

The Washington City Council met in a regular session on Monday, March 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: Anita Radcliffe, Accounting Manager; Robbie Rose, 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 and Delma Blinson of the Beaufort Observer.

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

APPOINTMENT OF ROBBIE ROSE AS FIRE CHIEF

Jim Smith, City Manager said it is with great pleasure to announce the appointment of Mr. Robert C. Rose of Washington, North Carolina as the new Chief of the Fire/Rescue/EMS Department of the City of Washington. "Robbie" Rose has served the City of Washington since 1987 beginning as a volunteer and working in essentially every capacity as he proceeded through the ranks to his most recent position as Fire Prevention Division Chief. Prior to coming to work with the City of Washington, Robbie was employed for fourteen years with National Spinning Company where he also worked his way through positions to the level of Department Manager.

Mr. Rose obtained an Associate's Degree in Fire Protection Technology from Wilson Technical Community College in 2004. He has many certifications, in Fire Inspection, Fire Investigations, Hazardous Materials, Emergency Medicine and Fire Instructions. Most recently, Robbie completed the North Carolina Association of Fire Chief's Chief Officer Executive Development Program.

Robbie was selected from among a strong field of candidates from several states. We are extremely pleased to make this appointment and look forward to the positive, stable leadership in Fire and Emergency Medical Services which Robbie Rose will bring to the Fire/Rescue/EMS Department.

APPROVAL OF MINUTES

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council unanimously approved the minutes of February 2, and February 8, 2010 as presented.

APPROVAL/AMENDMENTS TO AGENDA

Councilman Mercer requested to move Consent Agenda Item A - Adopt - Budget Ordinance Amendment to un-appropriate funds in the General Fund and appropriate them in E-911 Special Revenue Fund (\$10,756) to Old Business Item B. He further requested to add: New Business - Item B: 911 Operations; New Business - Item C: Main Street Traffic Flow and New Business - Item D: Mid-East Workers. Mayor Jennings moved Old Business - Item A: Presentation - Washington Housing Incorporated Quarterly Report to Scheduled Public Appearances: Item A and Old Business - Item H: Accept - Site Selection Committee Recommendation to Scheduled Public Appearance: Item B and added Public Appearances: Item C -Presentation by Dee Congleton. Councilman Davis stated the Recreation Advisory appointment will need to be continued until next month. Mayor Jennings added the following under the XII. Mayor's items: A: Airport Advisory Board; B. Funds for brickwork around tree at end of Market Street and C: Mayor's Council for Neighborhood Beautification. Councilman Mercer added under Item VIII. Appointments C: Power Agency Representation

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

CONSENT AGENDA

- A. **Moved to IX. Old Business B: Adopt** – Budget Ordinance Amendment to unappropriate funds in the General Fund and appropriate them in E-911 Special Revenue Fund (\$10,756)
- B. **ADOPT – BUDGET ORDINANCE AMENDMENT IN THE GENERAL FUND TO UN-APPROPRIATE FUNDS SET ASIDE IN FY 09-10 BUDGET FOR THE PURCHASE OF LAND TO BUILD THE NEW POLICE STATION (\$100,000)**

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 10-10-4310-7100, Land, Police Department portion of the General Fund appropriations budget be decreased in the amount of \$100,000 to unappropriate the funds for the acquisition of land.

Section 2. That the Estimated Revenues in the General Fund be decreased in the amount of \$100,000 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

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 8th day of March, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

- C. **ADOPT – BUDGET ORDINANCE AMENDMENT FOR STORMWATER PERMIT REVIEW (\$2,000)**

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 Storm Water Fund be increased in the amount of \$2,000 in the account Permit Fee Revenue, account number 34-90-3571-5105.

Section 2. That account number 34-90-5712-0400, Professional Services —Permit Review, Nutrient Control portion of the Storm Water Management Fund appropriations budget be increased in the amount of \$2,000 to provide funds for engineers to review permits.

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 8th day of March, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

- D. **ADOPT – BUDGET ORDINANCE AMENDMENT FOR SENIOR PROGRAMS (\$1,500)**

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 General Fund be increased in the amount of \$1,500 in the account EDTAP- Seniors Grant, account number 10-40-3622-3300.

Section 2. That account number 10-40-6123.4515, EDTAP- Seniors Grant, Senior Programs portion of the General Fund appropriations budget, be increased in the amount of \$1,500 to provide funds for gas cards for volunteers.

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 8th day of March, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

By motion of Councilman Davis, seconded by Councilman Mercer, Council approved the amended Consent Agenda.

COMMENTS FROM THE PUBLIC

Donna Lay, President of Beaufort County Republican Women's Club made the following presentation to Council.

(begin presentation) I have been researching the problem with the high cost of electricity in Washington for about a year now; and have consulted with City Manager James Smith and Councilman Doug Mercer, whom we all know is trying to help with this problem and has been for a long time with not a lot of support as I see it. I was happy to see that Mike Voss of the WDN wrote an editorial about it Sunday. It was enlightening. This research is like treading through a minefield. It left me with questions about some of the information I thought I had down-pat.

Quite a number of tax-paying citizens are having to decide between buying their medications; buying food, or paying their light bill. I believe this situation to be disgraceful. For the most part, these citizens would rather suffer quietly than to ask for charity, a quality which I greatly admire, and an attitude which we all need to foster if we are to survive financially as a Nation.

The cost of electricity should be within the reach of all citizens. The city budget should **not** be balanced on the back of a commodity that every citizen has absolutely got to have regardless of their income. Would some council member please tell the people now how much money was transferred out of the electric fund into the general fund last year, and how much you intend to take out of it this year? Is it not a fact that you plan to raise rates to cover the city budget this year, the same way you've always done.

In my opinion, the council needs to cut back on un-necessary spending and give the electric funds a break! Personally, I would rather pay more taxes on items that I **can do without** than have my rates raised on a commodity that I **cannot** do without!

And while we're on the subject regarding the cost of our citizens living in town, why is that the town of Tarboro which has 10,000 people to our 9,900, and who has practically the same amenities we have, have a 38% tax base while ours is 60%? And why do they serve the needs of their people with 111 fewer city employees than Washington has? And **do not** read into that question that Donna Lay wants anyone's job eliminated in this economy. I don't. It's just a question, considering the tax base difference between the two cities.

We now receive our electricity from 2 nuclear power plants, which are cheaper to operate, and 2 coal powered plants, which are more expensive to operate. A contract was signed back in 1970 (**I'd like to know who actually signed that contract**). It requires us to **buy 100% of our electric power from NCEMPA** (North Carolina Eastern Municipal Power Agency). This would, and *is*, virtually eliminating our ability to counteract the high price of NCEMPA's costs by using competition to lower the electric rate, which is the American way. This is because NCEMPA has that contract, signed, I believe, by the city council and the Mayor in 1970, binding us to them until such time as the costs for these bonds are paid out!

That contract locks us into paying 2 million dollars plus a month total, for our electricity to come from the 14,000 citizens, and going to NCEMPA until the year 2028, at which time the bond issue will be paid off. I understand that **40 cent** of every dollar we pay for that electricity goes to pay the debt service, or in other words, the interest on the loan. It was mentioned in the WDN Sunday that 70% of the wholesale electric bill paid by us in Washington goes to payoff this debt. We the people would like to know just how long this payout has been going on at this rate, and exactly how much money we will be losing if we pullout now.

That two million plus from the 14,000 citizens, approximately 10,900 residential households, on the power grid in Washington breaks down to about \$150.00 on the average a month for every **household now. God only knows what that will be this summer if we use our air conditioners!** In addition to that, at this time we are 1 million dollars in arrears (Doug Mercer can explain that). This is the total bill. Out of this we are paying **more than 21 million dollars a year debt service or interest** on the bonds that were sold so NCEMPA could build a nuclear power plant.

We will be paying out **21 million plus, interest** per year, until 2028, at which time we will own 5% of the total energy generated from **some** power plant **somewhere** that **may** reduce our cost out of pocket by 30%. The question in my mind is how much will we have paid for that privilege by that time, and was it worth it? Apparently not by me, I'll be over eighty years old! *(Councilman Mercer stated the power agencies own 16% of that facility and we own 5% of the 16%).*

I was not able to find out what the original bonds sold for because I'm told it involved at least two entities and it just can't be determined exactly how much the original debt was. I did find out that Washington still owes 143 million 845 thousand dollars on that principle amount, and as stated before, we pay 21 million a year interest on the loan. The total for all 32 towns was originally somewhere in the trillion dollar range. I was told today that we own 5.8% of some power co. now from which we receive a million dollars profit back to this town of which **all goes to the general fund**, not back into the electric fund that would save us money! This boggles my mind!

At this time the wholesale cost, I was told, for our electricity is 9.7%. The markup rate on that is 13.2%. This information varies as to whom I ask the question. This brings me back to another point: Old electric wires and transformers cost us approx. 16% on our bill. They lose about that much due to the wires and transformers being so old. In other words, we lose that much energy before the electricity even gets to our homes. I am told we do not have enough money right now to make a dent in that problem. Perhaps if we cut spending on unnecessary projects and subsidies we could actually find the money to do that. Obviously, fixing this problem would save us 16% right away! Plus, if we could reduce that two Million Plus to NCEMPA every month, we would have enough money to fix that problem which really comes under the heading of replacing the old wires and transformers which has **got** to be done anyway!

Now on to what we can do about this. Since we have refinanced this loan twice already, we're not allowed to do it again! That is NCEMPA's rules and only tends to drag the problem out anyway.

I would like to see a study done by NCEMPA, **at their expense**; a study that would help us make a decision about what we should do about this problem. There is another route I believe should be considered, that of going back to generating our own power. That would put people in our town back to work and we would not be in the death grip of an entity that we cannot control! There is a lot of money going to NCEMPA. If you add the monies being sent to them by the other 31 towns in the east, the amount becomes astronomical!

The Mayor of Elizabeth City had an interesting take on it. He said: "drop out and let NCEMPA sue us". I'm not proposing we do that, but it's a start on the conversation and says something about how frustrated we all are!

I would like to propose a question: How many of the town of Washington's citizens, of whom about 10% is out of work, and a great deal of them on the minimum rate pay scale, think that the executive director with this entity is worth \$535,000 a year, plus incentive pay? Why should he be living in the lap of luxury while we suffer?

I would like to see competition for NCEMPA. VEPCO could give us that, but because we're tied to this bond issue by a contract that requires us to buy 100% of our power

from NCEMPA that seems to be remote until this bond issue is resolved. Or until such a time as the citizens of Washington get sick of the problem and demand NCEMPA and the current city council understand that we the people are no longer going to tolerate it! I believe a Mr. Graham Edwards, who is the new chairman of the eastern power agents, representing NCEMPA, was here about a month ago and that he plans on coming back on March 10th. Will the public have access to **him** to ask our questions? Since we are paying the bills, I would think that would be a no-brainer!

The other question is: What are **you** the city council going to do about this problem? At this point, we the people want answers, not platitudes.

I'd like to thank the council and the press for listening. I'll see you back here at the next meeting, and so forth, until this problem is resolved to the satisfaction of the tax-payers of Beaufort County. **(end presentation)**

Mayor Jennings reminded Ms. Lay of the Town Hall meeting at the Civic Center to discuss electric rates and other electric issues on April 26th.

PRESENTATION – WASHINGTON HOUSING INCORPORATED QUARTERLY REPORT

Gina Amaxopulos, Washington Housing Inc. updated Council on the Capacity Building Grant. The anticipated close out of this grant is November 2010. This was a \$75,000 grant for the purpose of administration and planning. Washington Housing Inc. had a budget of \$67,500 for the planning and has to date drawn down \$31,387.24. Some things that have been done to move forward with the development project are: attending and graduating from the Community Development Academy at Chapel Hill; we have to date worked with over 400 families with homeownership counseling. 15 families are in homes and 30 families are enrolled in the IDA program. Ms. Amaxopulos thanked Bianca Gentile for writing the Housing Development grant and it is anticipated this grant will be funded.

Brief recess – reconvened at 6:00pm

PUBLIC HEARING – CLOSE OUT OF THE FY07 CDBG GRANT (COMMUNITY REVITALIZATION)

Mayor Jennings opened the public hearing. Chris Hilbert, Holland Consulting Planners updated Council on the progress of the grant. The public hearing is part of the process of closing out the grant and approximately 95% of the funds have been drawn down from the state. The project areas are on 7th Street between Market and Respass Street. The 4" water lines were replaced with 8" water lines, sewer lines were replaced and the street was repaved. The second project area was on 6th Street between Bridge and Water Street. This project had 2" water lines and were replaced with 8" water lines as well as replacing sewer lines and repaving the street in that area. Four dwellings were acquired and demolished. Two owners were relocated and one tenant was relocated. In total seven houses will be demolished. The grant will not be fully closed out at the state level until this time next year. Mr. Hilbert stated there were no written formal citizen complaints for this program. The average total rehabilitation cost is approximately \$45,000 due to lead base paint and the need for a certified lead abatement contractor.

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

ACCEPT – SITE SELECTION COMMITTEE RECOMMENDATION

Mark Recko, Washington Housing Authority stated he was one of the citizens serving on the Police Department Site Selection Committee. Mr. Recko thanked Bianca Gentile, John Rodman and Mick Reed for their assistance with this committee.

Mr. Recko reviewed the preferred sites selected for the Washington Police Department, in partnership with the City's Planning and Community Development department, walked through a facilitated, citizen-driven site selection review process per the location of the new police facility. The original Citizen-led Site Selection Committee's recommendation was included in the December, 2009 council packet for review. No action was taken on those recommendations, as 2 out of 3 sites were located within the 100 year flood zone, a deal breaker for the USDA loan.

At the January “Committee of the Whole” meeting council requested that the Committee reexamine the site review process. Additionally, the site list was expanded to include council’s recommendations. On February 23, 2010 a group of citizens met at City Hall. The site selection committee was presented with a list of 23 potential locations. Controlling for minimum lot size (2.5 acres) and presence in the 100 year flood zone, the list was reduced to 7 sites. Staff represented “ffip chart flash cards” of each site highlighting the following site objective elements:

- Location
- Size
- Flood Zone
- Tax Value
- Owner

In order to ensure qualitative data was discussed for each site, committee members walked through a facilitated pro et contra, or ‘pros and cons’ discussion of each of the 7 sites. Ultimately, the sites were separated into 3 categories: Preferred, possible, and declined sites.

The preferred sites include:

Site recommendations	Preferred Potential	Declined
Existing ball fields	Former Nursing home	Current police facility
BCDC	Former Pecheles Toyota Site	
Herbert S. Perry		
Warren Airfield		

Preferred Sites Vitals and Pros/Cons

Site name	Pros	Cons
Site 2: Existing Ball Fields Location: West 31 Street Owner: City Flood Zone: 500 yr Size: 4.34 acres	No buildings on site, close proximity to Central Business District (CBD), City owned, no buildings, savings potential for fiber outlay	Takes away recreational space, site is currently used as a sewer reclamation area, close to sewer treatment plant
Site 9: Herbert Perry Senior Location: John Small/Hodges Owner: Herbert Perry Sr. Size: 4.10 acres Tax Value: \$50,000 Flood Zone: No	Not in flood zone, located in a visible area	Traffic is heavy, state road (city has no control over speed), single ingress/egress, close to school
Site 18: BCDC Location 1534 West 5th Street Owner: BCDC, Inc Size: 3.84 acres Tax Value: \$868,611 Flood zone: 500 year	Potential for building reuse, high visibility, close to CBD, accessible, serves community	Hwy 17 by-pass may cause congestion problems, traffic, price
Site 21: Warren Airfield Location: N. Market/Airport Owner: City Size: 5.00 acres Flood zone: no	Access is good, located in future growth area, city owns it, potential for expansion	Away from CBD, 15th and Market is a busy intersection

PRESENTATION BY DEE CONGLETON

Ms. Dee Congleton updated Council on the progress being made at the end of Market Street beside the Chamber of Commerce. Ms. Congleton stated about three weeks ago the tree was removed, clearing the view to the river. Over the years, this tree had outgrown its location and the roots had caused damage to the bricks and walkway. The Historic Preservation Commission approved the tree being removed. The

Washington Area Historic Foundation will be replacing the tree in the drainage swale behind the Chamber. The replacement tree will be a Green Giant Arborvitae, the tree will have room to grow and expand and could be decorated for the Christmas holiday ceremonies. Ross Boyer, Pamlico Turf & Landscaping will remove the tree trunk and roots, remove old brick, level and replace the brickwork at the current location for \$3800. The Washington Area Historic Foundation has purchased a bench to be placed at this area. Mary Rudbeck of the Washington Garden Club stated they will purchase rose bushes and liriopie to be planted in this area. City staff as well as members of the Garden Club and WAHF pruned the crepe myrtles in this area.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council agreed to fund the repair of the brickwork at a cost of \$3800.

MAYOR'S COUNCIL FOR NEIGHBORHOOD BEAUTIFICATION

Mayor Jennings stated he would like to have Council's blessing to form the Mayor's Council for Neighborhood Beautification project. This would give everyone (Washington Garden Club, Washington Area Historic Foundation, etc.) a chance to work together throughout the year to beautify the City. Council could empower this group to manage this project. Then at Christmas this group could come together and work with City staff to decorate the City.

MID-EAST WORKERS

Councilman Mercer stated the Mid-East Commission received a substantial grant to supply workers to organizations at no charge. The Mid-East Commission will pay their salaries. This could be a great opportunity to have the downtown area cleaned up and benches and rails repaired and painted. Mr. Smith stated we are currently working with Mid-East with this program and have request in for additional employees. The employee can work up to forty hours a week for sixteen weeks for \$8.50 per hour. Susan Hodges, Human Resources Director stated we have six requests in for employees now. She further stated Mid-East is currently working on implementing a summer employment program as well.

DISCUSSION - STATUS OF CURRENT GRANTS

Bianca Gentile, Grants Coordinator reviewed the status of current grants including submittals, approvals and potential projects.

Application awards:

- USDA Loan/Grant application approved for construction of police facility. Offer good through 8-31-10 (loan: \$4,064,000 and grant: \$100,000). Department: Police Department.

- 2009 Fire Act Grant: Project tentatively awarded (awaiting award letter). Funds will assist with replacing 22 complete sets of turn-out gear. Total project: \$50,930, cities match: \$2,546. Department: Fire. Ms. Gentile noted the Fire Department received notification of the award of this grant.

Application Notifications:

- Urgent Repairs Program to NC Housing Finance Agency: proposed to use funds to make home repairs for seniors and low to moderate families. Project was not funded, highly competitive grant environment. Department: Planning and Development.

- CDBG Housing Development application: Project would allow Washington Housing Authority to purchase 14 lots to construct low to moderate income family homes while offering first time homebuyer education and credit counseling services. Total request: \$250,000 (no local match). Grant notification forthcoming.

Application Submittals:

- Historic Preservation Grant submitted to NC State Historic Preservation Office. This project proposes to use funds to develop a renovation plan and conduct a structural analysis for Old City Hall. Total Project: \$10,000/local match: \$4,000. Department: Planning and Community Development. Application pending.

- NC Governors Crime Commission/Criminal Justice Improvements: Project renewal submitted 1-20-10. Funds will be used to continue with Project Next Step an additional two years. Total project: \$69,370/city match: \$17,342. Department: Police. Application pending.

- National Telecommunications and Information Administration (NTIA) is disbursing \$7.2 billion in American Recovery and Reinvestment Act for broadband projects. Brown library was asked to partner on a state application with the NC Library System. The state system is proposing to use funds to assist job seekers, deploy broadband, and increase access to computers/internet. There is no city match required as The Bill and Melinda Gates Foundation will match the state's application. Application is due: 3-15-10 (second and final round of funding). Potential impact on City's library: \$30,086. Department: Library. Application pending.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council approved the submittal of the Library grant to assist job seekers, deploy broadband, and increase access to computers/internet. There is no match required on the City's behalf.

Potential projects:

- NC State Energy Office Student intern: Local government offers internship program for students studying public administration or public policy. Internship will focus on planning and/or implementing energy efficiency and/or renewable energy program and policies directed at the local government or broader community. Two semester long internships, total request: \$30,000/City Match is staff time only/oversight (cost YTBD)

By motion of Councilman Moultrie, seconded by Councilman Pitt, Council authorized the seeking of a grant for two interns of which will be using the Duke model on minimum housing for their work plan.

- Recovery Zone Economic Development Bonds: An ARRA Build American Bond subset. Bonds can be used for private or public use to finance nearly any capital expenditures that promotes economic development or economic activity in the recovery zone. Potential municipal use: public infrastructure (roads, water, sewer, storm water), industrial and small business development, public buildings. Step one: Designate area as a recovery zone. Ms. Gentile noted this item is listed later on tonight's agenda.

- Main Street Energy Fund: The State Energy Office is set to release a Request for Proposals in near future. Program is designed to assist NC Main Street municipalities with energy upgrades in the central business district. Up to \$250,000 available for interested small business owners and municipalities. Currently, running an ad on the Public Access Channel to inform citizens of potential funding availability and will request Technical Assistance (no cost to the City) for proposal development.

Ms. Gentile noted the Inner Banks Arts Studio, Civic Center and Estuarium are interested in applying for these funds. Ms. Gentile also noted the property owner would match the funding by 50%. She is requesting permission to supply technical assistance with the RFP. The only match required would be if the Civic Center was awarded the grant as it is a City owned building. Councilman Mercer noted Council needs to be fully cognizant of the potential matches for the potential grants.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council authorized Ms. Gentile to provide technical assistance with the RFP for this grant project.

- Compact Fluorescent Light bulb (CFL) Drive: Using Electricities annual donation in conjunction with the municipality's marketing dollars we could host a CFL recycling drive where utility customers trade old light bulbs in for the more energy efficient CFLs. Martin County Community Action Agency and Electricities may be able to donate promotional and educational materials. May be able to bring the CFL drive on the road to the April 26th "town hall" meeting. Keith Hardt, Electric Utilities Director stated he could contribute \$1000 from his budget. Ms. Gentile noted some marketing funds could be

used to purchase the CFLs at a discounted rate. We could limit the number of exchanges per citizen. Council suggested Ms. Gentile to determine how many CFLs could be purchase for \$5,000.

Allen Lewis, Public Works Director reviewed the grants for the extension of 16" water lines from the Industrial Park to Beaufort County water tower to serve Flanders Filters. The City was awarded a CDBG grant in the amount of \$336,600 with no match required as well as a Rural Center grant in the amount of \$383,436 with a match of \$17,054. The grants will close out at the end of the month and at the April 12th meeting action will be taken to formally close out the grants.

Mr. Lewis explained he had just received notification prior to tonight's meeting, that the City had been awarded the grant for the roll out carts. A council action item will be on the April 12th agenda to accept the agreement.

Mayor Pro tem Roberson suggested that for projects that aren't funded, we need to find out from that agency as to why we aren't funded.

Council discussed various grant opportunities, such as the Gold Leaf Foundation. Mayor Pro tem Roberson stated he would discuss these possibilities with Ms. Gentile.

AUTHORIZE – CONGRESSIONAL LETTER OF SUPPORT BY MAYOR JENNINGS

Mayor Jennings reviewed the letter requesting Congressional support on behalf of a proposal submitted to NC Dept. of Crime Control and Public Safety to the Department of Homeland Security's competitive grant opportunity entitled "FY 2010 Emergency Operations Center Grant Application" the \$457,000 request will be used to construct an Emergency Operations Center within the new municipal police facility.

By motion of Councilman Davis, seconded by Councilman Pitt, Council authorized the Mayor to send a letter requesting a Congressional Letter of Support for the FY 2010 Emergency Operations Center Grant Application

HUMAN RELATIONS COUNCIL (HRC) REPORT

Brotherhood/Sisterhood Month & 'Taste of Washington'

Event was held on Thursday, February 25, 2010 from 6 — 8 pm. Participation from the following establishments:

Mazatlan
Nana's & Papa's Diner
Moore's Sweets
Catering by Cake
Wal-Mart
Foodlion

Council members in attendance were Councilman Pitt and Councilman Moultrie. County Commissioner Ed Booth attended along with City Manager, James Smith. There was great participation from residents, law enforcement officials and past Council member Richard Brooks. This event created an environment where the citizens of Washington could speak with our community leaders. Much enthusiasm was generated from HRC board members when observing the participation and intermingling with the community that they planned to host it next year if possible.

Proclamation- Ed (Edward) Peed Day

Edward Peed was the first known fire fighter to die in the line of duty in North Carolina. The celebration was held on Saturday, February 20, 2010 at Fire Station #1. Members of City Council included Mayor Jennings, Councilman Pitt and Councilman Mercer. James C. Smith, City Manager attended as well.

JANUARY-FEBRUARY TOURISM DEVELOPMENT REPORT

TDA BOARD

* The TDA adopted a resolution to protect the room occupancy tax. Federal legislation is being proposed exempting online travel companies from paying occupancy taxes. This could be detrimental to local governments and tourism entities who benefit from the tax.

* The TDA awarded a grant to the Beaufort County Arts Council to assist in the marketing and promotion of the upcoming Beaufort County Music Festival, April 9-11.

MEETINGS

* Tourism Development Director (TDD) participated in the Northeast Region State of the Region annual meeting in February. Department of Cultural Resources Secretary Linda Carlisle spoke about the important role of heritage tourism and the arts to the region.

* TDD attended a meeting to discuss joint marketing efforts for communities along Highway 17. This discussion is not new, but new ideas are slowly taking shape. An event is being coordinated for May that is in honor of Highway 17 being named the military highway.

MARKETING

* Three new billboards encouraging travelers to continue on Business 17 will be in place prior to the opening of the bypass in March. Two will be prior to the "decision point" south of Chocowinity and one will be north of the "decision point" north of Washington.

* Met with Eye Integrated to discuss ad campaign for FY10-11. We plan to introduce some new ideas to breathe new life into our existing marketing efforts.

*A print ad is presently running in Our State magazine.

*Met with Catherine Glover, Joey Toler, Beth Byrd, and Scotty Henley to discuss ways to work more cohesively and possible cross promotion for upcoming events and activities.

*Search engine optimization and newsletter template are almost complete. This will end the work being done by Synergy Point for the website that was launched in November.

*I attended a mini-tourism summit held in Greenville, hosted by the Eastern Region. This was a great opportunity to learn about trail promotion, agri-tourism and sustainable tourism in the area.

MISCELLANEOUS

*A 10K race is scheduled for May 8 that will utilize portions of Business 17 and the Pamlico Tar River Bridge. This project has been a joint effort between local agencies and NCDOT. This will be an annual event hosted by the WTDA. By offering a certified course, the event is anticipated to grow each year by attracting serious competitors as well as locals.

*As the president elect for the North Carolina Travel Industry Association, I have been involved with the planning for the upcoming annual meeting in conjunction with the Destination Marketing Association of North Carolina. I am responsible for utilizing the valuable resources available at ECU as presenters for the conference.

* Contact has been made with departments at East Carolina University to help with interior improvements and upgrades for the Civic Center. As wallpaper and other finishes need to be replaced after 20+ years of wear, ECU students will help to develop interior design options that can be followed as the budget allows for improvements to be made.

DOWNTOWN WASHINGTON ON THE WATERFRONT (DWOW) REPORT

Downtown Merchants/Restaurateurs

Chief Mick Reed met with the downtown merchants at the February 9, 2010 Merchant Meeting.

The parking situation downtown was discussed. Some merchants feel that the 2 hour parking restriction does not allow enough time for consumers to stay downtown to eat and shop. Different scenarios were discussed that might possibly fix that situation. The merchants fully endorsed the idea that DWOW go before Council to inquire into the possibility of changing the 2 hour restriction to 3 hour. The DWOW board did not meet during the month of February but Beth Byrd will seek the Board's approval to move forward with this project at the March 17 Board Meeting.

Music in the Streets

After seeking feedback from a broad range of the community it was decided to proceed with the season of Music in the Streets. Committees are being formed and logistics are being reconstructed.

DWOW Design Committee

Spring Cleanup Day is planned for Sat. March 27. Rain date Sun. March 28. This is a day when the Washington Garden Club, the Washington Historic Foundation, DWOW and other volunteers come out to spruce up our Downtown from the river to Main and Market Streets.

Movies in the Park

Details have not been formalized but DWOW is trying to work out the feasibility of bringing "Movies in the Park" Series to downtown Washington. The movies would be free to the public and would encourage the community to come downtown, perhaps purchase or bring a picnic dinner and relax and enjoy a movie. We would hope to present 6 or 7 movies throughout the series. More details will follow.

APPOINTMENT – TO THE ECONOMIC DEVELOPMENT COMMISSION TO FILL THE EXPIRED TERM OF LENTZ STOWE, WITH A TERM TO EXPIRE DECEMBER 30, 2012

By motion of Councilman Mercer, seconded by Councilman Davis, Council appointed Lentz Stowe to the Economic Development Commission with a term to expire December 30, 2012.

APPOINTMENT – AN EX-OFFICIO MEMBER ON THE CHAMBER OF COMMERCE BOARD

Mayor Jennings stated he was prepared to fill this position. By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council appointed Mayor Jennings as an ex-officio member to the Chamber of Commerce Board.

By motion of Councilman Moultrie, seconded by Councilman Pitt, Council appointed Mayor Pro tem Roberson as the alternate ex-officio member to the Chamber of Commerce Board.

POWER AGENCY REPRESENTATION

Councilman Mercer discussed the City's representative for the power agency. There is a great deal of discussion at this time regarding the activity of the eastern power agency and the makeup of its board. He asked if Council would prefer to have an elected official in this position instead of a staff member. Mayor Jennings stated Keith Hardt, Electric Director is the member, while Councilman Mercer and the City Manager are alternates. Jim Smith, City Manager noted that only the member can speak at the meeting. He stated Mr. Hardt brings a great deal of value to the board. Councilman Pitt reiterated that sentiment. Mayor Pro tem Roberson suggested Mr. Hardt bring a one page summary regarding this item to the April 12th meeting.

Council convened for a short recess and reconvened at 7:30pm

REPORT –NORTHGATE SUBDIVISION

John Rodman, Planning Director presented a history of the Northgate Subdivision. In 2002 and as a result of Hurricane Floyd, the City of Washington, in conjunction with Northgate Development, LLC (Northgate), was awarded a grant in the amount of \$1,620,000 under the Crisis Housing Assistance Program from the North Carolina

Department of Crime Control and Public Safety through the North Carolina Redevelopment Center. The grant funds were used to construct infrastructure improvements consisting of water, sewer, streets and drainage improvements to vacant lots through Northgate Subdivision. Of the 162 projected lots, the developer originally was required by the grant to convey 81 lots with homes constructed thereon to Hurricane Floyd victims. The requirements of the grant have been modified over time by the granting agency to require, among other things, conveyances to low to moderate income (LMI) persons, instead of Hurricane Floyd victims, as the benchmark for grant compliance.

Furthermore, the number of lots required to be sold to LMI has been decreased by the granting agency from 81 to 32 lots. To date, 18 lots have been confirmed as qualifying conveyances to LMI, leaving 14 additional sales to LMI being required. The build out date for the Northgate project and the expiration date for the grant originally was October of 2007. The granting agency granted a first extension of that deadline to December 31, 2009. In November of 2009, the City and Jason Briley, Manager of Northgate, requested, among other things, a second extension of the project. The State has granted a second extension of the project to December 31, 2010, contingent upon the City and Northgate reaching an acceptable agreement regarding compliance with the grant and a source for recapture of grant funds if the grant requirements are not met. A \$250,000 Letter of Credit from Northgate had been established as a source for recapture of grant funds (measured at \$10,000/lot) to cover any lots that were not sold to LMI up to the number of 32 (there were 7 qualifying conveyances at that time). However, that Letter of Credit expired on March 1, 2010. As part of the agreement for the second extension of the project, a new \$140,000 Letter of Credit is required in order to provide a source for the recapture of \$10,000 for every lot that is not sold to LMI, up to 32.

We are asking the City Council to consider accepting/ratifying the Letter of Credit from Northgate and authorizing the City Attorney or the City Manager to effectuate the City's authority thereunder in accordance with its terms at the appropriate time if it becomes necessary.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council accepted and ratified the Letter of Credit from Northgate and authorized the City Attorney or City Manager to effectuate the City's authority there under in accordance with its terms at the appropriate time if it becomes necessary.

Council also instructed Mr. Rodman to send a letter to Mr. Jason Briley regarding the status of installation of sidewalks at the subdivision.

ADOPT – RESOLUTION DESIGNATING THE CITY OF WASHINGTON AND ITS EXTRATERRITORIAL JURISDICTION A 'RECOVERY ZONE'

Bianca Gentile reviewed background information on Recovery Zones. In February, 2009 in an attempt to address the worsening of the national economy, the United States Congress passed the American Recovery and Reinvestment Act of 2009 (ARRA). ARRA created new tax credit bonding vehicles and broadened considerably the types of projects which may be financed by Economic Development Corporations (EDC) bonds both of which are designed to spur economic development throughout a "recovery zone" .

One of these new bonds is called the Recovery Zone Economic Development Bond. These bonds are for public project to be built within a 'Recovery Zone', which is defined as an area designated by the local government entity has having significant poverty, unemployment, and general distress. Interest generated by these public bonds is taxable. Any public entity issuing bonds under this program will be given an advanced tax credit equal to 45% of the interest earned on the bonds. This amount is paid annually to the government bond issuer. As a point of comparison, traditional tax-free government bonds typically save government issuer about 35% of the interest costs on the bond.

Government entities who wish to participate in either the Recovery Zone Economic Development Bonds must designate a 'Recovery Zone' for the program.

'Recovery Zones' are defined as areas experiencing high unemployment, high poverty and general community distress. Given the poor economy, the entire geographic area of the City of Washington, including its extra-territorial jurisdiction, is eligible to be designated as a 'Recovery Zone'. Current figures from the U.S. Bureau of Labor indicate that the County's unemployment rate of 11.9% is nearly a whole percent higher than the state average. Moreover, in 2008 the City of Washington's individual poverty rate was 36.8%, while the state average was 39.6% lower or 14.6%.

Approval of the proposed Resolution designating the entire City and its ETJ as a 'Recovery Zone' will permit the bond program to be further explored in the name of increased economic development and public facilities financing in the City of Washington.

A motion was made by Councilman Davis and seconded by Councilman Pitt to adopt a resolution that designates the City of Washington and its extra-territorial jurisdiction as a "recovery zone". Councilman Mercer voiced concern over issuing general obligations bonds without the vote of the people. Mayor Pro tem Roberson voiced concern over this issue as well. Mayor Jennings stated the designation opens the door to a lot of different strategies, but does not commit anything.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council continued this item until April 12th. Councilman Davis voted against continuing this item.

ADOPT – RESOLUTION FIXING DATE FOR PUBLIC HEARING ON THE NON-CONTIGUOUS SATELLITE ANNEXATION OF LJ'S BODY SHOP INC.

John Rodman, Planning Director stated that as of this date the City does not have a written annexation policy. This is something the Planning Board will be working on. We have an understanding that if someone requests City services then we ask that person to submit a petition for annexation. This property is approximately 2.9 acres outside of our ETJ. We have reviewed the cost benefit for annexing this property. We are not allowed to exercise our land use control outside of our ETJ even if it is annexed. It is not required to accept the annexation request. It is staff's recommendation that we do not exercise the annexation petition at this time. Mr. Smith noted another alternative similar to the agreement with Whichard's Beach. This would allow the City to "call" the owner and the annexation would be effective at such time. The sewer and water would be sold at double the rates for outside rates.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council instructed the City Manager to draft an agreement with this property owner similar to the one with Whichard's Beach regarding voluntary annexation.

APPROVE AND AUTHORIZE – DIRECTOR OF PARKS AND RECREATION TO EXECUTE WATERFRONT DOCKING AGREEMENT WITH THE LITTLE WASHINGTON SAILING CLUB

Philip Mobley, Parks and Recreation Director stated on January 19, 2010, City Council approved the proposal from The Little Washington Sailing Club (LWSC) to use a Free Dock to attach their floating dock for their program for the 2010 Season. However, during the presentation, LWSC failed to mention the desire to also dock (2) chase boats on the outside of the floating dock for their program. This is the Docking Agreement for the 2010 Season and includes the addition of the (2) chase boats. The Washington Recreation Advisory Committee has reviewed and approved the changes in the proposal and this proposed Waterfront Docking Agreement for The Little Washington Sailing Club.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved and authorized the Director of Parks and Recreation or his designee to execute the Waterfront Docking Agreement with the Little Washington Sailing Club, subject to the necessary corrections to be made by the City Attorney.

APPROVE AND AUTHORIZE – DIRECTOR OF PARKS AND RECREATION TO EXECUTE WATERFRONT DOCKING AGREEMENT WITH PAMLICO MARINE SERVICES LLC (SEA/TOW)

Philip Mobley, Director of Parks and Recreation stated staff and the City Attorney have been working with Pamlico Marine Services LLC to update the Waterfront Docking Agreement for Pamlico Marine Services LLC. The Washington Recreation Advisory Committee has reviewed and approved this proposed updated Waterfront Docking Agreement for Pamlico Marine Services LLC.

By motion of Councilman Davis, seconded by Councilman Pitt, Council approved and authorized the Director of Parks and Recreation or his designee to execute the Waterfront Docking Agreement with Pamlico Marine Services, LLC and further authorize the Director of Parks and Recreation or his designee to negotiate, enter and execute future Waterfront Docking Agreements with Pamlico Marine Services, LLC so long as such future Agreements are substantially similar to the Agreement approved hereby and Council receives an annual report concerning the relationship with Pamlico Marine Services, LLC, including a notice regarding the intention to enter and term for such future Agreements.

ACCEPT – SEWER ASSESSMENT REVIEW COMMITTEE RECOMMENDATIONS

Councilman Mercer stated the committee has met and reviewed this issue regarding Runyon Hills, Slatestone Hills, Macswoods sewer assessments. The Sewer Assessment Review Committee recommends the City write-off assessments that are outstanding for more than ten years and assessments for property that was sold without a lien perfected.

The recap and detail of Runyon Hills, Macswood, and Slatestone Hills assessments is below:

In summary:

\$ 5,702 Current and making payments
38,955 Write off
3,630 Delinquent, foreclose < 10 years
48,287 Total

1. Property owner (1) had two properties held in abeyance that were sold and Committee is recommending writing off. Property owner also had two properties that assessments were paid in March of 1999.
2. Property owner (2) had an assessment held in abeyance and is not making payments. A lien is attached. Owner also has a property that was not held in abeyance, lien attached, with the full balance due and Committee is recommending writing off.

Matt Rauschenbach informed the Committee that the City has no recourse under our fidelity bond insurance for the former City tax collector. The insurance does not cover errors and omissions and there is no covered cause of loss (fraudulent activity, theft, etc.). Failure to follow sound business practices in performing a job is not an insurable event.

There is no immediate financial statement impact of writing off \$38,955 that the Committee is recommending because receivables are 100% reserved until payments are made and revenue is recognized at that time. However, there is a lost opportunity for future revenue to offset the capital expenditure of this project that the Sewer fund has already paid for.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council accepted the recommendation of the Sewer Assessment Committee and will write off \$38,955 for the accounts that the statute of limitations have expired as of October 2009. The four remaining properties that had liens properly placed on them will be assessed annually.

Mr. Smith asked if this would be the policy for any future cases that may arise. Councilman Mercer requested that other such cases be discussed on a case by case

basis. Mayor Pro tem Roberson requested the memo from the City Attorney regarding sewer assessments be attached to the minutes.

Memo from City Attorney

MEMORANDUM

To: Mayor and City Council

cc: James C. Smith, Jr., City Manager; Matt Rauschenbach, Chief Finance Officer

From: Franz Holscher, City Attorney

Re: Collection of Outstanding Sewer Assessments in Macswoods, Runyon Hills, and Slatestone Hills

Date: March 2, 2010

It appears that the outstanding sewer assessments for Macswoods, Runyon Hills and Slatestone Hills may fall into three categories. First, owners who were assessed, did not request an abeyance, and have not paid their assessments. Based upon Council's March 8, 1999 minutes, it appears the first installment payment for said assessments was due on October 1, 1999. If so, the applicable statute of limitations (10 years – begins to run on the date the assessment or earliest installment thereof becomes due) would be an affirmative and complete defense to a lawsuit brought in an effort to collect any such past due assessments. As a result of this defense, I would recommend that the City consider not pursuing the collection of these particular assessments any further.

Second, owners who were assessed, requested as well as received an abeyance, have not paid the assessment and continue to own the property assessed. Based upon Council's minutes and the governing statute, if an abeyance was requested and granted, the abeyance was for 10 years. It follows that, if the first installment payment was due on October 1, 1999, then it presumably was held in abeyance until October 1, 2009; at which time, it would have been a valid assessment, unaffected by the statute of limitations. In this instance, the City would have 10 years from October 1, 2009 to bring lawsuits to collect these particular assessments. It would be advisable to record liens against the properties included in this scenario if it has not already been done. Notwithstanding the above, I would suggest that collection of such assessments under these circumstances should be a policy decision given, among other things, the similarities of this scenario with the other scenarios and my recommendations in the other scenarios.

Third, original owners who were assessed, requested as well as received an abeyance, have not paid the assessment, but no longer own the property assessed. I do not believe the City has a viable claim or lien against subsequent purchasers of such properties unless someone can provide me with documentation of enforceable liens or valid, legal notices of these assessments. As for the original owners, for the reasons discussed in the second scenario, the assessment debts would continue to exist unaffected by the applicable statute of limitations, but would not be secured by a lien. If the City brought lawsuits in an effort to collect these particular assessments, the original owners would likely have a number of strong defenses, including but not limited to laches, estoppel, failure to follow legal process (unless a lien or other valid, legal notice was properly recorded), illegality, etc. As a result of these defenses, I would recommend the City consider not pursuing the collection of these particular assessments any further. However, as with the second scenario, I would suggest that collection of such assessments under these circumstances ultimately should be a policy decision.

Finally, I have been asked to consider whether the City would have any recourse under the former City Tax Collector's bond. By copy of this correspondence to Matt, I request a copy of any documentation, including actual bond, or other information, that might be pertinent to this inquiry.(end memo)

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

Mr. Smith noted in his background information that 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 9th 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 Mercer noted this item has been discussed numerous times and is ready to be approved.

By motion of Councilman Mercer, seconded by Councilman Davis, Council authorized the Mayor to enter into the proposed agreement with Beaufort County Board of Education for the joint use of Kugler Field.

AUTHORIZE – MAYOR TO ENTER INTO JOINT USE AGREEMENT WITH JOHN COTTEN TAYLOE

Mr. Smith noted in his background information that the City relocated the Junior Babe Ruth League field from West 2nd Street to John Cotten Tayloe School about 25 years ago, because the Electric Department needed that area for a sub-station. The City, then, developed another (softball) field with assistance from the girls softball league. In 2000, when the Sports Complex was built, all youth baseball and softball programs moved to the Complex, but the "old" fields, including the John Cotten Tayloe fields, remained practice fields for youth sports including softball, football, and soccer. The John Cotten Tayloe fields also remain the home of the adult women's softball league. City Staff supports the Joint Use Agreement with Beaufort County Schools for John Cotten Tayloe softball fields because of the need for practice fields for youth sports and playing fields for adult women's softball.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council authorized the Mayor to enter into the proposed agreement with Beaufort County Board of Education for the joint use of John Cotton Tayloe Softball Fields.

911 OPERATIONS

Councilman Mercer stated that on numerous occasions we have discussed the County taking over the answering of 911 calls and feels it is time we finalize the agreement with the County, with the City retaining dispatch capacity. The City would purchase one additional console to be placed in the County Communications Center at an approximate cost of \$50,000 and pay the salary of an additional telecommunicator at a salary of approximately \$40,000. Once the transfer is made the County would then receive the 911 surcharge funds. Councilman Mercer made the motion to authorize the County to take over the answering of 911 calls for the City subject to the outlined conditions. The motion was seconded by Mayor Pro tem Roberson. Mr. Smith stated a significant budget appropriation should be made before this could take place. Discussion regarding 911 surcharge funds. Chief Mick Reed stated this will delay the process of dispatching emergency services when the County accepts the 911 call and then transfers the call to the City. The City will be responsible for maintaining communication throughout the length of the call.

Councilman Pitt stated as someone who does this on a daily basis as a telecommunicator, we(the City) needs to maintain separate services. He further suggested Council take a field trip to see what occurs at each communications center, so they would have a better understanding. Chief Robbie Rose stated when responding to a 911 call, time is of the essence, Telecommunicators are the lifeline to an emergency call. Council reviewed the letter from County Manager, Paul Spruill regarding the County taking over the answering of 911 calls that was included in the February 2, 2010 agenda.

The motion was restated: Councilman Mercer made the motion to authorize the County to take over answering of 911 calls for the City subject to the outlined conditions (purchase one additional console to be placed in the County Communications Center at an approximate cost of \$50,000 and pay the salary of an additional telecommunicator at a salary of approximately \$40,000). The motion was seconded by Mayor Pro tem Roberson. Motion passed 3-2. Voting for the motion: Councilman Mercer, Councilman Davis and Mayor Pro tem Roberson. Voting against the motion: Councilman Moultrie and Councilman Pitt.

ADOPT – BUDGET ORDINANCE AMENDMENT TO UN-APPROPRIATE FUNDS IN THE GENERAL FUND AND APPROPRIATE THEM IN E-911 SPECIAL REVENUE FUND (\$10,756)

The upgrades to the E-911 phone system enabled the City to regain PSAP (Public Safety Answering Point) compliance. Seventeen months of past funding (\$105,364) was restored in the last fiscal year and \$6,198 per month for the current year is being received (\$74,374 annually). The total upgrade cost for equipment was \$88,502 with \$77,746 currently being paid out of the E-911 Special Revenue Fund and \$10,756 being funded by the General Fund. Recently, City staff learned that some expenses to be paid by the General Fund are eligible for payment from the E-911 Special Revenue Fund. Thus, we are requesting to un-appropriate \$10,756 from the General Fund and appropriate the same amount in the E-911 Special Revenue Fund.

Councilman Mercer felt this money should stay in the General Fund. Chief Reed stated we will not be required to give any funding back that has already been received, but will lose any future funding from the 911 surcharge fees.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council adopted a budget ordinance amendment in the amount of \$10,756 to un-appropriate funds in the General Fund and appropriate them in E-911 Special Revenue Fund. Voting for: Mayor Pro tem Roberson, Councilman Davis, Councilman Pitt; against: Councilman Mercer, Councilman Moultrie.

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 \$ 10,756 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 \$ 10,756 to provide funds to finish paying for the wireless upgrade.

Section 3. That the Estimated Revenues in the General Fund be decreased in the amount of \$10,756 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 4. That account number 10-10-4311-7400, Capital Outlay, E-911 portion of the General Fund appropriations budget be decreased in the amount of \$ 10,756 to un-appropriate funds.

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 8th day of March, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

**AUTHORIZE – CITY MANAGER TO EXECUTE AGREEMENT WITH
SOUTHEASTERN POWER ADMINISTRATION (SEPA) FUNDING**

Keith Hardt, Electric Utilities Director stated the City of Washington is one of 76 participating customers in the Kerr-Philpott hydro generation project (located on the North Carolina-Virginia border) owned and operated by the Southeastern Power Administration (SEPA). As a participating customer the City of Washington is allocated a portion of the project output. Less than 1% of Washington's total wholesale purchases are from SEPA and this project.

From time to time SEPA reviews capital needs at the project. When capital needs are identified and approved by the SEPA Project Review Committee the participants in the project are requested to voluntarily agree to the funding allocation of the project. This project agreement will in no way affect the cost of power purchased by the City of Washington from SEPA for any current purchases or any future purchases. This agreement allows SEPA to allocate a portion of the current net revenues generated from the City of Washington electricity purchases to the specific approved project(s). These agreements are required to be place by SEPA so that federal projects spanning more than one federal fiscal year budget can be funded in their entirety from multiple years revenue.

The approval or disapproval by City Council will not affect the City of Washington's cost of power from SEPA or delay SEPA's completion of the project; only that SEPA's net revenue allocation will be distributed based on the allocation of those participating customers that approved the project.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council voted to not participate in the SEPA agreement.

MAIN STREET TRAFFIC FLOW

Councilman Mercer discussed the possibility of changing the alignment of Main Street and Gladden Street, the cost to repair the curb and gutter and sidewalk at this location would be \$26,000. He suggested to temporarily barricade this turn to change the flow pattern. The second area of concern is located at Havens Gardens(Park Drive & Main Street) at a very severe angle. He further suggested temporarily barricading this area as well to realign the traffic flow at this location as well. Mr. Smith suggested we could possibly remove the asphalt at the Havens Garden location. Allen Lewis, Public Works Director will discuss this issue with NCDOT as well as review the turning radius at Park Drive and report back to Council at the Committee of the Whole meeting.

AIRPORT ADVISORY BOARD

Mayor Jennings stated he would like to implement an Airport Advisory Board (not an Airport Commission like in the past). The board would have five members, 3 in the City and 2 at-large members. Council would appoint a liaison to the board. Members should be engaged in airport businesses or airport related businesses.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council authorized the City Clerk to advertise for positions to serve on the airport advisory board.

**CLOSED SESSION - UNDER NCGS 143-318.11(A)(3) ATTORNEY/CLIENT
PRIVILEGE, NCGS 143-318.11(A)(6) PERSONNEL, NCGS 143-318.11(A)(5)
POTENTIAL ACQUISITION OF REAL PROPERTY OWNED BY ANNIE MAYO AND
SAMUEL MOORE ADJACENT TO THE MCCONNELL COMPLEX FOR RECREATION
PURPOSES AND NCGS 143-318.11(A)(7).**

By motion of Councilman Pitt, seconded by Councilman Davis, Council entered into Closed Session under NCGS 143-318.11(a)(3) Attorney/Client Privilege, NCGS 143-318.11(a)(6) Personnel, NCGS 143-318.11(a)(5) Potential acquisition of real property owned by Annie Mayo and Samuel Moore adjacent to the McConnell Complex for recreation purposes and NCGS 143-318.11(a)(7).

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council agreed to come out of closed session.

PS JONES CONCERT –APRIL 17th

Mayor Jennings stated PS Jones is requesting the \$105 amplification fee be waived for this event. Councilman Davis stated we shouldn't be waiving fees, that maybe we could pay it out of Council's budget.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council authorized the payment of the \$105 amplification fee being charge to PS Jones from the Council's budget.

WASHINGTON HIGH SCHOOL WRESTLERS

Mayor Pro tem Roberson would like Justin "Weasel" Moore and Marquin Hill to be recognized for winning state wrestling titles. Council will recognize them at the Committee of the Whole meeting.

ADJOURN

By motion of Councilman Pitt seconded by Mayor Pro tem Roberson, Council recessed the meeting until March 22, 2010 at 5:30pm in the Council Chambers at the Municipal Building.

Cynthia S. Bennett
City Clerk