith stated that the Water and Sewer fund do not have affordable housing responsibility, but in the General Fund they do. You're talking about moving money from the General Fund into the water and sewer fund. Councilman Jennings stated there is a difference between waiving it and the city paying it.

Councilman Davis stated that we probably need to pay it out of the General Fund instead of just waiving it.

ECONOMIC DEVELOPMENT COMMISSION

Councilman Woolard stated there is no news to report.

TOURISM DEVELOPMENT AUTHORITY

Mayor Jennette stated that TDA is putting their budget together. The Civic Center remains a challenge event though the bookings are up.

HUMAN RELATIONS COUNCIL

Mayor Jennette stated that the Pulpit Exchange was cancelled because of Easter. They are trying to put together a Fair Housing Seminar for April.

DOWNTOWN WASHINGTON ON THE WATERFRONT

Mr. Ross Hamory, Chairman of DWOW, referred to the summary of the Harbor Management Plan that was passed out. In general, the City does not have jurisdiction to govern the river so the boats moored there cannot be dealt with.

The main points of the Harbor Management Plan are:

- Obtain regulatory authority over the City's harbor. This will require legislative action on the part of the State. This legislation will allow the City to apply city ordinances to the harbor and to appoint a harbormaster to enforce these ordinances.
- Provide for the establishment of mooring fields that will be monitored and regulated by the Harbormaster.
- Establish a Harbor Commission that will periodically review the Harbor Management Plan and recommend changes to the City Council.

Required actions:

The DWOW Committee, with Planning Board participation, will finalize the plan and present it to the full Planning Board for review and a public hearing. It is expected that the Planning Board will amend the plan, if needed, enforce it, and then send it to the City Council for action.

Mayor Pro tem Mercer stated that we need to proceed slowly; that we will establish a precedent and what we do good for Washington will be applicable to the rest of the coastal communities.

Mr. Bill Sikes spoke in favor of the mooring fields. He stated that Mr. Suggs is the permit holder and he will apply for a mooring. He is allowed to collect fees. Each

mooring field is allow ten (10) slips without doing an environmental assessment The ordinance establishes safety standards.

Councilman Jennings stated that we need to go “slow” on the Harbor Management Plan. In the meantime we need to get staff to look specifically at what kind of local ordinance we need to enact to have a small mooring field.

Mr. Holscher stated that his office became involved about two months ago. He stated that his office has done a lot. He stated we can move forward with the mooring field but have no authority to do enforcement, as we have no Statute to authorize that. He stated he was told earlier that all we have to do was submit a Bill in short session and it would be taken care of. His office has contacted our legislator’s office, staff to staff, at a conceptional level. The reason for the phone call was that he was being told if we gave them something during the short session it would happen. He has concluded there had been conversations between somebody and our legislator. He was told that this type of legislation would not be appropriate in the short session but they were willing to have a meeting and talk conceptionally about where we were heading. This plan and these ordinances have been passed by Carolina Beach. They are not using it because they don’t think they have the authority to use it. There is also a mooring field in Beaufort that is not enforce. He wanted Council to know why his office called our legislator. He stated he will pass on what his office has done, and advised Council to proceed with caution. There is no state legislation on this.

Councilman Jennings asked Mr. Holscher if his staff and Rep. Williams’ staff are the only ones who have talked about this at the legislative level? Mr. Holscher answered yes, but it was his understanding that there had been conversations that laid that ground work prior to that email exchange. Councilman Jennings stated that the City Council is finding out a lot about a lot *after* the fact and that is a huge concern of his. People are talking to Rep. Williams and Council needs to take action to catch up with this thing. He asked, “Who is talking to Arthur?” Mr. Holscher stated he asked staff if they had authority to proceed with this and he was told they did. He stated he has written the charge off.

Councilman Jennings asked this group that is interested in the mooring field if they would be more interested with or without legislation? Mr. Sikes answered, with legislation, definitely. The way you enforce it is through a contractual arrangement, not through local ordinance legislation.

Mr. Smith stated he has managed a mooring field and if you have one jointly applied for by the City and someone else, there has to be enforcement.

Mr. Sikes stated that through contact, we can enforce. You can have a permit if you follow the regulations, maintenance, procedures, bi-annual inspections, or they will withdraw your permit. The City has to agree.

After a lengthy discussion, on motion of Councilman Jennings, seconded by Councilman Woolard, Council unanimously agreed to proceed with the mooring field permit arrangement and then concurrently work on a longer term comprehensive piece of legislation that would enable us to set the precedent for enforcement of derelict boats in a mooring field, and bring forward to Council in a timely fashion.

Mr. Holscher asked Councilman Jennings to explain his motion. Councilman Jennings stated that what he is saying is to proceed with a mooring field under the contractual understanding with Mr. Suggs, the joint permit process if you will, and that we will concurrently develop a Harbor Management Plan which may require special legislation.

Council recessed for a five minute break.

PUBLIC HEARING - CONSIDER ZONING CHANGE CONSISTING OF 3.05 ACRES OF PROPERTY LOCATED ON PERIWINKLE LANE OFF TRANTERS CREEK DRIVE

Ms. Dot Moate, a member of the Planning Board, stated that several adjoining property owners spoke in opposition of this rezoning. The Planning Board did not recommend the zoning change because: (1) the property map did not show the public access nor private drive acceptable to the property in question; (2) the property was not in compliance with the comprehensive Plan, and (3) because the Planning Office has received some additional information on the easement for the access, the Planning Board recommended that the public hearing be continued until the regularly scheduled meeting in April.

Mayor Jennette asked if anyone wanted to speak on this, but we are continuing this until April.

Kermit Alligood, of Pamlico Cabinet Top, stated that he has no knowledge of anyone having a right of way across his property. He stated he did not oppose the rezoning, but he would like to know why it is Periwinkle Lane. He stated he has made two appointments for the Lee boys to meet him and they had not.

Mr. Holscher stated that the record should show that the applicant consents to the continuance and the additional reconsideration by the Planning Board.

On motion of Councilman Woolard, seconded by Councilman Davis, Council unanimously agreed to send this back to the Planning Board for reconsideration and continued the hearing until Monday, April 14, 2008 at 6:00 p.m.

Will Mayo, on behalf of Steve Lee, owner of the property, stated that they do have some information on the access easement that was inconsistent with what was presented to the Planning Board.

PUBLIC HEARING - CONSIDER PRELIMINARY SUBDIVISION PLAT APPROVAL OF WASHINGTON VILLA SUBDIVISION LOCATED OFF HWY 17 NORTH

Ms. Moate stated that there was one adjacent property owner who spoke in opposition of the request. The Planning Board recommended approval subject to the conditions of the Technical Review Committee that has since found out that the street design, as presented to the Planning Board, is not adequate for fire protection. Therefore, the recommendation is to continue the public hearing.

Mayor Jennette asked for comments from the audience.

Ms. Elrita Downs stated that they have had a shooting range on that property that has been there for seventeen years. She stated that Mr. Zhu wanted to building a retirement community. City Council changed the zoning for Mr. Zhu so he could do that. Now, she understands that it was approved to O&I which gave him permission to put private houses there. She stated she felt something was not right. She stated the shooting range was grandfathered in by the City. She stated that she didn't want 200 people to go to the Council complaining about noise. She asked that Council tell realtors that they have to disclose to everyone they sell property to that they are building beside a gun range. This subdivision should not be built there.

Mr. Bryan Fagundas, of Rivers & Associates, stated that they were responding to the request to address staff comments and three additional conditions the Planning Board placed on the plat. He stated he has written responses to the comments and conditions, along with a revised preliminary plat. Mayor Jennette asked him to give it to Bobby. He stated they would like to have it heard.

Councilman Jennings stated that the owners of the gun club property expressed their concern and reluctantly participated in the process in terms of having this turned back into O&I. He stated he would like to see the minutes and any other documents pertaining to this.

Mr. Roberson stated that this was litigated and a compromise was set up. Mayor Jennette stated that the Smart Growth Plan needs to be used for this subdivision. Mr. Fagundas stated the plat was submitted in December for the January Planning Board Agenda. It was heard in February and he doesn't know why we are regressing now. Mayor Jennette asked if we can put something in place that the City recognizes that the gun club was there first? Mr. Holscher stated that he doesn't understand where Council is going with that. He will have to look at the compromise that came out of the litigation. This particular property is zoned what it is and if the owner of the property wishes to submit a plat consistent with the zoning, Council has to consider their plat, without additional education about the background. He stated that from what he is hearing is that there has been some additional information on a revised plat. Mr. Fagundas stated that they have revised the plat to make sure they are in compliance with the City's regulations, which they thought they were previously.

Mayor Jennette asked if he had a list of the Smart Growth concepts. He stated that he received it today.

Mayor Pro tem Mercer stated that it just doesn't make sense to put 20, 30, or 50 houses next door to a shooting range.

Ms. Downs stated that the agreement was made that Hunters Pointe could stay there. She stated that when they applied for the permit, they received a letter from Don Davenport, County Manager. They talked to Buddy Cuter and Nelson Sheppard, and did everything legal to get the hunting club in this town. She stated that they had 300 shooters this weekend and filled every motel in this town and Williamston. She stated that she does not understand why anyone would want to put a housing development beside a gun club. She stated they were grandfathered in as long as the gun club is there and open.

Councilman Jennings stated that he remembers when Mr. Zhu Jian came and the Council was animate as a Council to Mrs. Downs' point about the beneficial nature of the gun club and the commerce it derives. They made sure he understood what he was getting into. He wants to make sure we go back and get a clear understanding of the background information that is involved so a decision made is suitable to everyone.

Ms. Downs stated that she does not have a problem with the subdivision being there but she has a problem with the Council approving the zoning for him to put it there. Anybody who buys a lot would be crazy. She stated it is a very active lodge. She stated they raised over \$100,000 for the hospital in Greenville last weekend. She asked what would happen if someone moves there and complains they are making too much noise? Councilman Jennings stated if they buy a house next to a gun range, he hopes they are smart enough to know they will hear some gun noise.

Mr. Roberson stated that they can show it on the map and any attorney would see that, and a license real estate broker has to disclose surrounding property.

On motion by Councilman Davis, seconded by Councilman Jennings, Council unanimously agreed to send this back to the Planning Board for their recommendation and list it on the April Agenda, and any background information be brought forth to the Council.

Mr. Smith stated that he hopes that the Planning Board really looks at this subdivision because it virtually violates every tenant of the Smart Growth program.

**CONSIDER – PRELIMINARY SUBDIVISION PLATE APPROVAL FOR
RIVER MILL SUBDIVISION LOCATED OFF WEST 5TH STREET**

Ms. Dot Moate stated that several property owners appeared before the Planning Board to speak in opposition to the new piers proposed in the subdivision. The East Group has not filed a major CAMA permit for the property and questions came up concerning public boat slips. Therefore, the recommendation is to approve the preliminary subdivision plat, subject to technical review committee comments and the issuance of a major CAMA permit for the boat slips. When the CAMA permit is issued, approval will also be required by the Planning Board which constitutes a resubmission on the boat slips.

Councilman Jennings asked if this is to be approved subject to the boat slip approval? Ms. Moate answered that it should be subject to the Technical Review and review of the major CAMA permit.

Mayor Pro tem Mercer asked what if we already approved it and it is not allowed.

Mayor Jennette stated it would have to be approved without the boat slips. Councilman Woolard stated that is probably why they want it there...the boat slips.

Mayor Jennette stated this is a public hearing.

Mr. Joe Duckett, with the East Group, stated that the marina is essentially off the table. With the boat slips as shown on the preliminary plat, there were some questions about the location. They have worked with some of the neighbors and have found a location that would be better and would be more day slips. Anything that is proposed has to be approved by CAMA.

Mayor Pro tem Mercer stated he had some difficulty following some of the configurations, and that it appears that some of the lots are wetlands. Mr. Duckett explained the configurations and stated that they are infringing on a very small piece of land .03 acres to be approved by DNER. Mayor Pro tem Mercer referred to the variations in the water main. Mr. Duckett stated that it is standard on a cul-de-sac to reduce it down to 2"; however, at the request of the City, they have modified the water main running down River Mill Lane to an 8." They are also extending that connection across Highway 264 to connect to a 16" water main that exists there, essentially looping the 8" main on Grimes and the 16" main on Highway 264.

Mayor Pro tem Mercer stated that it appears that the radius of the cul-de-sac varies and isn't there a standard. Mr. Roberson answered yes; the radius of the cul-de-sac has been increased to 96 feet. Mayor Pro tem Mercer stated that before we get a plat in that the word "marina" should disappear.

Councilman Jennings asked about sidewalks. Mr. Duckett stated that they can add sidewalks for people to get around without getting on the road.

Mr. Smith brought up the discussion to keep access to some of that rail trail through there so we can have a walking and bike path to Pitt County.

Mayor Jennette closed the public hearing.

Councilman Woolard moved that we accept the recommendation of the Planning Board and approved the preliminary subdivision plat of River Mill, subject to the conditions by the Technical Review Committee marked as attachment A, without boat slips, and add additional sidewalks for connectivity.

Councilman Jennings seconded the motion. Mayor Pro tem Mercer voted no. – Motion carried by majority vote.

Mayor tem Mercer stated that he cannot vote for this motion because of the point that Councilman Jennings made, and we not only need to look at here but in all of our future subdivisions, the activity of growth. We need to look at getting rid of cul-de-sacs and need to look at connectivity of streets because of so many cul-de-sacs in this plat.

ADOPT - COMPREHENSIVE PLAN

Dale Holland, of Holland Consulting Planners, stated that when you decided to prepare a CAMA Land Use Plan, you decided to prepare a Comprehensive Plan. The driving motivation for the City to have two documents is the CAMA Land Use Plan follows a rigid set of guidelines that are imposed on the CAMA planning process by the State and approved by the Coastal Management. The focus of the CAMA Land Use Plan is protection of the areas of environmental concerns and responding to the state minimum use standard, and to produce a document that can be used for consistency review when various governments and private agencies move forward for review of applications for state and federal approval. Those CAMA Plans frequently do not have the utility that a municipal needs to serve as a guide for decision making as cases come before Council. A Comprehensive Plan was prepared for day to day guidance, the plan places greater emphasis on Smart Growth and the principles guiding residential, commercial, and industrial uses in the City. The public hearing is to consider adoption of the Plan.

Mr. Holland stated that under the General Statutes, it is specifically required that any zoning ordinance be based upon adoption of the Comprehensive Plan.

Mayor Pro tem Mercer stated that he has some major concerns that the document becomes legislative in nature in that the wording is “shall.” He referred to several examples in the plan. He referred to the table that establishes criteria, none of which is currently in the Zoning Ordinance. He stated that what he is hearing is that if you adopt this plan then you are going to have to change the zoning ordinance to match the plan. Then the plan becomes legislative if we do that. It seems to him that the plan should use “recommend.” He stated he gave Mr. Roberson two pages of comments last week. Also, in one of the appendixes on design standards, it says that the City will adopt three colors which may be used. It says the City will adopt three types of building materials. He stated that the City doesn’t need to get into the business of telling the developer what color he can paint a house, or what kind of building material to use. He would like to see it go back to the Planning board and pull out this mandatory language and put it back in as recommended.

Mayor Jennette asked Mr. Holscher if this language is changes, will it make it usable? Mr. Holscher stated that recommendations should be usable. The Comprehensive Plan is to guide you in the future as to how you amend the Zoning Ordinance. He stated, referring to Mayor Pro tem Mercer’s statement that if you adopt the Comprehensive Plan, then you “must” revise your zoning Ordinance. Presumably, if there is a plan you adopted and you don’t like that particular facet of it, and you turn down an ordinance that would change your zoning, then you would say that we now mandate that we have changed our comprehensive Plan to be consistent with this decision. The Comprehensive Plan is used also in rezoning and when requests are made by private owners. The Plan is used as a guide in addition to the Zoning Ordinance when decisions are made. If you don’t follow your Comprehensive Plan, then you need to have a good reason. It encourages you in the future to change your zoning to reflect

what is in it, but when you come to making those decisions, you can cast them aside.

Mr. Holland added that in 2005 the State adopted a list of updated planning legislation and one of the things was the relationship of the Comprehensive Plan to a Municipal or County Zoning Ordinance. That clarification states that anytime a rezoning case comes before you, you are supposed to compare it to the Comprehensive Plan, and if you approve the zoning action in conflict, you should set forth reasons why. It doesn't say you have to act on every case in concert with the plan.

Mayor Pro tem Mercer stated that if a plan states that a lot size shall be a certain square feet, and our zoning ordinance allows three or four of sizes, and we say we don't want to change these lot size restrictions in this zone, then we have to go back and change the Comprehensive Plan to match the Zoning Ordinance. We are caught because we have to match one with the other. It would seem easier to go from the Zoning Ordinance to the Comprehensive Plan. Mayor Jennette stated the Comprehensive Plan was based on the Land Use Plan and could take us in a different direction than the Zoning Ordinance.

Mr. Roberson stated that there have been a lot of discussions about appearances. We understand the historic district and how it is controlled, but beyond that, there has always been a question of how we are going to look at the highway corridor set up. Mr. Holland has asked staff and the Planning Board to look at appearance guidelines to get us where we might want to be. The other thing recommended is to take us out of the Zoning Ordinance and Subdivision Ordinance and put in a Unified Development Ordinance that has all the land use regulations in one document. It is not included in this year's budget, but we need to do it next year.

Council mutually agreed to not go with regulating color.

Mayor Pro tem Mercer stated that you would want the zoning to be the restrictive of the two documents. He stated we are trying to create density where it is appropriate and the maximum lot size is every 7500 square feet and it would seem rather than adopt a document saying 7500 feet we could recommend subject to the Zoning Ordinance. The Zoning Ordinance would establish the lot size for various zones.

Councilman Jennings asked if the plan was done with some kind of standardized language or was this designed specifically for Washington? Mr. Holland stated tht it was done in consideration of the existing plan and they referred to the "minimum", not the "maximum."

Mayor Jennette stated this is a public hearing.

There was no one present to speak.

On motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council unanimously agreed to send it back to the Planning board for consideration of the style of language and removing/broadening the mention of the color restriction.

**PUBLIC HEARING - APPROVE CERTIFICATE OF CONVENIENCE
AND NECESSITY FOR LUCKY WARREN D/B/A LUCKY'S CAB
SERVICE**

Carol Williams, Finance Director, stated that the City has eight (8) certificates with thirteen (13) cabs operating.

Mayor Jennette stated this is a public hearing.

Mr. Lucky Warren stated that he wants to give better cab service.

Mayor Jennette closed the public hearing.

On motion of Councilman Woolard, seconded by Councilman Brooks, Council unanimously approved the Certificate of convenience and Necessity for Lucky Warren to operate one taxicab in the City of Washington as Lucky's Cab Service.

COMMENTS FROM THE PUBLIC

There were no comments from the audience.

WARREN FIELD AIRPORT

Mr. Smith stated that we are proceeding with the clearing of the approach slopes; two of the three navigation easements are underway. Mr. Dolder Principal of Tradewind Aviation, wants to establish one additional public space similar to a t-hangar arrangement in the old mechanic's hangar that the City will lease to someone. In affect, we will be adding one t-hangar and charge the same price. Tradewinds will manage it for us and they will get the same 5% they get from the other t-hangars. As we go through the budget, we have to consider what we are going to do for the cost of staffing the airport as Tradewinds has asked that the subsidy be continued with the City continuing to have the right to the profit of the gasoline for one more year with an option to extend for another year. That will come back to City Council.

There is still no word on the grant. Mayor Pro tem Mercer stated that \$200,000 is on hold waiting for an announcement. Also, you indicated you are removing the trees from the flight way. We are cutting trees and I had not heard anything about it until he rode through there. Are we getting anything for the trees? Mr. Smith stated that the guy doing the timber is part of the compensation to the owners. They contracted for someone to move the trees on their land with the exception of the piece we own where the engineer determined that if we could get some extension from the contractor since it was so small, the same contractor is removing some timber from our land as well, but it wasn't cost effective to put it out to bid. Mayor Pro tem Mercer stated that the twenty acres we bought from the Moore's had no value? Mr. Smith stated that he is sure it had value but it was part of the compensation in the agreement as he recalled. Mayor Pro tem Mercer asked if we had been given a figure on that value? Mr. Smith answered no, just what he asked for. Mayor Pro tem Mercer asked if we talked to anyone besides this one guy? Mr. Smith stated that someone looked at the timber on the site and participated in drawing up some agreements. Councilman Jennings stated that in compensation for that property, we paid a certain amount and they are allowed to cut the timber. Mayor Pro tem Mercer stated that was on one piece but he is talking about the piece we bought in fee simple, the Moore Property. He stated there are two pieces of property, one we bought a height easement, and the other fee simple. His concern is that it would have been nice if he had heard that before someone asked me how much we got for the trees. We didn't get anything for them and gave them to the man for taking them down.

APPOINTMENTS - RECREATION ADVISORY COMMITTEE

On motion of Councilman Davis, seconded by Councilman Jennings, Council unanimously appointed Guy Blackwell to the Recreation Advisory Committee to fill the unexpired term of Guy Stowe who resigned, term to expire June 30, 2009; and appointed Arnold Barnes to the Recreation Advisory Committee to fill the unexpired term of Wayne Harrell who resigned, term to expire June 30, 2010.

PROJECT HELP – EAGLE WINGS

Council received samples of the pamphlet for "Project Help", a program to help residents with their utility bills in conjunction with Eagle Wings. Anita Ratcliffe stated that our software program does not support the "rounding up" of bills.

On motion of Councilman Jennings, seconded by Councilman Woolard, Council unanimously agreed to proceed with Project Help.

Council took a break at 7:30 pm.

**ADOPT – BUDGET ORDINANCE AMENDMENT FOR POLICE
DEPT. (\$5,000)**

On motion of Councilman Woolard, seconded by Mayor Pro tem Mercer, Council unanimously adopted a budget ordinance amendment in the amount of \$5,000 for the Police Department.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2007-2008**

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 \$5,000 in the account Controlled Substance Tax, account number 10-10-3317-3300.

Section 2. That account number 10-10-4310-5701, Controlled Substance Fund, Police Department portion of the General Fund appropriations budget be increased in the amount of \$5,000 to provide funds for narcotics investigations.

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 17th day of March, 2008.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

**SET PUBLIC HEARING – ON AMENDING THE ZONING ORDINANCE IN
REGARDS TO THE USE OF TEMPORARY SIGNS AND BANNERS**

Mayor Jennette asked that the brochure match the ordinance.

On motion of Councilman Jennings, seconded by Councilman Woolard, Council unanimously accepted the recommendation of the Planning Board and scheduled a public hearing for Monday, April 14, 2008 concerning the amendment to the Zoning Ordinance in regards to the use of temporary signs and banners.

**SET PUBLIC HEARING – TO AMEND THE HISTORIC
PRESERVATION DESIGN GUIDELINES TO INCLUDE GUIDELINES
ON THE USE OF COMPOSITE – SYNTHETIC SIDING AS A
REPLACEMENT FOR WOOD SIDING ON HOMES LOCATED IN
THE LOCAL HISTORIC DISTRICT**

On motion of Councilman Woolard, seconded by Councilman Davis, Council unanimously accepted the recommendation of the Historic Preservation Commission and scheduled a public hearing for Monday, April 14, 2008 to amend the Historic Preservation Design Guidelines to include guidelines on use of composite-synthetic siding as a replacement for wood siding in homes located in the local historic district.

**ADOPT – RESOLUTION OF INTENT TO CONSIDER CLOSING A
PORTION OF THE STREET RIGHT-OF-WAY ALONG BERRY
AVENUE**

On motion of Councilman Woolard, seconded by Councilman Jennings, Council unanimously adopted the Resolution of Intent to close a portion of the street right of way along Berry Avenue that intersects with the right of way of Fowle Drive and instruct the City Clerk to comply with the North Carolina General Statutes 160A-229.

**A RESOLUTION DECLARING THE INTENT
OF THE CITY COUNCIL OF THE CITY OF WASHINGTON TO CONSIDER CLOSING
A PORTION OF THE BERRY AVENUE
RIGHTS- OF- WAY**

WHEREAS, G.S. 160A-299 authorizes the City Council to close public streets and alleys; and,

NOW THEREFORE BE IT RESOLVED by the City Council that:

1. The City Council intends to close a portion of the Berry Avenue Rights-of-Way.
2. A public hearing will be held at 6:00 p.m. on the 18th day of April, 2008 in the City Council Chambers, Room 214, of the Municipal Building to consider a resolution closing a portion of a street which includes the following description:

Metes and Bound Description for the section of Berry Avenue :
BEGINNING at an iron pipe in the easternly right of way line of Berry Avenue, the said iron pipe is in the westernly boundary line of the United Church of Christ Christ Disciples, Inc. lot of record in Deed Book 1340 at page 832 Beaufort County Register of Deeds; thence crossing the Berry Avenue right of way North 46 degrees 16 minutes 33 seconds West 50.09 feet to an iron pipe in the westernly right of way line of the said Berry Avenue and also being in the easternly line of the Rosemarie P. Lilley lot of record in Deed Book 1364 at page 891 Beaufort County Register of Deeds; thence with the said easternly line of the said Lilley lot North 40 degrees 14 minutes 30 seconds East 30.00 feet to an iron pipe, the easternly corner of the said Lilley lot; thence continuing North 40 degrees 14 minutes 30 seconds East 112.16 feet crossing the Metropolitan Housing and CDC, Inc lot of record in Deed Book 1042 at page 819 to the southernly right of way line of Fowle Drive; thence South 47 degrees 44 minutes 02 seconds East 51.00 feet with the said Fowle Drive right of way line to a point; thence South 40 degrees 14 minutes 30 seconds West 106.96 feet crossing the said Metropolitan Housing lot to an iron pipe, the northernly corner of the said United Church of Christ lot; thence South 41 degrees 46 minutes 28 seconds West 36.45 feet with the said Church of Christ lot line to the BEGINNING, being a part of the land described in the said Deed Book 1042 at page 819 according to a survey by Hood L. Richardson, PLS dated August 1, 2003 and revised February 11, 2008 titled Metropolitan Housing and CDC, Inc, Hope Village, Phase III.

SAVING AND EXCEPTING A 20 FOOT WIDE DRAINAGE EASEMENT DESCRIBED AS FOLLOWS: BEGINNING at a point located North 46 degrees 16 minutes 33 seconds West 17.92 feet from an iron pipe in the easternly right of way line of Berry Avenue, the said iron pipe is in the westernly boundary line of the United Church of Christ, Christ Disciples, Inc. lot of record in Deed Book 1340 at page 832 Beaufort County Register of Deeds; thence from the said beginning point North 46 degrees 16 minutes 33 seconds West 20.06 feet to a point; thence North 39 degrees 12 minutes 57 seconds East 142.58 feet to a point in the southernly right of way line of Fowle Drive; thence South 47 degrees 44 minutes 02 seconds East 20.03 feet with the said Fowle Drive right of way line to a point; thence South 39 degrees 12 minutes 57 seconds West 143.09 feet to the said BEGINNING; lying entirely within the closed portion of Berry Avenue, as shown on a map by Hood L. Richardson, PLS dated August 1, 2003,

revised February 11, 2008, titled Metropolitan Housing and CDC, Inc, Hope Village, Phase III.

3. The City Clerk is hereby directed to publish this Resolution of Intent once a week for four successive weeks in the Washington Daily News, or other newspapers of general circulation in the area.

4. The City Clerk is further directed to transmit by registered or certified mail a copy of the Resolution of Intent to each owner of property abutting upon that portion of said street intended to be closed.

5. The City Clerk is further directed to have placed on the portion of the street intended to be closed a copy of the Resolution of Intent adopted by the City Council as required by G.S. 160A-299.

Adopted this 17th day of March, 2008

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

**APPROVE – WHOLESALE POWER COST ADJUSTMENT INTO
EXISTING RATE**

Mr. Smith stated that it was discussed at the last meeting about rolling the wholesale power cost adjustment into the base rate, not resulting in any increase in the rates.

Mr. Smith stated that we will have to have a frank discussion about rates as we go into the budget. Today this will create a base that everyone can understand. Councilman Jennings stated that we need to have some communication to the public on this with a plan.

Mayor Pro tem Mercer stated that he concurs with rolling it over, but if we do it now, we will have to do an education program again when other items are discussed with the budget process. Mr. Smith stated that if you combine it with something else, no one will believe we rolled it.

Mr. Hardt stated that the action was to be made effective April 1st, but Council needs to change it to May 1st if you plan on public communication.

Council agreed that areas of communication to be looked into are: phone calls, bills, press releases, and the web site.

On motion of Councilman Woolard, seconded by Councilman Brooks, Council unanimously approve that the retail rate adjustments to incorporate the current retail wholesale power cost adjustment into the kilowatt hour charge for each retail class for billing on and after May 1st, to be accomplished by a communication plan and budget.

**APPROVE – MEDIUM GENERAL SERVICE RETAIL RATE
ADJUSTMENT**

Mr. Smith stated when we discussed the Cost of Service Study, we discussed the non-residential rates. The Small General Service was about 3.9% above the cost of service, Large General Service about 3.4%, and Industrial Service, about 4%. The

medium cost of service was actually below any of those in terms of the relationship between the cost of service and the actual bill. The proposal is to adjust it by 1.4%.

Mayor Pro tem Mercer stated this needs to be brought to the budget discussion and talk about what we are going to do about the cost of services. He stated that we need to look at it all at one time and not do it in piece meal. Mr. Smith stated that the intent was what they thought was what Council wanted...to leave the non-residential in the position of subsidizing the residential to a small amount. This one was out of line. This was to try to establish some equity across the non-residential classes before we make any adjustments beyond that. Mayor Pro tem Mercer stated that if you implement all five of the non-residential categories, you get a decrease in revenue. Mr. Smith stated that we are decreasing them. Mayor Pro tem Mercer stated that you picked the two that will potentially give an increase and ignored the three that give you a potential decrease. If we look at one, let's look at all. Mayor Jennette stated he did what we had said, to keep residential as is.

Mayor Jennette asked if we need to do it immediately? Mr. Smith stated that if we go into the budget discussions with some equity across these groups, that whatever adjustments are made, will have a common impact, but it is up to Council.

Councilman Jennings stated that we adjust this tonight, it will have to be a figure we can live with. Mr. Smith stated it depends on what we adopt for dividends, reserves for storms, etc. Councilman Jennings stated that it wouldn't be reasonable to change it in March and change it again in May. Mr. Smith stated \$32,000 doesn't do much for reserves, this is just equity among the non-residential, and it's not an emergency.

On motion of Mayor Pro tem Mercer, seconded by Councilman Brooks, Council unanimously agreed to hold these rate changes until budget discussions, which includes the outdoor lighting/street lighting service retail rate adjustment and Medium General Service /retail Rate Adjustment.

APPROVE – OUTDOOR LIGHTING/STREET LIGHTING SERVICE RATE ADJUSTMENT

This item was covered in the above motion.

APPROVE BUDGET ORDINANCE AMENDMENT FOR ELECRRIC FUND (\$368,778)

Mayor Pro tem Mercer stated that it was his understanding in the discussion last month that the reason for needing the changes at the main substation were for the outages on the western side of town related to high temperatures in August. The question was asked how long it would take to do this and his recollection was it would not be finished by this summer period.

Mr. Hardt stated that the feed bay would be finished by this summer. He stated he was in error of the delivery of the voltage regulators; we can get them delivered in fourteen weeks from time of order so we can meet the summer issues.

Mayor Pro tem Mercer stated that Council as a whole has not heard any relocation of a generator at Carvers. I asked if it was needed before Carvers completed their expansion. It was his understanding they did not and the expansion will not be completed until 2010. If this is not needed until then, how long will it take Booth? Mr. Hardt stated it will be moved by July, that we are losing money at the current location (\$21,000 a year). He stated we have existing load at Carvers that it can be used.

Mayor Pro tem Mercer asked if Council approved it. Mr. Hardt stated it was done through the EDC and discussions with Carver. It was part of a negotiation package to take service from us rather than a competitor. Mr. Keith stated we would not have been obligated to purchase one, had we not had that one at Hackney to move.

Mayor Pro tem Mercer stated that what bothers him is that the financial statement say that the Electric Fund will lose about \$1 million this year and because of the increased collections, we will only lose \$700,000, but we have three items to spend the \$300,000 we were trying to save. He doesn't think we need to spend \$300,000 just because we saved it. Mayor Jennette stated that Carvers will make money for us. It will lower their utility cost about 5% to 8% a year.

Mr. Hardt stated if we sent into the next budget year, we would have to borrow the money next February.

Mayor Pro tem Mercer stated that what you are giving Hackney is greater than what you are saving. Mr. Hardt stated that July 1st, you are netting \$20,000.

On motion of Councilman Woolard, seconded by Councilman Jennings, Council unanimously adopted a budget ordinance amendment in the amount of \$368,778 for the Electric Fund.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2007-2008**

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

Section 1. That the Estimated Revenues in the Electric Fund be increased in the amount of \$184,178 in the account Electric Sales, account number 35-90-3710-5100.

Section 2. That account number 35-90-8370-7400, Capital Outlay, Electric Substation portion of the Electric Fund appropriations budget be increased in the amount of \$184,178 to provide funds for equipment purchases.

Section 3. That the Estimated Revenues in the Electric Fund be increased in the amount of \$184,600 in the account Installment Note Proceeds, account number 35-90-3920-9100.

Section 4. That account number 35-90-8370-7401, Installment Capital Outlay, Electric Substation portion of the Electric Fund appropriations budget be increased in the amount of \$184,600 to provide funds for relocating generator to Carver Machine Works.

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

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

Adopted this the 17th day of March, 2008.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

AWARD – CONTRACTS FOR LABOR AND EQUIPMENT (\$129,700)

On motion of Councilman Woolard, seconded by Councilman Brooks, Council unanimously awarded a contract to Electrical Services Limited, Inc, in the amount of \$129,700 for construction labor and equipment for the relocation of an electrical generator to Carver Machine Works.

Mayor Pro tem Mercer asked when the east side substation will be in service, that it was discussed in 2005 that if we didn't get it in place, the whole electrical system would collapse. Now it is 2008 and the system is still not hooked up. Mr. Hardt stated he did not know when because he has to get a list of materials and he has been working on the budget. He could not give an approximate date.

**CLOSED SESSION – UNDER G. S. 143-318.11 (A)(3)
ATTORNEY/CLIENT**

On motion of Councilman Woolard, seconded by, Council unanimously agreed to go into closed session under G. S. 143-318.11(a)(3) Attorney/client privilege and (6) Personnel at 7:55 p.m.

At 9:30 p.m., on motion of Councilman Woolard, seconded by Mayor Pro tem Mercer, Council unanimously agreed to come out of closed session.

**CONSIDER – BUDGET ORDINANCE AMENDMENT TO APPROPRIATE (\$125,000)
(TAKE ACTION AFTER CLOSED SESSION)**

On motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council unanimously moved that in line with the existing policy and the terms of our contract, that we will not make repayment of decorative lighting relative to the Moss Landing Project.

MAYOR PRO TEM MERCER (STORMWATER REGULATIONS)

Mayor Pro tem Mercer stated that he got involved at the County Planning Board level and his initial reading was that it didn't bother Beaufort County. After reading further, it bothers Beaufort County and the City of Washington. One of the conditions to abide by covers 10,000 square feet with 13 regulatory items to comply with. If it's a residential development, that residential activity cannot cover more than 24% of a lot without having restrictions, such as stormwater collection systems, impervious pavement, etc. Five miles up the road into Pitt county, they don't apply. The County has taken a lead on this and he would like for us to endorse those efforts and have the City Manager stay in the loop on that and participate. If we can get other municipalities to follow our lead, but we really need to delay the implementation of these regulations in the coastal counties unless they apply to all to the counties that impact a waterway.

Councilman Jennings stated that most all the eastern North Carolina counties are on board and we need to be a part of that.

After discussion, on motion of Councilman Jennings, seconded by Councilman Brooks, Council unanimously agreed for Mayor Pro tem Mercer keep the Manager apprised of the Stormwater regulations and they together, represent the City in these meetings and deliberations.

HIGHWAY 32 (COUNCILMAN JENNINGS)

Councilman Jennings stated that he understands that DOT is now in the area acquiring right of way for the bridge. There is some item of discussion via the Washington Park side of the bridge and it does affect out area at Havens Gardens. We talked about doing a study that would take into account the park facilities, the boat ramp, etc. because at one DOT meeting, they expressed some interest in helping us.

His concern is that it thought it was put to rest. How late are we in the process in implementing a study?

Mayor Jennette stated they are not letting the contract until next May so that buys us some time. There needs to be some planning process. She stated that the Recreation Advisory Committee and the Planning Board could look at it.

Councilman Davis stated that in 2002, he met with some representatives from Raleigh and Danny Taylor and they talked about the possibility of running the bridge where our boat ramp is located at the present time. He also talked to Mr. McCray from Kinston and he thought it was a good idea and then someone (from Raleigh) said it would stay exactly where it is. He stated his concern is raising the bridge 3 feet. We need some type of boat ramp on the south side of that bridge so we can get larger boats out.

Councilman Jennings stated, regardless of whether we can get bigger boats out, the trailers and cars are lined up and it cannot handle any more vehicles.

Councilman Davis stated if you put the bridge where our present boat ramps are, it will alleviate the problem you're talking about. Mayor Jennette stated it is either stays where it is or where Tom Richter wanted it because of a fishery down there.

Councilman Davis stated that the west side is prettier and the shelter is falling down. Mayor Jennette stated that area is heavily used. Councilman Davis stated that a shelter could be built at the other end.

Councilman Jennings suggested that we contact DOT and see what they are planning. Councilman Brooks stated we need to see exactly where they are going to put it and if we want to make any more designs, we can suggest it because another year will be gone.

Mayor Jennette will be in charge of this.

HIRING FREEZE (MAYOR PRO TEM MERCER)

Mayor Pro tem Mercer moved that we adopt a hiring freeze for all vacant positions in the City except for budgeted funded positions in the fire department and Police Department until August 15th. Councilman Davis seconded the motion.

Before a vote was taken, Mayor Pro tem Mercer stated that we are getting ready to go into the budget sessions, and there are ongoing discussions about this and that and the other and he feels that we need to work with the personnel we have. He is not talking about part-time. Mr. Smith asked about meter readers. Mayor Pro tem Mercer stated he doesn't know about a meter reader vacancy, do I? Mayor Pro tem Mercer stated that if he is going to sit here and make an exception for all your current vacancies, then my motion is pointless. Mr. Smith that we have to analyze. Mayor Pro tem Mercer stated that if something comes up that you have a need I think you can come to this Council. If it's a meter reader or whatever, I think you can come to this Council and they would tell you you can hire one. Mr. Smith stated he has no problem with it (the freeze) because we don't fill positions that aren't essential. Mayor Pro tem Mercer asked Susan Hodges how many vacancies do we have. She answered one in Finance, a supervisor in Public Works, Enterprise Fund Controller and DWOW Director. Council pointed out that a DWOW Director will not be filled anyway.

Vote was taken with Councilman Jennings voting no. Motion carried by majority vote.

Mayor Jennette stated that the Manager will report to Council if they need to fill a position.

CAPITAL IMPROVEMENT PLAN

Mayor Pro tem Mercer stated that he asked last month for a capital plan and he has not seen it. He stated if we have one he would like to see it and if we don't, tell him something.

Mr. Smith stated that it's pretty well complete, that James was working on it and it was turned over to Anita. Anita Ratcliffe stated that things are happening now and she is in the middle of the budget. She stated we are working on it. Mayor Jennette asked when she would have it ready. Anita asked Carol and Carol answered that she has not seen it, that it was turned over to James and Anita for their project.

Mayor Pro tem Mercer stated that we are waiting for something to tear up and we just go get it. That's not a good business procedure. We need to work towards getting one. Mr. Smith stated that the last one was 2005.

Councilman Jennings stated that when we had a P&L and a debt schedule, that was the first one. If you couple those with a CIP, we can do some meaningful planning. Mr. Smith stated things keep getting pushed back.

Anita Ratcliffe stated she needs information back from the Department Heads in the next two months.

MEETING CONTINUED

At 10:00 p.m., on motion of Councilman Woolard, seconded by Councilman Brooks, Council unanimously adjourned the meeting until Monday, March 31, 2008 at 4:30 p.m. in the Council Chamber at the Municipal Building.

Rita A. Thompson, CMC
City Clerk