

The Washington City Council met in a regular session on Monday, March 9, 2009 at 4:30 p.m. in the Council Chambers at the Municipal Building. Present were: Judy Jennette, Mayor; Doug Mercer, Mayor Pro tem; Richard Brooks, Councilman; Darwin Woolard, Councilman; Archie Jennings, Councilman; Gil Davis, Councilman; Jim Smith, City Manager; Reatha B. Johnson, Assistant City Clerk; and Franz Holscher, City Attorney.

Also present were: Anita Radcliffe, Acting Finance Director; Jimmy Davis, Fire Chief; Allen Lewis, Public Works Director; John Rodman, Planning Administrator; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Keith Hardt, Electric Director, Gloria Moore, Library Director; Lynn Lewis, Tourism Director; David Carraway, Information Technology Department; Susan Hodges, Human Resource Director; Mike Voss, of the Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

Mayor Pro tem Mercer moved item V1. B. 2. and it was placed on the Consent Agenda as item I. H.

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

APPROVAL OF MINUTES

Mayor Jennette edited and amended the content of the motion on page 13 to read: "Following discussion, on motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council unanimously approved to reimburse in the Fire Inspection category all fees that were paid from the collection notice, should be refunded."

On motion of Councilman Woolard, seconded by Mayor Pro tem Mercer, Council unanimously approved the minutes of February 9, and February 23, 2009, as amended.

APPROVAL OF CONSENT AGENDA

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

- A. Award – Rehabilitation and Lead Abatement Contracts for two units in the 6th and 7th Street CDBG Project Area
- B. Authorize – City Manager to sign the Grant Agreement for the E-NC Capital Expenditure Grant for Peg Channels (\$25,000)
- C. Approve – Fiscal Year 2009-10 Budget Schedule

FISCAL YEAR 2009-2010 BUDGET SCHEDULE

January 28, 2009	Budget Worksheets e-mailed to Department Heads
March 09, 2009	All budgets submitted to Finance Director by noon
March 10 - 18, 2009	Finance Director prepares budget for City Manager review
March 19 - 27, 2009	City Manager and Finance Director reviews budgets with Department Heads
April 1 - 9, 2009	City Manager balances budget
April 13 - 24, 2009	Finance Department prepares budget document for Council

- April 27, 2009** **Committee of the Whole Council Meeting** 4:30 pm
Budget Book to City Council
- May 4, 2009** **Budget Workshop with City Council** Monday 4:30pm to 7:30 pm
Council's Budget Questions to City Manager by April 30
- May 18, 2009** **Budget Workshop with City Council** Monday 4:30pm to 7:30pm
Council's Budget Questions to City Manager by May 14
- May 26, 2009** **Budget Workshop with City Council** Tuesday 4:30pm to 6:30pm
Council's Budget Questions to City Manager by May 21
Public Hearing on FY 09-10 Budget Monday 6:30 pm Council
receives comments on proposed budget from public
- June 1, 2009** **Budget Workshop with City Council** Monday 4:30 pm to 7:30pm
Council's Budget Questions to City Manager by May 28
- June 8, 2009** **Regular City Council Meeting** Monday - 4:30 pm
Council adopts budget ordinance for FY 09-10 and Sets Tax Rate;
approve expiring contracts; and adopts any user fees changes for
FY 2009-2010
- June 22, 2009** **Committee of the Whole Council Meeting** Monday - 4:30 pm
Adopt final year end budget amendment for FY 08-09

D. Authorize – Chief of Police to Apply for State E-911 Upgrade Grant

E. Adopt – Budget Ordinance Amendment for Runyon Creek Bridge/Havens
Gardens Walkway (\$15,000)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2008-2009**

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

Section 1. That account number 10-00-9990-9900, Contingency portion of the General Fund appropriations budget be decreased in the amount of \$15,000 to provide funds for engineering of Washington Park Bridge Walkway.

Section 2. That account number 10-40-6130-1502, Maint/Repair Parks, Parks and Ground Maintenance portion of the General Fund appropriations budget be increased in the amount of \$15,000 to provide funds for engineering of Washington Park Bridge Walkway.

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 9th day of March, 2009.

s/Judy M. Jennette
JUDY M. JENNETTE
MAYOR

s/Cynthia S. Bennett
CYNTHIA S. BENNETT
CITY CLERK

- F. Authorize – City Manager to Sign Release, Hold Harmless & 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 provide a fireworks show for the public on July 4, 2009;

WHEREAS, the City of Washington 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, 2009 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 10th day of March, 2009.

s/James C. Smith
JAMES C. SMITH
CITY MANAGER

s/Cynthia S. Bennett
CYNTHIA S. BENNETT
CITY CLERK

- G. Authorize – Director to execute Waterfront Docking Agreement **and** Approve Rules & Regulations for Washington Waterfront Docking

- H. **Moved From Old Business – V1. B. 2. Authorize** – Manager to sign a professional services agreement to perform engineering services necessary for the sewer system evaluation survey for the Runyon Creek Drainage Basin

(Copy attached – agreement in file)

MR. JOE TAYLOR – PARKS AND RECREATION ADVISORY COMMITTEE

Mr. Joe Taylor was hospitalized and was unable to attend. Mr. Erick Green and Mr. Arnold Barnes representing the Parks and Recreation Advisory Committee presented the proposed preliminary plans for a multi-use open-air structure. They were here to introduce the economic benefits of Parks Open Space.

- Benefits of increased tax value
- Attracting Retirees/High Quality of Life

- Recreation and exercise lowers health cost
- Attracting visitors to your community
- Attracting our own community citizens to our waterfront activities, restaurants & shops

New Downtown Park

How it is used:

- Weddings – community events
- Educational activities
- Recreation

New Development:

- Trapeze School
- Little Washington Sailing Club
- The Belle of Washington

Board member Green presented the Open Space Shelter that was recommended by the board and the cost that would be associated with the shelter. Mr. Barnes stated all funding would come from sources other than the City. The structure would be built so it does not block people's view of the Pamlico River.

The committee believes the new park will attract visitors and city residents to the waterfront and downtown, thereby likely increasing pedestrian traffic in the City's central business district. The new park will enhance what the City already offers in its downtown area.

The Recreation Advisory Committee presented a survey to City residents and downtown merchants for their input. The committee is seeking Council endorsement on their proposal tonight.

Park Improvement Proposal

❖ Engineering	\$ 6,000
❖ Landscaping	\$ 2,500
❖ Construction	\$62,500

Councilman Jennings inquired the dimension of the shelter and Mr. Barnes said it was 36' x 22'. The shelter will be wired for sound.

Mayor Jennette asked if this would hide the pump station and Mr. Barnes said no but the appearance of the pump station could probably be improved.

Mayor Pro tem Mercer stated this is an excellent project but would ask for more time to study the grants and charts of the proposal before formally endorsing it; also, make sure they go to the Historic Commission with their proposal. Councilman Jennings agreed and said he wanted more details, including cost estimates to implement the proposal, before he could endorse the committee's recommendation. Councilman Woolard offered a contact for a grant to help them get started.

On motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council unanimously offered encouragement for the Parks and Recreation Advisory Committee to proceed to "build out" (cost estimates, design & details) this project further prior to giving an official endorsement for the project.

Council suggested the committee come back once the plans have been better defined for review and comments.

MS. REBECCA CLARK – DOG PARK

Ms. Rebecca Clark addressed Council on the proposal for an Off-Leash Dog Park Initiative.

Initiative Committee

Rebecca Clark
Monica Ferrari
Stacey Pack

Initiative Advisors

Sandy Woolard, Chief Animal Control Officer
Joe Taylor, Morris Insurance Agency
Erin Franz, Professional Dog Trainer
Dr. Christy Barndt, VMD
John Pack, Coordinator, Beaufort County EMS

The proposal calls for locating the dog park, which would cost about \$11,000 to build, at the former Fragrance and Texture Garden and adjacent land on East Third Street close to the Veterans Park.

Ms. Clark stated the two-acre park's proposed design is similar to the dog park in Greenville. It would have an area for small dogs and an area for larger dogs. She said the dog park would benefit dogs and their owners. In the event of a natural disaster, the dog park could serve as a containment area for displaced animals.

Mayor Pro tem Mercer was opposed to the proposed site because it "infringes" upon plans for other uses of the nearby Veterans Park and Jack's Creek greenway.

Mayor Jennette, along with City Council supports a dog park but not necessarily at the proposed site. She asked if the initiative had considered locating the dog park where the former Bug House Park once stood near the intersection of Park Drive and Charlotte Street, noting the location has fencing that a dog park would require. Ms. Clark said the proposed site was suggested by the City's Parks and Recreation staff but her group had looked at several other possible locations for the dog park, including the former Bug House Park location. The committee doesn't believe the dog park should be located close to a place where children gather, and the former Bug House Park site is a place where children play.

Ms. Clark stated the project would be self-funding, requiring no money from the City to build – just the land for the dog park, itself.

Council accepted Councilman Davis' suggestion that the City's Recreation Advisory Committee review the dog-park proposal and send its comments and recommendations to the City Council for final action.

MR. A. G. SWANNER – BELLE OF WASHINGTON

Mr. Swanner was unable to attend and will be rescheduled for the April 13th City Council meeting.

Councilman Jennings asked for more specific data to be given to Council at the time.

MR. M.S. PARAMORE – US 17 SOUTH PROPERTY

Mr. John Rodman presented the recent photos for the property located on US 17 South. Council was very pleased with the clean up and offered a big thank you to Mr.

M.S. Paramore. Mr. Roger Tuttle spoke for the residents, stating they were pleased also.

ECONOMIC DEVELOPMENT COMMISSION

Councilman Jennings stated he did not attend the meeting. Mr. Richter stated there was nothing to report.

TOURISM DEVELOPMENT AUTHORITY

Lynn Lewis noted there is a vacancy on the board and Council will discuss this later in the meeting. Mayor Jennette stated the TDA discussed a bulk use rate for the Civic Center starting in July. She further stated two grants were awarded: one to the Traditional Music Festival and the second to the girls' softball tournament.

HUMAN RELATIONS COUNCIL

Mayor Jennette stated the Human Relations Council met last month. They attended the Ed Peed ceremony at Washington Fire Department and discussed a food festival. They are also continuing work on the bus stop location.

DOWNTOWN WASHINGTON ON THE WATERFRONT

Beth Byrd, DWOW offered support for the Traditional Music Festival being held the first weekend in April and sponsored by the Arts Council. DWOW will be offering support by sponsoring the "Spring Sweep" to help tidy-up the downtown area prior to the music festival. They are also starting up the store front decorating contest again and those interested should contact the DWOW office.

CITIZENS FOR REVITALIZATION

Chris Furlough, facilitator for the Citizens for Revitalization explained their goal was to analyze the Renaissance Plan and the W.K. Dickson plan. Once the plans were reviewed they were to determine what was relevant from those two plans for the community. He stated that 9 of 10 first phase goals have been implemented and when the bathrooms are built all 10 first phase goals will be implemented.

Development Considerations In A Central Business District Urban Design

1. Link Main Street to the river
 - a. Retail and commerce
 - b. Pedestrian alleyways
2. Public and private parking for the expanded retail and commerce activity.
3. Create the opportunity for 70 to 90 million dollars new tax paying construction, including adaptive reuse of existing buildings.
4. A premier space for public use and assembly.
 - a. Performance venue
 - b. Possible interaction with the river
 1. Pier, indention like Renaissance Plan
5. Circulation plan that minimizes public expense but provides for connectivity.
6. To "Brand" Washington's downtown as a "Central Business District on the River".
7. Implementation strategy
 - a. Realistic
 - b. Financing strategy
 - c. Zoning overlay district
 - d. Urban design guidelines

Citizens for Revitalization request that the Washington City Council

- A. Strongly endorse the above considerations in the development of a Central Business District Urban Design Plan
- B. Enable the Citizens for Revitalization to begin a phase 2 of this process with the following goals:
 1. Have more structure to the group while being representative of the stakeholders and perspectives.
 2. Endorse and fund the use of an Urban Design Team to assist the group in creating a transparent, consensus driven Central Business District Urban Design Plan.
 3. Assist stakeholders, businesses, developers, residents and City Government in the implementation of the plan.

Mayor Pro tem Mercer suggested that the committee be formalized. Councilman Jennings suggested that they use the by-laws used by the former DWDC and amend them to fit their needs. Councilman Jennings noted the Council will review possible funding for this committee. Mayor Jennette asked Mr. Furlough to present a preliminary estimate of the funds needed to do the Urban Design Plan. Mayor Pro tem Mercer suggested adding Mr. Furlough and his request to the Committee of the Whole agenda on March 23rd.

WARREN FIELD AIRPORT

Jim Smith, City Manager stated the bids for the self-service fueling system are due shortly. There is also a possibility of getting ARRA (stimulus) funding for the fueling project. If we can get FAA funding for self-service fueling, then maybe we can use ARRA funding for infrastructure improvements. Mr. Smith stated that all of the runways have been swept and the loose gravel has been removed. Mayor Jennette suggested this should be done at least annually.

Councilman Jennings reminded everyone of the second fly day for the Wright Flight Group being held on Saturday.

ANNEXATION REPORT

Mayor Jennette stated there was nothing to report at this time and suggested removing it from the agenda until further notice.

HAVEN'S GARDEN REPORT

Phil Mobley, Parks and Recreation Director explained the engineering firm has taken the NCDOT findings and readings and there is enough room to go under the bridge.

HARBOR MANAGEMENT REPORT

Bill Sykes explained they are continuing to support the Little Washington Sailing Club and are in the process of creating a local knowledge chart for the harbor showing mooring fields and water depths. The group is also doing research on a kayak and sailboat launching area.

ACCEPT – RECOMMENDATION AND APPROVE RE-ZONING OF PROPERTY CONSISTING OF 12 (+) ACRES OF PROPERTY LOCATED ON CLARKS NECK RD. FROM RA-20 TO R-15S

John Rodman, Planning Administrator requested this item be continued until April. He stated that after Mr. Jason Briley presented his rezoning application, the Planning Board found some additional areas in close proximity to Mr. Briley's property

that need rezoning as well. Mr. Rodman suggested that all of the property be presented for rezoning at one time. Mr. Briley agreed to have the request continued.

Jim Smith, City Manager stated that you don't want to put residential development adjacent to industrial districts, thus his reason for recommendation for denial of the request.

Mr. Rodman stated this is already zoned residential - RA-20. If there is city water/sewer the minimum lot size is reduced to 10,000 square feet.

ACCEPT – RECOMMENDATION FOR HAVENS GARDENS DESIGNS

Philip Mobley, Director of Parks and Recreation explained that over the last five months, staff has been considering all aspects of the four designs in conjunction with the NCDOT Hwy 32 Bridge Project and the Runyon Creek Wood Walkway project under Hwy 32 Bridge. This could not have been accomplished without the help from Coastal Planning and Design, PLLC and evaluations by the Washington Recreation Advisory Committee and citizen input at the Recreation Advisory Committee meetings.

The Recreation Advisory Committee previously recommended Design "A", but after re-evaluating with citizen and City Council input, the Advisory Committee agrees that Design "C" would better suit all interests in and around the Havens Gardens Park.

Susan Suggs representing Coastal Planning and Design, PLLC explained she has been working with the Parks and Recreation Department in designing plans for Havens Gardens. Ms. Suggs presented several designs and a Master Plan for the park.

Ms. Suggs stated the Havens Gardens Master Plan implements recommendations of the Washington Parks and Recreation Plan. This project is timely because the scheduled construction of a new NC 32 bridge across Runyon Creek will greatly impact the park. Additional right-of-way will be acquired from the park, vegetation removed and the resultant bridge will be at a higher elevation providing more clearance under the bridge.

Havens Gardens Park is valued for its setting on both the Pamlico River and Runyon Creek and the access it provides citizens to enjoy the natural setting, fish and launch small boats. The primary purpose of the park shall continue for non-organized recreation including enjoyment of nature, children's play, picnics for groups and individuals, fishing, boat access, walking and relaxation. Havens Gardens Park has many deteriorating facilities in need of major repair or replacement including the bulkhead, fishing pier and picnic shelters. Pedestrian access across NC 32 is difficult near the entrance to the park.

This project utilizes opportunities to improve not only the park, but the neighborhood.

- ❖ Safer realignment of the Main Street intersection with Hudnell Street and removal of confusing traffic patterns resulting in additional park area.
- ❖ Creation of a landscaped gateway into Washington using park property & NCDOT right-of-way.
- ❖ New layout of the park with tree lined parking, walkways, unified playground, boardwalk connecting both sides of the park, new picnic shelters & fishing piers.
- ❖ Improved walkways in the vicinity of the park connecting to neighborhoods, Jack's Creek Greenway and other public facilities.

Mayor Jennette asked if they were having other public input sessions other than tonight. Mr. Mobley stated "no".

Mayor Jennette opened the public hearing.

Dot Moate stated she has no objection to either of the plans but recommends there be more public hearings to allow the public to view the plans. Mayor Jennette agreed there needs to be at least one more public hearing.

There being no further comments the public hearing was closed.

Mayor Jennette suggested having another public hearing at the next Council meeting. Phil Mobley suggested advertising the next Recreation Advisory Committee meeting, next Monday at 5:30pm at the Peterson Building to allow the public the opportunity to review and comment on the proposed plan. The second public hearing will be held on this matter at the regular Council meeting in April.

COMMENTS FROM THE PUBLIC

Mr. Calvin Brown read a letter that was originally written to City Council on November 3, 2008 and was previously presented to Council in February in the agenda book. Mr. Brown called the City Clerk and stated he would like to be placed on the February agenda, which he was and he did not attend the meeting as he was out of town on business. Mr. Brown came forward tonight to present his concerns and the letter regarding the burial of his father, Ralph James Brown, Sr.

Calvin Brown stated he is representing the Estate of Ralph James Brown, Sr. Mr. Brown said he feels there was great disrespect with the burial of his father Ralph Brown at Cedar Hill on December 17, 2005. He felt the graveyard crew did not properly close the grave. The grave was finally closed on January 11, 2006. Mr. Brown felt the graves at Cedar Hill were not treated the same as Oakdale Cemetery.

(copy attached – letter in file)

Mayor Jennette thanked Mr. Brown for his presentation and noted the soil at Cedar Hill is heavily laden with clay and does settle. Allen Lewis, Director of Public Works explained that current burial procedure requires a vault to be placed in the ground and backfilled with sand instead of clay. Mr. Lewis stated that at the time of Mr. Brown's burial there were different burial methods used at Cedar Hill that was chosen by the family and not by the City, which did not include a vault.

Mayor Pro tem Mercer stated he spoke with Mr. Brown concerning Cedar Hill and he made a site visit to Cedar Hill. Mayor Pro tem Mercer suggested that a check sheet be implemented for checking graves for settling at least once a week and if need be fill them back in with sand. He apologized for the way Mr. Brown felt he was treated.

Councilman Brooks stated he was sorry that Mr. Brown felt that he was made to feel uneducated. He further noted that he used to work with the cemetery division in the 1960's and understands the nature of the soil at Cedar Hill. Councilman Brooks said he felt the City is doing what they can to make sure the grave sites are treated respectfully and maintained properly. Mayor Jennette thanked Mr. Brown for bringing this before Council and apologized for what he had to go through.

FINANCIAL REPORTS

Anita Radcliffe, Interim Finance Director stated the reports were not ready in time to meet the agenda deadline; therefore the financial reports were e-mailed to Council on Saturday. In the General Fund there is a projected approximate \$300,000 shortfall due to the decrease in the distributed State sales tax revenue due to the decrease of lost revenue due to the economy. This decrease is projected for this fiscal year as well as next year. There was also a \$420,000 reduction in transfers from the Electric Fund to the General Fund. Mrs. Radcliffe reviewed the remaining financial reports with Council.

APPOINTMENTS

ACCEPT – BOBBY ROBERSON'S RESIGNATION LETTER FROM WASHINGTON HOUSING AUTHORITY

By motion of Mayor Pro tem Mercer, seconded by Councilman Jennings, Council unanimously accepted the resignation of Bobby Roberson from the Washington Housing Authority.

WASHINGTON HOUSING AUTHORITY

Councilman Woolard asked if a member of staff has to be on the board. Mayor Jennette stated that it is now against policy to have staff members serve on boards. Councilman Woolard stated he and Mark Recko have spoken with the applicants and they are ready and willing to serve. Councilman Woolard said the two applicants: Wanda Harvey and Melanie Everett are his nominations to fill the vacancies.

By motion of Councilman Woolard, seconded by Councilman Brooks, Council appointed Melanie Everett to the Housing Authority to fill the unexpired term of Bobby Roberson, term to expire June 2009. Council appointed Wanda Harvey to the Housing Authority to fill the unexpired term of Fritz Newsome, term to expire June 2012.

Ayes:
Councilman Jennings
Councilman Woolard
Councilman Brooks

Nayes:
Councilman Davis
Mayor Pro tem Mercer

BOARD OF LIBRARY TRUSTEES

Councilman Davis, liaison to the Board of Library Trustees requested this item be continued until April and re-advertise the vacancy.

TOURISM DEVELOPMENT AUTHORITY

Mayor Jennette reviewed a letter submitted by the WTDA that stated Board Member Jim Poteet is out of compliance with the attendance policy as stated in the By-Laws of the WTDA. Mr. Poteet has missed more than three (3) consecutive meetings and more than five (5) during the last 12 months. Council authorized the City Clerk to advertise for the vacant position on the Tourism Development Authority.

ADOPT – BUDGET ORDINANCE AMENDMENT TO PURCHASE THE RECOMMENDED COMMAND VEHICLE FROM LEE CHEVROLET

Chief Jimmy Davis explained that his department does not currently have a vehicle that is equipped to function as a "command vehicle" on emergency scenes. He stated the staff support vehicles that they have are not large enough to be equipped with the necessary radio communications equipment, along with carrying the resources that they need to manage an incident in compliance with NIMS.

He explained they have encountered challenges with the communications because of the lack of tactical frequencies which puts interior fire attack crews on the same frequencies that additional fire resources are being dispatched on for other emergencies and/or assigned other task on the same scene. The first step to correct this issue was to acquire additional tactical radio frequencies from the FCC. They have received these frequencies and are currently preparing to program them in their radios. The next step is to set up a command vehicle equipped with the necessary radios to monitor multiple frequencies to provide adequate communications enhancing firefighter safety. This vehicle would be equipped with mobile data terminals to access things such as departmental pre-plans of facilities, hazardous materials data, connect CTY for

evacuation notifications, etc. This vehicle would also be used to pull their mobile command trailer to incident scenes that may go on for several hours or days. The vehicle would need to be rated for 1500lbs. of tongue weight and 10,000lbs. towing GVW.

Chief Davis stated that without this important piece of equipment, they will continue to expose their personnel to unsafe conditions with inadequate NIMS tools which could lead to the potential of liability law suits.

The type of vehicle they are recommending is a basic model Chevrolet Tahoe equipped with the extra fuel economy package. This recommendation was reached after researching other models of Chevrolet. This vehicle can be purchased from Lee Chevrolet for \$31,783 which includes a \$5,000 bid assistance discount from General Motors. He asked Council to remember that just two years ago the vehicle that was donated by Lee Chevrolet to the City was valued at \$22,000.

Chief Davis explained that his department saved approximately \$12,000 on the installment purchase of the new EMS unit resulting in debt service savings. In addition, approximately \$32,000 in salary and benefit savings will be realized by year end due to vacancies in the EMS budget this year. It is his recommendation that the surplus salary and benefit money be used to fund this vehicle purchase. As a result of the purchase, he would remove the car allowance for the Chief from the budget and he would drive a City vehicle. This vehicle would give them 10+ years of service resulting in a \$42,000 savings in car allowance over the 10 year period.

It was further stated that this is an opportunity to be proactive in providing a very important piece of equipment with no additional funding required to be appropriated which is critical considering the projected budget outlook for next fiscal year.

Councilman Jennings stated this was a budget item and should be presented during budget sessions. Councilman Davis and Mayor Pro tem Mercer agreed with Councilman Jennings. Councilman Woolard applauded Chief Davis for re-working his current budget to find the funds to purchase the vehicle.

A motion was made by Councilman Woolard and seconded by Councilman Brooks to adopt the budget ordinance amendment to purchase the recommended vehicle from Lee Chevrolet to be used as a Command Vehicle for the Fire Department. The motion failed by a 2-3 vote.

Ayes
Councilman Woolard
Councilman Brooks

Nays
Mayor Pro tem Mercer
Councilman Davis
Councilman Jennings

APPROVE AND AUTHORIZE – DIRECTOR TO EXECUTE WATERFRONT DOCKING AGREEMENT FOR THE BELLE OF WASHINGTON

Mayor Jennette noted this item will be continued until the April meeting.

APPROVE AND AUTHORIZE – CITY MANAGER TO EXECUTE LEASE AGREEMENT FOR THE MASTER GARDENER PROGRAM

By motion of Councilman Jennings, seconded by Councilman Woolard, Council unanimously approved and authorized the City Manager to execute a lease agreement for the Master Gardener Program.

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "Agreement") is made and entered into as of the 1st day of February, 2009, by and between the **CITY OF WASHINGTON**, a municipal corporation of the State of North Carolina (hereinafter referred to as "Lessor") and the **STATE OF NORTH CAROLINA**, hereinafter designated the Lessee, for North Carolina State University at Raleigh;

WITNESSETH

WHEREAS, authority to approve and execute this Lease Agreement was delegated to the Board of Trustees of North Carolina State University by the Department of Administration by letter dated October 23, 2000; and further delegated by the Board of Trustees to the Vice Chancellor for Finance and Business on November 17, 2000; and

WHEREAS, Lessor owns the Warren Field Airport, including that certain real property located generally on the south side of Airport Road and as more specifically depicted on Exhibit A attached hereto and incorporated herein by reference (hereinafter referred to as "Premises").

WHEREAS, Lessor has found said Premises to be surplus to its current needs.

WHEREAS, Lessee desires to lease said Premises in order to utilize the same for the purpose of the Beaufort County Master Gardener Program (hereinafter referred to as "Program").

WHEREAS, Lessor desires to lease said Premises to Lessee as Lessor supports said Program, finds the Program will benefit the citizens of the City of Washington and Beaufort County, and finds the use proposed to be acceptable and will reduce the City's maintenance responsibilities.

WHEREAS, after proper, legal public notice, the City Council passed a Resolution authorizing this Agreement.

NOW, THEREFORE, subject to the terms and conditions hereinafter set forth, Lessor does hereby lease and let unto Lessee and Lessee hereby takes and accepts, together with all privileges and appurtenances thereto, the Premises. In consideration of the mutual promises and covenants herein contained, the benefits to the Lessor and Lessee, and for One Dollar (\$1.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows.

1. **Premises.** The Premises as defined herein is located generally on the south side of Airport Road and as more specifically depicted on Exhibit A attached hereto and incorporated herein by reference.

2. **Condition of Premises.** Lessee's taking possession of the Premises shall be conclusive evidence as against Lessee that Lessee has accepted said Premises as is and that Lessor is under no duty to repair anything, furnish any services for, or otherwise improve in any way the subject property.

3. **Term.** The term of this Agreement shall be for three (3) years and shall commence as of the 15th day of February, 2009, and shall expire on the 14th day of February, 2012. Notwithstanding anything herein to the contrary, Lessor may unilaterally terminate this Agreement and/or reduce the size and boundaries of the Premises as may be necessary, in Lessor's sole discretion. Any such early termination or reduction by Lessor shall only be effective at the end of a growing season and upon six (6) months written notice given by Lessor to Lessee.

4. **Rental.** Except as specifically provided for hereinafter, rent shall be One and no/100 Dollar (\$1.00) per year and shall be payable simultaneously with the execution hereof and shall

be payable annually not less than ten (10) days in advance of each anniversary date.

5. **Assignment.** Lessee shall not assign its interest in this Agreement, sublease any portion of the Premises, or permit third parties to occupy or use any portion of the Premises without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. Notwithstanding the foregoing, Lessor hereby expressly authorizes Lessee to utilize the Premises for its Program and expressly authorizes Lessee to provide garden plots to participants in said Program.

6. **Use of Premises.** Lessee shall use the Premises during the term of this Agreement for the purposes specified herein and none other. The Premises described herein may be used by Lessee only for purposes that are in furtherance of and consistent with Lessee's Program. The primary use of the Premises shall be to provide garden plots to participants in said Program. No other enterprise, including but not limited to commercial enterprise or enterprise for profit, will be operated on the Premises. Any revenue produced through the Program operated at the Premises shall be used solely to support said Program. In the event there ever exists revenue surplus to the needs of the Program, said revenue shall be reinvested back into the Community Garden and/or the Master Gardener Program. Lessee shall not make any unlawful or offensive use of the Premises and agrees to keep the same in good maintenance and aesthetically pleasing appearance.

a. Lessee shall perform all cultivation activities permitted hereunder in such a manner that said activities will not interfere with the use of the Airport by aircraft or in any way obstruct the runways, taxi strips, or approaches thereto. Lessee further agrees that it will cultivate no plant, crop, sod or other growth which will grow to a height that will interfere with the landing of aircraft or the other operational activities at the Airport. The type of planting, cultivation, harvest, crops, sod, or other growth to be grown on the Airport property by Lessee shall always be subject to advance approval by the City Manager or his designee.

b. Any cultivation permitted hereunder shall be conducted in an economical and practical manner. In performing any cultivation contemplated hereunder or any other activity permitted by this Agreement, Lessee shall act in accordance with the best course of husbandry and use good and commonly accepted agronomic methods practiced in the geographical vicinity of the Airport with a view not only to the production of bountiful cultivation in any one year, but further with an effort continuously to improve and preserve the fertility and structure of the soil in an honest effort to preserve and, if possible, to increase the value and desirability of said lands for future cultivation. Fertilization shall be done pursuant to soil tests and recommendations by a reputable organization performing such tests and making such recommendations.

7. **Care and Maintenance.** Lessor shall not be responsible for any maintenance of the Premises and Lessee agrees, at Lessee's own expense as additional consideration for this Agreement, to maintain the Premises in an attractive manner, including but not limited to cutting and keeping any and all grass, bushes, shrubs, and trees properly trimmed so as to be aesthetically pleasing and in compliance with any and all ordinances of the City of Washington, including but not limited to zoning and public nuisance ordinances, and any applicable Federal Aviation Administration requirements. Lessee shall not permit anything, including but not limited to structures, vegetation, trees, etc., to obstruct the runway approach zone. Lessee shall pay for the repair of any and all damages to the Premises caused by Lessee, its agents, employees, invitees, guests, or their successors and assigns or any of them during the term hereof.

8. **Alterations.** The parties recognize that Lessee must make certain preparations to the Premises in order to use the Premises as hereinbefore provided. Lessee shall submit a written plan for such preparations for approval from the City Manager prior to beginning such preparations. Other than the care and maintenance provided for hereinabove, Lessee shall make no alterations or improvements to the Premises without prior written consent from Lessor. Any alteration or improvement that is made by Lessee without prior written consent from Lessor or that is inconsistent, in Lessor's sole discretion, with Lessor's prior written consent shall constitute default hereunder. All such alterations and improvements made with Lessor's consent shall be properly maintained by Lessee.

9. **Inspections and Access.** Lessee does hereby agree that Lessor shall be allowed to inspect the Premises at any time. Lessee shall provide Lessor with such reasonable access over and across the Premises as may be necessary to enable and assist Lessor in performing any such act that is necessary, in Lessor's sole discretion, for the administration of the Airport.

10. **Insurance.** Lessee, as a state institution of higher learning, self-insures for general liability, subject to the provisions of the North Carolina Tort Claims Act. The Lessee also maintains the Employees Excess Liability Insurance Policy, through a commercial insurer, with coverage limits of \$10,000,000 on a per occurrence basis.

11. **Personal Property Taxes.** Lessee shall pay or discharge prior to delinquency all taxes and other charges assessed against or levied upon its fixtures, equipment, furnishings, and its other personal property located on the Premises.

12. **Utilities.** The provision of utilities, including water, sewer, and electricity, if any, shall be covered under a separate agreement; however, Lessee shall be responsible for all applicable charges, including but not limited to "hook-up" and customary monthly charges for the same.

13. **Reservations.** It is expressly understood by Lessee that Lessor has entered this Agreement only to the extent of its authority to do so and that this Agreement is made contingent upon and subject to the approval of FAA or any other branch, board or bureau of the Federal, State or local government which might have jurisdiction over the Airport and control of activities which may be carried on within its boundaries. It is also expressly understood by Lessee that Lessor, in its sole discretion, may make any improvements to the Airport property, upon appropriate notice, that may diminish the area of potential cultivation. Any portion of the cultivatable lands contemplated herein may be withdrawn from cultivation by Lessor for necessary building construction or other improvements without cost to Lessor, at the end of a growing season and upon six (6) months written notice given by Lessor to Lessee.

14. **Other Operations.** Lessee understands there are other operations being carried on at the Airport. Lessee agrees to cooperate in all respects with all of the parties who are presently or who may in the future be utilizing the Airport for other purposes and agrees to coordinate its activities with said operations insofar as possible so as to achieve an orderly, safe and harmonious joint usage thereof by all parties. In this regard, Lessee shall communicate and collaborate with both Lessor and the current Airport operator in its use of the Premises. Lessee agrees that, in the event there shall be any dispute between itself and any of the other operators on the Airport, Lessor shall have full power and authority to hear both sides and render a decision which shall be binding upon it.

15. **Release, Waiver of Claims and Indemnity.** Lessee shall occupy the Premises at Lessee's own risk. Lessee for itself, its invitees and guests and their respective joint venturers, partners, parents, subsidiaries, affiliates, predecessors in interest, successors in interest, assigns and each of their respective officers, directors, employees, shareholders, agents, accountants, attorneys, insurance carriers, sureties, representatives, consultants and advisors, both past and present, hereby shall unconditionally waive and release, unless the City is negligent, the City of Washington and its present and former employees, officials, and elected officials in both their respective individual and official capacities, agents, personal representatives, attorneys, insurers, heirs, successors and assigns, and each of them, respectively, of, from, and for all and any manner of action or actions, cause and causes of action, claims, demands, costs, loss of services, expenses, attorney's fees, compensation and all consequential, compensatory, general, special and/or punitive damages or liabilities, known or unknown, which may result directly or indirectly from or be in any way related to, connected with or growing out of this Agreement, Lessee's occupancy as well as use of said Premises, including use by invitees or guests of Lessee as well as participants in the Program, and the Program. This provision shall survive the termination of this Agreement and shall be in full force and effect beyond the term or termination of this Agreement, however terminated.

16. **Adherence to Regulations.** Lessee shall comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments,

departments, commissions, boards, Courts, authorities, agents, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Airport property or any part thereof, including the Premises. Further, Lessee shall comply with any and all local, state, federal or other rules and regulations as well as all applicable environmental rules and regulations, including but not limited to such rules and regulations regulating hazardous or similar substances or conditions, their storage or disposal. Lessee shall not intentionally and knowingly use any Airport property, including the Premises, for any purpose or in manner in violation of any law, ordinance, rule, or regulation adopted or imposed by any federal, state, county, municipal body, or other governmental agency. Lessee's activities contemplated herein shall conform to and be consistent with any applicable provision of the then current Airport plan as well as the minimum standards, rules and regulations, adopted for the Airport by the City, as amended.

17. **Reports.** If requested by the City Manager, Lessee shall provide a report of such matters involving the Premises or the Program as may be required by the City Manager.

18. **Relationship of Parties.** In carrying out the terms and conditions of this Agreement, Lessee is an independent party from the City and is not an agent or employee of the City. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, or employee relationship between the City and Lessee.

19. **Waiver.** No waiver of any condition, covenant or restriction of this Agreement by either party shall be deemed to imply or constitute a further waiver of the same or any other condition, covenant or restriction of this Agreement.

20. **Surrender of Possession, Holding Over.** Upon the expiration or other termination of this Agreement, Lessee shall quit and surrender the Premises to Lessor. Upon expiration or other termination of this Agreement, Lessee shall retain ownership of and shall remove any items of personal property, including fixtures, made or placed on or about the Premises by Lessee, provided that Lessee returns the Premises to its condition prior to installation or placement of such item(s) thereon. If Lessee shall remain in possession of the Premises or any part thereof after the expiration of the term of this Agreement, either with or without Lessor's acquiescence, Lessee shall be deemed a tenant at will, and such holding over by Lessee shall in no way constitute a renewal of this Agreement.

21. **Lessee's Default.** Any default by Lessee in the performance of any of the promises, duties, or obligations herein agreed to by Lessee or imposed upon Lessee by law shall, at Lessor's option, constitute a material breach of this Agreement, giving Lessor, in addition to all other rights and remedies as provided herein and provided by law, the right without notice or demand at the option of the Lessor immediately to a) terminate this Agreement, b) reenter, without liability to anyone for trespass or otherwise, the Premises, and c) to collect from Lessee any damages resulting from default, including the cost of repairing the Premises, returning the Premises to their original condition, and any reasonable attorney's fees incurred as a result of default. Upon any reentry pursuant to this paragraph, the Lessor may, without liability to anyone, remove any personal property located on or about the Premises, whether belonging to Lessee or otherwise, and dispose of the personal property as Lessor deems proper or to store such property at Lessee's expense. Lessor is further authorized to sell or cause to be sold any such personal property so removed, the proceeds from which may be used to pay any storage charges against the property or to satisfy any delinquent rental or other obligation due Lessor by Lessee.

22. **Illegal Provisions Governing Law.** If any provision of this Agreement shall be declared illegal, void, or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of North Carolina.

23. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto with respect to the Lessee's use and occupancy of said Premises and all prior and contemporaneous agreements are merged herein, and this instrument shall not be altered or modified except in writing signed by all parties hereto.

IN WITNESS WHEREOF, after due authority given, the parties hereto have executed this Agreement effective as of the date first above written.

PRE-AUDIT CERTIFICATE

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

s/Anita C. Radcliffe
ANITA C. RADCLIFFE
INTERIM FINANCE DIRECTOR

LESSOR: CITY OF WASHINGTON
s/James C. Smith
JAMES C. SMITH
CITY MANAGER

ATTEST:
s/Cynthia S. Bennett
CYNTHIA S. BENNETT
CITY CLERK

**LESSEE: STATE OF NORTH CAROLINA FOR
NORTH CAROLINA STATE UNIVERITY**
s/Charles D. Leffler
CHARLES D. LEFFLER
VICE CHANCELLOR FOR FINANCE AND BUSINESS

EXHIBIT A

Those certain tracts or parcels of land lying and being in the City of Washington, Beaufort County, North Carolina, more particularly described as follows:

BEING all of that approximately 1.31 acres, more or less, having approximate dimensions of 176 feet by 217 feet by 200 feet by 145 feet and by 197 feet, which approximately 197 feet abut Airport Road as shown on that aerial map in the office of the City Manager for the City of Washington.



APPROVE & AUTHORIZE – DIRECTOR TO EXECUTE WATERFRONT DOCKING AGREEMENT FOR SEATOW PAMLICO MARINE SERVICES, LLC LEASE

Mayor Pro tem Mercer noted to change the word under #8 Use of Slip from “a SEATOW boat” to “one SEATOW boat”. Mayor Jennette explained that during the agenda review meeting today it was discussed to do a one year contract and see how it works out. Franz Holscher, City Attorney said that SEATOW is in agreement with that.

By motion of Councilman Davis, seconded by Councilman Woolard, Council approved and authorized the Director of Parks and Recreation or his designee to execute the Waterfront Docking Agreement for Pamlico Marine Services, LLC for a period of one year with one boat. Franz Holscher, City Attorney will make the revisions to the agreement and forward to the Parks and Recreation Department for execution.

(Copy attached - agreement in file)

ENDORSE – JUDY RANDALL’S TOURISM STUDY & RECOMMENDATIONS

Mayor Jennette explained this was presented to Council at the Committee of the Whole meeting in February. By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council endorsed Judy Randall’s tourism study and recommendations.

APPROVE 1ST READING – PIEDMONT NATURAL GAS FRANCHISE RENEWAL ORDINANCE (REQUIRES 2 READINGS AND 2 VOTES)

Jim Smith, City Manager stated this process has taken about two years to develop and we finally have an agreement that both sides agree with. He also explained the City receives an excise tax, not franchise fee or property tax from Piedmont Natural Gas. Mayor Pro tem Mercer voiced concern over property tax not received in lieu of them paying excise taxes. Due to concerns regarding franchise fees & excise taxes, and term length of the contract, Council suggested tabling this item.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council tabled this item until April.

AUTHORIZE – MAYOR TO SIGN THE GRANT APPLICATION FOR A NATIONAL REGISTER HISTORIC DISTRICT NOMINATION

John Rodman, Planning Administrator explained to Council that a request has been made by the State Historic Preservation Office (SHPO) to assist the City of Washington in preparing a National Register Historic District nomination application to include the residential structures along North Market Street and north of Sixth Street. To prepare the nomination application would be approximately \$7,500 and the City’s share would be 40%. The City received a HDF grant to conduct a City-wide inventory study of historic structures in 2007. The nomination of structures along North Market Street for inclusion into the National Register is a result of a previous study. Mr. Rodman explained this only authorizes the Mayor to sign the application to prepare a nomination for a National Register Historic District (NRHD); this does not authorize any funds. He further explained that NRHD does not include any local district guidelines. If the City wanted to expand the local district this would begin the process of public hearings, etc. Mayor Jennette asked why some areas along 7th Street were not included. Mr. Rodman stated this is the area SHPO thought was most worthy for nomination. He further stated this was initiated by SHPO not the City of Washington. If a single property owner does not want to be included in the NRHD then they don’t have to be. If the majority of the property owners state they don’t want to be included in the NRHD, then the nomination application is not written. Mr. Rodman stated this would not be included until next year’s budget.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council accepted the recommendation of the Director of Planning and Development and authorized the Mayor to sign the Historic Preservation Fund grant application to prepare a National Register Historic District nomination.

**ADOPT – GRANT PROJECT ORDINANCE TO APPROPRIATE FUNDS FOR THE
EXTENSION OF APPROXIMATELY 900 L.F. OF 24” GRAVITY SEWER LINE
ALONG PENNSYLVANIA AVENUE NEAR THE PENNSYLVANIA & HAVENS PUMP
STATION**

Allen Lewis stated that of the \$540,000 only \$40,000 are City funds and \$500,000 from a CDBG/Community Assistance Grant. This is to setup the budget ordinance.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council adopted the attached grant project ordinance amendment to appropriate funds for the extension of approximately 900 L.F. of 24” gravity sewer along Pennsylvania Avenue near the Pennsylvania and Havens pump station.

**A GRANT PROJECT ORDINANCE FOR CDBG COMMUNITY DEVELOPMENT
BLOCK GRANT
CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2008-2009**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1. The project authorized is to provide for the extension of 900 linear feet of 24 inch gravity sewer along Pennsylvania Avenue near the Pennsylvania and Havens pump station and associated street repairs and related construction.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the grant documents.

Section 3. The following amounts are appropriated for the project:

71-90-8000-0401	Grant Administration	\$ 40,000
71-90-8000-0405	Engineering	130,000
71-90-8000-4500	Construction	336,000
71-90-8000-9900	Contingency	<u>34,000</u>
	Total	540,000

Section 4. The following revenue is anticipated to be available to complete this project:

71-90-3352-0000	City Contribution	\$ 40,000
71-90-3480-3300	CDBG Grant	<u>500,000</u>
	Total	540,000

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient detailed accounting records to satisfy the requirements of the grantor agency and grant agreement.

Section 6. Funds may be advanced from the Sewer Fund for the purpose of making payments that are due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7. The Finance Director is directed to report, on a monthly basis, the financial status of each project element in Section 3 and on the total grant revenues received or claimed.

Section 8. The Budget Officer is directed to include a detail analysis of past and future costs and revenues on this grant project in every budget submission made to the City Council.

Section 9. Copies of this grant project ordinance shall be furnished to the City Clerk, Budget Officer, and Finance Director for direction in carrying out this project.

Section 10. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 11. This ordinance shall become effective upon its adoption.

Adopted this the 9th day of March, 2009.

s/Judy M. Jennette
JUDY M. JENNETTE
MAYOR

s/Cynthia S. Bennett
CYNTHIA S. BENNETT
CITY CLERK

ADOPT – RESOLUTION AUTHORIZING CITY MANAGER TO REQUEST GRANT ASSISTANCE FROM THE STATE OF NORTH CAROLINA THROUGH THE PUBLIC WATER SUPPLY SECTION OF THE NCDENR

Allen Lewis stated this is an effort for the City to recover economic stimulus funds for a complete change-out of current water meters. We currently have 5,100 water customers, most of which have manual read water meters at this time. To replace all of them would cost approximately \$1.2 million. Once installed this will provide energy savings, more accurate reading, save time and labor costs for the reading of the water meters. If the grant is received we would receive a 50% grant and a 0% interest loan for 20 years.

By motion of Councilman Brooks, seconded by Councilman Woolard, Council adopted a resolution authorizing the City Manager to request grant assistance from the State of North Carolina through the Public Water Supply Section of the North Carolina Department of Environment and Natural Resources for the purchase of radio-read water meters.

AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE APPLICANT

WHEREAS, The Federal Clean Water Act Amendments of 1987 and Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater or drinking water system improvements; and

WHEREAS, The City of Washington has need for and intends to construct a drinking water system project described as radio-read water meters, and

WHEREAS, The City of Washington intends to request state grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF WASHINGTON:

That City of Washington will arrange financing for all remaining costs of the project, if approved for a State grant award.

That the City of Washington will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide

adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the City of Washington will provide for efficient operation and maintenance of the project on completion of construction thereof.

That James C. Smith, City Manager, and successors so titled, is hereby authorized to execute and file an application on behalf of the City of Washington with the State of North Carolina for a grant to aid in the construction of the project described above.

That James C. Smith, City Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the City of Washington has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

That the City of Washington has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this the 9th day of March, 2009 in the City of Washington, North Carolina.

s/Judy M. Jennette
JUDY M. JENNETTE
MAYOR

s/Cynthia S. Bennett
CYNTHIA S. BENNETT
CITY CLERK

ADOPT – RESOLUTION AUTHORIZING THE CITY MANAGER TO REQUEST FOR GRANT ASSISTANCE FROM THE STATE OF NORTH CAROLINA THROUGH THE CONSTRUCTION GRANTS AND LOANS SECTION OF THE DIVISION OF WATER QUALITY FOR THE CONSTRUCTION OF A NEW PUMP STATION AT MAIN AND RESPESS AND ACKNOWLEDGE REALLOCATIONS OF FUNDS

Allen Lewis explained this grant would allow for the construction of a new pump station at Main and Respepp Streets. The current pump station at this location is below the 100-year flood level and subject to flooding during storm surges that flood Stewart Parkway. If awarded, the grant will allow for the slight relocation of the pump station at this location with a flood-proof station, placing the controls for this pump station above the 100-year flood level. It will also include the purchase of a back-up generator dedicated to this location allowing for continuous operation of the pump station, even during a power outage. The reallocation of funds within the sewer fund will be used to update the plans to meet regulation changes since the plans were originally done 7-8 years ago. Mr. Lewis stated this is very similar in nature with the same type of financing of 50% grant and 50% with a 0% interest loan. This project will flood proof the wet well and elevate the control panels and a standby generator above the 100-year flood level.

By motion of Councilman Brooks, seconded by Councilman Jennings, Council adopted a resolution authorizing the City manager to request grant assistance from the State of North Carolina through the Construction Grants and Loans Section of the Division of Water Quality for the construction of a new pump station at Main and Respepp.

By motion of Councilman Brooks, seconded by Councilman Mercer, Council acknowledged the reallocation of funding between the following divisions in the Sewer Fund:

- ❖ decrease Contract for Sludge in the Wastewater Treatment Division of the Sewer Fund by \$7,000.
- ❖ increase Professional Services in the Lift Stations Division of the Sewer Fund by \$7,000.

AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE APPLICANT

WHEREAS, The Federal Clean Water Act Amendments of 1987 and Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater or drinking water system improvements; and

WHEREAS, The City of Washington has need for and intends to construct a new Pump Station above the 100-year flood level to replace the existing Main and Respress Pump Station which is below the 100-year flood level, to prevent flooding and pollution, and

WHEREAS, The City of Washington intends to request state grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF WASHINGTON:

That City of Washington will arrange financing for all remaining costs of the project, if approved for a State grant award.

That the City of Washington will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the City of Washington will provide for efficient operation and maintenance of the project on completion of construction thereof.

That James C. Smith, City Manager, and successors so titled, is hereby authorized to execute and file an application on behalf of the City of Washington with the State of North Carolina for a grant to aid in the construction of the project described above.

That James C. Smith, City Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the City of Washington has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

That the City of Washington has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this the 9th day of March, 2009 in the City of Washington, North Carolina.

s/Judy M. Jennette
JUDY M. JENNETTE
MAYOR

s/Cynthia S. Bennett
CYNTHIA S. BENNETT
CITY CLERK

AARA – STIMULUS FUNDS

Jim Smith, City Manager explained that there are a lot of AARA/Stimulus Funds that are ready for grant applications within the next month. There is the opportunity we could get a new police station with 75% grant funds. Mr. Smith asked for Council's authority to complete the grant applications as long as the grant applications are submitted to Council at their next regular meeting. Mr. Smith stated this is to insure that the applications are received within the proper time frame and having to wait for a Council meeting could hinder the submission of applications and possible lost funds.

By motion of Councilman Jennings, seconded by Councilman Davis, Council agreed to give Jim Smith, City Manager authority to sign and submit grant applications for stimulus related funding applications. This provision will end with the current fiscal year and could be renewed if funding is still available.

AUTHORIZE – CITY MANAGER TO ENTER AGREEMENT INTO A RENEWABLE ENERGY DEVELOPMENT AND SERVICE AGREEMENT WITH NCEMPA

Keith Hardt, Electric Utilities Director explained that in 2007, the North Carolina General Assembly enacted the Renewable Energy and Energy Efficiency Portfolio Standards (REPS) Legislation. This legislation requires that all electric providers in North Carolina comply with the requirements of REPS Legislation, which, among other requirements, obligates all electric suppliers to file annual Compliance Plans with the North Carolina Utilities Commission (NCUC) beginning in September 2008.

There are additional requirements for compliance by 2012. The staff of ElectriCities has determined that the most efficient and economic manner for the member City to comply with the requirements of the REPS Legislation, is for ElectriCities to coordinate and administer the effort on the part of each member City to comply with the REPS Legislation. This recommended action authorizes the City Manager to enter into a Renewable Energy Development and Service Agreement with the North Carolina Eastern Municipal Power Agency so as to aggregate all of the resources of the Agency to benefit each member.

Mr. Hardt further summarized the agreement stating it authorizes Power Agency to act as the city's agent in determining, developing, coordinating and administering a REPS compliance program in conjunction with the power supply program. Without this agreement, it would be necessary for the individual city to implement, coordinate, plan and report to the North Carolina Utilities Commission independently to meet the September 1, 2009 compliance plan and report filing date.

Mayor Pro tem Mercer had questions regarding the rider and the term of this agreement which carries through 2026. Mr. Hardt stated we either agree to these terms or the City does this on our own which is a very labor intensive process and doesn't give you the benefit of the aggregate of the Agency.

By motion of Councilman Jennings, seconded by Councilman Davis, Council authorized the City Manger to enter into a Renewable Energy Development and Service Agreement with the North Carolina Eastern Municipal Power Agency.

Ayes
Councilman Jennings
Councilman Woolard
Councilman Brooks
Councilman Davis

Nays
Mayor Pro tem Mercer

NORTH CAROLINA EASTERN MUNICIPAL POWER AGENCY
RENEWABLE ENERGY DEVELOPMENT
AND
SERVICE AGREEMENT

Witness this Agreement, dated as of the 9th day of March, 2009, by North Carolina Eastern Municipal Power Agency, a joint agency organized and existing under the provisions of Chapter 159B of the General Statutes of North Carolina ("Power Agency"), and the municipality of the State of North Carolina which has executed this Agreement (the Municipality").

WHEREAS, Power Agency, pursuant to that certain Supplemental Power Sales Agreement between Power Agency and the Municipality, dated as of the 30th day of July, 1981, provides All Requirements Bulk Power Supply (as that term is defined in the Supplemental Power Sales Agreement) to the Municipality; and

WHEREAS, also pursuant to the Supplemental Power Sales Agreement, Power Agency, for purposes of carrying out its rights and obligations under the Supplemental Power Sales Agreement, has been designated and appointed by the Municipality as the Municipality's sole agent to fullest legal extent that such agency may be established for such purposes; and

WHEREAS, in 2007, the North Carolina General Assembly adopted legislation in the form of Senate Bill 3 (codified in N.C.G.S. as §62-133.8 et. seq., and referred to herein as the "Legislation") which, among other things, requires all "electric power suppliers" (as that term is defined in the Legislation) in the State of North Carolina, including, among others, municipalities that sell electric power to retail electric customers, to meet certain Renewable Energy and Energy Efficiency Portfolio Standards ("REPS") set forth in the Legislation; and

WHEREAS, Power Agency believes that the least cost method for all municipalities to whom Power Agency provides All Requirements Bulk Power Supply to comply with the REPS can be accomplished through a program developed and coordinated by Power Agency, together with the input and cooperation of all of such municipalities; and

WHEREAS, the REPS require, among other things, that certain specified percentages of municipalities' retail sales of electric power be supplied, beginning in 2010, in accordance with the provisions of the Legislation, which provisions include, among others, that such electric power be supplied from renewable energy resources (including, but not limited to, wind, solar, animal waste, landfill gas and hydro), from the purchase of renewable energy certificates, or from energy savings through demand-side management and energy efficiency measures; and

WHEREAS, the Legislation also sets forth certain maximum per-account annual charges that electric power suppliers are permitted to charge their respective retail customers for compliance with the REPS, and further provides that the electric power supplier shall be deemed to be in compliance with REPS if the aggregate of the maximum per-account annual amounts is expended by the electric power supplier in a given calendar year; and

WHEREAS, Power Agency is willing to undertake the development, coordination and administration of a REPS compliance program on behalf of each of the municipalities in accordance with the terms and conditions set forth in this Agreement (the "REPS Compliance Program").

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, and such other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, IT IS AGREED:

1. Power Agency Undertakings.

Power Agency shall:

- i) assist the Municipality in determining, developing, coordinating and administering a REPS Compliance Program for the Municipality;
- ii) obtain, to the extent deemed appropriate by the Board of Directors of Power Agency, supply-side renewable resources, the output of which would be available for sale at wholesale to the Municipality as part of its All Requirements Bulk Power Supply;
- iii) coordinate, administer and, to the extent necessary, develop demand-side management and energy efficiency measures;
- iv) coordinate renewable resources and demand side management and energy efficiency measures owned, operated or undertaken by the Municipality with and into the REPS Compliance Program for the Municipality and for other municipalities entering into a Renewable Energy Development and Service Agreement, to the extent deemed feasible and appropriate by Power Agency;
- v) account for and document the Municipality's compliance with the REPS;
- vi) prepare and file annual Compliance Plans and Reports, on behalf of the Municipality, required to be filed with North Carolina Utilities Commission (the "NCUC") pursuant to the rules and regulations promulgated by the NCUC pursuant to the Legislation; and
- vii) impose and collect a monthly fee, to the extent adopted by the NCEMP A Board of Commissioners and Board of Directors, to be determined with respect to the overall compliance obligations of the Participants and taking into account each individual Participant's compliance activities; in the form of a billing rider (the "REPS Rider") to carry out its undertakings herein and the Municipality's obligations under the Legislation.

2. Municipality's Undertakings.

The Municipality shall:

- i) participate in all or a part of the REPS Compliance Program to comply with REPS;
- ii) permit Power Agency to coordinate, and assist Power Agency in its coordination of, renewable resources and demand side management and energy efficiency measures owned, operated or undertaken by the Municipality with and into the REPS Compliance Program for the Municipality and other municipalities entering into a Renewable Energy Development and Service Agreement;
- iii) permit Power Agency to allocate the Municipality's contract SEP A output in the manner deemed most efficient by Power Agency in connection with Power Agency's administration of the least cost REPS compliance on behalf of the Municipality and other Municipalities entering into a Renewable Energy Development and Service Agreement;
- iv) timely pay to Power Agency the monthly REPS Rider adopted by the Board of Directors;
- v) report to the Power Agency the number of its residential, commercial and industrial retail electric customer accounts that the Municipality reported to the Energy Information Administration for the previous calendar year not later than April 30 of each year during the term of this Agreement; and
- vi) keep and maintain accurate records of, among other things, its annual retail sales of electric power (in MWhs), its number of residential, commercial and industrial electric customer accounts

- per year, and the savings (in MWhs) achieved by the Municipality as a result of its use of demand-side management and energy efficiency measures.;
- vii) account for and keep and maintain accurate records of all costs associated with the Municipalities efforts to comply with REPS, including, but not limited to, labor, materials, overhead, expenses and other miscellaneous costs; and
 - viii) provide Power Agency with any and all information reasonably requested by Power Agency in connection with Power Agency's obligation to prepare and file the annual Compliance Plans and Reports.

3. Power Agency is the Municipality's Agent.

The Municipality hereby appoints the Power Agency as its agent, to the fullest extent permitted by law, to develop, coordinate and administer a REPS Compliance Plan and to take all acts, on behalf of the Municipality, as are necessary to develop and implement a REPS Compliance Plan that will enable the Municipality to meet the REPS.

4. Modification and Uniformity of Agreements.

This Agreement shall not be amended, modified or otherwise changed, or rescinded, except by agreement of the parties hereto. If any other Renewable Energy Development and Service Agreement is amended or replaced so that it contains terms and conditions different from those contained in the Agreement, Power Agency shall notify the Municipality and, upon timely request by the Municipality, shall amend this Agreement to include such similar terms and conditions.

5. Term.

The term of this Agreement shall be coterminous with the term of the Supplemental Power Sales Agreement, and the rights of the Municipality and the Power Agency to terminate this Agreement shall be the same as the rights to terminate set forth in the Supplemental Power Sales Agreement.

6. Applicable Law; Construction.

This Agreement is made under and shall be governed by the law of the State of North Carolina. Headings herein are for convenience only and shall not influence the construction hereof.

7. Severability.

If any section, paragraph, clause or provisions of this Agreement shall be finally adjudicated by a court having jurisdiction over the parties hereto and the subject matter to be invalid, the remainder of this Agreement shall be unaffected by such adjudication and all of the remaining provisions of this Agreement shall remain in full force and effect as though such section, paragraph, clause or provision, or any part thereof so adjudicated to be invalid, had not been included herein. In the event of any such invalidity, the parties hereto shall promptly negotiate in good faith valid and new provisions, if necessary, to restore the agreement to its original intent and effect.

8. Assignment of Agreement.

This Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties to this Agreement; provided, however, that neither this Agreement nor any interest herein shall be assigned or transferred or sold by the Municipality without the written consent of Power

Agency.

9. Entire Agreement.

This Agreement shall constitute the entire understanding of the parties hereto, superseding any and all previous undertakings, oral or written, pertaining to the subject matter contained herein. No party hereto has relied, or will rely, upon any oral or written representations or oral or written information made or given to such party by any representative of the other party or anyone on its behalf.

IN WITNESS WHEREOF, the parties hereto have executed this Renewable Energy Development and Service Agreement all by authority of their respective governing bodies duly given.

Executed the 11th day of March, 2009

City of Washington

s/James C. Smith
JAMES C. SMITH
CITY MANAGER

ATTEST:

s/Cynthia S. Bennett
CYNTHIA S. BENNETT
CITY CLERK

**AUTHORIZE – CITY MANAGER TO ENTER A CONTRACT WITH ARCHITECTS
DESIGN GROUP, INC (ADG) FOR THE
POLICE CRIMINAL JUSTICE FACILITIES**

Jim Smith, City Manager stated the recently Congress passed the American Recovery and Reinvestment Act (ARRA) which includes funds for public facilities. We have confirmed that a new Police Station is eligible for assistance from the USDA Rural Development Program and likely from Federal Emergency Management Agency Risk Prevention Program. In order to move forward it is critical that we obtain a contract for architectural services. Architects Design Group, Inc. (ADG) in conjunction with the Center for Public Safety Inc., both of Florida will lead the project in conjunction with Dunn and Dalton of Kinston, NC. Initial estimates for the project ranged in excess of six million dollars. However, those estimates have now been reduced to four million dollars. This estimate is based on a twenty thousand square foot facility and the cost experienced in recent years for the construction of similar facilities in North Carolina.

Mr. Smith stated that this project will come back before Council on numerous occasions once grant funding has been awarded. We need to be able to demonstrate to the funding agencies that we can meet their time schedule in applying for grant funds.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council authorized the City Manager to sign an agreement with Architects Design Group, Inc., subject to the requirement of the USDA Rural Development Community Facilities Loan and Grant Program and the requirements of the State of North Carolina.

**CLOSED SESSION – UNDER G.S. 143-318.11(A)(1) PURSUANT TO
N.C.G.S. 160A-279; G.S.143-318.11(A)(3) ATTORNEY/CLIENT PRIVILEGE, MCC
OUTDOOR, LLC vs. CITY OF WASHINGTON 07-CVS-1272;
G. S. 143-318.11(A)(4) ECONOMIC DEVELOPMENT AND
G.S. 143-318.11(A)(5) POTENTIAL ACQUISITION OF REAL PROPERTY:
PROPERTY LOCATED ON SPRINGS ROAD & OWNED BY
MS. ANNIE MAYO FOR PARK USE**

By motion of Councilman Woolard, seconded by Mayor Pro tem Mercer, Council agreed to go into closed session under G.S. 143-318.11(a)(1) pursuant to NCGS 160A-279; G.S.143-318.11(A)(3) Attorney/Client Privilege, MCC Outdoor Advertising, LLC vs. City of Washington 07-CVS-1272; G.S. 143-318.11(A)(4) Economic Development and

G.S. 143-318.11(a)(5) Potential acquisition of real property: property located on Springs Road & owned by Ms. Annie Mayo for park use.

On motion of Councilman Davis, seconded by Councilman Brooks, Council unanimously agreed to come out of closed session.

ADJOURN

On motion of Councilman Jennings, seconded by Councilman Woolard, Council unanimously adjourned the meeting at 9:30 pm, until Monday March 23, 2009 at 4:30 p.m. in the Council Chambers at the Municipal Building.

Cynthia S. Bennett
City Clerk