

The Washington City Council met in a continued session on Monday, April 12, 2010 at 5:30pm 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, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Mick Reed, Police Chief; Ray Midgett, Information Technology Director; Susan Hodges, Human Resources 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/AMENDMENTS TO AGENDA

Councilman Davis requested adding a report regarding the relationship between the League and the City as Item XII.C. Mayor Jennings noted the presentation for recognizing Ms. Alice Moore will be moved to the beginning of the agenda from Item XI.A. Councilman Mercer requested Item IX.A.1 Discussion of Financials.

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

APPROVAL OF MINUTES

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the minutes of February 22, March 8 and March 22, 2010 with the minor typographical corrections discussed by Councilman Mercer.

PRESENTATION OF A RESOLUTION HONORING THE LIFE OF MS. ALICE EVELYN MOORE

Ms. Emma Howard read a Resolution honoring the life of Ms. Alice Evelyn Moore and Mayor Jennings and members of Council presented the Resolution to William O'Pharrow.

WHEREAS, Ms. Alice Evelyn Moore was born in Washington, North Carolina, on February 16, 1932, to the late Lillie Bell Barrow Moore and Willie B. Moore; and,

WHEREAS, Ms. Moore built a magnificent educational background in Washington Colored High School (Valedictorian); Tuskegee Institute; Savannah State College, and at John Hopkins University; and,

WHEREAS, Ms. Moore taught in the areas of Humanities and Social Science at Allen University, Claflin in South Carolina and Elizabeth City State; and,

WHEREAS, while at Allen University, Ms. Moore also chaired the Social Science Department and served as Academic Dean for the University. She was instrumental in the work helping Allen University receive accreditation in the 1990's and coordinated the Gerontology Program; and,

WHEREAS, Ms. Moore was the organizer of the Annual Substance Abuse Conference developing relationships between Allen University, Coppin State University, LRADC; and,

WHEREAS, Ms. Moore was President and Founder of the A.S.A.L.H. (Association for the Study of African American Life & History) in Washington, NC where she implemented the Annual Memorial Service for the 1st Black Firefighter, Edwin Peed and was a great lover and teacher of history.

NOW, THEREFORE, I, N. Archie Jennings, III, Mayor of Washington, North Carolina, and City Council members do hereby honor the life of Ms. Alice Evelyn Moore and her contribution to the City of Washington.

IN WITNESS THEREOF, have hereunto set my hand and caused the Seal of the Office of the Mayor to be affixed.

Adopted this the 12th day of April, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

**PRESENTATION: HAYLEY STOWE – RECIPIENT OF THE
PRESTIGIOUS PARK SCHOLARSHIP**

Mayor Jennings and members of City Council presented a certificate acknowledging and congratulating Hayley Stowe, a senior at Washington High School for being a recipient of the prestigious Park Scholarship to attend North Carolina State University.

**PRESENTATION - ISABELLA MAYO – WINNER OF THE 18TH- ANNUAL
DOWNEAST NORTH CAROLINA REGIONAL SPELLING BEE**

Mayor Jennings and members of City Council presented a certificate acknowledging and congratulating Isabella Mayo for winning the 18th-annual Downeast North Carolina Regional Spelling Bee and securing a position in the 83rd-annual National Spelling Bee in Washington, D.C

CONSENT AGENDA:

- A. Accept – Gift/Donation to the Washington Police Department to purchase ballistic safety vests (\$1,535)**
- B. Authorize – City Manager to execute Grant Contract with NCDENR for Recycling Roll-Out Cart Purchase (\$100,000)**
- C. Adopt – Budget Ordinance Amendment for the Flanders Filters Project (\$70,703)
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 Contingency portion of the Water Ext. Cherry Run Rd. to Ind. Park Proj. Fund be increased in the amount of \$67,775, account number 70-90-8000-9900.

Section 2. That account number 70-90-8000-0400, Professional Services portion of the Water Ext. Cherry Run Rd. to Ind. Park Proj. Fund be increased in the amount of \$2,928.

Section 3. That account number 70-90-8000-4500, Construction portion of the Water Ext. Cherry Run Rd. to Ind. Park Proj. Fund be decreased in the amount of \$70,703.

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 12th day of April, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

D. Accept – Report of Reallocation of Funding (\$4,290)

Funds were transferred to cover the Harding Square brick work and recreation permits and fees that were approved previously by Council.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council approved the Consent Agenda as presented.

COMMENTS FROM THE PUBLIC

Dee Congelton updated Council on the improvements at Harding Square which includes the installation of knock-out roses and new brick work. Ms. Congelton thanked the Garden Club, DWOW, City Council and Ross Boyer for their hard work and dedication on this project. The Washington Area Historic Foundation has purchased a bench and donations have been made to purchase another bench to be installed at this location.

Councilman Mercer requested to continue trying to get Mid-East workers to assist with the downtown cleanup.

MS. CATHERINE GLOVER – EXECUTIVE DIRECTOR, WASHINGTON BEAUFORT COUNTY CHAMBER OF COMMERCE- REQUEST FOR BEER GARDEN

Ms. Catherine Glover, Executive Director of the Washington/Beaufort County Chamber of Commerce came forward to request permission from the Washington City Council to sell alcohol as part of a beer garden during the 2010 Summer Festival. They held a beer garden last year during the 2009 Festival; it was successful and a great addition. She stated they work very closely with the Washington Police Department to ensure everyone is of age and the garden is a relaxing place for adults. The beer garden is located in the same location as last year. The beer garden will be held in conjunction with the festival on June 11th and June 12th with operating hours of 5:00pm to 9:30pm on Friday and 3:00pm-9:30pm on Saturday. It is estimated that we will have 500 participants, close to what we had last year. Like many festivals in surrounding counties, a beer garden is an addition to the festival that not only enhances the enjoyment of the weekend but also is seen as a revenue generator. They plan to sell beer and wine. Contacts for the event are Catherine Glover, Executive Director of the Washington-Beaufort County Chamber of Commerce, Robin McKeithan, Business Manager with the Chamber, Anne Crumpler, Summer Festival Organizer, and Tom Atkins, Past Board Chair and Beer Garden Chairperson. They will provide various food items under the roped off area and are confident with the garden's location as it will be surrounded by over forty food vendors at the festival. Wristbands will be purchased for access into the garden from the City of Washington. They will be working with local nonprofits to recycle the beer cans and will be responsible for making sure that clean up is sufficient. They will also be providing appropriate signage regarding checking ID's, taxi cab phone numbers, and staying in the roped off area. They will make sure they have the proper amount of liability insurance, as they did last year, and will make sure Kristi has all this information.

They take the responsibility serious and work very closely with Chief Mick Reed to ensure safety. Just like other events in downtown Washington that sell alcohol, they will work with city officials to make sure we follow the proper guidelines and safety precautions. Please know you have our full cooperation at anytime.

Council members voiced concern over alcohol being served at this event, but understands it will be there and it is better to try to contain the use of it with the beer garden.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council approved the allowance of a beer garden at the Washington Summer Festival. Mayor Jennings noted Council will be regulating but not promoting the use of alcohol. Motion carried 4-1(Councilman Mercer voted against the motion). Mayor Pro tem Roberson abstained, which counts as a yes vote.

CONSIDER – ZONING CHANGE CONSISTING OF 3.7 ACRES OF PROPERTY LOCATED AT 233 EAST 7TH STREET (FORMER BEAUFORT COUNTY ED TECH CENTER)

Mayor Jennings opened the public hearing. A request has been made by Mr. Michael Lowe, representing HealthPlus Therapeutic Services, to rezone approximately 3.7 acres of property located at 233 East 7th Street (former Beaufort County Ed Tech Center). The property is currently zoned R-6S (Residential) and the request is to rezone the property to O & I (Office and Institutional). The Planning Board voted 5-1 to recommend to City Council to deny the rezoning of the 3.7 acres.

PREVIOUS LEGISLATIVE ACTION

Planning Board meeting — April 28, 2009 — Board did not recommend approval

City Council meeting — May, 2009 — Council did not approve rezoning

Planning Board meeting — March 23, 2010— Board did not recommend approval

Keith Hackney, Attorney for Michael Lowe reviewed the request with Council. Mr. Hackney stated the Planning Board presented a finding to City Council requesting the zoning request be denied. The main reason for denying the property was, "the rezoning request is not consistent with the City of Washington's Parks and Recreation Master Plan because said plan designates the subject parcel as an area for un-programmed open space and as an area to meet the City's unmet recreational needs."

Mr. Hackney stated that in April 2006 he appeared before the Planning Board with a rezoning request for the Debra Fox property, which is next to the old Cox Shopping Center and across John Small Avenue from this property. Ms. Fox's property was rezoned to O & I which was consistent with

the Land Use Plan and the transitional nature of the neighborhood. In August 2007, the City adopted the CAMA Core Land Use Plan and was certified by the Coastal Resources Commission in November 2007. Page 55 of the Land Use Plan shows Mr. Lowe's property is in a significant flood hazard area with a greater than 1% flood chance in any given year. The 7th Street park area on page 77 does not include Mr. Lowe's property. Page 104(d) shows the existing use of the property as public and institutional. Page 217 shows the future land use for this property as Office and Institutional. The current zoning of R6S is not beneficial for residential lots. Mr. Hackney referred to the Parks and Recreation Master Plan that shows a highlighted future need area for a community park, which does not include Mr. Lowe's property. On January 26, 2009, the City Council considered the purchase of this property. They were authorized to bid up to \$120,000 for this property. The high bid was \$170,000 and the City opted not to pursue the upset bid process. In April 2009, Mr. Lowe purchased the property. This is the second time Mr. Lowe has requested the property to be rezoned to O & I which is consistent with the CAMA Land Use Plan. Mr. Lowe is requesting that the Council overturn the Planning Board recommendation to deny the rezoning request due to their significant error in which they state this is in violation of the Parks and Recreation Master Plan. He asks that the Council follow the Land Use Plan and rezone the property to O & I.

Mayor Pro tem Mercer asked Mr. John Rodman, Planning Director to review the allowed uses in the R6S zoning district. Councilman Davis inquired about the property line that divides the closed street. Mr. Lowe stated the former high school is used for institutional purposes and the traffic flow still remains on John Small Avenue as it did when the school existed. He stated it is not a reasonable use for the land to be residential due to the traffic flow in that area.

Councilman Mercer stated the street was closed in the 1960's and inquired if the metes and bounds description shows the property line in the middle of the old 7th street. Mr. Lowe stated it did, he would have to get an agreement with the adjoining property owner to open the street back up or possibly engineer a new entrance to the property.

John Tate, Planning Board representative reviewed the history of the request and stated the reasons the Planning Board suggested the request be denied.

The City of Washington Planning Board made the following findings and conclusions:

1. The subject parcel and rezoning request is subject to the Comprehensive Land Use Plan and The Washington Parks and Recreation Master Plan officially adopted by the City of Washington.
2. The rezoning request is not consistent with the City of Washington's Parks and Recreation Master Plan because said plan designates the subject parcel as an area for un-programmed open space and as an area to meet the City unmet recreational needs.
3. The rezoning request is unreasonable due to inconsistency with said plan and because a number of the Permitted Uses within the proposed zoning district are not compatible to the surrounding area and the adjacent zoning districts.
4. The rezoning request is not in the public interest due to the inconsistency with said plan and because of the impact to the surrounding community and immediate neighbors.

On the basis of the foregoing findings and conclusions, the Planning Board recommends to the City Council that the rezoning request be denied.

Mr. Tate stated it was noted that maybe the CAMA Land Use Plan should be amended to remove this parcel from the Plan because there is significant qualitative difference between the two partials (one on each side of John Small). Mr. Lowe's property doesn't have its own access where the property across the street does.

John Rodman, Planning Director reviewed some of the permitted uses under R6S zoning district. Mayor Jennings asked when the property was changed from its prior designation to the R6S zoning designation. Mr. Rodman stated it was probably changed in 1996 when the Zoning Ordinance was changed. Mr. Smith asked if the Planning Board considered taking the step back to amend the Comprehensive Plan to make sure it is consistent with the Parks and Recreation Plan, before making a recommendation on the specific site. Mr. Rodman stated they did not, they considered it after the last decision was made. Mr. Rodman said the Planning Board is certainly willing to help Mr. Lowe find the best possible use for his property and that includes amending the Comprehensive Plan to

correct inconsistencies. Mr. Rodman stated the recreational uses are consistent within each zoning district (O&I and R6S).

Public Comment

Donna Sikes, Owner of A&D Water Care said she didn't object to the property being rezoned, but she does object to the closed portion of 7th Street being reopened as it would interfere with her business.

Hardy Ray Corey, 209 East 7th Street came forward and voiced opposition to the rezoning request and stated he is speaking on behalf of this neighbors in this area. He felt Mr. Lowe should have done his research before he purchased the property to make sure he would be allowed to operate the business he wanted to operate.

Franz Holscher, City Attorney stated he has presented some rezoning principals to the Council as well as to the applicant and his attorney. He reminded the Council that under a different composition this hearing was held before. The applicant acknowledged at that time that when he purchased the property he was unaware the property was R6S, he thought it was O&I. Mr. Holscher further reviewed the minutes from the May 2009 meeting regarding the rezoning request for this property by Mr. Lowe. Mr. Holscher stated the Council is not bound by precedence regarding how previous rezonings have been handled. The Comprehensive Plan and Parks and Recreation Plans are not static documents, they are evolving documents overtime. If Council chooses not to embrace this application, the recommendation is to change the plan to be consistent with the direction we want our City to go. This is not an evidentiary hearing or quasi judicial hearing so there is no sworn testimony. The board is not required to follow its adopted plans and zoning decisions but must carefully consider the plans and lay out for public inspection the reasons for deciding to follow the plans or not. As a general rule, courts give legislative zoning decisions a presumption of validity and the courts will not second guess the policy decisions of elected officials only those decisions that are clearly unreasonable or abusive of discretion or improper procedures will be set aside.

Mayor Pro tem Roberson questioned the 2/3 vote requirement on the first vote/reading. Mr. Holscher asked that if the 2/3 vote did not occur to adopt the zoning change and the request was not denied, then hypothetically next month the request could come back and would require a majority vote to pass.

Mayor Jennings closed the public hearing.

Mr. Holscher noted Mr. Hackney should be allowed rebuttal time. Mr. Hackney asked for clarification as to if Council approves the Land Use Plan designation does this require a majority vote? Councilman Mercer stated Mr. Lowe is asking for an amendment to the Zoning Ordinance, if Council chooses to adopt that Ordinance a 2/3 vote is required. Mr. Lowe stated he is requesting to change the ordinance which would change the designation from R6S to O&I. Mr. Lowe stated if Council judges this property by its existing characteristics then the tract should be rezoned because it is being used for the wrong purpose.

Mayor Jennings reclosed the public hearing after allowing Mr. Hackney time for rebuttal.

A motion was made by Councilman Mercer and seconded by Mayor Pro tem Roberson for Council to uphold the recommendation of the Planning Board and deny the rezoning of the property at 233 East 7th Street containing 3.7 acres for the finding that the City Council feels the R6S designation currently applied to this property is proper for the area due to the property being located in the 100 year flood zone, the uses are not compatible and has limited access. Council also accepted the Resolution from the Planning Board which contained their recommendation to deny the rezoning request. Voting for the motion: Councilman Mercer, Mayor Pro tem Roberson, Councilman Pitt, and Councilman Davis. Voting against the motion: Councilman Moultrie. Motion carried 4-1.

RESOLUTION OF THE CITY OF WASHINGTON PLANNING BOARD CONTAINING A RECOMMENDATION TO THE WASHINGTON CITY COUNCIL CONCERNING A PROPOSED ZONING MAP AMENDMENT

WHEREAS, the City of Washington received a request to rezone certain property from R-6S (Residential) to O&I (Office & Institutional) which property is specifically identified as Beaufort County Parcel Identification Number 5685-09-9431,

WHEREAS, North Carolina General Statute §160A-383 states, in pertinent part... the planning board shall advise and comment on whether the proposed amendment is consistent with any comprehensive plan that has been adopted and any other officially adopted plan that is applicable. The planning board shall provide a written recommendation to the governing board that addresses plan consistency and other matters as deemed appropriate by the planning board.

WHEREAS, the rezoning request was duly advertised and the subject of a public hearing by the Planning Board of the City of Washington on March 23, 2010;

WHEREAS, the City of Washington Planning Board made the following findings and conclusions:

1. The subject parcel and rezoning request is subject to the Comprehensive Land Use Plan and The Washington Parks and Recreation Master Plan officially adopted by the City of Washington.
2. The rezoning request is not consistent with the City of Washington's Parks and Recreation Master Plan because said plan designates the subject parcel as an area for un-programmed open space and as an area to meet the City unmet recreational needs.
3. The rezoning request is unreasonable due to inconsistency with said plan and because a number of the Permitted Uses within the proposed zoning district are not compatible to the surrounding area and the adjacent zoning districts.
4. The rezoning request is not in the public interest due to the inconsistency with said plan and because of the impact to the surrounding community and immediate neighbors.

NOW, THEREFORE, BE IT RESOLVED, on the basis of the foregoing findings and conclusions, the Planning Board does hereby recommend to the City Council that the rezoning request be DENIED.

s/Dot Moate, Chair
Washington Planning Board

**RECEIVE PUBLIC INPUT FOR THE CLOSEOUT OF A 2005
CDBG ECONOMIC DEVELOPMENT GRANT**

Mayor Jennings opened the public hearing. Allen Lewis, Public Works Director stated the public hearing is required in accordance with Section 1002 of Subchapter 19L, North Carolina Community Development Block Grant Program. This grant was in the amount of \$336,600 or 43% of the total project cost. The grant was for the extension of approximately 6,700 linear feet of 16" water line along Cherry Run Road from the Washington/Beaufort County Industrial Park to a Beaufort County elevated water tank west of the park and 4,300 linear feet of 8" water line along US 264, west of Page Road. This project increased the flow and pressure for Flanders Corporation as well as throughout the park. There were 18 jobs proposed with 11 of them being low to moderate income positions. Flanders Corporation created 48 jobs of which 46 were low to moderate income jobs. The project is now complete and the grant can be closed out now.

There being no comments from the public, Mayor Jennings closed the public hearing.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council closed out the NC Community Development Block Grant Economic Development Grant for Flanders Corporation (Industrial Park).

**MS. JANICE COBURN – WASHINGTON OPTIMIST CLUB –
WAIVER OF FEES FOR SPORTS PROGRAM**

Ms. Patty Peebles and Mr. Nathan Wood came forward representing the Washington Optimist Club on behalf of Ms. Janice Coburn. Ms. Peebles read a statement from Janice Coburn regarding the Optimist Club. The statement said the Optimist motto is "friend of youth"; recently it was brought to their attention that they were missing out on an important part of the youth; the special needs children. It was only recently that a t-ball group was formed for approximately 25 special needs children. The Optimist Club has committed to provide and soccer program for special needs children as well. This will be run at the same time as the regular soccer season. The usual expenses will still be incurred. The proposal is for children to play on Sunday afternoons with no practices. The Club is asking for assistance in the fees for this league. It is the hope that this will be provided at no expense to the parents of the special needs children. Mr. Smith asked how much the fee is. Ms. Peebles stated it is \$30 per child to use the complex. Ms. Peebles said she was unsure until registration how many children would be signing up for this program. Councilman Mercer noted if the event is not until

the Fall, we could discuss this during budget workshops if we could get some numbers from the Optimist Club. Councilman Davis reminded Ms. Peebles that our policy is to not waive fees, but we could discuss this during the budget discussions. Ms. Peebles stated it is the hope to incorporate this program in the 4-5 year old program which is already paid for. Council members agreed to support this program and Ms. Peebles will return to Council once their budget has been determined for this program. Councilman Mercer noted this would fall under contributions to outside agencies.

MR. BERNARD ENRIGHT – UTILITIES DISCUSSION

Mr. Enright was absent.

MS. JANE VERDON – UTILITIES DISCUSSION

Ms. Verdon was absent.

**MR. BOB GARY – GREEN COMMUNITIES PROGRAM
PRESENTATION BREEZEPLAY, INC.**

Keith Hardt, Electric Director explained the City of Washington Electric Department has been involved in a pilot project sponsored with BreezePlay, Inc. The project's goal is to install 100 energy management units in City electric customer homes. The units installed are used to program operation of the homes heating and cooling systems and have the ability to be monitored and programmed over the internet. In addition, the units will have the ability to monitor and control electric water heaters, electric "smart" appliances, and water usage in the home.

The pilot project is being used to determine the feasibility of using this product on a system wide scale for customer energy savings, load management program enhancements, and meeting upcoming "Smart Grid" requirements. In conjunction with the current program BreezePlay, Inc also has their "Green Communities Program." Bob Gary with BreezePlay, Inc will be attending the 12 April 2010 City Council Meeting and requests time on the agenda under the Scheduled Public Appearances section to discuss their program.

Bob Gary, S-VP of BreezePlay, Inc. presented information on the Green Communities Program, a home energy management company as well as an energy service company.

Effective Communications Between Customers/Citizens and City/Utility

- Public Relations/Image
- Effective branding and messaging
- Customers find statements confusing
- System outage alerts and notifications

Reaching All Demographic Groups

- Low-income
- Hispanic (non-English speaking)
- Senior Citizens
- Customers with limited/no internet connectivity
- Renters

Educating/Motivating Customers

- Account status (termination notices)
- Efficiency /conservation measures
- Peak demand – definition, events, rates, etc.

Mayor Jennings asked if the designs and brochures were included in the cost. Mr. Gary stated this is included, the City would pay for printing. Mayor Jennings noted this is something the City is interested in, but we may take this project on ourselves.

GREEN COMMUNITY PROGRAM PRICING

FULL PROGRAM

(No Credit for EMCS Pilot)

FULL PROGRAM

(Credit for EMCS Pilot)

One-Time Set Up Fee	Per customer/year	Per Customer/month	Total 1st Year	One-Time Set Up Fee	Per customer/year	Per customer/month	Total 1 st year
\$69,291	\$5.90	\$0.49	\$151,956	\$33,131	\$4.35	\$0.36	\$94,046

WASHINGTON HARBOR DISTRICT (DWOW)

Three Groups Join Forces to Support Washington.

Ross Hamory explained that on March 16th, 2010 the Citizens for Revitalization Committee voted to merge with Downtown Washington on the Waterfront. The committee based this unanimous decision on the fact that the planning work it had been tasked with by the City Council had been completed, and the challenge now facing the group was how to effectively implement the Revitalization and Reinvestment Strategy. In recognition of the recent decision made by the Historic Merchants Association to join forces with DWOW, the C4R group recommended that the DWOW Board consider a name which would acknowledge the merger of these groups and reflect the fact that a new and stronger organization had been created.

Downtown Washington On the Waterfront (DWOW) is pleased to announce that the DWOW Board in a meeting which included representatives of the Merchant Community and the Citizens for Revitalization Committee, unanimously voted to adopt the name Washington Harbor District Alliance.

Chris Furlough will join Washington Harbor District Alliance's (WHDA) Board as VP of Economic Restructuring. The downtown merchants have agreed to operate under WHDA's Vice President for Promotions, Mac Hodges. Ross Hamory will remain President of WHDA which will continue to be a 501(c)3 nonprofit organization, using the NC Main Street four point approach for revitalization. Beth Byrd will become WHDA's Director.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council endorsed the merger and formation of the Washington Harbor District Alliance and

USDA – Farmers Market Promotion Program Grant

Tom Miller, Retired VP of Promotions and current Saturday Market Manager, Ross Hamory, Pres. of WHDA, Beth Byrd (with the assistance of Michele Oros) are currently in the midst of applying for a grant from the USDA- Agricultural Marketing Service (AMS). The amount requested is approximately \$32,000. If awarded we hope to use this funding to expand direct producer to consumer sales of locally grown agricultural products by attracting more consumers and farmer/vendors to our Farmer's Market. In the 2011 market year we will mount a two year campaign to promote the market, using billboards, radio, and print media. This campaign will increase the number of vendors, foot traffic and sales by 50% over a two year period. In 2012 the design for a year round structure to house the farmer's market will be completed. As you know, the market facility is part of the Washington Waterfront Visualization and Reinvestment Strategy that was adopted by City Council. WHDA will contribute \$5,500 dollars to the project. An additional 340 volunteer hours, valued at \$18.00 per hour, for a total \$6,120 will also be devoted to this project.

The application is due April 15th and AMS will announce recipients of the FMPP grant funds on or before September 30, 2010. Wish us luck!

Overview of WHDA Schedule of Events for the 2010 Spring/Summer Season

Music in the Streets - Come enjoy the musicians, the artists and the non-profit organizations all there to entertain you. Compete in the BC Idol, cruise the popular Down East Rods and Classics Car Show and cut the rug with "Music in the Streets Shaggers". The monthly event runs from 6 to 9 PM Starting April 16th through September Every 3rd Friday. In October it moves to the 4th Friday.

Saturday Market — Starting April 17th when we offer a FREE day for all food vendors and artists to display their wares. Join us for a Saturday Celebration. Shop for fresh produce, local seafood, plants, flowers, herbs, salsa, and mushrooms! Washington's only Farmers Market at the corner of Stewart Parkway and Main Street. Enjoy the music from the Beaufort County Traditional Music Association jam and once monthly Washington Artisan Fair on the second Saturday of the month.

***Pickin On the Pamlico - Saturday, August 21st.** Enjoy all the local blue crabs and shrimp you can eat, great music and a stunning sunset all enjoyed along the Pamlico River.

***Pirates Beach Music Festival - Sunday, September 12th.** Fun, sun and great dance music in Festival Park- need we say more? By motion of Councilman Moultrie, seconded by Councilman Davis, Council approved the Second Annual Pirates Beach Music Festival on September 12, 2010.

Movies In The Park

Lydie Jennings, Mac Hodges and Brownie Futrell with the assistance of Washington Harbor District Alliance are pleased to offer a new, fun, family event to Washington. Movies In the Park will start on Friday, May 14th and will run through October. It will be held at the west end of Festival Park (the screen will be attached to the fencing there.) We would like to invite the Mayor and Council to join us for an opening night party with food and refreshments on Friday May 14th at 6:30. This will give us an opportunity to thank the City of Washington and MITP Sponsors for helping us to bring this event to Washington. The Friday night of the ECU/Marshall football game we will show the movie We are Marshall.

Mr. Hodges asked Council with assistance regarding the amplification fee. Could they combine this as only paying one fee for the entire event instead of each individual event.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council endorsed the Movies in the Park program by WHDA and will discuss the amplification fees at the May Council meeting.

DISCUSSION - STATUS OF CURRENT GRANTS (2010 DEPARTMENTAL AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) AND NON-ARRA FUNDING OPPORTUNITIES)

Bianca Gentile, Special Projects Coordinator reviewed the status of current grants including submittals, approvals and potential projects. Councilman Mercer inquired if Ms. Gentile was seeking approval for submission of any grant applications tonight. Ms. Gentile stated, "No, sir".

Awards:

- DPPEA Roll-Out Cart Recycling Grant awarded: \$100,000 award, no match required but \$100,000 needed to completely fund project. Grant contract agreement slated for council review; 4.12.10

Notifications:

- DENR Sewer Lift Station: Application declined due to competitive grant environment and lack of funding. Total Request: \$600,000 (\$300,000 0% interest loan and \$300,000- principal forgiveness loan). Department: Public Works.

Mayor Pro tem Roberson inquired as to why this request was denied. Allen Lewis, Public Works Director noted our application was next in line to be funded when the funding ran out.

- NC Governors Crime Commission/Criminal Justice Improvements: Application declined. Project Funds would have been used to continue with Project Next Step Community Resource Coordinator position an additional two years. Total project: \$69,370/city match: \$17,342. Department: Police. Councilman Pitt asked if this grant could be reapplied for? Ms. Gentile noted that it cannot be reapplied for under the Governor's Crime Commission, we would have to seek additional/alternate funding.

Submittals:

- NC State Energy Office Student intern: City partnered with ECU's Departments of Sociology and Political Science to develop intern focus area. Two semester long internships, total request: \$30,000/City Match is staff time only/intern oversight.

Internship goals:

A. Internship Program 1: "Energy Efficiency for Low Income Renters": The City of Washington low-income renters face a growing burden in the form of increasing energy costs.

While homeowners can choose to invest in structural improvements that will make their homes more energy efficient and reduce energy bills, renters lack the incentive to make similar improvements. As the same time, landlords often lack incentives to improve the quality of rental housing because they do not pay the utility bills themselves, fear having to charge higher rents, or face minimal market demand for better home energy efficiency. This results in a substantial stock of rental housing that is less efficient, with low-income renters spending a disproportionately high percentage of their income on energy costs. In 2000, HUD reported that 44.8% of renters in Beaufort County paid 30-50% of their income on housing costs. HUD defines affordability as annual housing costs less than or equal to 30% of annual gross income. With nearly 50% of Beaufort County's residents living in an "unaffordable" environment, new approaches must be explored to lessen this burden. The goal of this 300 hour internship will be to explore alternative policies and incentives that can be designed and implemented to improve the energy efficiency of Washington low income rental housing stock.

B. Internship Program 2: “Weatherization Assistance Program Analysis”: The American Recovery and Reinvestment Act significantly increased North Carolina ‘s Weatherization Assistance Program allocation. To ensure Washington residents receive the much needed weatherization services, the City of Washington and the funding recipient, Martin County Community Action Agency (MCCA), entered into a Memorandum of Understanding. This agreement facilitated the creation of a satellite office within City Hall where applicants meet face to face with an MCCA administrator to file weatherization applications and receive one-on-one education. Additionally, the goal of weatherizing 200 homes over the next 3 years was established. MCCA and the City have developed a positive working relationship to deliver weatherization services to members of our tier one County. Through the internship opportunity, the student will gather systematic data needed to assess the impact of home weatherization improvements in terms of both energy conservation and cost savings among low to moderate income recipients. The cost/benefit analysis will establish which weatherization interventions provide lasting solutions. Secondly, the student will host a series of one-on-one interviews with weatherization assistance program recipients to establish the extent of resident ‘s knowledge about household energy conservation practices. By assessing both the cost /type of intervention and recipient knowledge this 300 hour internship will offer valuable insight into weatherization assistance program.

Potential projects:

- **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. Two local businesses have an interest: Inner Banks Arts Center and Ruff Kuttz. Additionally, if the City is not awarded EECBG per the lighting retrofit project it will be eligible to propose a portion of this project to the MSEF. Note: 50% match required.
- **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.
- **NCDOT Sidewalk Funding:** Per Council’s direction, staff researched sidewalk funding opportunities for the Avon Avenue area. NCDOT offer funds available on a first come, first serve basis for priority projects. The installation of sidewalks on the west side of Avon Avenue was identified as a high priority project in the 2006 Pedestrian Master Plan. The project appeared on previous year city budgets, but was dropped due to changing priorities. This sidewalk would be designed to serve senior citizens walking to grocery and drug store. 5 foot minimum width, approximate 2090 linear feet.

Council FYI:

- **Compact Fluorescent Light bulb (CFL) Drive:** Using ElectriCities annual P4 monies, in conjunction with marketing dollars, 625 four packs of CFLs from Lowe’s for \$5,000. CFL Drive will kick off at the April 26, 2010 Town Hall Style Council Meeting.
- **Project closings: Public Works, slated for council approval 4.12.10**
 - **Rural Center Infrastructure Grant:** Extension of 16” water line from industrial park to BC water tower to serve Flanders Filters.
 - **CDBG: Economic Development Grant:** Extension of 16” water line from industrial park to BC water tower to serve Flanders Filters

Mayor Pro tem Roberson suggested reviewing the Minimum Housing Ordinance that would assist with the weatherization program.

Councilman Davis inquired about the Coastal Science and Engineering contract. Mr. Smith noted Bill Foreman has been working with Coastal Science and Engineering and they are closing their Morehead City office. Bill Foreman will be moving to another company and Coastal Science has agreed transfer the contracts. Bill Foreman will take the City’s current projects with him and the new company will honor them at the same contract price, there will be no increase in the contract price.

HUMAN RELATIONS COUNCIL REPORT

Councilman Pitt reviewed the upcoming Housing Forum set for May 11, 2010 at the Senior Resources Center beginning at 6:30pm.

Update on Project Next Step was presented by April Corbett, Project Coordinator

- Number of clients that had completed the program
- Number of clients in school
- Number of clients employed
- Number of clients that failed the program (final decision made by the DA's office)
-

Fair Housing Discussion: Fair Housing "Housing Forum" planned for Tuesday, May 11, 2010 @ the Senior Resource Center from 6:30 pm.

The following organizations will be co-sponsoring or participating in this event:

- Sarah F. Bocanergra, Equal Opportunity Specialist, HUD FHEO
- Gina Amaxopulous, Housing Specialist, Washington Housing Inc.
- Metro Housing
- Habitat for Humanity
- Rick Stevens Builder, Ltd.
- Northgate Development
- Various lending Institutions along with Credit Repair Consultants

Council members are welcome to attend and experience one facet of the Human Relations Council.

RECREATION ADVISORY BOARD REPORT

Councilman Davis provided an update on the dog park and stated on a recent Saturday members spent about 6 hours at the dog park and planted shrubs at no cost to the City. Mayor Jennings stated that last Monday, there was a League Summit to discuss various issues.

FINANCIAL REPORTS

Mayor Jennings noted the reports will be discussed at a later time.

APPOINTMENT – TO THE RECREATION ADVISORY COMMITTEE TO FILL THE UNEXPIRED TERM OF LISA WILLIAMS BAKER, TERM TO EXPIRE JUNE 30, 2012. APPOINTMENT IS INSIDE THE CITY LIMITS

Councilman Davis reported the Recreation Advisory Committee is suggesting the appointment of Brad Horton to fill the vacancy on the committee. Councilman Moultrie requested to nominate Kendra Windley to fill the vacancy. Councilman Davis and Councilman Mercer voted to appoint Brad Horton. Councilman Moultrie, Councilman Pitt and Mayor Pro tem Roberson voted to appoint Kendra Windley. Kendra Windley was appointed to the Recreation Advisory Board to fill the unexpired term of Lisa Williams Baker with a term to expire June 30, 2012.

APPOINTMENT – TO THE HISTORIC PRESERVATION COMMISSION TO FILL THE UNEXPIRED TERM OF MICHAEL OVERTON, TERM TO EXPIRE JUNE 30, 2011

Mayor Jennings, liaison to the HPC nominated Jerry Creech to fill the unexpired term of Michael Overton with a term to expire June 30, 2011. There were no further nominations for this position. By unanimous vote, Council appointed Jerry Creech to the Historic Preservation Commission.

MEMO – INTERSECTION OF WEST MAIN STREET & STEWART PARKWAY

Allen Lewis, Public Works Director noted this is a follow-up to the request from Council on March 8 and March 22. Staff was asked to look into doing away with the long, sweeping turning movement from in the southwest quadrant at West Main Street and Stewart Parkway. It was suggested that the lane be temporarily blocked so that the public's response could be monitored. As directed by Council, this will be done with existing barricades, signs, etc.

As mentioned at the above referenced meetings, the radius in this quadrant that traffic will need to negotiate due to this is very short, less than 5 feet. Anything larger than a full size passenger vehicle or truck will have difficulty making this turning movement without crossing the center line of Stewart Parkway. If Council decides to permanently do away with this long sweeping movement, it is recommended that a minimum 25' radius be installed. The concrete work alone, curb and gutter and sidewalk will cost approximately \$26,000.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council declared that the temporary barricade be installed for a period of sixty days to close the sweeping turn at the intersection of West Main and Stewart Parkway. (May 1st – June 30th) Mayor Pro tem Roberson suggested placing a public service announcement in the paper, website and cable channel noting the temporary closing of the sweeping turn as well as have Beth Byrd notify the downtown merchants.

MEMO – INTERSECTION OF EAST MAIN STREET & PARK DRIVE

Mr. Lewis noted this item is a follow-up to the request from Council on March 8 and March 22, doing away with the “slip ramp” turning movement in the southeast quadrant at East Main Street and Park Drive. (memo from Mr. Lewis) It was suggested that the lane be temporarily blocked so that the public’s response could be monitored. Due to the ongoing construction on the bridge over Runyon Creek, response may be minimal other than traffic headed to the restaurant and business on the east end of Main Street and the boat ramp. As directed by Council, this can be done with existing barricades, signs, etc.

As mentioned at the March 22 meeting, I spoke with NCDOT representatives about this issue as well. According to Division Traffic Engineer Steve Hamilton, PE, he went back and looked at the turning movement counts from the mid 1990’s when installation of the traffic signal was being considered. At that time, there was over 800 vehicles using this slip ramp to head east on Park Drive. This represented over 77 % of the total traffic entering this intersection on East Main Street and over 86 % during the evening peak hour of 5:00 to 6:00 PM. Additionally there were almost 1300 southbound vehicles making the left turn off Hudnell Street. If this slip ramp was done away with, these turning movements would conflict with each other. As a result, it is NCDOT’s belief that adding this significant volume of right turn traffic would cause operational problems, delay, and possibly safety issues at the signalized intersection.

Based on this data, he would not recommend that the existing conditions be revised. However, he did say that should it be determined that some type of change is desired, an option would be to keep the slip open across the tracks and then widen to create a two lane approach at the current alignment across from the north leg of East Main Street, toward the boat ramp. The negative to this would be having the through lane and right turn lane (east on Park Drive) beside one another which can create sight distance issues and depending on the design could also change the current yield condition to a stop condition. He also noted the possibility of an “out-of-the-box” option that would close East Main Street back on the west side of Jack’s Creek, and remove the East Main Street leg at the intersection with Park Drive and Hudnell and the slip ramps. This would make the existing signalized intersection at Park Drive and Hudnell a “T” intersection. I believe this might cause some emergency response issues though.

Finally, as also mentioned on March 22, the proximity of this end of Main Street to the railroad track will necessitate coordination with Carolina Coastal Railroad. At this time, they have approved the use of temporary barricades to close this slip ramp. They will determine whether to allow curb and gutter to be placed this close to their rail (8 feet) if and when the barricades are put in place. (end memo)

Mr. Lewis suggested leaving the barriers up at least 60 days after the bridge opens to determine if closing this section is a viable solution.

By motion of Councilman Mercer, seconded by Councilman Davis, Council unanimously moved to erect a barricade on East Main Street and Park Drive and the barricade will stay in place sixty days after the bridge re-opens. Mr. Lewis noted this is a NCDOT intersection and will coordinate with them.

BRICK CROSS WALK AT STEWART PARKWAY AND RESPESS STREET

Mr. Lewis stated this cross walk is constantly being beat out being it is constructed with brick. He has contacted a local concrete plant regarding dyed concrete at a cost of \$3000, this will not be stamped concrete. All three crosswalks would have to be replaced at one time and replaced using City labor. With the option of stamped concrete the cost would be approximately \$8,000-\$10,000. Mayor Pro tem Roberson stated downtown Charlotte has brick cross walks and they don’t have any issues with them. Mr. Lewis stated he believed they use stamped concrete instead of brick work. This item will be discussed at a later time after Mr. Lewis receives information from other communities.

MEMO – NCEMPA COMMISSIONER APPOINTMENTS

By motion of Councilman Davis, seconded by Councilman Moultrie, Council voted to appoint Councilman Mercer as Commissioner and appoint Keith Hardt, Electric Director as First Alternate Commissioner and Jim Smith, City Manager as Second Alternate Commissioner to the North Carolina Eastern Municipal Power Agency. Each appointee will take the oath at the City Clerk’s office and the notifications will be forwarded to NCEMPA.

Mr. Smith noted we will lose the consistency and the history of the rate structure by losing Keith Hardt as the Commissioner. Mayor Jennings thanked Mr. Hardt for his years of dedicated service to NCEMPA.

APPROVE – SALVATION ARMY & ST. VINCENT DEPAUL, MOTHER OF MERCY CHURCH AS CO-SPONSORS OF PROJECT HELP UTILITY AND APPROPRIATE CONTRIBUTION TO PROJECT HELP FUND (\$2,000)

Mr. Rauschenbach provided a brief history of this item and noted that in April 2008, the City partnered with Eagle's Wings to create a utility assistance fund called Project Help. Since its inception, \$6,499 of donations have been collected from our customers and disbursed back to the City to assist needy families with paying their utility bills. Last month, the Executive Director of Eagle's Wings contacted the City stating that they wished to discontinue disbursing the utility assistance funds so their organization could focus solely on food distribution.

City management has contacted several care groups in Washington about partnering with the City in order to continue this program. Two organizations, the Salvation Army and St Vincent DePaul, Mother of Mercy Church have expressed an interest in working with us. Management recommends that the City continue to solicit and accept donations from Washington utility customers and split the contributions equally between the Salvation Army and St. Vincent DePaul, Mother of Mercy Church for those organizations to determine eligibility and the level of assistance. Further, management recommends that the city contribute \$2,000 in FY 09/10 to the utility assistance fund to provide ample funds to jump start the program. This City contribution along with donations received by customers during the past month, will give each organization approximately \$1,500 to begin the program. 100% of all utility assistance funds contributed by the city and our customers are returned back to the City in the form of utility payments on accounts.

Councilman Mercer voiced concern with using city money for this project. Mr. Smith noted the city actually started the program, not Eagles Wings. Eagles Wings was willing to disburse the funds for us. Mr. Smith noted that Greenville Utilities actually supports their similar project with approximately \$20,000 per year. Mayor Pro tem Roberson suggested taking some funding from the marketing budget being it is already in the budget to support this program.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the Salvation Army and St Vincent DePaul, Mother of Mercy Church as co-sponsors of the Project Help utility assistance program and appropriate \$2,000 city contribution to the Project Help utility assistance fund with funding coming from the City's marketing budget.

ADOPT – BUDGET ORDINANCE ROUTE 33 LINE RELOCATION (\$250,000)

Keith Hardt, Electric Director noted the City will not have any significant utility relocation costs related to the Route 33 bridge project in Chocowinity. Subsequently there will not be a need to allocate the \$250,000. Councilman Mercer inquired about an expenditure of \$23,000 in the director's budget for Hwy 33 relocations. Mr. Hardt stated that was for engineering fees for the design of the relocation. We have requested reimbursement for that charge from NCDOT. Mr. Rauschenbach asked if they could amend the budget ordinance to include the removal of the budgeted money for the tree trimming truck and place this back in fund balance. Council requested this be presented in a separate ordinance next month.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council approved a budget ordinance to reduce the Electric Fund Appropriations budget for the Route 33 line relocation and Estimated Revenues budget for Fund Balance Appropriated by \$250,000.

APPROVE AND AUTHORIZE- DIRECTOR OF PARKS AND RECREATION TO EXECUTE AGREEMENT WITH BELLE OF WASHINGTON

Mayor Jennings stated basically we are doubling the term at the same rate and giving Parks and Recreation the authority to authorize the Director of Parks and Recreation or his designee to execute the Waterfront Docking Agreement with Belle of Washington, LLC and further authorize the Director of Parks and Recreation or his designee to negotiate, enter and execute future Waterfront Docking Agreements with Belle of Washington, 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 Belle of Washington, LLC, including a notice regarding the intention to enter and term for such future Agreements. Franz Holscher, City Attorney noted two words have changed in the agreement, "standard cruiser" is changed to "star dust cruiser". Mayor Pro tem Roberson voiced concern over activity occurring at all times of the evening. Councilman Mercer

suggested tabling this request until May to incorporate terms limiting activity on the Belle to thirty minutes before docking and 30 minutes after docking to allow for servicing the Belle.

By motion of Councilman Mercer, seconded by Councilman Davis, Council tabled this item until May 10th to review time limits for service activity occurring at the Belle.

ADOPT – RESOLUTION THAT DESIGNATES THE CITY OF WASHINGTON AND ITS EXTRA-TERRITORIAL JURISDICTION A “RECOVERY ZONE”

Mr. Rauschenbach Recovery Zone Economic Development Bonds are for public projects to be built within a ‘Recovery Zone’, which is defined as an area designated by the local government entity that 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.

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.

Mayor Jennings asked if we need to create a recovery zone and if that were passed we may or may not follow with an economic development bond request. If Council didn’t declare the City as a recovery zone, then we would not proceed with the request for reallocation application. Councilman Mercer voiced concern with issuing general obligation bonds without the vote of the people. Mr. Smith noted we currently have two private companies that could use the bonds for job creation and the borrowing would be covered by a letter of credit of the private company.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council voted 4-1 (Councilman Mercer voted against) to adopt a resolution that designates the City of Washington and its extraterritorial jurisdiction a ‘recovery zone’.

**RESOLUTION TO DESIGNATE THE CITY OF WASHINGTON
AS A RECOVERY ZONE**

WHEREAS, on February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 Stat. 115 (2009 (“ARRA”); and

WHEREAS, Section 1401 of Title I of Division B of ARRA authorizes state and local governments to issue Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds; and

WHEREAS, Recovery Zone Economic Development Bonds may be used to finance certain “qualified economic development purposes” and Recovery Zone Facility Bonds may be use to finance certain “recovery zone property,” as such terms are defined in ARRA; and

WHEREAS, the term “Recovery Zone” means: 1. any area designated by the issuer as having significant poverty, unemployment, a high rate of home foreclosures or general distress; 2. any area designated by the issuer as economically distressed by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990, and 3. any area for which a designation as an empowerment zone or renewal community is in effect as of the effective date of ARRA, which effective date is February 17, 2009; and

WHEREAS, Recovery Zone Economic Development Bonds are considered “qualified” bonds for purposes of Section 6431 of the Internal Revenue Code of 1986, as amended, and provide for a federal subsidy through a refundable tax credit paid to State or local governmental issuers in an amount equal to 45 percent of the total coupon interest payable to investors in these taxable bonds; and

WHEREAS, the interest on State or local Recovery Zone Facility Bonds is excludable from gross income for Federal income tax purposes; and

WHEREAS, Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds must be issued before January 1, 2011; and

WHEREAS, the State of North Carolina has \$100,000,000 in unallocated bond capacity available and may use funds in any reasonable manner as the City of Washington's governing body shall determine in good faith at their discretion for use for eligible costs for qualified economic development purposes or recovery zone property; and

WHEREAS the Washington City Council seeks to designate the municipal jurisdiction, including the extra-territorial jurisdiction as a Recovery Zone due to significant levels of increased unemployment (0.4% increase in November of 2010) and the general increase of economic distress throughout the municipality (Child poverty rate of 27.6%, Elderly poverty rate of 19.3%, Poverty rate of 19.6%), see attached map for official "recovery zone" boundaries.

WHEREAS, this matter was discussed at the February 22, 2010 City Council meeting, the March 22 Committee of the Whole Meeting, and recommended inclusion as an action item to the full governing body for approval during the April 12th Council Meeting;

NOW THEREFORE, BE IT RESOLVED that the City of Washington's City Council designates the areas more fully described above/attached as Exhibit A as a Recovery Zone; and

Adopted this the 12th day of April, 2010

**s/Cynthia S. Bennett
City Clerk**

**s/N. Archie Jennings, III
Mayor**

**AUTHORIZE – CITY MANAGER TO EXECUTE A RECOVERY ZONE ECONOMIC DEVELOPMENT
BOND REQUEST FOR REALLOCATION APPLICATION**

Mr. Rauschenbach reviewed the process for allocation requests. Mr. Smith noted this allocation could be used for storm water projects and other projects. Mayor Pro tem Roberson made a motion to request a \$6 million reallocation to fund these projects.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council voted 4-1(Councilman Mercer voted against) to authorize the City Manager to execute a Recovery Zone Economic Development Request for Reallocation application in support of the issuance of Recovery Zone Bonds for the requested projects in the amount of \$6 million.

PRESENTATION – POLICE FACILITY SITE LOCATION APPROVAL

Bianca Gentile, Special Projects stated at the March 8th meeting Marc Recko, Executive Director of Washington Housing Authority, presented the findings of the four suggested sites for the location of the police facility. A timetable highlighting the steps council and staff have taken is included below. Ms. Gentile reviewed a letter for USDA requesting the selection of a site.

Mr. Smith: (begin letter)

As you know, Rural Development was authorized to deliver a Letter of Conditions to the City of Washington on February 4, 2010. After receiving this authorization, it is our practice to deliver the Letter of Conditions and have the funds obligated within a 30 day time period.

We understand that there are some issues surrounding this project due to several new council members who were not involved in the project initially. It is our hope that these issues can be resolved quickly and the board will make the decision that will best serve the City of Washington. Please advise this office at the conclusion of your next Council meeting, by letter, if you plan to continue with this project as approved.

Should you have questions, please let us know. We look forward to working with you to complete this project that will benefit all the residents in the city of Washington.

Sincerely,
SUSAN P. CHRISTENSEN (end letter)

Ms. Gentile stated a decision is requested to select a site, if Council chooses not to select a site they are requesting permission from Council to write a letter to USDA to ask for an extension the Letter of Conditions for the loan. Mayor Jennings stated what we would like to do is to confer and then give a memo of guidance with some parameters with some choices to be made and conditions with Council's involvement moving forward. The memo would relay some understanding of general square footage and cost per square footage as a working tool to move forward with USDA. The architect suggested 15,000 sq. ft. and approximately \$200 sq. ft. Council would prefer to use a site

from the preferred list with the understanding if the City doesn't own the site, the amount to purchase the land would be netted against the \$3 million. We would also look at buildings owned by the City which includes Fire Station #1 at 5th and Market Street with the understanding that in turn we would build some other fire facility on the east side of town. Mayor Pro tem Roberson stated that he is comfortable with the three selected sites and even more comfortable with one site because the City owns it. Councilman Davis noted we should at least look at remodeling Fire Station #1 and maybe request an extension on the USDA loan.

Ms. Gentile noted that if Fire Station #1 is chosen as a site, we are not eligible for any grant as it is located in a flood zone. Councilman Moultrie voiced concern over prolonging this item anymore and suggested looking at one of the three sites that were presented. Ms. Gentile noted the architect did look at existing structures as well as modifying Fire Station #1 which proved to be cost prohibitive. Mayor Pro tem Roberson asked Chief Rose about the structural integrity of Fire Station #1. Chief Rose noted the current structure can't withstand a 100mph sustained wind. Councilman Pitt suggested we should consider a joint Police/Fire facility in the future. Mr. Smith noted ultimately we have to bid a particular size building on a particular lot to determine the actual cost.

Ms. Gentile stated a contract is needed to authorize the architect to engage them to do additional work. By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council authorized a contract with the architect not to exceed \$5000 for additional building and site location review. The contract will include an estimated square footage of 15,000 at \$200 sq/ft. Council agrees to commit the \$1million from the Public Safety Fund, borrowing no more than \$1million and "finding" another \$1million. Fully vet the conversion of the existing Fire Station #1 and committing \$5000 to the architect for vetting of existing buildings. Council also granted authority for Ms. Gentile to draft a letter to USDA for the Mayor to sign requesting an extension.

MEMO – WEATHERIZATION CONTRIBUTION FROM THE ELECTRIC FUND

(Begin memo from Matt Rauschenbach)The city is working in conjunction with Martin County Community Action Agency, Inc. to weatherize 200 WEU customer homes. Many of the program applicants are renters that must first receive permission from the landlord/owner of the unit in order to process the application. Additionally, state policy requires that the landlord/owner pay a \$275 cash contribution toward the cost of weatherization services for each unit, as well as agreeing not to increase the rent on the unit for 24 months, unless the increase is demonstrably related to matters other than the weatherization work performed. The terms "demonstrably related to matters other than weatherization work performed" are defined as an increase in excess of 25% per year in (1) fair market value of the rental unit or (2) an increase in property taxes.

Many owners are not willing to pay the \$275 cash contribution causing the property to be ineligible for the program. This leaves many WEU customers who rent their homes with up to 20% higher utility bills than if the home was weatherized. Management is seeking Council support which would allow the Electric Fund to pay the \$275 owner contribution. This would require an estimated appropriation of \$40,000 in fiscal year 2010-2011.(end memo)

By consensus Council agreed to make this part of the budget discussions.

ADOPT – BUDGET SCHEDULE FY 2010-2011

Mr. Rauschenbach noted we need to schedule the times for the budget sessions. Council agreed to begin the budget sessions at 4:30pm and start on May 3rd, 17th and 24th with the public hearing scheduled for May 24th. Budget sessions will begin on May 3rd with the Electric Fund. Mayor Pro tem Roberson voiced concern with ensuring the budget is approved by June 14th and noted additional meetings may be required. Mr. Smith delivered the budget message for Council's review, following the goals without any increases on taxes or fees. The budget will be placed on the website in the next day or so.

DISCUSSION OF FINANCIALS

Councilman Mercer inquired about the financial statements. He stated it appears we are going to run substantially short on revenues in both the general fund and electric fund. Councilman Mercer suggested to freeze all expenditures for capital and non-capital items effective today's date. Discussion was held regarding capital and non-capital purchases. Mr. Lewis noted a few items in the Public Works budget would be affected by this freeze, we have approximately \$17,000 left in the purchases of AMR water meters. The reason we stopped purchasing AMR meters was we didn't physically have any more room to store anymore meters and this is part of the AMR meter change out program. Mr. Smith stated the raw numbers are from purchase orders brought forward from last

year. Mr. Rauschenbach asked to have at least a week to take a look at where we are department by department in regards to the capital and non-capital items to determine what would be affected by this.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the freezing of purchase orders for two weeks for capital and non-capital items to allow Mr. Rauschenbach and staff to determine which items need to be purchased before the end of the fiscal year.

AUTHORIZE – DIRECTOR OF FIRE DEPARTMENT TO ACCEPT FEMA GRANT FUNDS \$48,384

Chief Robbie Rose stated the grant was applied for in 2009 under the FEMA Assistance to Firefighters annual grant program. We requested the replacement of 22 complete sets of firefighting personal protective clothing that will replace gear in the department that is in need of replacement by age and or condition. The total approved amount of the grant is \$50,930.00 with a federal share of 95% or \$48,384.00 while the municipal match is 5% or \$2,546.00. Our match appropriation will come directly out of the Fire Department budget and will not require transfer of additional funds into current budget. This grant award will provide us the ability to continue to provide our personnel with the proper level of personal protection and recognize a significant cost savings to the City of Washington.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council authorized the Fire Department to accept the 2009 FEMA Assistance to Firefighters Grant funds in the amount of \$48,384.00

APPROVE – INCREASE OF CURRENT MILEAGE FEES FOR EMS TRANSPORT FROM \$8.50 PER LOADED MILE TO \$13.00

Chief Rose stated after meeting with representatives from EMS Management & Consultants in preparation of their company taking over our EMS billing, they recommended that we increase our current loaded mileage fee rate of \$8.50 per loaded mile to \$13.00 per loaded mile which would bring us more in line with other rural EMS fee schedules. This fee would also represent a rate 125% of the Medicare maximum pay schedule, which would allow the maximum payment benefit from Medicare, and also allow payment from other sources for the remainder.

Loaded miles represent the actual miles of patient transport from the scene to the hospital.

As a side note to this issue; in comparison, all of our other current EMS transport/treatment fees are in line, or actually slightly above these same rural fee schedules.

Councilman Mercer voiced concern with increasing the rates now and noted we should wait until the budget process. Mr. Smith stated a lot of work has gone into a more efficient ways of collecting fees. We are going to ask Council to allow us authority to enter into an agreement with a private billing company, we have stopped billing as of April 1, 2010. This increase will only affect only 15% of our billings; we are currently behind on collections.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council by a vote of 4-1 (Councilman Mercer voted against) approved the increase of our current mileage fees for EMS transport from \$8.50 per loaded mile to \$13.00 per loaded mile retroactive back to April 1st 2010.

AUTHORIZE – CITY MANAGER TO ENTER INTO AN EMS BILLING AND COLLECTION SERVICE AGREEMENT WITH EMS MANAGEMENT & CONSULTANTS, INC & EMSCHARTS INC.

Mr. Rauschenbach reviewed a memo to Council that stated the EMS division of the Washington Fire and EMS Department will outsource billing and collections effective April 1, 2010 which coincides with the expiration of the maintenance agreement for the run software, billing, and collection system currently used. EMS Management & Consultants of Lewisville, NC was chosen from among three candidates. They were highly recommended by John Whitehurst of the NC Association of County Commissioners. John is the liaison between government EMS units and the State's Medicaid department. EMS Management & Consultants provide services to fifty NC counties and clients within counties and are able to interface with TekCollect, our collection agent, on delinquent accounts. Their references were excellent. EMS transport run software, *emsCharts*, is provided at no cost.

Several of our firefighters are experienced in this software. This run software will reduce our current daily administration of run information by three hours. Key information for the annual State Medicaid reimbursement report (\$50,000 expected for this year) is provided as well as for our debt

setoff program with the State. Deposits are made daily into our bank account and management reports are excellent. We are responsible for the collection on services provided prior to April 1. Our collection results on this run out should be improved due to increased focus resulting from the billing portion of this function being eliminated.

A 24% improvement in collections is projected based on EMS Management & Consultants collection history by payor type. The annual maintenance of the run software and billing system currently used will be eliminated. Postage savings and administrative improvements are planned and will be budgeted. The collection fee is 8%. The net projected annual improvement is \$130,000.

Chief Rose stated with this program we are not required to purchase software, this is an on-line software, this will save \$4,000 by not having to purchase laptops to place in the EMS units. This is in conjunction with the reduction in the position of EMS collections/billing because they had to draw on Stephanie in EMS collections/billing to help with some of the administrative work. In order for her to assist with the administrative work, they needed to outsource her position.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council authorized the continued negotiations and to finalize the contracts with EMS billing and collection service agreement with EMS Management & Consultants, Inc. and an EMS run software service agreement with *emsCharts, Inc.*

AUTHORIZE – CITY MANAGER TO EXECUTE THE AGREEMENT TO PARTICIPATE IN THE MUNICIPAL ENVIRONMENTAL ASSESSMENT COALITION

Mr. Smith noted in December, the League corresponded with us regarding the formation of the Municipal Environmental Assessment Coalition (MEAC). You will remember that MEAC members will support an engineering analysis to examine the ramifications of the proposed “triennial review” surface water quality rules. This state regulatory proposal will likely affect wastewater treatment processes, require implementation of stormwater programs, mandate development rules such as riparian buffer zones, and further regulate the land application of biosolids. If the rules are enacted, no corner of the state will be untouched. Mr. Smith noted the cost would be less than \$4000.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council authorized the City Manager to execute the Agreement to participate in the Municipal Environmental Assessment Coalition.

APPROVE – ELECTRIC ADVISORY COMMITTEE ROLES AND RESPONSIBILITIES

Mayor Jennings stated the Electric Advisory Committee has done a great job so far. As we embark on our new strategy to shave peak time and conserve energy, we need a place for all of this to reside. Mayor Jennings proposed that this broad based initiative be owned by the Electric Advisory Committee.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council expanded the roles and responsibilities of the Electric Advisory Committee to include the load management, customer education, conservation, and weatherization initiatives to accomplish the longer term plan of reducing our peak demand.

DISCUSSION – COUNCIL PERSONNEL BUDGET COMMITTEE

Mayor Jennings stated a lot of the issues he was concerned with have already been dealt with. He has requested a small group to go through the personnel policy with an eye for items that could affect the budget.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council appointed Councilman Pitt and Councilman Mercer to serve on this committee representing City Council.

REPORT REGARDING THE RELATIONSHIP BETWEEN THE LEAGUE AND THE CITY

Councilman Davis noted at the last meeting of the Recreation Committee problems with league operations was noted. These issues involved the safety of our youth. After discussion with that group, its Chairman and the Recreation Department, it is felt the Council needs to address league relationships. The league must understand that they are using our facilities and thus must meet standards we set forth.

Councilman Davis made a motion that all leagues using the City of Washington facilities must follow the basic guidelines set out below:

1. All leagues must have elected a Board of Directors, whose President is a non-voting member, subsequently submitting the board roster to the City before registration on a yearly basis.
2. All leagues must perform background investigations of all league personnel. The results to be provide to the City before the start of the season. Any personnel charged with a crime during the season must be barred immediately from any activity with the league until the matter has been resolved. The personnel must the reapply to coach.
3. Each league must provide the City with a financial report yearly within 60 days of completion of their playing season, accounting for all funds received as well as expenses.
4. All leagues must pay required fees to the city and work with the City to reduce operational cost.
5. All other league matters fall under the direction of the league's Board of Directors.

Mayor Jennings said that most of these items are already in our league agreements. At a "league summit" last week several of these items were discussed including background checks be uniform in nature. Franz Holscher, City Attorney suggested merging the two documents.

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council revised the motion to incorporate the following items with the current youth sports agreement requesting the use of the City of Washington facilities must follow the basic guidelines set out below:

1. All leagues must have elected a Board of Directors, whose President is a non-voting member, subsequently submitting the roster to the City before registration on a yearly basis.
2. All leagues must perform background investigations of all league personnel. The results to be provide to the City before the start of the season. Any personnel charged with a crime during the season must be barred immediately from any activity with the league until the matter has been resolved. The personnel must the reapply to coach.
3. Each league must provide the City with a financial report yearly within 60 days of completion of their playing season, accounting for all funds received as well as expenses.
4. All leagues must pay required fees to the city and work with the City to reduce operational cost.

Mayor Pro tem Roberson voiced concern over item number three regarding financial reporting. Mr. Holscher will discuss financial reports with the league.

CLOSED SESSION – NONE

ADJOURN

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council adjourned the meeting at 10:45pm until April 19, 2010 at 5:30pm at the Civic Center.

**Cynthia S. Bennett
City Clerk**