

The Washington City Council met in a regular session on Monday, June 15, 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; Cynthia Bennett, City Clerk; and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Chief Financial Officer; Jimmy Davis, Fire Chief; Allen Lewis, Public Works Director; John Rodman, Planning Administrator; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Gloria Moore, Library Director; Keith Hardt, Electric Utilities Director and 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 Jennette requested Item VI.A. 7 Agreement for Vietnam Moving Wall, be removed from the agenda to allow the City Attorney more time to review the document. Items VI.A. 9 (E-911) & 10(Worker's Compensation Claims) were moved to items VI.A. 11 & 12 and moved VI.A. 11(Piedmont Natural Gas) & 12 (Police Station Architectural Amendment) to items VI.A. 9 & 10. Councilman Jennings requested that all appointments and committee reports, with the exception of Citizens for Revitalization, be moved to July 8th, due to the length of the agenda for tonight's meeting. Mayor Pro tem Mercer requested Item I.C - Adopt – Budget Ordinance Amendment for the Historic Preservation Fund Grant, be moved to VI.A.15.

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

APPROVAL OF MINUTES

By motion of Mayor Pro tem Mercer, seconded by Councilman Jennings, Council unanimously approved the minutes of April 27, May 4, and May 11, 2009, as presented.

***PRESENTATION OF AWARD BY MAYOR JENNETTE TO THE FINANCE DEPARTMENT**

APPROVAL OF CONSENT AGENDA

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

- A. Adopt – Budget Ordinance Amendment appropriating \$5,750 from the General Fund for support of the dock dogs event hosted by the East Carolina Wildlife Guild

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 10-40-6170-9109, East Carolina Wildlife Guild, Outside Agency portion of the General Fund appropriations budget be increased in the amount of \$5,750 to provide funds for the dock dogs event.

Section 2. That account number 10-00-9990-9900, Contingency portion of the General Fund appropriations budget be decreased in the amount of \$5,750 to provide funds for the dock dogs event.

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 15th day of June, 2009.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

- B. Adopt – Budget Ordinance Amendment for the 6th and 7th Street Revitalization Grant Project Fund

**AN ORDINANCE TO AMEND THE GRANT PROJECT 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 54-60-4930-4505, Clearance Activities – CDBG portion of the 6th and 7th Street Revitalization Project Fund be increased in the amount of \$25,000 to provide funds for grant funded clearance activities.

Section 2. That account number 54-60-4930-4501, Clearance Activities - Local portion of the 6th and 7th Street Revitalization Project Fund be decreased in the amount of \$25,000 to provide funds for the above activities.

Section 3. That account number 54-60-4930-7101, Acquisitions - CDBG portion of the 6th and 7th Street Revitalization Project Fund be increased in the amount of \$115,000 to provide funds for grant funded acquisitions.

Section 4. That account number 54-60-4930-7100, Acquisitions - Local portion of the 6th and 7th Street Revitalization Project Fund be decreased in the amount of \$115,000 to provide funds for the above activities.

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 15th day of June, 2009.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

- C. Item moved to VI.A. 15 Adopt – Budget Ordinance Amendment for the Historic Preservation Fund Grant
- D. Request – Allow sale and consumption of alcohol at DWOW's 4th annual Pickin' on the Pamlico

***MS. RUTH BOYCE – UTILITIES** - Ms. Boyce was not present.

MS. APRIL CORBETT & LT. WILLIAM CHRISMON – PROJECT NEXT STEP

Lt. William Chrismon reviewed the timeline of events for Project Next Step. Ms. April Corbett explained the idea of Project Next Step is to significantly reduce street level drug dealing and those crimes associated with it. This will help improve the living conditions of those neighborhoods experiencing the negative effects that street level drug markets create. The goals of Project Next Step are: (1) Rebuild community support and trust (2) Individuals efforts in program. There were 5 clients identified, and 4 of them continue to show positive progress.

The program criteria:

- to obtain employment
- continue to attend Ed Tech/Washington High School

- Refrain from any criminal activity
- Constant contact with Project Next Step coordinator
- Work on social skills
- To increase socially appropriate behaviors by attending group sessions
- See what path the client is heading down
- Curfew established
- Client is to refrain from using any type of unlawful activity

Failure to participate will result in removal from the program, and those not wanting to change will be prosecuted to the fullest extent of the law. Statistics have shown that significant progress has been made through the Police Department and Project Next Step.

CANON UPDATE

Mayor Jennette updated Council on the historic canon found on waterfront and noted she would have more to report in July.

CITIZENS FOR REVITALIZATION - PRESENTATION URBAN DESIGN STUDY

Chris Furlough and Ross Hammory, noted the Citizens for Revitalization are unanimously recommending Land Design from Charlotte, NC as the urban design team for the proposed plan. Mr. Furlough explained the plan is designed for implementation; it is an action oriented plan. The base cost of the plan is \$39,500; there are additional elements that could be added for an additional \$11,000. Mr. Furlough explained the Committee is prepared to participate financially in supporting this plan. Councilman Jennings and Mayor Jennette stated they felt it would be reasonable for the City to pay for the base plan in an amount of \$39,500 out of the current budget and the Citizens for Revitalization could pay for the additional \$11,000. This would allow the City of Washington to own the plan and endorse the work this group has accomplished.

By motion of Mayor Pro tem Mercer, seconded by Councilman Jennings, Council agreed to fund \$39,500 out of the current budget to fund the base cost of the urban design plan to be completed by Land Design of Charlotte, NC.

APPROVE – RECOMMENDATION OF THE WASHINGTON RECREATION ADVISORY COMMITTEE AND CITY STAFF TO DEVELOP AN OFF-LEASH DOG PARK LOCATED AT THE CORNER OF EAST 4TH AND BROWN STREETS

Mayor Jennette said at the agenda review meeting today that dog parks are not listed anywhere as a permitted or non-permitted use. She stated this topic may need to be sent back to the Planning Board. Franz Holscher, City Attorney explained the Planning Department staff considers a dog park to be included as a type of permitted use for this property as an accessory use for parks and recreation. If dog parks are an extension of this permitted use as parks and recreation then dog parks are allowed. Mr. Smith stated that past history has shown if a use is not listed then the Planning Board determines if a use is an extension of a permitted use. Mayor Pro tem Mercer said he thought if a use is not listed, then it's not considered as a permitted use.

John Rodman, Planning Administrator explained this use is considered an extension of a public park, common recreation area or public recreational facilities. Mr. Rodman noted this was the process used when a skate park was permitted, as it fell under one of these types of uses. Mr. Rodman stated if dog parks need to be listed as a permitted use then this will need to be done as a text amendment to the Zoning Ordinance by the Board of Adjustment. Councilman Davis stated dog parks are a permitted use under the National Parks and Recreation Society as a type of park. John Rodman explained the property is zoned R6S (residential) and public parks, common recreation areas and public recreation facilities are permitted uses in the R6S zoning category. Council considered a dog park to be included as a type of permitted use for said property.

Philip Mobley, Parks and Recreation Director gave a brief background on this topic. In late October 2008, a group of citizens formed the Washington Off-Leash Dog

Park Initiative Committee. This group of citizens has canvassed Washington and the Greater Washington area and they have been instrumental in spearheading a drive for the establishment of this park through volunteerism and fund raising efforts. On March 9, 2009 the citizens group made a presentation to City Council. Council then asked the group to meet with the Recreation Advisory Committee. On April 20, 2009 the citizens group met and gave a presentation to the Recreation Advisory Committee. A public meeting was set by the Recreation Advisory Committee for viewing of the proposed dog park design and location. On May 14, 2009 concepts of the proposed off-leash dog park were presented at the public viewing held at the Grace Martin Harwell Senior Center from 5:00pm-6:30pm, for public input. The Recreation Advisory Committee and City Staff are recommending approval of the Off-Leash Dog Park to be located at the corner of East 4th and Brown Street. These lots are FEMA lots and the NC DENR Water Quality approved the location of a dog park with fencing.

By motion of Councilman Davis, seconded by Councilman Woolard, Council approved the recommendation of the Washington Recreation Advisory Committee and City Staff to develop an Off-Leash Dog Park located at the corner of East 4th and Brown Streets. Mayor Pro tem Mercer suggested that the committee use as much of that space as possible for the dog park.

AWARD – CONTRACT FOR ELEVATOR UPGRADE AT CITY

Allen Lewis, Public Works Director discussed the elevator upgrade for City Hall. Funding for the elevator upgrade was included in the FY 08/09 budget. We advertised for bids for the project and only received one bid. Per state statutes, we re-advertised and still only received one bid. Southern Elevator Company's bid was in the amount of \$127,400, well below the budgeted amount. There will be some electrical work that will need to be performed in addition to the work in this contract. At this time, we have received one bid for the electrical work at \$8,500 and are in the process of soliciting other bids at this time. Mr. Lewis stated this project will get underway in September and meetings will need to be held at another location during that time. Franz Holscher, City Attorney suggested that a realistic time frame needs to be added in the contract for the work to be completed. Mayor Pro tem Mercer suggested a 10 week time frame for replacing the elevator.

By motion of Councilman Jennings, seconded by Councilman Woolard, Council awarded a contract to Southern Elevator Company and authorized the City Manager to execute the contract for the elevator upgrade at City Hall. A suggested time frame not to exceed 10 (ten) weeks was included in the approval.

AWARD – CONTRACT FOR NEW ROOF ON NORTH SIDE OF CITY HALL

Allen Lewis, Public Works Director explained that during budget planning sessions it was discussed the need for a roof replacement on the north side of City Hall. This section of the building was added in 1935 and is flat compared to the original roof which is not. As a result of the elevator upgrade project coming in less than the amount originally budgeted, Council directed that bids be requested for a new roof. To date, two bids have been received. One is for a painted roof similar to what exists now at \$16,700 and the other is for a rubber membrane style (TPO) roof by Commercial Solutions, Inc (CSI) at \$19,800. CSI is the same company that did the roof for the Brown Library. Their proposal comes with a 15 year leak proof warranty, similar to the roof they installed at Brown Library. The other contractor did not have a warranty listed in his proposal. A four week time frame was included in the contract.

By motion of Mayor Pro tem Mercer, seconded by Councilman Woolard, Council awarded a contract to Commercial Solutions, Inc. and authorized the City Manager to execute the contract for a new roof on the north side of City Hall. A suggested time frame not to exceed four weeks was included in the approval.

AWARD – CONTRACT FOR PAINTING COUNCIL CHAMBERS

Allen Lewis, Public Works Director explained that during budget planning sessions it was noted there was a need for painting the Council Chambers. To date,

two bids have been received. One bid is for \$16,889 and the other is from Ross Industrial Corp. for \$8,600. Council suggested painting the Council Chambers while the elevator is being repaired.

By motion of Councilman Woolard, seconded by Councilman Jennings, Council awarded a contract to Ross Industrial Services Corp. and authorized the City Manager to execute the contract for painting the Council Chambers at City Hall. The painting will take place during the time frame the elevator is being replaced.

AWARD – CONTRACT FOR SUBSTATION TRANSFORMERS

Keith Hardt, Electric Utilities Director explained the replacement of the T3 and T4 Power Transformers at the Main Substation was included in the FY08/09 Electric Fund Budget. A total of six bids for the replacement of the Main Substation T3 and T4 Power Transformers were received May 14, 2009. Mr. Hardt noted we should come in well under budget on this item.

By motion of Councilman Woolard, seconded by Councilman Brooks, Council awarded a contract to H.D. Supply, Inc., representing GE-Prolec, in the amount of \$876,450 for the Main Substation T3 and T4 Transformer Replacements.

**APPROVE – SUMMARY OF ACCOUNTS RECEIVABLE COMMITTEE
HEARINGS RECOMMENDATIONS**

By motion of Councilman Davis, seconded by Councilman Woolard, Council agreed to recuse Councilman Jennings from this item.

Mayor Jennette gave a brief history of the item stating the subcommittee consisted of Mayor Pro tem Mercer, Emma Howard and herself. The subcommittee decided to remove fire inspections and items older than 3 years old and under \$50. A hearing was held for those contesting their charges and recommendations from the subcommittee were presented to Council. Those charges still outstanding will be turned over to a collection agency.

By motion of Councilman Woolard, seconded by Councilman Davis, Council accepted the recommendation of the Accounts Receivable Hearing Committee.

**Summary of A/R Committee Hearing Request Recommendations
May 13, 2009**

Electric Property Damage

1. Lakeside Services \$ 708.89.

Recommendation: To share half of the cost of the damage, and to write off the other half. This compromise will settle this bill, with \$354.44 cost to Lake Side Services, and \$354.45 cost to the City of Washington.

Basis for recommendation: It was decided that Mr. Price made a reasonable effort to follow the proper procedures.

2. St. Clair Trucking \$672.97.

Recommendation: To write off this invoice.

Basis for recommendation: Mr. St. Clair indicated that the damaged line was 50-75 feet from the line marking. Only one line was marked by the City, however there were 2 transformers in the area that they were working on. He disputed the original invoice in a timely manner, and did not receive a response from the City. Mr. St. Clair has a history of paying his bills on time with the City.

3. Lambert's Cable Splicing \$1,308.41.

Recommendation: To share half the cost of the damage, and to write off the other half. This compromise will settle this bill, with \$654.20 cost to Lambert's Cable Splicing, and \$654.21 cost to the City of Washington.

Basis for recommendation: Lambert's Cable Splicing has representation by an attorney, and they have requested to compromise and split the cost in half. If the City ends up in litigation over this, it will likely cost more in attorney fees to dispute it.

Cobra Insurance

1. Joyce Hatcher \$140.24.

Recommendation: To continue to pursue the collection of this invoice.

Basis for recommendation: Ms. Hatcher did not recall this invoice. Once it was explained what the charges were for, she did not deny that she owed this invoice.

Water Miscellaneous Billings

1. Days Inn \$747.73

Recommendation: To pursue collection from the old owner, Sid Patel.

Basis for recommendation: The new owner, Chad Patel received two bills for Days Inn, to refill the pools. He purchased this property September 11, 2007, after these invoices were billed.

2. Pat Griffin \$119.00

Recommendation: To write off this invoice.

Basis for recommendation: Mr. Griffin indicated that when the City of Washington fixed a damaged antenna on the water meter box, that the meter box was lowered. Therefore, the committee decided that the owner is not responsible for the damage, being the meter box was not properly installed by the City.

Downtown Waterfront Cap Fees

1. Russell Smith \$810.00.
2. Ed Buckman \$1,210.00
3. Archie & Lydie Jennings \$1,210.00

Recommendation: To write off these invoices.

Basis for Recommendation: It was determined that fees had been waived for several owners that signed easements granting the City access. All of the above owners signed easements. Therefore, in order to treat all of the owners fairly, it is recommended to write off these paving assessment invoices, as well as reimburse the owners that previously paid.

Lot Mowing

1. Luther Burroughs Jr. \$200.00

Recommendation: To write off invoice #19943, in the amount of \$100, and to pursue collection of invoice # 19739, in the amount of \$100.

Basis for recommendation: Ms. Burroughs recalled one invoice that she paid, but no longer had a receipt that dated back to 2002. She stated, if we had on record that she requested for the lot to be mowed by the City the second time, that she would pay the second invoice.

Building Demolition

1. Roberta Edwards \$1,250.00

Recommendation: To pursue collection of this invoice, with $\frac{3}{4}$ of the responsibility belonging to Renee Edwards, daughter of Roberta Edwards, and $\frac{1}{4}$ of the responsibility split between the other heirs to the property. They are Delores Godley, Douglas Edwards, and Joseph Edwards. Renee requested to be able to set up a payment plan. The committee agreed that would be acceptable.

Basis of recommendation: Renee, the owner of $\frac{3}{4}$ of the property, did not deny the billing. She explained and showed documentation where she owned $\frac{3}{4}$ of the property.

2. Moore Motor Co. – Robyn Moore \$1,616.50

Recommendation: To pursue collection of this invoice.

Basis for recommendation: The action taken by the City to demolish the building was done to protect the public.

Lot Cleaning

1. Brice Puryear \$903.06

Recommendation: To pursue collection of this invoice.

Basis for recommendation: Brice requested a hearing. They were sent a certified letter regarding setting up a date and time for the hearing. Brice did not respond and never contacted the City to set up a hearing.

Write-Off Totals

The total reimbursement for the Downtown Waterfront Cap Fees is \$4,902.20.

The total write-off for the City from the hearings is \$10,032.82.

APPROVE – AGREEMENT FOR USE OF SAWDUST BEACH

Council held discussions regarding allowing the Little Washington Sailing Club the use of Sawdust Beach to launch dinghies. Mayor Pro tem Mercer inquired how PTRF became involved in the agreement. Jim Smith, City Manager stated the platform behind the Estuarium was originally built as an access point to launch kayaks, but was never used for that and doesn't work well for that purpose. When the Estuarium was approached regarding changing that platform over for launching sailboat dinghies they were in agreement. PTRF noted the original intent was to include their kayak activities. Subsequently, PTRF asked to be included with the Little Washington Sailing Club's sailing program so that in the future they would have some place to launch their kayaks as well. Jim Smith, City Manager explained that any access to the river should be maintained. PTRF was an initial part because they will be a partner in the longer term agreement when the permanent facility is created. Councilman Jennings suggested limiting the use of Sawdust Beach until the permanent facility is complete and only to the sailing club, not PTRF. Franz Holscher, City Attorney noted the agreement and location is only temporary.

By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council authorized the execution of an agreement with Moss Landing One LLC, Downtown Washington on the Waterfront and the City of Washington and removed PTRF from the agreement, for use of Sawdust Beach until the permanent facility is available or until December 31, 2010. If more time is needed a subsequent request can be made to extend the deadline.

APPROVE – PIEDMONT NATURAL GAS

Franz Holscher, City Attorney informed Council of their options regarding Piedmont Natural Gas. Mr. Holscher suggested placing Section 2.05 back in the agreement and passing the agreement with that section re-inserted or Council may choose not to pass the agreement, thus not have a franchise agreement in place. Mr. Holscher stated the City will still receive revenue from the excise tax with or without the franchise agreement.

By motion of Councilman Jennings, seconded by Councilman Woolard, Council agreed to add Section 2.05 back into the Ordinance and approved the renewal of the proposed Piedmont Natural Gas Franchise Agreement on the second reading. Mayor Pro tem Mercer opposed the motion.

Council convened for a break at 5:55pm and reconvened at 6:00pm

ADOPT – RESOLUTION TO CONSIDER A ZONING CHANGE CONSISTING OF 1.38 ACRES OF VACANT PROPERTY LOCATED ON WEST 10TH STREET

Dot Moate, Planning Board Chair stated the request was presented by Charles Philips, representing Rich, Rich & Philips to the Planning Board on June 3, 2009. The request is to rezone 1.38 acres of vacant property located on West 10th Street from RA-

20 (Residential Agriculture) to B-2 (General Business). The Planning Board made the following findings and conclusions:

1. The subject parcel and rezoning request are subject to and consistent with the Comprehensive Land Use Plan officially adopted by the City of Washington.
2. The rezoning request is consistent with the City of Washington's Comprehensive Land Use Plan because the adopted plan designates those parcels as appropriate for General Commercial uses.
3. The rezoning requests are reasonable due to the consistency with said plan and because the Permitted or Special Uses in the proposed zoning district are consistent with the surrounding areas.
4. The rezoning requests are in the public interest due to consistency with said plan and because of no detrimental impact to the surrounding community or immediate neighbors.

Therefore on the basis of the foregoing findings and conclusions, the Planning Board recommends the Council approve the rezoning request.

Mayor Jennette opened the public hearing.

Charles Phillips, representing Rich, Rich & Phillips spoke in support of this request and offered to answer any questions Council may have.

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

By motion of Councilman Woolard, seconded by Councilman Brooks, Council accepted the recommendation of the Planning Board and adopted the resolution to approve the rezoning of the property located on West 10th Street containing 1.38 acres, from RA-20 (Residential Agriculture) to B-2 (General Business).

**RESOLUTION OF THE CITY OF WASHINGTON ADOPTING THE PLAN
CONSISTENCY REVIEW STATEMENT FOR A PROPOSED ZONING MAP
AMENDMENT**

WHEREAS, the City of Washington received a request to rezone property from RA-20 (Residential Agricultural) to B-2 (General Business) specifically identified as Beaufort County Parcel Identification Numbers 5676-63-6412 (*see Attachment A*);

WHEREAS, effective January 1, 2006, North Carolina General Statute 160A-383 requires that "prior to adopting or rejecting any zoning amendment" each local governing board "shall adopt a statement describing whether its action is consistent with an adopted comprehensive plan and explaining why the board considers the action taken to be reasonable and in the public interest";

WHEREAS, this zoning request was duly advertised and was the subject of a public hearing by the Council of the City of Washington on June 15, 2009;

WHEREAS, the Council for the City of Washington has considered the application to amend the Zoning Map and finds that the amendment is warranted, in order to achieve the purposes of the Comprehensive Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE WASHINGTON CITY COUNCIL THAT, the Plan Consistency Review Statement presented by the Planning Board be adopted and as a result, the adoption of the proposed rezoning of the subject parcel be approved.

Adopted this 15th day of June 2009.

ATTEST:
s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

**ADOPT – RESOLUTION TO CONSIDER ZONING CHANGE CONSISTING OF
.23 ACRES OF VACANT PROPERTY LOCATED ON HARDING STREET**

Dot Moate, Planning Board Chair stated the request was presented by Mr. Leo Lee to the Planning Board on June 3, 2009. The request is to rezone .23 acres of vacant property located on Harding Street from R-6S (Residential) to B-2 (General Business). The property is located directly across the street from the City's sewer lift station. The Planning Board made the following findings and conclusions:

1. The subject parcel and rezoning request are subject to and inconsistent with the Comprehensive Land Use Plan officially adopted by the City of Washington.
2. The rezoning request is inconsistent with the City of Washington's Comprehensive Land Use Plan because the adopted plan designates those parcels as appropriate for Medium Density uses.
3. The rezoning requests are unreasonable due to the inconsistency of the Permitted or Special Uses in the proposed zoning district with the surrounding areas.
4. The rezoning requests are not in the public interest due to the inconsistency with said plan and because of the detrimental impact to the surrounding community or immediate neighbors.

Therefore on the basis of the foregoing findings and conclusions, the Planning Board recommends the Council deny the rezoning request.

Mayor Jennette opened the public hearing.

Robin Banks, current owner of the property came forward and stated he was not in attendance at the Planning Board meeting because he didn't feel rezoning the property would be a problem. Mr. Banks noted the property is located on a dirt road between 5th & 6th Streets. He noted that over half of that block is undeveloped and request Council to approve the rezoning request.

William Collins stated he lives in the 200 block of Harding Street and is opposed to the rezoning request.

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

Mayor Pro tem Mercer asked if all the properties on Market Street abutting this property were vacant, John Rodman, Planning Administrator advised that was correct.

By motion of Councilman Brooks, seconded by Councilman Woolard, Council accepted the recommendation of the Planning Board and adopted the resolution to deny the rezoning of the property located on Harding Street containing .23 acres, from R-6S (Residential) to B-2(General Business).

**RESOLUTION OF THE CITY OF WASHINGTON ADOPTING THE PLAN
CONSISTENCY REVIEW STATEMENT FOR A PROPOSED ZONING MAP
AMENDMENT**

WHEREAS, the City of Washington received a request to rezone property from R-6S (Residential) to B-2 (General Business) specifically identified as Beaufort County Parcel Identification Numbers 5676-90-1130 & 5676-90-1077 (*see Attachment A*);

WHEREAS, effective January 1, 2006, North Carolina General Statute 160A-383 requires that "prior to adopting or rejecting any zoning amendment" each local

governing board "shall adopt a statement describing whether its action is consistent with an adopted comprehensive plan and explaining why the board considers the action taken to be reasonable and in the public interest";

WHEREAS, this zoning request was duly advertised and was the subject of a public hearing by the Council of the City of Washington on June 15, 2009;

WHEREAS, the Council for the City of Washington has considered the application to amend the Zoning Map and finds that the amendment is not warranted, in order to achieve the purposes of the Comprehensive Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE WASHINGTON CITY COUNCIL THAT, the Plan Consistency Review Statement presented by the Planning Board be adopted and as a result, the adoption of the proposed rezoning of the subject parcels be denied.

Adopted this 15th day of June 2009.

ATTEST:
s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

**AMEND – HISTORIC PRESERVATION DESIGN GUIDELINES TO INCLUDE
REVISED GUIDELINES ON THE USE OF FENCES AND WALLS IN THE
LOCAL HISTORIC DISTRICT**

Michael Overton, Chairman Historic Preservation Commission (HPC) came forward and gave a brief history on this topic. Mr. Overton explained a meeting was held by the HPC on February 3, 2009 and a subcommittee was appointed to consider the use of fences and walls in the historic district. The subcommittee met twice and drafted revised guidelines on fences and walls. In May 2009 a meeting of the full Historic Preservation Commission was held and amending the guidelines was discussed. A public hearing was held during the June 2, 2009 Historic Preservation Commission.

Mayor Jennette opened the public hearing.

Bobby Roberson, 235 East Main Street voiced concern over the height limit of 4 feet for a privacy fence for those properties South of Main Street. Mr. Roberson felt the height limit for the privacy fence should be increased to 6 feet.

Erick Greene, Ross Hamory, Billie Malison, Shirley Stone, Dee Congleton, Leonard Huber, Karen Tripp, Johanna Huber and Betty Jane Greene all spoke in support of the revised guidelines and asked Council to approve the recommended changes.

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

Mayor Pro tem Mercer concurred with the changes to the guidelines and asked the HPC to revisit their guidelines for other areas that may need attention and strengthening.

By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council accepted the recommendation of the Historic Preservation Commission and approved an amendment to the Historic Preservation Commission Design Guidelines to include revised guidelines on the use of fences and walls in the local historic district.

**ORDINANCE TO AMEND CHAPTER 4.0, STREETScape AND SITE DESIGN,
SECTION 4.6 FENCES AND WALLS**

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

Section 1. That Chapter 4.0, Streetscape and Site Design, Section 4.6 Fences and Walls of the Historic Preservation Commission Design Guidelines shall be amended to include the following:

Section 4.6. Fences and Walls shall be omitted entirely and replaced with the attached revised guidelines: *Attachment A*

Section 2. This Ordinance shall become effective upon its adoption.

Section 3. All Ordinances or parts in conflict herein are repealed.

Adopted this 15th day of June 2009.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

COMMENTS FROM THE PUBLIC

Gary Tomasulo thanked everyone for including the Façade Grant program in the upcoming budget. He voiced concern over privilege taxes and thinks this is very unfair.

Bobby Roberson voiced concern over several topics and they are listed below:

1. Additional staffing needs for the Planning Department
2. Funding for Demolition by Neglect
3. Contract for Clean Water Trust Fund – replacing plants in wetlands
4. Car allowance for Department Heads
5. Funding for stimulus coordinator/law enforcement development planner

AUTHORIZE – POLICE STATION ARCHITECTURAL AMENDMENT

Jim Smith, City Manager noted that at the March meeting, Council authorized the City Manager to sign an agreement with Architect's Design Group. Approval was subject to the requirements of USDA Rural Development Community Facilities Building Grant program and the State of North Carolina, for the services in conjunction with the design of a new facility for the Washington Police Department. Since that time, work has been under way to finalize the agreement in accordance with the requirements of the various parties and we believe the contract as presented is now essentially in its final form. However, in order to finalize the fee component of the agreement, a facility program including site selection, and cost estimates must be completed. Therefore, we are asking for Council's authority to proceed with this phase of the project in accordance with the original proposed fee of \$5,000.

Mayor Pro tem Mercer asked to make sure that the design team comes back to Council with the needed square footage and Council will determine if such size is appropriate. Councilman Davis voiced concern over the proposed site location.

By motion of Councilman Davis, seconded by Councilman Woolard, Council authorized the City Manager to issue a notice to proceed with Architect's Design Group, Inc. for Phase One services including site selection and suitability analysis.

**ADOPT – BUDGET ORDINANCE AMENDMENT FOR THE HISTORIC
PRESERVATION FUND GRANT**

Mayor Pro tem Mercer asked for clarification on the Historic Preservation Fund Grant and the area this encompasses. John Rodman, Planning Administrator explained the first map received was a suggested area to include as a National Register Historic District from the City of Washington's Historic Preservation Commission. That map was

prior to the State completing the architectural inventory study. The map presented tonight was completed after the architectural survey was finalized by the State and includes approximately 200 structures. Mr. Rodman stated this is just a National Register Nomination, not a locally designated Historic District. Mr. Rodman also noted that if an individual property owner doesn't want to participate in this program they are not required to. If the majority of the property owners choose not to participate then the State will not designate the area as a National Register District.

By motion of Councilman Woolard, seconded by Councilman Brooks, Council accepted the recommendation of the Planning Department and the Finance Director and approved the budget ordinance amendment in order to accept the Historic Preservation Fund Grant in the amount of a total project cost of \$28,000.

**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 the Estimated Revenues in the General Fund be increased in the amount of \$25,000 in the account Historic Preservation Grant, account number 10-10-3491-3302.

Section 2. That account number 10-10-4910-4505, Contract Services – National Registry, Planning and Development portion of the General Fund appropriations budget be increased in the amount of \$28,000 to provide funds for the National Register Nomination of North Market Street area and completion of the architectural survey.

Section 3. That account number 10-00-9990-9900, Contingency portion of the General Fund appropriations budget be decreased in the amount of \$3,000 to provide funds for the National Register Nomination of North Market Street area and completion of the architectural survey.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 5. This ordinance shall become effective upon its adoption.

Adopted this the 15th day of June, 2009.

ATTEST:
s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

**CLOSED SESSION – UNDER NCGS 143-318.11(A)(4)ECONOMIC DEVELOPMENT,
G.S. 143-318.11(A)(6) PERSONNEL AND
G.S. 143-318.11(A)(3) ATTORNEY/CLIENT PRIVILEGE**

By motion of Councilman Woolard seconded by Councilman Brooks, Council agreed to go into closed session under NCGS 143-318.11(A)(4)Economic Development, G.S. 143-318.11(A)(6) Personnel and G.S. 143-318.11(A)(3) Attorney/Client Privilege.

By motion of Councilman Brooks, seconded by Councilman Woolard, Council agreed to come out of closed session at 8:30pm.

ADOPT - GREEN FLEET POLICY

Jim Smith, City Manager recommended Council adopt this item as a policy and not an ordinance. Mr. Smith further explained the adoption and implementation of the Green Fleet Policy will qualify the City's vehicle fleet for economic stimulus funds and other grants to reduce vehicle emissions and reduce dependency on fossil fuel. By

motion of Councilman Jennings, seconded by Councilman Woolard, Council adopted the Green Fleet Policy.

AWARD – CONTRACT FOR STEEL FRAME REPLACEMENT ON CITY HALL

Allen Lewis, Public Works Director noted during the budget planning sessions it was mentioned the roof on the north side of City Hall needs to be replaced. During the process of having the contractors take a look at the roof to prepare bids, it was discovered the need to replace the steel frame that the chilling tower sits on. Only one bid has been received, that being from D&D Mechanical Services, LLC at a price of \$8,556. The bid includes the work being done beyond normal working hours to be less disruptive. This repair needs to be completed prior to the roof being replaced.

By motion of Councilman Jennings, seconded by Councilman Davis, Council awarded a contract to D&D Mechanical Services, LLC and authorized the City Manager to execute the contract for replacing the steel frame for the cooling tower at City Hall.

ADOPT – RESOLUTION FOR DISPOSAL OF PROPERTY FOR \$10,000 OR LESS

Franz Holscher explained the State Statute gives the City authority to authorize someone to dispose of property up to \$30,000. The request before Council gives that person authority to dispose of property up to \$10,000. Mr. Holscher stated the Charter gives permission to dispose of property up to \$2,000. The City will need to request having the Charter amended, which can only be done through legislation to have this amount changed.

By motion of Councilman Jennings, seconded by Mayor Pro tem Mercer, Council deferred this item until such time the Charter can be reviewed and changed.

By motion of Mayor Pro tem Mercer, seconded by Councilman Jennings, Council authorized the City Manager to buy back cemetery lots from individuals who have no use for the lot for the same price originally paid for them.

DISCUSSION – FIRE/LAW ENFORCEMENT PAYING FOR CONTINUING EDUCATION

Jim Smith, City Manager stated the Council needs to authorize the Mayor to write a letter supporting the ability of the community colleges to provide free tuition for police and fire for continuing education for certifications, that it continued to be paid by the State and not individual municipalities.

By motion of Councilman Davis, seconded by Councilman Woolard, Council authorized the Mayor to submit a letter supporting the community college system the ability to provide continuing education for certifications for law enforcement and fire department personnel at no charge.

DISCUSSION – POLICY ON CAP AND TRADE LEGISLATION

Keith Hardt, Electric Director explained this is in regards to renewable energy. Jim Smith, City Manager noted the bill is broad legislation intended to address climate change. It includes renewable energy standards, energy efficiency standards and provisions for greenhouse gas reductions. NC Public Power, along with many other electric providers, agrees that all of these issues are important, but that each issue's substantial economic impact and questionable feasibility should be considered before legislation is enacted.

By motion of Councilman Davis, seconded by Councilman Jennings, Council authorized the Mayor to send a letter to our Congressional legislation asking them not to support the policy on cap and trade legislation.

ADOPT – RESOLUTION DECLARING COST AND ORDERING PREPARATION OF PRELIMINARY ASSESSMENT ROLL, AND SETTING TIME AND PLACE FOR PUBLIC HEARING ON PRELIMINARY ASSESSMENT ROLL, PAMLICO STREET

Jim Smith, City Manager noted on August 23, 2007 Council ordered by resolution, the paving of Pamlico Street from Hodges Street to East 12th Street after

being properly petitioned by a majority of the property owners. The paving was completed on February 10, 2009 and the cost has been determined. City Council now needs to adopt the attached resolution declaring the cost, exclusive of costs incurred at street intersections, and order preparation of the preliminary assessment roll, and setting of the time and place for the public hearing on the preliminary assessment roll.

By motion of Councilman Woolard, seconded by Councilman Brooks, Council adopted the resolution declaring the cost, exclusive of costs incurred at street intersections, and ordered the preparing of the preliminary assessment roll, and setting of the time and place for public hearing on the preliminary assessment roll for the street paving improvements on Pamlico Street from Hodges Street to East 12th Street. The public hearing will be held on July 8, 2009 in the City Council Chambers of the Municipal Building located at 102 East Second Street.

RESOLUTION DECLARING COST, EXCLUSIVE OF COSTS INCURRED AT STREET INTERSECTIONS, AND ORDERING PREPARATION OF PRELIMINARY ASSESSEMENT ROLL, AND SETTING TIME AND PLACE FOR PUBLIC HEARING ON PRLIMINARY ASSESSEMENT ROLL

WHEREAS, the Street Paving Improvement on Pamlico Street from Hodges Street to East 12th Street was requested by proper petition of property owners filed on the 5th day of July, 2007 duly certified as sufficient in all respects by the City Clerk; and

WHEREAS, the undertaking of the said project was ordered by Resolution of this body duly passed on the 23rd day of August, 2007 and has been completed in accordance therewith; and

WHEREAS, the cost, exclusive of costs incurred at street intersections, has been determined;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Washington, North Carolina:

1. That the assessable cost of the above described improvement, exclusive of so much of the total cost as was incurred at the street intersections and the replacement of existing pavement, has been completed and determined and is hereby declared to be \$50,189.70.
2. That the City Clerk is hereby directed to prepare a preliminary assessment roll, in accordance with Chapter 160A, Section 227, of the General Statutes of North Carolina, showing the individual assessments upon properties benefitted by said improvement.
3. That the City Clerk is hereby directed to make available during regular office hours, in her office, the said preliminary assessment roll for the purpose of inspection by the public from this day through the 13th day of July, 2009 (same date as hearing day set below).
4. That this City Council will hold a public hearing in accordance with Chapter 160A, Section 228 of the General Statutes of North Carolina, at 6:00 p.m. on the 13th day of July, 2009 in room 214, Second Floor, of the Municipal Building, in the City of Washington, North Carolina, for the purpose of hearing all interested persons who appear.
5. That the City Clerk is hereby directed to issue public notice of the above described public hearing, to be published on the 2nd day of July, 2009 and to secure publisher's affidavit certifying the advertisement of said hearing.

6. That the City Clerk is hereby directed no later than 10 days before the public hearing to mail by first class mail copies of the notice of hearing on the preliminary assessment roll to the owners of property listed thereon.

This the 15th day of June, 2009.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

APPROVE – CONTRACT FOR PLANNING ASSISTANCE WITH MID-EAST REGIONAL PLANNING AGENCY

Jim Smith, City Manager noted a request has been made by the Planning and Development Department to receive planning and administration services from the Mid-East Commission due to the recent retirement of the Planning Director. The services will include, but are not limited to, the areas of zoning and code enforcement. The services shall be for a period of one year; July 1, 2009 – June 30, 2010.

By motion of Councilman Brooks, seconded by Councilman Jennings, Council authorized the City Manager to enter into a contract with the Mid-East Commission for Planning and Zoning Administration Services from July 1, 2009- June 30, 2010.

APPROVE – E-911 BUDGET AMENDMENT AND AGREEMENT WITH BEAUFORT COUNTY

Jim Smith, City Manager explained that prior to January 2008, the City received approximately \$74,374 per year in E-911 Surcharge Revenues collected from Emergency Communication Providers within the City of Washington. After January 2008, the Emergency Surcharge Revenues were directed by the Legislature to the North Carolina E-911 Board. The legislation on its face guaranteed that every municipality would collect no less than the amount it received prior to the creation of the E-911 Board. However, the Board adopted rules which require that in order to be a recipient of the funds municipalities must be fully Phase II compliant and able to receive all land line, VOIP and wireless communications emergency calls. By becoming so qualified public safety agencies were designated as a Public Safety Access Point (PSAP) and their funding stream was restored. Washington Emergency Communications is not wireless compliant because its communications system is old and cannot identify the point of origin of cell phone calls. The City was denied funding, including for the last six months of the 2007-2008 fiscal year. \$34,000 was already budgeted as revenue to support emergency communications during that period. Accordingly, the City stopped receiving the \$74,374 it had previously deposited annually into the Emergency Telephone System Special Revenue Fund (Fund 14) and the General fund was required to loan Fund 14 the \$32,598 which had been anticipated as revenue for the January thru June 2008 period.

The City contacted Richard Taylor, who had been appointed Director of the Emergency 911 Board. He advised that if the City became Phase II compliant by upgrading its radio equipment to track wireless calls its 911 Surcharge funding would be fully restored, retroactively to January 2008. Further, if the City became Phase II compliant it would be eligible for grant funds to pay the \$77,627 for the technology needed to track wireless 911 calls. Council approved submission of the grant for necessary upgrading and the application has been submitted. Council has also approved the execution of a contract with Embarq committing the City to purchase and install the technology necessary to receive and track 911 calls. This formal commitment allowed designation of the City as a PSAP and restoration of the annual 911 Surcharge funds distribution, presently \$74,374. Upgrading will allow the ability to receive all types of 911 calls and dispatch police, fire and EMS assets.

At the Council's request County Manager, Paul Spruill and Chief Deputy Harry Meredith, submitted a written proposal from Beaufort County. The proposal said the County would answer 911 calls at an initial cost of \$40,000 per year for an additional third telecommunicator, and a one-time charge of \$52,000 for equipment. Under this

proposal the County will answer 911 calls and transfer them to the City for dispatch. This arrangement would help the County familiarize themselves with call volumes in preparation for a possible future request by the City to transfer all emergency communications to the County under contract. If the City accepts the County's proposal to answer 911 calls the City will no longer be a PSAP, and its 911 funds will go to the County. We have also been advised that if the City is not a PSAP we will be ineligible for the \$77,627 communications upgrade grant and such future grants, and will have to return the \$99,165 it received under that designation in FY 2008-09.

During the time the County proposes to answer 911 calls for the City they would develop a plan to answer calls and dispatch police, fire and EMS assets. This would allow the City to layoff at least five of its telecommunications staff if it is prepared to close its police headquarters during evening hours. The full transfer could not take place, however, until the Sheriff has new space to house the additional 24/7 telecommunications operations and access records from the Police Communications Center.

Matt Rauschenbach, Chief Financial Officer discussed the cost and figures with Council. Council continued discussions regarding this item. Councilman Jennings stated we need to stay where we are and gather ourselves and approach this from an "all the way to step 2" analysis. Beaufort County needs to do an analysis like Mr. Rauschenbach presented tonight to demonstrate the value to everyone involved. Mr. Smith noted that at the beginning of these discussions it was suggested that an independent communications consultant could review both the City and County communications center at a cost of approximately \$20,000 per entity.

A motion was made by Councilman Woolard, seconded by Councilman Brooks to amend the proposed FY 2009-2010 Budget by increasing the Emergency Telephone System Fund by the following: \$77,627 in Capital Outlay, \$74,374 in Contract Services – E-911, \$74,373 in E-911 Surcharge Collection revenue, and \$77,627 in Grant Fund revenues.

Discussion: Councilman Jennings suggested adding to the motion to include a commitment of a task force and that effort is put forward to find efficiencies in 911 Communications between the City and County. Councilman Jennings suggested Mayor Pro tem Mercer serve on the task force. Councilman Woolard suggested a time frame be included in this. Mayor Jennette suggested at least six months. Mayor Pro tem Mercer noted to get an unbiased opinion we need to get an independent individual to make the assessment.

Motion restated for the vote: A motion was made by Councilman Woolard, seconded by Councilman Brooks to amend the proposed FY 2009-2010 Budget by increasing the Emergency Telephone System Fund by the following: \$77,627 in Capital Outlay, \$74,374 in Contract Services – E-911, \$74,373 in E-911 Surcharge Collection revenue, and \$77,627 in Grant Fund revenues.

Councilman Woolard amended the motion to include funding of an independent study of the E-911 Communications between the City and Beaufort County each entity paying half of the cost for the study not to exceed \$20,000 each. This study will be accompanied by a task force with Mayor Pro tem Mercer being a member of that task force. The amended motion was seconded by Councilman Brooks. Voting for the motion: Councilman Woolard, Councilman Jennings, Councilman Davis and Councilman Brooks. Voting against the motion: Mayor Pro tem Mercer; motion carried.

Upgrade and Continue City 911 Option
AN ORDINANCE TO AMEND THE BUDGET ORDINANCE OF THE CITY OF
WASHINGTON, N.C. FOR THE FISCAL YEAR 2009-2010

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

Section 1. That account number 14-70-4310-7400, Capital Outlay, E-911

Surcharge Fund appropriations budget be increased in the amount of \$77,627 to provide funds for the wireless upgrade.

Section 2. That the Estimated Revenues in the E-911 Surcharge Fund be increased in the amount of \$77,627 in the account Grant Funds, account number 14-703470-0000 to provide funds for the wireless upgrade.

Section 3. That account number 14-70-4310-4501, Contact Services -E-911 portion of the E-911 Surcharge Fund appropriations budget be increased in the amount of \$74,374 to provide funds for maintenance and service contracts.

Section 4. That the Estimated Revenues in the E-911 Surcharge Fund be increased in the amount of \$74,374 in the account E-911 Surcharge Collections, account number 14-70-3255-8900.

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 15th day of June, 2009.

ATTEST:
s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

ADOPT – RESOLUTION TO ESTABLISH A WORKER’S COMPENSATION CLAIMS RESERVE FUND AND AUTHORIZE CITY MANAGER TO ESTABLISH A SELF FUNDED WORKERS COMPENSATION PLAN

Matt Rauschenbach, Chief Financial Officer explained the cost of the current insured plan with a \$2,500 deductible based on the last four years average claims is \$292,489. A self funded plan based on the same average claims experience results in an annual savings of \$92,561. The stop loss insurance deductible for this plan is \$600,000. General Funds will be used to set up a \$600,000 workers compensation claims reserve. The annual savings of the self funded plan will be used to repay the General Fund. Council discussed the needed reserves for local governments.

By motion of Councilman Jennings, seconded by Councilman Woolard, Council authorized the City Manager to establish a self funded workers compensation plan and adopted a resolution to establish a worker’s compensation claims reserve fund to equal the stop loss insurance deductible.

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

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

Section 1. That account number 10-00-4400-5402, Worker’s Compensation Insurance, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be decreased in the amount of \$166,506 to provide funds for transfer to the capital reserve fund.

Section 2. That account number 10-00-4400-8500, Transfer to Worker’s Comp Capital Reserve, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased in the amount of \$447,610 to provide funds for transfer to the capital reserve fund.

Section 3. That the Estimated Revenues in the General Fund be increased in the amount of \$281,104 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 4. That account number 30-90-6610-5402, Worker's Compensation Insurance, Miscellaneous Non-Departmental portion of the Water Fund appropriations budget be decreased in the amount of \$5,506 to provide funds for transfer to the capital reserve fund.

Section 5. That account number 30-90-6610-8500, Transfer to Worker's Comp Capital Reserve, Miscellaneous Non-Departmental portion of the Water Fund appropriations budget be increased in the amount of \$54,880 to provide funds for transfer to the capital reserve fund.

Section 6. That the Estimated Revenues in the Water Fund be increased in the amount of \$49,374 in the account Fund Balance Appropriated, account number 30-90-3991-9910.

Section 7. That account number 32-90-6610-5402, Worker's Compensation Insurance, Miscellaneous Non-Departmental portion of the Sewer Fund appropriations budget be decreased in the amount of \$20,541 to provide funds for transfer to the capital reserve fund.

Section 8. That account number 32-90-6610-8500, Transfer to Worker's Comp Capital Reserve, Miscellaneous Non-Departmental portion of the Sewer Fund appropriations budget be increased in the amount of \$50,840 to provide funds for transfer to the capital reserve fund.

Section 9. That the Estimated Revenues in the Sewer Fund be increased in the amount of \$30,299 in the account Fund Balance Appropriated, account number 32-90-3991-9910.

Section 10. That account number 34-90-5710-5400, Worker's Compensation Insurance, Miscellaneous Non-Departmental portion of the Storm Water Fund appropriations budget be decreased in the amount of \$5,506 to provide funds for transfer to the capital reserve fund.

Section 11. That account number 34-90-5710-8500, Transfer to Worker's Comp Capital Reserve, Miscellaneous Non-Departmental portion of the Storm Water Fund appropriations budget be increased in the amount of \$24,870 to provide funds for transfer to the capital reserve fund.

Section 12. That the Estimated Revenues in the Storm Water Fund be increased in the amount of \$19,364 in the account Fund Balance Appropriated, account number 34-90-3991-9910.

Section 13. That account number 35-90-6610-5402, Worker's Compensation Insurance, Miscellaneous Non-Departmental portion of the Electric Fund appropriations budget be decreased in the amount of \$45,266 to provide funds for transfer to the capital reserve fund.

Section 14. That account number 35-90-6610-8500, Transfer to Worker's Comp Capital Reserve, Miscellaneous Non-Departmental portion of the Electric Fund appropriations budget be increased in the amount of \$101,850 to provide funds for transfer to the capital reserve fund.

Section 15. That the Estimated Revenues in the Electric Fund be increased in the amount of \$56,584 in the account Fund Balance Appropriated, account number 35-90-3991-9910.

Section 16. That account number 38-90-6610-5400, Worker's Compensation Insurance, Miscellaneous Non-Departmental portion of the Solid Waste Fund appropriations budget be decreased in the amount of \$16,116 to provide funds for transfer to the capital reserve fund.

Section 17. That account number 38-90-6610-8500, Transfer to Worker's Comp Capital Reserve, Miscellaneous Non-Departmental portion of the Solid Waste Fund appropriations budget be increased in the amount of \$55,975 to provide funds for transfer to the capital reserve fund.

Section 18. That the Estimated Revenues in the Solid Waste Fund be increased in the amount of \$39,859 in the account Fund Balance Appropriated, account number 38-90-3991-0000.

Section 19. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 20. This ordinance shall become effective upon its adoption.

Adopted this the 15th day of June, 2009.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

**RESOLUTION FOR ESTABLISHMENT AND MAINTENANCE
OF THE WORKER'S COMPENSATION RESERVE FUND**

WHEREAS, there is an intent of the City of Washington to be self-funded with stop loss insurance for worker's compensation in all areas of operations; and

WHEREAS, the City must bear the cost of the claims up to the amount of the stop loss insurance of \$600,000;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD THAT:

Section 1. The Governing Board hereby creates a Worker's Compensation Reserve Fund for the purpose of providing a reserve for paying claims up to the stop loss deductible.

Section 2. This fund will remain operational until the Governing Board dissolves it.

Section 3. The Governing Board will appropriate the necessary amount for transfer into the Worker's Compensation Reserve Fund to meet the anticipated obligations/claims and allow for a sufficient reserve.

Section 4. This Resolution shall become effective upon July 1, 2009.

Adopted this the 15th day of June, 2009.

ATTEST:

s/Cynthia S. Bennett
CITY CLERK

s/Judy M. Jennette
MAYOR

APPROVE – WASHINGTON ELECTRIC UTILITY RATES

Jim Smith, City Manager noted that based upon the most recent estimates from our rate consultants, Booth and Associates, the impact of the NCEMPA February wholesale power cost increase, delay expenses of deferring implementation to July and the cost to relocate facilities crossing NC33 there will be increased cost of \$2,424,204 for budget year 2009-2010. A 6.7% retail rate increase for all classes of customers will raise approximately \$2,425,000 in additional revenue. It is recommended that the minimum increase of 6.7% be effective July 1, 2009, though it will leave a remaining uncertain expense for relocating facilities over NC33.

Council members discussed rate increases and possible solutions. Mr. Smith noted that if we have to pay more for the power we are purchasing then we need to charge more for the power we are selling to cover the cost. Keith Hardt, Electric Director noted the rate study should be complete sometime in September. Mayor Pro tem Mercer noted the smallest increase should be implemented to cover the deficiency. Council members noted we need to insure we have the appropriate rate because we don't want to have to implement another increase in September.

A motion was made by Councilman Davis, and seconded by Mayor Pro tem Mercer to have a 4% rate increase effective July 1, 2009. Once the rate study is complete and if it shows another increase is needed or perhaps a decrease, review the rates again at that time. Voting for the motion: Councilman Davis and Mayor Pro tem Mercer. Voting against the motion: Councilman Jennings, Councilman Woolard and Councilman Brooks. Motion failed 2-3.

A motion was made by Councilman Jennings to initiate a rate increase of 5.5% effective immediately subject to the rate study that is due back in September with no additional rate increases until January 2010. Even if the rate study comes back in September showing an increase is needed. Motion dies for lack of a second.

A motion was made by Councilman Woolard and seconded by Councilman Brooks to initiate a rate increase of 6%. For: Councilman Woolard & Councilman Brooks; Against: Councilman Jennings, Councilman Davis and Mayor Pro tem Mercer. Motion fails.

A motion was made by Councilman Woolard and seconded by Councilman Brooks to implement a rate increase of 5.7% effective July 1, 2009 with no additional rate increase until January 2010. Voting for the motion: Councilman Woolard, Councilman Brooks and Councilman Jennings; Against: Councilman Davis and Mayor Pro tem Mercer. Motion carried.

ADOPTS – COUNCIL ADOPTS BUDGET ORDINANCE, SETS TAX RATE, ADOPTS USER FEES FOR FISCAL YEAR 2009-10 AND APPROVES EXPIRING CONTRACTS

Councilman Davis posed questions regarding possible budget changes by decreasing the contribution to 401K to \$40.00 instead of \$50.00 and the City pay 100% of the health insurance. Councilman Brooks stated he is opposed to taking away from the employee's benefits. Matt Rauschenbach stated to pay the full premium for the employee's health insurance policies would cost approximately \$190,000.

By motion of Mayor Pro tem Mercer, seconded by Councilman Davis, Council agreed to delay the adoption of the budget ordinance, setting tax rate, adopting user fees for fiscal year 2009-2010 and approving expiring contracts until June 22, 2009 at 6:00pm.

ADJOURN

By motion of Councilman Brooks, seconded by Councilman Woolard, Council adjourned the meeting at 11:20pm, until Monday June 22, 2009 at 6:00 pm in the Council Chambers at the Municipal Building.

Cynthia S. Bennett
City Clerk