

The Washington City Council met in a regular session on Monday, February 8, 2010 at 5:30 p.m. in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Bobby Roberson, Mayor Pro tem; Jim Smith, City Manager; Cynthia Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Acting Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Ray Midgett, Information Technology Director; Mike Voss, of the Washington Daily News; Delma Blinson of the Beaufort Observer; and Brandia Deatherage of Beaufort County NOW.

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

APPROVAL OF MINUTES

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council unanimously approved the minutes of January 4, and January 19, 2010 as presented.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Pro tem Roberson requested to add the following items: drainage issues at Iron Creek, this item was added as Old Business – Item J. Discussions regarding employee evaluations, this item was added as Old Business – Item L.

Councilman Mercer requested to move all the consent agenda items to other locations on the agenda.

- A. Adopt – Budget Ordinance for Reallocation of Property, Casualty, & Liability Insurance Cost **moved to New Business - Item D**
- B. Declare – Surplus/Authorize Electronic Auction of Vehicles through GovDeals **moved to New Business – Item E**
- C. Adopt – Budget Ordinance Amendment to provide funds for the PSAP compliant wireless upgrade of the E-911 phone system \$88,502 **moved to Old Business – Item K**

Mayor Jennings requested moving Item VI. A. Adopt – Goals for City Manager to Closed Session with the designation of NCGS 143-318.11(a)(6) Personnel.

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

APPROVAL OF CONSENT AGENDA

- A. Adopt – Budget Ordinance for Reallocation of Property, Casualty, & Liability Insurance Cost **moved to New Business - Item D**
- B. Declare – Surplus/Authorize Electronic Auction of Vehicles through GovDeals **moved to New Business – Item E**
- C. Adopt – Budget Ordinance Amendment to provide funds for the PSAP compliant wireless upgrade of the E-911 phone system \$88,502 **moved to Old Business – Item K**

COMMENTS FROM THE PUBLIC

There were no comments from the public at this time.

UPCOMING MEETINGS

Council rescheduled the February 15, 2010, CIP review meeting to 4:30pm instead of 5:30pm. The Mayor's Association meeting is at 6:30pm on February 11, 2010 at Fish Hook's in Belhaven. Mayor Jennings requested someone from Council plan to

attend in his absence. The February 22nd Committee of the Whole was moved from 5:30pm to 8:30am. Mayor Jennings reminded Council of the Essentials of Municipal Government Class in Greenville on February 17th and 18th. Council will meet for dinner after the course ends on February 18th.

DOTTIE MOORE – WASHINGTON UTILITY RATES

Ms. Dottie Moore came forward to discuss utility rates and voiced concern over the recent high bills. Ms. Moore suggested Council do a study regarding the possibility of lowering the utility rates. Mayor Jennings thanked Ms. Moore for coming forward regarding this topic and stated Council is looking for possible solutions.

MARC FINLAYSON– HIGHWAY 17 ASSOCIATION UPDATES

Marc Finlayson, Executive Director, Highway 17 Association gave a brief review of current Highway 17 projects.

1. US 17 Wilmington Bypass (TIP Project No. R-2633 A/B)
2. US 17 Hampstead Bypass (TIP Project No. R-3300)
3. US 17 Jacksonville Bypass to Drummer/Kellum Road (TIP Project No. U04007)
4. US 17 Belgrade to New Bern (TIP Project No. R-2514 B, C, & D)
5. US 17 New Bern Bypass (TIP Project No. R-2301 A)
6. US 17 New Bern to Washington (TIP Project No. R-2513)
7. US 17 Washington Bypass (TIP Project No. R-2510)
8. US 17 Washington to Williamston (TIP Project No. R-2511)
9. US 17 Mills Street in Bridgeton to NC 43 (TIP Project No. R-3403)
10. US 17-74-76/NC 133 Widening in Wilmington (TIP Project No. R-3601)

Mayor Jennings noted the City has a position on the Highway 17 Association Board, which is currently vacant; this item will be addressed under Appointments on the Agenda to fill the vacancy.

**THORNTON GORHAM – DRAINAGE DITCH BESIDE HIRAM LODGE #11 -
RESPESS & 5TH STREET**

Thornton Gorham came forward representing Hiram Lodge #11 to discuss the drainage ditch located beside the lodge building. The ditch is deteriorating and causing the 143 year old building to lean to the North. He is requesting that the City apply for a Community Development Block Grant to install piping in this drainage ditch to help with the problem. In years past the ditch was dredged out in turn taking part of the property beside the lodge. Mr. Gorham read letters from surrounding neighbors supporting the repair of the drainage ditch in order to save the Hiram Lodge building.

Councilman Mercer inquired if this was a City maintained ditch? Allen Lewis, Public Works Director stated this is a blue line ditch/stream that is maintained by the City. Jim Smith stated we have applied on several occasions for grants to resolve this issue without any success. Mr. Smith stated because this is a blue line ditch/stream we can't alter it without approval from the Corps of Engineers and in order to pipe the ditch, much larger pipes would have to be installed than a regular open ditch. Mr. Lewis stated a blue line ditch/stream constantly has water in it and could possibly serve as a migration route for fish. Mayor Jennings asked staff to give their best faith effort to try and find a solution for this issue to protect the 143 year old building. Mr. Lewis will contact the Corps of Engineers and will update Council at the Committee of the Whole on February 22nd. The ditch has been approximately the same size for the past 45 years

Mr. Gorham also discussed the need for sidewalks on Pierce Street, 15th Street, 13th Street, 11th Street and Washington Street.

**MARISOL BARR & WILLIAM BARNVILLE, JR. – UPDATE WEATHERIZATION
PROGRAM**

William Barnville, Jr. is the Weatherization Coordinator for Martin County Community Action which serves, Beaufort, Martin, Wilson, Nash, Edgecombe and Pitt Counties. A total of 213 applications have been received for Beaufort County with 18 complete and 195 pending due to additional information needed from the applicant. "Regular" weatherization production goals were to be completed before "recovery"

weatherization commencement. "Regular" weatherization one year goals were met in six months with the exception of one unit that was rescheduled in Pitt County. The fifteen units mandated for Beaufort County are complete. An additional seven units were completed in Washington as part of the Piedmont Natural Gas project between July 1, 2009 and December 31, 2009. Martin County Community Action is leasing space in partnership with the City of Washington. Two staff members occupy the office to conduct recruitment, eligibility, and other public relations and administrative functions. Currently bids are being reviewed for services for audits, electrical, heating/air, plumbing, insulation, air sealing, etc. Auditors, contractors, and crews will be assigned to Beaufort County and additional labor relative to the need.

Councilman Mercer hopes these projects will be completed soon to help alleviate some of the high utility bills, due to improper weatherization of homes. Mr. Barnville discussed income requirements of applicants and explained some minor items that could be changed to help weatherize a home. Such examples are, changing lighting to compact florescent bulbs, wrapping hot water heaters, cleaning and tuning of HVAC system, health and safety needs, etc. The approximate yearly savings after weatherization is complete is \$350 per home. Renters may have completed the applications, but the property owner still needs to complete certain information, this may be the reason so many applications were incomplete. We are working diligently to reach out to the applicants to get that information complete as soon as possible. Marisol Barr stated income information is needed for all adults in the home and that takes quite a bit of time.

DISCUSSION - STATUS OF CURRENT GRANTS

Jim Smith noted that last month Council asked for a monthly report of all grant applications underway and the status of them. Ms. Bianca Gentile, Special Projects updated Council on the 2010 Departmental, American Recovery and Reinvestment Act (ARRA) and Non-ARRA funding opportunities.

FEBRUARY TABLE HIGHLIGHTS:

1. Emergency Operation Center grant submitted on behalf of the Police Department to the Department of Homeland Security (total project = \$610,000 total request = \$457,000). Project: Fund the construction of an emergency operations center in the new police facility.
2. State Historic Preservation Grant will be submitted to NC State Historic Preservation Office on behalf of the Planning and Community Development Department, February 12, 2010 (total request \$10,000, 40% match required). Project: Architectural Survey and Construction Plan Development for Old City Hall
3. Work First: Human Resources Department submitted request to Joblink to use stimulus funds to place workers in transitional/temporary work opportunities. For example, stimulus funds will 100% (pay up to \$8.75/hour) of workers wage to assist the Library with front desk work. No match required
4. PARTF: Parks and Recreation Trust Fund grant was submitted in a timely fashion by the Parks and Recreations Department to fund the construction of festival park. Project Total: \$575,000/match 50%, over three years)
5. The State Energy Office is set to release a Request for Proposals for the Main Street Energy Fund, a program designed to assist NC Main Street municipalities with energy upgrades in the central business district. Up to \$250,000 is available for interested small business owners and municipalities. Currently, running is an ad on the Public Access Channel to inform citizens of potential funding availability.

Councilman Mercer inquired about the State Historic Preservation Grant and asked Ms. Gentile if she was asking for permission to submit this grant. Mr. Gentile stated that they were seeking permission for submission.

John Rodman, Planning Director stated this grant application was submitted to Council in December with the intent to apply in February. Mayor Jennings stated that as new grant opportunities come forward denote with an asterisk the items that require approval from Council in order to move forward with the process.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council authorized staff to apply for the State Historic Preservation Grant which will be submitted to the NC State Historic Preservation Office on behalf of the Planning and Community Development Department by February 12, 2010 (total request \$10,000, 40% match required). Project: Architectural Survey and Construction Plan Development for Old City Hall.

Ms. Gentile reminded Council of the Police Station Funding Committee meeting on February 23, 2010 at 9:00am consisting of Councilman Moultrie and Councilman Davis. She further mentioned that once a site has been selected we can formally withdraw Site A and submit the information for the new site. Upon recommendation from Susan Christiansen, USDA Edenton office this would slow down the Federal application for the loan package, but once the site has been selected Site A will be formally withdrawn.

Mayor Pro tem Roberson asked for a monthly update on new items and continue the existing activity report in its current form.

**ADOPT – RESOLUTION DESIGNATING THE WATERFRONT HARBOR DISTRICT
AND REPORT FROM C4R**

Chris Furlough, Chairman of Citizens for Revitalization updated Council on the establishment of the Harbor District.

- As suggested by Visualization & Reinvestment Strategy and presented by Chris Furlough at the Nov. 9, 2009 City Council meeting, Citizens for Revitalization would like the council to establish a “Washington Harbor District” to be used for branding purposes only.
- Citizens for Revitalization has addressed the recommendations made by Council at the Nov. 9, 2009 meeting and would like to suggest the boundaries outlined in the attached graphics. Which shows the boundaries of the district as: The water’s edge of the river on the South. Bridge Street (both East and West sides of the street) to the West, Third Street (both sides) to Market Street on the north and then north on Market Street to midway between Third and Fourth Streets (corresponding to the current B1H Zoning). Then from Market Street East along Water Street (both sides) to include the Builder’s First Source Property.

Councilman Mercer asked for confirmation that this is strictly a marketing tool with no regulatory restrictions. Mr. Furlough stated that was correct, if at some point in time if Council wanted to change that they could do so, but the initial establishment is for a “branding” tool only.

Councilman Davis and Mayor Pro tem Roberson suggested some alterations to the boundaries of the Harbor District. They suggested the following General Boundaries: Beginning at the north side of the Pamlico River and following the properties to the west of Bridge Street to West Martin Luther King Jr. Drive and thence east following the boundaries of the B-1H(Business Historic) Zoning District to the railroad trestle and then following the western edge of the railroad trestle to southern shore of the Pamlico River and then west along the Pamlico River, including the properties along the southern shore to US Hwy 17 Business and then north along the western edge of the Hwy 17 Business (Bridge Street) Bridge to the Beginning as indicated on the map entitled “City of Washington-Washington Harbor District”.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council adopted the Resolution designating the Waterfront Harbor District with the following boundaries: General Boundaries: Beginning at the north side of the Pamlico River and following the properties to the west of Bridge Street to West Martin Luther King Jr. Drive and thence east following the boundaries of the B-1H(Business Historic) Zoning District to the railroad trestle and then following the western edge of the railroad trestle to southern shore of the Pamlico River and then west along the Pamlico River, including the properties along the southern shore to US Hwy 17 Business and then north along the western edge of the Hwy 17 Business (Bridge Street) Bridge to the Beginning as indicated on the map entitled “City of Washington-Washington Harbor District”.

**A RESOLUTION DESIGNATING THE WATERFRONT HARBOR DISTRICT
OF THE CITY OF WASHINGTON, NORTH CAROLINA**

WHEREAS, the City Council of the City of Washington has adopted the Waterfront Visualization and Reinvestment Strategy for revitalization of the downtown waterfront; and

WHEREAS, the Visualization and Reinvestment Strategy recognizes the importance of establishing a waterfront harbor district; and

WHEREAS, the City Council of the City of Washington has received a request from the Citizens for Revitalization Committee to designate said district for the purposes of branding; and

WHEREAS, the Citizens for Revitalization Committee has addressed the recommendations made by Council at the Nov. 9, 2009 meeting and would like to suggest the boundaries outlined in the attached graphics; and

WHEREAS, the City Council of the City of Washington desires to adopt this resolution to designate a Waterfront Harbor District;

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WASHINGTON recommends approval of the Washington Waterfront Harbor District.

DULY ADOPTED this 8th day of February, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

RESTROOMS AND DOCKMASTER FACILITY

Mr. Furlough updated Council on the restrooms and dockmaster facility. Following the adoption of the City's Waterfront Visualization and Reinvestment Strategy the Citizens for Revitalization Committee proposed a list of priorities for the implementation strategy of the new plan. One of the priorities established was the development of restroom and dock master facilities for the western end of Stewart Parkway. This area would be known as the "Maritime Quarter". Maritime activity was a core component of Washington's downtown waterfront. Following community direction, a series of improvements were developed and shown as part of the vision for the western end of the parkway and the maritime quarter.

The conceptual drawings were created by LandDesign to show the proposed new dock master building and related restroom and support facilities. The dock master building is shown as a two story structure with the ground floor dedicated to boater, visitor and community information and a new restroom area. The upper level of the building will provide an office and a harbor observation area. The building is designed architecturally to reflect the historic Pamlico Lighthouse. John Rodman, Planning Director noted the possibility of grant for this facility. We plan on applying for a CAMA Land Use Planning Grant in the amount of \$350,000 and this requires only a 10% match due to Washington being in a Tier 1 County. We may see the application as early as next month if the grant notifications are released. Mr. Furlough acknowledged the building is architecturally designed to represent the historic Pamlico Lighthouse.

Mr. Furlough stated Hank Coleman from the National Development Council will be here on Thursday, February 25, 2010 from 3:00-5:00pm, in order to identify and put together additional funding opportunities for the projects we are working on.

ECONOMIC DEVELOPMENT COMMISSION (EDC)

Councilman Mercer submitted the minutes from the January 2010 Economic Development Commission Board of Directors meeting.

(begin EDC report) The meeting opened with a discussion on Bath and the events

surrounding the potential release of the remains of a man reported to be a Blackbeard crew member named Edward Salter, Sr. The discussion also centered on the coincidence of the grave site from which the remains were removed being located on the same track of land, according to the State, that was reportedly the village of Secoton, a tribe of the Algonquin Nation.

The Secoton connection was important because it was supposedly was the site where John White, the Governor of the Lost Colony, did a series of 18 water colors on a visit to North Carolina prior to the establishment of the Lost Colony. The board discussed the issues at length, especially the economic impact of having such a nationally sufficient historic site in its own back yard. The Executive Director said he would send copies of the State report to all the board members and allow the Bath Town Council to review it prior to making any comment.

There was no Belhaven report given the absence of board member Guy Nelson. Vernon Howell said there was no economic activity in the Pantego area. In the absence of Al Kutzing, Tom Thompson informed the board that two wood pellet plants were looking at the site that had previously been targeted by an ethanol company. He said these two plants would more than likely try to export wood chips to Europe through the barge site at Aurora and subsequently through the port at Morehead City. He also informed the board of a gentleman wanting to build a motel in Aurora and he is currently working with that gentleman and the town board to ascertain the feasibility of such a venture. The benefit to Aurora would be that the hundreds of sales people and contractors that visit the site everyday might be enticed into spending the night and therefore increasing economic activity in the town. The Executive Director referenced the town of Plymouth with five motels, including a Holiday Inn Express.

Joy McRoy said there was no substantial economic activity in Chocowinity although the Executive Director told the board that the pellet plants looking at Aurora were also interested in Chocowinity. He also said there was a German company that had a projected employment of 550 people looking for a site to do sand castings. He said he had been working with the company about three months and that the previous week had occasioned yet another inquiry from the company on details of the site.

In the absence of Archie Jennings, Doug Mercer, said the Festival Park plans had been adopted by the City. The Executive Director informed the board that a German company needing 50,000 square feet had made an inquiry on the Quick State II building in the Industrial Park, which is in the city limits of Washington, and that he is working with the NC Department of Commerce to pursue this company.

Lentz Stowe reported that 1426 students had registered at the community college in the recent registration and also informed the board of a series of seminars on QuickBooks for the local area.

Buster Humphreys discussed the Workforce Partnership and pointed out the need for establishing strong ties with Vic Rogers' replacement.

Zoph Potts produced a handout for the board on US 17 projects which is attached to these attached minutes. Six hundred million was yet to be budgeted for US 17 projects and, although progress had been made, there is still a long way to go. There was some discussion concerning the change in political atmosphere in North Carolina due to the upcoming census. It was widely expected that the Piedmont would gain representation in the legislature and that the East would lose representation. The presumption is that the redistricting would lead to less enthusiasm for highway projects in Eastern North Carolina as evidence by the recent pressure put on by the governor to complete the I-485 corridor around Charlotte.

The executive director informed the board that Rachel Midgette had resigned effective the end of January to allow her to spend more time with her four children and that a replacement was being sought. He said that Laura Tetterton would be moving into Rachel's position and that a replacement for Laura would then be sought as a temporary employee. That salary is currently being paid by the Committee of 100. The director also

told the board that Impressions Marketing was still interested in having the Hamilton Beach facility upgraded to make it more effective and in compliance with building codes but that the current employment level precluded any possibility of Golden Leaf grant help. He also gave the board a briefing on Fountain Powerboats and the upcoming court case on February 3rd on which date an owner for Fountain would be announced by the bankruptcy judge. Lastly, he discussed NC20 and its goals for the coming year, pointing out that the insurance increases imposed on the coastal area last year were primarily due to the lack of any control over the Insurance Commission itself. He said there were no checks and balances of any kind and that the Insurance Commissioner decision was final and permitted no appeal. He also suggested that the previous topic of transportation might be improved by the consolidation of political powers through a group such as NC20.

The executive director discussed some additional items in closed session and there being no further business, the chairman adjourned the meeting. (end report)

HUMAN RELATIONS COUNCIL

The following report was submitted by the Human Relations Council. (begin report)

Update – Project Next Step

Chief Reed introduced Gang Investigator, Detective Issac Barrett. The call in session that was held in April identified five new clients and they were placed in the program.

Brotherhood/Sisterhood Month & “Taste of Washington”

This event has been scheduled for Thursday, February 25 from 6 – 8 pm. Restaurants should be contacted ahead of time for flyers and information on delicacies they would like to have included.

Proclamation – Ed (Edward) Peed Day

Edward Peed was the first known fire fighter to die in the line of duty in North Carolina. It was suggested that Council Liaison Pitt contact the Fire Department and the Mayor to schedule time and place for this event.

Dixon Social Interactive Services, Inc. (DSIS)

Council discussed inviting DSIS to one of their meeting for a presentation. DSIS believes that anyone who experiences any mental health illness or substance abuse has an opportunity to recover and/or sustain, believing that people have the ability to transform their lives if they are empowered with the knowledge to do so. Presently, they are serving 13 counties.

DSIS provides the following services:

- Community Support/Mentoring
- Day Treatment Enrichment program
- Individual and Family Therapy
- Diagnostic Assessment
- Intensive in home services
- Mediation
- Sex Offender/Forensic Counseling
- Music/Play Therapy
- Crisis Intervention
- Community Support Team (Peer Support) (end report)

APPOINTMENTS – HIGHWAY 17 ASSOCIATION

Council discussed the vacancy on the Highway 17 Association. Mayor Pro tem Roberson voiced interest in serving on this board. Councilman Mercer noted he currently attends these meetings and would agree to continue serving.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council appointed Councilman Mercer to the Highway 17 Association with Mayor Pro tem Roberson serving as an alternate member.

APPOINTMENTS – ECONOMIC DEVELOPMENT COMMISSION (EDC)

Councilman Mercer stated Lentz Stowe's term on the EDC has expired and Council needs to fill that position. Council, by consensus agreed to advertise the vacancy in the paper to receive applications for this position.

FINANCIAL REPORTS

Matt Rauschenbach, Chief Financial Officer noted the financial reports will be discussed in full at the Committee of the Whole meeting. Council members will email Mr. Rauschenbach their questions regarding the financial statements.

**APPROVE – REPAYMENT SCHEDULE TO NCDOT FOR WATER/SEWER
INFRASTRUCTURE RELOCATION**

Jim Smith, City Manager gave a brief history of this project, stating as discussed numerous times over the last 3+ years, the City has incurred cost for the relocation of water and sewer lines as a result of the US 17 Bypass project. These costs total \$1,753,129 and are now due as a result of the utilities being within existing NCDOT right of ways through encroachment agreements prior to the bypass project. Last year, NCDOT came to us and suggested withholding \$100,000 of our Powell Bill money for 18 years. Late Fall last year NCDOT stated they were not authorized to make that offer. Subsequently they offered for us to pay this back over 12 years. Most recently we found out that an additional \$175,000 is due for work completed in the Cherry Run Road area. After many meetings between City staff and NCDOT staff, NCDOT is willing enter into an agreement allowing for the repayment of these costs over a twelve (12) year period. It is our suggestion to accept the 12 year payback, but to ask for forgiveness during the first two years to allow our debt service to begin to decline in FY 2013/2014. This would amount to ten years of payments and asking for 1/6 forgiveness. We need to continue negotiations with the State to come up with some alternatives to lessen the burden on the City. We have received no new utilities out of this. The case could be made that the economic impact of the new bypass may not be all positive if people choose to avoid coming through Washington.

Councilman Mercer stated it's his understanding that if your municipality is below 5500 population, then you don't have to pay. If this would have been a county owned line, regardless of population served we wouldn't have to pay at all. It seems we are being penalized while other groups get this service at no charge. Mayor Jennings stated there is a meeting with the NCDOT on Monday and he is requesting permission from Council to discuss this item during that meeting and possibly offer a deeply discounted counter-offer at some future time.

**AUTHORIZE - MAYOR TO ENTER INTO PROPOSED JOINT/USE
AGREEMENT WITH BEAUFORT COUNTY BOARD OF EDUCATION
(KUGLER FIELD)**

Mayor Pro tem Roberson requested a better map to be included in the agreement to better reflect the property boundary and suggested the agreement be recorded to protect all parties involved.

Jim Smith noted many years ago, the Kugler family donated a large parcel of land located in the City's east end to the Washington School district for use by the community for athletic events. The donation transferred to the Beaufort County Board of Education when the County and City districts merged. The City of Washington operated Kugler Field for the benefit of the community for many years, facilitating its use by several entities including the Board of Education baseball, soccer, football and various athletic leagues. In recent years, school athletic programs have moved to Washington High School and other school campuses rather than utilizing Kugler Field. Two years ago, the school superintendent entered into an agreement with the Washington Youth Football League authorizing their exclusive use of Kugler Field during the league's football season. The City continued to operate and maintain Kugler during the balance of the year, primarily for the use of the church softball leagues as well as some youth baseball practice. The City has offered to assume ownership and operation responsibilities for Kugler Field. However, the Board of Education has indicated it wishes to retain

ownership. The proposed agreement lays out the terms of the City's use of Kugler Field between April 1st and August 9 annually and recognizes the Board of Education's intent to authorize third parties to utilize Kugler Field at other times. It also contains miscellaneous provision with regard to maintenance and liability.

Councilman Davis made a motion to authorize the Mayor to enter into the proposed agreement with Beaufort County Board of Education for the joint use of Kugler Field. Franz Holscher, City Attorney stated he has had discussions with Councilman Davis regarding the terms of the agreement. This agreement gives us the right to use the field between April 1st and August 9th. If you want to use the field outside of those dates you have to get permission from a different entity. Council could authorize someone to not only execute this agreement but to potentially authorize a rewritten agreement that would span the dates of March 15th to August 15th, if that became appropriate that authority should be given as well. Councilman Davis asked to include the expanded dates of March 15th to August 15th as an amendment to his motion. Mayor Pro tem Roberson seconded the motion with the amendment. Councilman Mercer stated if there is a legal document with the football league and the school board that covers those dates, the school board can't give an agreement overlapping the dates. Mayor Jennings stated he couldn't understand why Church league softball couldn't be finished before August 9th. Philip Mobley, Parks and Recreation Director stated he could work with the football league to work out any issues of overlapping dates and work with the deadlines we have in the agreement. He suggested we leave the agreement as it is and work the details out with the football league. Councilman Davis stated he was okay with leaving the dates as written in the agreement that was presented tonight. Mayor Pro tem Roberson and Councilman Davis agreed to go with the original motion that was made to authorize the Mayor to enter into the proposed agreement that was presented in the packet with Beaufort County Board of Education for the joint use of Kugler Field.

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council approved the agreement as presented in the agenda packet to authorized the Mayor to enter into the proposed agreement with Beaufort County Board of Education for the joint use of Kugler Field as presented in the agenda packet with the dates of use from April 1st to August 9th. The amendment to the motion to expand the period of annual use from March 15th to August 15th was withdrawn by Councilman Davis. The vote was unanimous to approve the presented joint use agreement.

ACCEPT – REQUEST OF NC ESTUARUM TO RELOCATE THE WESTERN BOUNDARY OF THEIR JOINT-USE AGREEMENT

Councilman Mercer asked last month that this item be continued to avoid some complications with a grant application. This item has been discussed thoroughly and extends their boundary approximately 10 feet west of the flag pole.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council agreed to grant the request by the Estuarium to relocate the western boundary of their joint-use agreement.

Franz Holscher stated he would propose a withdrawal of the original easement which would convey that property back to us. Then the City would convey a new easement to them with the mutually agreed upon boundaries.

SET DATE – SEWER ASSESSMENT REVIEW COMMITTEE MEETING

Councilman Mercer requested additional time to review the information. He further stated he will call Cynthia Bennett, City Clerk to set the date to advertise the sewer assessment review committee meeting. Mayor Pro tem Roberson inquired about an assessment agreement regarding MacsWoods.

SET DATE – CIP PROJECT REVIEW SESSIONS

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council set the date for the CIP review session for February 15, 2010 at 4:30 in the City Council Chambers.

ACCEPT – BUDGET SCHEDULE

Councilman Mercer requested to postpone setting the budget workshops until the budget is presented to Council on April 12th. By consensus, Council agreed to set budget workshops when they receive the budget on April 12th. Councilman Mercer requested a breakdown of personnel needs by department showing full time and part-time employees.

ADOPT – ORDINANCE AMENDING CHAPTER 2, ADMINISTRATION REGARDING TIME, CHANGE IN DATE, AND ORDER OF BUSINESS OF CITY COUNCIL MEETINGS

Councilman Mercer stated that when a new Council holds their organizational meeting in January, this ordinance gives them the flexibility to set the time of the meeting and the structure of the agenda.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council adopted an ordinance amending Chapter 2, Administration, of the Code of the City of Washington, NC to establish a new order of business for City Council's regular meetings and to establish procedures for setting the time and changing the date of the City Council's regular meeting.

AN ORDINANCE AMENDING CHAPTER 2, ADMINISTRATION, OF THE CODE OF THE CITY OF WASHINGTON, NORTH CAROLINA TO ESTABLISH A NEW ORDER OF BUSINESS FOR CITY COUNCIL'S REGULAR MEETINGS

WHEREAS, North Carolina General Statute §1 60A-7 1(c) provides that a council may adopt its own rules of procedure, not inconsistent with the city charter, general law, or generally accepted principles of parliamentary procedure and

WHEREAS, Section 2-36 of Chapter 2, Administration, of the City Code of the City of Washington, North Carolina provides that the parliamentary procedural rules governing the meeting of the City Council shall be the "Suggested Rules of Procedure for a City Council" published by the School of Government, University of North Carolina at Chapel Hill, excluding Rule No. 6, Order of Business.

NOW, THEREFORE, BE IT ORDAINED by the City Council for the City of Washington, North Carolina that Chapter 2, Administration, of the Code of the City of Washington shall be amended as follows.

Section 1. Section 2-33 is hereby amended by replacing the current language in its entirety with the language that reads as follows.

Items shall be placed on the City Council Agenda according to the Order of Business, which Order shall be established at the organizational meeting of Council and shall include but not be limited to the following.

Opening of meeting

Invocation

Roll call

Approval of minutes

Approval/amendments to agenda

Consent agenda

Comments from the public

Public hearings on zoning

Public hearings on other

Scheduled public appearances

Correspondence and special reports from members of City Council

Reports from Boards, Commissions and Committees

Appointments

Old business

New business

Any other business from the City Manager

Any other business from the Mayor or other members of City Council

Adjournment

Section 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3: Should any provision of this ordinance be declared invalid or unconstitutional by any court of any competent jurisdiction, such declaration shall not affect the validity of the ordinance as a whole or any part thereof which is not specifically declared to be invalid or unconstitutional.

Section 4: This ordinance shall take effect and be in force from and after the date of its adoption.

This the 8th day of February, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

AN ORDINANCE AMENDING CHAPTER 2, ADMINISTRATION, OF THE CODE OF THE CITY OF WASHINGTON, NORTH CAROLINA TO ESTABLISH PROCEDURES FOR SETTING THE TIME AND CHANGING THE DATE OF THE CITY COUNCIL'S REGULAR MEETINGS

WHEREAS, North Carolina General Statute § 160A-7 1(a) provides that a council shall fix the time and place for its regular meetings and

WHEREAS, Section 2.5 of the Charter of the City of Washington, North Carolina provides that the City Council shall establish a suitable time and place for its regular meetings in accordance with general law.

NOW, THEREFORE, BE IT ORDAINED by the City Council for the City of Washington, North Carolina that Chapter 2, Administration, of the Code of the City of Washington shall be amended as follows.

Section 1. Section 2-29 is hereby amended by replacing the current language in its entirety with the language that reads as follows.

The regular meeting place of the Mayor and City Council shall be in the Council chambers on the second Monday of each month at a time established by Council during Council's organizational meeting. The date of any regularly scheduled meeting may be changed only by an affirmative vote equal to or greater than two-thirds of all the actual membership of the Council, excluding vacant seats, and not including the Mayor.

Section 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3: Should any provision of this ordinance be declared invalid or unconstitutional by any court of any competent jurisdiction, such declaration shall not affect the validity of the ordinance as a whole or any part thereof which is not specifically declared to be invalid or unconstitutional.

Section 4: This ordinance shall take effect and be in force from and after the date of its adoption.

This the 8th day of February, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

ADOPT – ORDINANCE ADOPTING AND ENACTING A NEW CITY CODE

Franz Holscher, City Attorney provided a history of the project and stated this item was continued last month in order to give Council additional time to review the same and to allow for consideration from Council and those comments were included in the

agenda. Discussion was held regarding the amount of time required for special called meetings notice. General Statute requires 6 hours notice to Council members, while open meetings law requires 48 hours notice to media. By concurrence, Council required 48 hours notice of Special Called meetings to Council and media. Mayor Pro tem Roberson discussed some additional items that needed to be changed, such as the mention of a Tax Collector. Mr. Holscher stated there are multiple substantive changes that need to be amended after the codification is adopted.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council adopted an ordinance adopting and enacting a new code for the City of Washington, North Carolina with the exception of Section 2-97(i); providing for the repeal of certain ordinances not included therein; providing a penalty for the violation thereof; providing for the manner of amending such code; and providing when such code and this ordinance shall become effective.

AN ORDINANCE ADOPTING AND ENACTING A NEW CODE FOR THE CITY OF WASHINGTON, NORTH CAROLINA; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, NORTH CAROLINA:

Section 1. With the exception of Section 2-97(i), the Code entitled "The Code of the City of Washington, North Carolina," published by Municipal Code Corporation, consisting of Chapters 1 through 40, each inclusive, is adopted.

Section 2. All ordinances of a general and permanent nature enacted on or before August 10, 2009, and not included in the Code or recognized and continued in force by reference therein, are repealed.

Section 3. The repeal provided for in Section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

Section 4. Unless another penalty is expressly provided, every person convicted of a violation of any provision of the Code or any ordinance, rule or regulation adopted or issued pursuant thereto shall be punished as provided by North Carolina General Statute § 14-4. Each act of violation and each day upon which any such violation shall continue or occur shall constitute a separate offense unless otherwise expressly provided. The penalty provided by this section, unless another penalty is expressly provided, shall apply to the amendment of any Code section hereafter enacted, whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the City may pursue other remedies authorized law, including but not limited to abatement of nuisances, injunctive relief and revocation of licenses or permits.

Section 5. Additions or amendments to the Code when passed in such form as to indicate the intention of the City to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

Section 6. Ordinances adopted after August 10, 2009 that amend or refer to ordinances that have been codified in the Code shall be construed as if they amend or refer to like provisions of the Code.

Section 7. This ordinance shall become effective February 8, 2010.

Passed and adopted by the City Council this 8th day of February, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

Certificate of Adoption

I hereby certify that the foregoing is a true copy of the ordinance passed at the regular meeting of the City Council, held on the 8th day of February, 2010.

s/Cynthia S. Bennett
City Clerk

AUTHORIZE - CITY MANAGER TO SIGN THE AUTHORIZED AGENT CONSENT AGREEMENT TO OBTAIN THE TEMPORARY CAMA PERMIT FOR THE WATERFRONT

On January 19, 2010 City Council approved the Little Washington Sailing Club to attach their floating dock to a free dock on the waterfront for their program for the 2010 season. In order for the LWSC to attach a floating dock to our dock, CAMA requires them to have a Temporary CAMA permit.

By motion of Councilman Davis, seconded by Councilman Mercer, Council authorized the City Manager to sign the Authorized Agent Consent Agreement as the property owner to obtain the Temporary CAMA permit on the waterfront.

DRAINAGE ISSUES AT IRON CREEK

Allen Lewis, Public Works Director stated he learned prior to tonight's meeting that a beaver has moved into the creek that drains Iron Creek and is causing problems with the drainage. Councilman Mercer requested the Public Works Department look at the swale between 107-109 Ore Court. A full report will be submitted at the Committee of the Whole meeting.

ADOPT – BUDGET ORDINANCE AMENDMENT TO PROVIDE FUNDS FOR THE PSAP COMPLIANT WIRELESS UPGRADE OF THE E-911 PHONE SYSTEM \$88,502

Councilman Mercer requested this item be pulled from the Consent Agenda due to the change in the amount from \$77,627 to \$88,502. Anita Radcliffe, Assistant Finance Director stated the \$10,875 was brought forward under the General Fund, we found out this amount was eligible to be paid out of the 911 Fund and we thought it prudent to be paid by that fund instead of the General Fund. Councilman Mercer felt the \$10,875 should be submitted as a separate budget ordinance and suggested the budget ordinance submitted in January should be adopted for approving the \$77,627 and then next month submit a budget ordinance for \$10,875 to decrease this encumbrance in the General Fund and transfer to the E911 Fund.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council adopted a budget ordinance to re-appropriate funds in the amount of \$77,627 from the Fiscal Year 2008/2009 to Fiscal Year 2009/2010. These funds are to pay for wireless E91 1 upgrades.

**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 the Estimated Revenues in the E-911 Surcharge Fund be increased in the amount of \$46,670 in the account Fund Balance Appropriated, account number 14-70-3991-9910.

Section 2. 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 to pay for wireless upgrade.

Section 3. That account number 14-70-4310-4501, Contract Services — E911 System, E-91 1 Surcharge Fund appropriations budget be decreased in the amount of \$30,957.

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 8th day of February, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

DISCUSSION –EMPLOYEE EVALUATIONS

Jim Smith, City Manager updated Council on the process for employee evaluations, per Mayor Pro tem Roberson's request. Mr. Smith stated we have computer software(HRN) that notifies him of upcoming evaluations as well as notifying the employee for when they have to do their self-evaluation. Mr. Smith stated he actually sets aside time to leave the office to enable him to complete the evaluations in a timely manner. He further stated he is within the sixty-ninety day time span of when the evaluations are due, which is on the anniversary of the employees hire date.

ADOPT – RESOLUTION FOR CLERK TO INVESTIGATE A NON-CONTIGUOUS SATELLITE ANNEXATION PETITION FOR LJ'S BODY SHOP INC.

On January 20, 2010 LJ's Body Shop Inc presented a petition for a non-contiguous satellite annexation for the property located on Hwy 264 East approximately 1000' east of the Beaufort County Animal Shelter. The property contains 2.96 acres and is currently vacant.

When a petition for annexation is received the governing body must direct the clerk to investigate the sufficiency of the petition.

Mayor Pro tem Roberson stated he has concerns with annexing this property as it is out of the extra-territorial zoning jurisdiction. Councilman Mercer also voiced concern over the long distance annexation and would like a cost benefit analysis. Mayor Jennings noted the cost benefit analysis should be part of the investigation for the annexation petition.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council adopted a resolution directing the City Clerk to investigate a non-contiguous satellite annexation petition received under General Statute 160A-58.1 which will included a cost benefit analysis.

**RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER G.S. 160 A-58.1**

WHEREAS, a petition requesting annexation of an area described in said petition was received on February 8, 2010 by the Washington City Council; and

WHEREAS, CS. 160A-58.2 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Washington deems it advisable to proceed in response to this request for annexation:

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

The City Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the City Council the result of her investigation.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

**AWARD – AUDIT CONTRACT FOR FISCAL YEAR 2009-2010 TO MARTIN-STARNE
AND ASSOCIATES, CPA, PA \$38,000**

Martin, Starnes and Associates, CPA, PA has submitted their proposal for performing the City's annual audit for fiscal year 2009-2010, in the amount of \$38,000. This proposal is at the same cost as the audits for the previous two fiscal years. City staff has been very pleased with the services provided by Martin, Starnes, and Associates, CPA, PA and highly recommends to Council the awarding of this year's audit contract to them.

Councilman Mercer voiced concern that there is no competitive bid for this project. He feels after several years, maybe this should be re-bid. Mr. Smith agreed with Councilman Mercer and stated we have looked at prices each year and have decided to extend them an additional year under the current contract, then we will send out for RFP's for additional firms at this time next year. Anita Radcliffe, stated Martin, Starnes does only governmental audits and performs 33 out of the 100 county audits in North Carolina. They have agreed to keep their audit fees at the same rate they were two years ago due to the current economic situation. Mayor Jennings noted future contracts would be for multiple years.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council awarded a contract to audit accounts for fiscal year 2009-2010 to Martin, Starnes, and Associates, CPA, PA located in Hickory, NC at a cost of \$38,000.

**ADOPT – BUDGET ORDINANCE FOR REALLOCATION OF PROPERTY,
CASUALTY, & LIABILITY INSURANCE COST**

The property, casualty, and liability insurance cost has been reallocated among areas using a method that more closely matches the risk of what's insured. The actual premiums were charged to each area based on the reallocation and a budget amendment is necessary to realign the budget accordingly. Councilman Mercer inquired why this needed to be done now, eight months into the current budget. Couldn't this been done during the budget work sessions for next year's budget? Anita Radcliffe noted she took the prior year actual number and added a 2% increase to determine a cost estimate for the current budget. When the actual bill came in, Matt Rauschenbach ran a listing of all vehicles and buildings and allocated the premiums based on that. Ms. Radcliffe stated she was unsure of the way prior year budgets had this item allocated. There is no overall fiscal impact. Mayor Jennings noted this is a more precise allocation than the 2% estimate used previously during the budget process.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council adopted a Budget Ordinance to reallocate the property, casualty, and liability insurance cost.

**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 10-00-4400-5400, Insurance & Bonds, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be decreased \$53,885 to reflect a reallocation of property, casualty, and liability insurance premium from the amount budgeted.

Section 2. That the Estimated Revenues in the General Fund be decreased \$53,885 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 3. That account number 30-90-6610-5400, Insurance & Bonds, Miscellaneous Non-Departmental portion of the Water Fund appropriations budget be increased \$48,927.

Section 4. That account number 30-90-9990-9900, Contingency, Contingency Department portion of the Water Fund appropriations budget be decreased \$48,927.

Section 5. That account number 32-90-6610-5400, Insurance & Bonds, Miscellaneous Non-Departmental portion of the Sewer Fund appropriations budget be increased \$446.

Section 6. That the Estimated Revenues in the Sewer Fund be increased \$446 in the account Fund Balance Appropriated, account number 32-90-3991-9910.

Section 7. That account number 34-90-5710-5400, Insurance & Bonds, Miscellaneous Non-Departmental portion of the Storm Water Fund appropriations budget be decreased \$1,245.

Section 8. That account number 34-90-9990-9900, Contingency, portion of the Storm Water Fund appropriations budget be increased \$1,245.

Section 9. That account number 35-90-6610-5400, Insurance & Bonds, Miscellaneous Non-Departmental portion of the Electric Fund appropriations budget be increased \$16,258.

Section 10. That the Estimated Revenues in the Electric Fund be increased \$16,258 in the account Fund Balance Appropriated, account number 35-90-3991-9910.

Section 11. That account number 38-90-6610-5400, Insurance & Bonds portion of the Solid Waste Fund appropriations budget be decreased \$4,181.

Section 12. That account number 38-90-9990-9900, Contingency, Solid Waste Fund appropriations budget be increased \$4,181.

Section 13. That account number 37-90-4530-5400, Insurance & Bonds, Warren Field Airport Fund appropriations budget be decreased \$6,352.

Section 14. That account number 39-90-9990-9900, Contingency, portion of the Warren Field Airport Fund appropriations budget be increased \$6,352.

Section 15. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 16. This ordinance shall become effective upon its adoption.

Adopted this the 8th day of February, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

DECLARE – SURPLUS/AUTHORIZE ELECTRONIC AUCTION OF VEHICLES THROUGH GOVDEALS

Councilman Mercer questioned the mileage on vehicle #658 – 1996 Jeep Cherokee with only 66,644 miles. Ms. Radcliffe noted the mileage was correct, this vehicle has a blown engine.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council declared surplus and authorized the sale of the following vehicles through electronic auction using GovDeals.

Vehicle Number Reading	Make/Model	Serial Number	Odometer
620	2002 Ford Ranger Truck	1FTYR1 0U12TA68200	148,261
658	1996 Jeep Cherokee 4X4	1 J4FJ28S1 TL202335	66,644

DISCUSSION – TOWN HALL STYLE MEETING

By consensus, Council agreed to have the Town Hall Style meeting discussion during the Committee of the Whole meeting.

DISCUSSION – CITY PAGE IN NEWSPAPER

By consensus, Council agreed to have the City Page ad discussion during the Committee of the Whole meeting.

CLOSED SESSION – UNDER NCGS 143-318.11(A)(3) ATTORNEY CLIENT PRIVILEGE/LITIGATION DEKEVION ROULHAC, A MINOR BY AND THROUGH HIS GUARDIAN AD LITEM SHEKUITA CLEMMONS, AND SHEKUITA CLEMMONS INDIVIDUALLY AND IN HER CAPACITY AS PARENT/NATURAL GUARDIAN V. CITY OF WASHINGTON, CITY OF WASHINGTON FIRE DEPARTMENT, AND MARTIN COUNTY COMMUNITY ACTION, INC. AND NCGS 143-318.11(A)(6) PERSONNEL

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council agreed to go into Closed Session at 8:45pm under NCGS 143-318.11(a)(3) Attorney Client Privilege/Litigation Dekevion Roulhac, a minor by and through his Guardian Ad Litem Shekuita Clemmons, and Shekuita Clemmons individually and in her capacity as Parent/Natural Guardian v. City of Washington, City of Washington Fire Department, and Martin County Community Action, Inc. and NCGS 143-318.11(a)(6) Personnel

ADJOURN

By motion of Councilman Davis seconded by Mayor Pro tem Roberson, Council recessed the meeting until February 15, 2010 at 4:30pm in the Council Chambers at the Municipal Building the Capital Improvement Plan review.

Cynthia S. Bennett
City Clerk