

The Washington City Council met in a regular session on Monday, January 26, 2015 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Stacy Drakeford, Police & Fire Services Director; Robbie Rose, Fire Chief; Lynn Wingate, Tourism Director; Gloria Moore, Library Director; Susan Hodges, Human Resources Director; Kristi Roberson, Parks and Recreation Manager; Keith Hardt, Electric Utilities Director; John Rodman, Community & Cultural Services Director; David Carraway, Network Administrator and Mike Voss, Washington Daily News.

Mayor Hodges called the meeting to order and Mayor Pro tem Roberson delivered the invocation.

APPROVAL OF MINUTES:

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council approved the minutes of January 12, 2015 as presented.

APPROVAL/AMENDMENTS TO AGENDA:

- Delete Old Business Item A: Accept/Adopt – Recommendation of The Planning Board And Adopt Resolution To Consider Zoning Change Consisting of 6.49 Acres of Vacant Property Located on Slatestone Road (request pulled by applicant)
- Add as a future discussion item: Current phone system & Strategic Planning Session

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

CONSENT AGENDA:

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

- A. Adopt – Budget Ordinance Amendment for Water and Sewer Adjustments
**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2014-2015**

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

Section 1. That the Estimated Revenues in the Water Fund be increased or decreased in the following accounts and amounts:

30-90-3991-9910	Fund Balance Appropriated	\$29,174
30-90-3710-5100	Water Sales	(29,174)

Section 2. That the Estimated Revenues in the Sewer Fund be increased or decreased in the following accounts and amounts:

32-90-3991-9910	Fund Balance Appropriated	\$30,579
32-90-3720-5100	Sewer Sales	(30,579)

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 26th day of January, 2015.

ATTEST:
s/Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

COMMENTS FROM THE PUBLIC: NONE

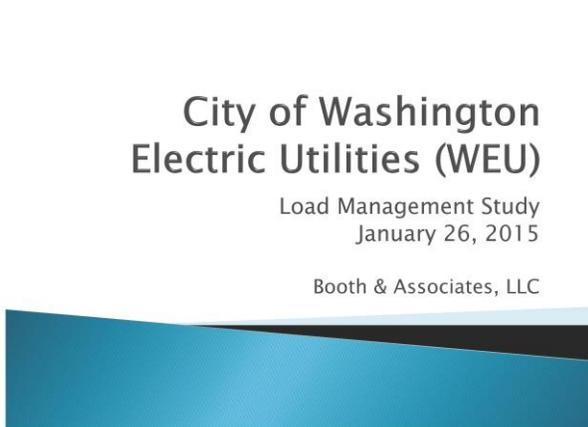
PUBLIC HEARING – OTHER: NONE

PUBLIC HEARING – ZONING: NONE

SCHEDULED PUBLIC APPEARANCES:

BOOTH & ASSOCIATES, LLC – LOAD MANAGEMENT STUDY

Stephanie Beauregard from Booth & Associates delivered the following presentation to Council regarding Load Management.



Load Management Programs

- ▶ Residential Load Management Switches
 - Water Heater
 - Air Conditioning
 - Heating – heat pump, electric furnace, baseboard
- ▶ Generators
 - 13 customers receiving credits
 - plus industrial park generator
- ▶ Coincident Peak Rates
 - 15 customers on GS-CDC rate
 - 1 customer on IS-CDC rate



Purpose of the Study

- ▶ Reconcile billings to monthly forecast
- ▶ Evaluate savings/costs for each program



Water Heater Switches

- ▶ Credits given January – December
- ▶ \$2.50 credit per month
- ▶ Some customers on budget billing receive a \$30 credit once a year



Air Conditioning Switches

- ▶ Credits given June – September
- ▶ When the customer has a non-controlled electric water heater; \$3.50 credit per month
- ▶ When the customer has a controlled electric water heater or does not have an electric water heater
 - Fully controlled; \$3.50 credit per month or \$0.0165 per kWh over 800 kWh, whichever is higher
 - Partially controlled; \$3.50 credit per month or \$0.0098 per kWh over 800 kWh, whichever is higher



Heating Switches

- ▶ Credits given October – May
- ▶ When the customer has a controlled electric water heater or does not have an electric water heater
 - Heat Pump; monthly credit equals \$0.00847 per kWh over 800 kWh
 - Resistive Heat (electric furnace or baseboard); monthly credit equals \$0.0157 per kWh over 800 kWh



Switch Savings (kW)

	WH	AC Full	AC Part	Baseboard	Heat Strips
January	0.50			3.50	1.50
February	0.50			3.50	1.50
March	0.50			1.75	0.50
April	0.50			0.50	0.00
May	0.25			0.00	0.00
June	0.25	2.10	0.70		
July	0.25	2.40	0.80		
August	0.25	2.40	0.80		
September	0.25	2.40	0.80		
October	0.25			0.50	0.00
November	0.25			1.75	0.25
December	0.50			2.75	0.75



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Switch Savings (Oct13 – Sept14)

	WH	AC	Heating	Total
Switches (avg)	2,896	2,782	1,638	7,315
Credits Given	\$86,868	\$65,494	\$76,413	\$228,775
Power Cost Savings	\$139,635	\$101,234	\$118,661	\$359,530
Net Savings	\$52,768	\$35,739	\$42,248	\$130,755
Per Switch	\$18.22	\$12.85	\$25.79	\$17.87
Payback (years)	9.76	13.85	6.90	9.95

Switch Cost - FY14-15

Hardware	\$70,000
Employee	\$57,902
Contractor	\$50,000
Total	\$177,902
#Switches	1,000
\$/Switch	\$178

Commercial accounts are not included in this analysis.



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AC Savings (Oct13 – Sept14)

Air Conditioning	AC0	Full <800	Full >800	Part <800	Part >800
Switches (avg)	132	11	36	792	1,811
Avg kWh per Switch			1,588		1,512
Credits Given	\$1,841	\$154	\$1,873	\$11,088	\$50,539
Power Cost Savings	\$4,626	\$1,151	\$3,808	\$27,677	\$63,971
Net Savings	\$2,785	\$997	\$1,936	\$16,589	\$13,432
Per Switch	\$21.18	\$90.67	\$53.77	\$20.95	\$7.42
Payback (years)	8.40	1.96	3.31	8.49	23.99

Rate	\$3.50 per month	\$3.50 per month	The max of \$3.50 or \$0.0165 per kWh>800	\$3.50 per month	The max of \$3.50 or \$0.0098 per kWh>800
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Commercial accounts are not included in this analysis.



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Heating Savings (Oct13 – Sept14)

Heating	HS <800	HS >800	BB <800	BB >800
Switches (avg)	513	807	57	261
Avg kWh per Switch		1,545		1,887
Credits Given	\$0	\$40,734	\$0	\$35,679
Power Cost Savings	\$15,541	\$51,963	\$4,184	\$46,973
Net Savings	\$15,541	\$11,229	\$4,184	\$11,294
Per Switch	\$30.31	\$13.91	\$73.89	\$43.21
Payback (years)	5.87	12.79	2.41	4.12

Rate	no credit	\$0.00847 per kWh >800	no credit	\$0.01570 per kWh >800
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Commercial accounts are not included in this analysis.



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Recommendations

- ▶ Eliminate credits based on kWh used
 - A/C program @ \$3.50 rate saves \$26,553
 - Heating program savings depends on rate
- ▶ Reduce months of heating credits to months when savings are realized
- ▶ Separate larger/commercial customers
 - Churches, Banks, Restaurants
 - City Accounts



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Coincident Demand Rates

- ▶ CD1 customers are charged \$20.49 per kW for every kW Coincident with time of purchased power demand peak
- ▶ CD2 customers are charged \$20.20 per kW for every kW Coincident with time of purchased power demand peak



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Coincident Demand Summary (Oct13 – Sept14)

	Base Rate	CDC Rate	
		Load Shed	No Load Shed
kWh Shed	0	34,167	0
Revenue	\$2,849,154	\$2,261,889	\$2,940,180
Power Cost	\$2,463,147	\$2,034,010	\$2,463,147
Gross Margin	\$386,007	\$227,879	\$477,033
Change in Gross Margin		(\$158,127)	\$91,026



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Recommendations

- ▶ When Power Cost Changes
 - Review generator credits
 - Review CDC rates
- ▶ Can do now
 - Eliminate credits based on kWh used
 - Reduce months of heating credits to months when savings are realized
 - Separate larger/commercial customers



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Staff was directed to create a separate budget line item for generators that are not included in the load management program.

CORRESPONDENCE AND SPECIAL REPORTS:
DISCUSSION – GRANT UPDATES

Grant Executive Summary
as of 12/31/2014

Fund	Grant Description	Dates			Financials				Deliverable				Compliance Reporting Status	Notes
		Award	Expiration	Completion	Revenue		Expense		Metric	Total	Achieved	Bal.		
					Budget	Actual	Budget	Actual						
50	CDBG Affordable Housing	04/09/10	10/31/14	01/31/15	227,700	185,719	227,700	185,719	LMI homes	10	6	4	09/30/14	6 completed, performance extension requested
52	Comprehensive Bicycle Plan	05/26/11	12/31/13	06/30/14	35,000	30,430	35,000	32,288				0		Council approved plan in December
55	IdX/Impressions NC One Grant	09/30/13	09/30/16		300,000	-	300,000	-	Jobs/Investment	160	0	160	01/31/14	Jobs created but not since award date
61	Pedestrian Plan Grant	05/20/13	09/30/13	12/31/14	10,000	10,000	10,000	-				0		Plan being drafted, complete early 2015
65	Econ. Development- Spirrite	01/07/12	01/07/15	01/07/15	90,000	90,447	90,000	67,500	Jobs	90	76	14		Grant to be closed out
66	Airport Terminal Grant	04/04/13	07/01/15	03/31/15	1,254,488	873,147	1,254,488	659,095				0		Construction begun, complete March 2015
67	Façade Grant Program	07/01/13	06/30/14	06/30/14	20,000	21	20,000	10,912				0		In progress, 5 reimbursed
69	Way Finding		04/01/15		150,000	150,200	150,000	7,513						Reviewing w/ DOT, cost estimate & recommendation by 4/1/15
71	Airport Lighting Rehab			12/31/14	361,111	66,379	361,111	33,631						Bid awarded Nov. 24th
72	People's Pier Public Access Grant				135,000	-	135,000	-						Construction bid awarded, complete by June 30th
75	Firefighter's Assistance- Exhaust	08/08/14	08/07/15		50,000	-	50,000	-						Equipment ordered
76	EDA Water Projects	09/11/13	03/11/17	02/28/17	1,428,262	706,133	1,428,262	35,730				0		Construction bid awarded, complete by June 2015
77	EDA Sewer Grants	09/11/13	03/11/17	02/28/17	1,423,894	703,974	1,423,894	153,112				0		Bid awarded January 2015
	CDBG Keysville Rd.	2005	6/4/2013	06/30/16	320,000	320,000	320,000	320,000				0	09/30/14	Paid \$75k, closed lot 1, lot 2 complete, lot 3 end of January.
32	TAG- Sanitary sewer study	05/12/14		09/09/14	35,000	-	35,000	30,625						Completed, reimbursement to be requested
37	Airport Approach Survey	07/01/14	07/01/16		11,213	-	11,213	-						Survey completed
	IdX Building Reuse	12/15/14			504,000	-	504,000	-						Award notification received, Mid-East administering
10	NC Cardinal	07/01/14		06/30/15	22,345	-	22,345	-						Grant awarded, complete by 6/30/15
10	Historic Preservation Grant	07/01/14	08/21/15		15,000	-	15,000	-						RFP requested to update National Registry Inventory
10	EZ Technology Library Grant	11/03/14	12/12/14	04/15/15	4,863	5,223	10,086	-						

Applications	Pre-App	Selected	Final App	Grant	Match	Total
FEMA AFG Fire Engine/Resc. Tools	11/30/14			353,929	18,571	372,500
Havens Garden PARTF				250,000	250,000	500,000

DISCUSSION – PROJECT UPDATES

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
General Fund:								
IT	10-00-4132-7400	Wireless Bridge- sewer plant	1,204	(1,632)	0	2,836	Completed PY, TDA phone move CR	1
		Redundant PRI	6,917	6,709	0	208	Complete	1
		Redundant Cisco phone svr.	19,063	18,617	0	446	Complete	1
		IP addressing	1,520	0	1,520	0	In progress	1
		Total IT	28,704	23,694	1,520	3,490		
Police	10-10-4310-7400	Vehicles	134,000	53,859	51,599	28,542	#140 on order, 3 received	
Fire	10-10-4340-7400	Thermal imaging camera	8,105	8,094	0	11	Complete	1
		Support vehicle 1	29,914	425	28,628	861	On order	
		Total Fire	38,019	8,519		873		
Planning	10-10-4910-7400	Streetscape	25,000	0	0	25,000	Committee forming, met October 21	
	10-10-4910-0400	Havens Garden Master Plan	7,200	3,137	4,063	0	Complete by February	
Powell Bill	10-20-4511-4500	Street Paving	279,208	195,888	47,400	35,920	Original contract completed	2
Street Maintenance	10-20-4510-7400	Dump truck #454	64,000	63,816	0	184	Complete	
Library	10-40-6110-7400	PC virtualization	14,700	12,471	0	2,229	10 complete, including 6 additional	
Outside Agency	10-40-6170-9113	Veterans Park Sign	6,920	3,946	745	2,229	Complete	1,2
Rec. Maintenance	10-40-6130-7400	3rd St ball field RR	59,620	59,620	0	0	Complete	1
		Utility trucks # 807 & 810	63,783	40,440	24,051	(708)	807 delivered. 810 due by end of the month	
		Total Rec. Maintenance	123,403	100,060	24,051	(708)		
		Total General Fund	721,154	465,390	158,005	97,759		
Water:								
Water Meter Svc.	30-90-7250-7000	AMR meters	110,000	70,248	4,813	34,939	Complete March	1
Water Treatment	30-90-8100-7400	Van #552 & pickup #565	40,000	39,241	0	759	Complete	
Water Maintenance	30-90-8140-7400	Truck #14 body	7,393	8,399	0	(1,006)	Complete	1
Water Construction	30-90-8180-0400	18" WL engineering	61,653	980	60,673	0	Engineering completed	
	30-90-8180-7400	Summit Ave. water line	168,806	76,380	0	92,426	Complete	1,2
		Total Water Fund	387,851	195,248	65,486	127,118		
Sewer:								
Wastewater Treatment	32-90-8220-7000	Blast & paint clarifiers 1&2	14,600	14,600	0	0	Complete	1
	32-90-8220-7400	Vehicle #548	25,000	24,911	0	89	Complete	
	32-90-8220-7400	Effluent control panel	24,000	7,844	12,682	3,474	Complete by March 1	
	32-90-8220-7400	Tractor equipment	17,000	15,816	0	1,184	Complete	
Lift Stations	32-90-8230-7400	Rebuild 5th&Respass pump c	40,000	11,937	27,840	228	Complete April 1	
	32-90-8230-7400	Fountain L.S. generator	8,663	913	7,784	(34)	Complete	1
		Total Sewer Fund	129,263	76,015	48,306	4,942		
Electric:								
Electric Director	35-90-7220-0400	Peak Shaving Rate Study	8,962	8,176	786	0	Council presentation January	1
		Total Electric Director	8,962	8,176	786	0		
Electric Meter Service	35-90-7250-7400	Test Switches	1,740	1,740	0	0	Complete	1
		Meters & handhelds	70,000	0	14,505	55,495	In progress	
		Total Electric Meter Svc.	71,740	1,740	14,505	55,495		
Substation Maint.	35-90-8370-7400	Eastern substation breaker	46,512				Completed	1
		VOA recloser	20,000				Not started.	
		Distribution reclosers	20,000				On order	
		Capacitors	8,000				Not started.	
		E. substation security system	2,500				Using Tropos. Started.	
		FRHL & Whar St. bus metering	5,500				Complete	
		Chocovinity breaker rebuild	100,000				Complete	
		Main substation rebuild	250,000	0	0		Acquiring materials	
		Total Substation	452,512	82,729	138,476	231,307		
Load Management	35-90-8375-7400	Load management switches	70,000	0	65,600	4,400	On order	
Power Line Construction	35-90-8390-7400	2nd St./5th St Rebuild Engine	71,538				Complete	2
		High School Feeder relocation	114,332				Complete	1,2
		Grimesland Feeder Engineering	73,226				Complete	1,2
		NC 32 Feeder Engineering	32,299				Project ongoing	1,2
		White Post/Slatestone Feeder	100,000				Delayed to FY 15. Not started	2
		NC 32 Feeder rebuild	325,000				Under construction	
		2nd St./5th St Rebuild	300,000				Acquiring materials	
		Line truck #617	230,000				On order	
		Dually F350 #613	50,000				On order	
		Portable air compressor	20,000				Compiling specs	
		Total Power Line Construct	1,316,395	179,669	406,613	730,113		
		Total Electric Fund	1,919,609	272,314	625,980	1,021,315		
Solid Waste Collection:	38-90-4710-7400	Two leaf machines	60,000	51,042	0	8,958	Complete	
		Total Solid Waste	60,000	51,042	0	8,958		
Cemetery:								
Cemetery Fund	39-90-4740-5600	Storm drain repairs	7,223	7,223	0	0	Complete	2
	39-90-4740-7400	Two equipment sheds	30,000	3,000	27,000	0	On order, complete Feb. 1	
		Total Cemetery	37,223	10,223	27,000	0		
Grand Total		Grand Total	3,255,100	1,070,232	924,777	1,260,091		

Notes:
1 PO carryforward
2 Project carryforward

REPORT – CITY OF WASHINGTON ACCIDENT STATISTICS

City of Washington Accident Statistics Report				4th Quarter 2014		
					12/31/2014	
2014 Calendar Year Total						
Department	October	November	December	#OSHA Recordable	Non Recordable	Total
Public Works				5	0	5
Electric	1 - Slip/Trip/Fall			2	2	4
Fire				1	2	3
Police				5	0	5
Administrative Services				1	0	1
Comm & Cultural Svcs.				0	0	0
				14	4	18
*Denotes an OSHA Recordable Accident						
1904.7(a)						
Recordable - Basic requirement. An injury or illness meets the general recording criteria, and therefore is deemed recordable, if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first-aid, or loss of consciousness. A case will also meet the general recording criteria if it involves a significant injury or illness diagnosed by a physician or other licensed health care professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.						
Non - recordable . An injury or illness that requires treatment that is defined as first aid with first aid being defined in 1904.7(b)(5)(ii).						

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES: NONE

APPOINTMENTS: NONE

OLD BUSINESS:

ACCEPT/ADOPT – RECOMMENDATION OF THE PLANNING BOARD AND ADOPT RESOLUTION TO CONSIDER ZONING CHANGE CONSISTING OF 6.49 ACRES OF VACANT PROPERTY LOCATED ON SLATESTONE ROAD (request pulled by applicant)

ADOPT – RESOLUTION TO ACCEPT A GRANT IN THE AMOUNT OF \$89,109 FROM NCDOT TO HELP FUND THE RUNWAY 5-23 LIGHTING REHAB PROJECT

The agreement is for State Aid to Airports in the amount of \$89,109. The City’s matching contribution for these funds is \$9,901 or 10% of the total \$99,010. This grant will be combined with another grant previously approved by council on June 9, 2014, to fund this project. In addition to the grant agreement, also attached is a copy of the project budget including expenditures and revenues.

By motion of Councilman Pitt, seconded by Councilman Mercer, Council adopted a resolution to accept a grant in the amount of \$89,109 from NCDOT to help fund the Runway 5-23 Lighting Rehab Project.

RESOLUTION TO ACCEPT A GRANT IN THE AMOUNT OF \$89,109 FROM NCDOT TO HELP FUND THE RUNWAY 5-23 LIGHTING REHAB PROJECT

WHEREAS, a Grant in the amount of \$89,109 has been approved by the Department based on total estimated cost of \$88,010; and

WHEREAS, an amount equal to or greater than ten percent (10%) of the total estimated project cost has been appropriated by the Sponsor for this Project.

NOW THEREFORE, BE IT RESOLVED THAT THE City Manager of the Sponsor be and he hereby is authorized and empowered to enter into a Grant Agreement with the Department, thereby binding the Sponsor to the fulfillment of its obligation incurred under this Grant Agreement or any mutually agreed upon modification thereof.

ATTEST:

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

**s/Mac Hodges
Mayor**

ADOPT – HAVENS GARDENS MASTER PLAN

(summary) Susan Suggs completed a site specific Master Plan for Havens Gardens that was adopted by City Council on March 9, 2009.

During the January 2014 Recreation Advisory Committee meeting, RAC recommended to ask City Council to re-appropriate funds left over from the Festival Park project budget. The Recreation Advisory Committee requested this funding to update the plan on March 10, 2014. City Council voted

not to adopt the budget ordinance amendment to fund a revised Havens Gardens Master Plan until the Recreation Advisory Committee had further reviewed the plan and established specific recommendations for changes.

The RAC has completed this work. An updated site specific Master Plan will be needed to apply for a Parks and Recreation Trust Fund Grant.

October 6, 2014, City Council accepted the recommendation from the Recreation Advisory Committee to contract with Susan Suggs to complete an updated site specific Master Plan for Havens Gardens. The contract will not exceed \$7200.

November 24, 2014 Council Meeting: *Councilman Mercer suggested that the project be split into multiple phases to get the project down to \$500,000 in order to receive the maximum grant amount of \$250,000 (50% match) and then reapply for grant funding for the remaining phase during the next grant cycle. This would reduce the City's total match. Mayor Pro tem Roberson inquired about including an additional pier and suggested that the Recreation Advisory Committee review this possibility. Mr. Alligood noted that the Recreation Advisory Committee did review the topic of an additional pier, but that project would come from another funding source. Mr. Alligood asked if the recommendation was to ask the Recreation Advisory Committee to pare this down to \$500,000; but is Council giving staff the authority to apply for the grant. The grant application is due February 2, 2015.*

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council returned the project back to the Recreation Advisory Committee to split the project into two phases (maximum of \$500,000 in phase 1), in order to apply for grants in two funding cycles and allowed staff to make the grant application for the first phase with a maximum project amount of \$500,000 and authorized staff to prepare the application for the remaining phase for the next grant funding cycle.

Susan Suggs has completed the Havens Gardens Master Plan.

October 6, 2014 City Council approved Susan Suggs to begin working on a site specific Mast Plan for Havens Gardens.

Susan Suggs delivered a presentation to Council that depicted the elements of the Havens Gardens Master Plan. After reviewing the presentation with Council, a motion was made to adopt the Master Plan for Havens Gardens.



Description of Havens Gardens Park - Setting

- ▶ Waterfront
- ▶ Lovely Views
- ▶ Residential neighborhoods nearby
- ▶ Connection to other parks, neighborhoods & downtown waterfront
- ▶ Railroad track



Description of Havens Gardens Park - Facilities

- ▶ 2 shelters
- ▶ Fishing pier
- ▶ Parking area
- ▶ Restrooms
- ▶ Play equipment
- ▶ Bulkhead
- ▶ Wheel



Description of Havens Gardens Park – Current Use

- ▶ Fishing
- ▶ Viewing river
- ▶ Picnics, gatherings
- ▶ Children play
- ▶ Popular park



Description of Havens Gardens Park - Condition

- ▶ Not accessible for pedestrians (ADA)
- ▶ Play equipment not accessible (ADA)
- ▶ Needs an update
- ▶ Shelters need repair
- ▶ Pier is narrow & needs repair
- ▶ "Loved to death"



Environmental Parameters

- ▶ Flood plain location
- ▶ Water Quality buffers 30 foot and 50 foot
- ▶ Stormwater Permit required if greater than 24% impervious
- ▶ CAMA 75 foot Area of Environmental Concern



Public Input

- ▶ City of Washington Parks & Recreation Master Plan – 3/2014
 - ▶ Popular activities: walking jogging, group gathering, picnics, biking
 - ▶ Desired: spray park, new playground equipment, sand volleyball
 - ▶ Specific to Havens Gardens Park: picnic, fitness circuit, sand volleyball, park update
 - ▶ Overall: improve maintenance, more youth activities



Public Input

- ▶ Smoke on Water Festival – 10/18/2015
 - ▶ 59 surveys at Festival
 - ▶ 35 after festival



Public Input Survey results – High ratings

- | | |
|-----------------|---------------------|
| Walking circuit | Trees |
| Splash play | Play structures |
| Picnics | Tot play |
| Viewing scenery | Climbing play |
| Youth play | Kayaking |
| Benches | Beach volleyball |
| Pier fishing | Safe play structure |
| Swings | |



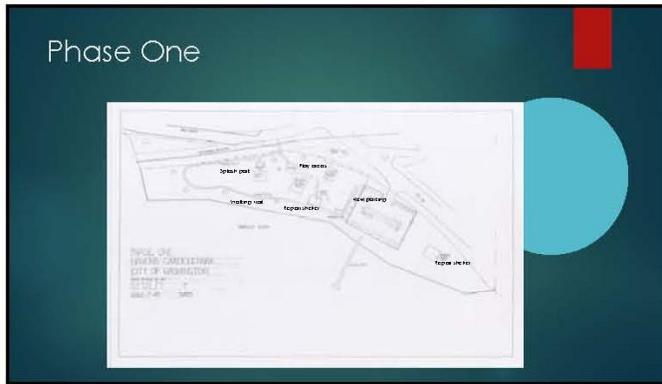
Master Plan



Master Plan

- ▶ Accessible walkways
- ▶ Accessible play equipment
- ▶ Accessible parking
- ▶ Resilient play surface
- ▶ Repair shelters
- ▶ Replace pier
- ▶ New activities of beach volley ball, bocce, splash park, walking trail, pedestrian pier
- ▶ Meets environmental criteria





Mayor Pro tem Roberson inquired about public access and about a fishing pier/pedestrian pier. He reminded Ms. Suggs to discuss the pier when the plan is submitted to CAMA for permitting. Ms. Suggs explained that a new pedestrian pier will be installed and the current fishing pier will be replaced with a new fishing pier.

By motion of Councilman Brooks, seconded by Councilman Beeman, Council adopted the Havens Gardens Master Plan as presented.

NEW BUSINESS:

DISCUSSION: STRATEGIC PLANNING SESSION

City Manager, Brian Alligood explained the process for tonight's strategic planning session. He stated that the purpose of the planning session is for the Department Heads to:

1. Talk about where they are currently in this fiscal year.
2. Where they anticipate being at the end of the current fiscal year.
3. What challenges and projects do they face next fiscal year.

Staff is looking at broad direction from Council tonight as we move forward in the next budget cycle.

ALLEN LEWIS, PUBLIC WORKS DEPT.

Current FY.

Budget revenues and expenditures are in-line with where they should be in all Public Works enterprise funds with the exception of the dumpster rental portion of the solid waste fund.

All major projects/capital expenditures in Public Works general fund divisions have been completed.

The EDA grant water/sewer project design and bidding is complete. Construction is set to begin in February 2015. This project includes a new 16" water transmission main from the WTP to US 264, liquid chlorine feed system at WTP, upgrade pump station at Cherry Run, generator at WWTP and replace the pump station at Water and Bonner. Project is scheduled to be completed by February of 2016.

The Summit Avenue water line replacement project is complete and was done so well under the budgeted amount. Most of the other major water fund projects/capital this FY are complete with the exception of a few that will be completed by mid-to-late April:

Airport terminal construction is nearing completion. Contract completion date is March 31, 2015, but substantial completion should take place sometime in February. Runway 5-23 lighting rehabilitation project should be completed around the end of the fiscal year. Approach clearing will hopefully take place in the next few months allowing runway 17-35 to be put back in service shortly thereafter. 50% plans for a new private hangar have been received and reviewed with comments returned to the owner.

The shelter replacement at the cemetery is underway and should be completed within the next several weeks.

Upcoming FY.

Replace two ton dump truck in the street department (\$80K).

No projects/capital expenditures in the buildings and grounds budget that are above CIP threshold.

Replace two (2) vehicles in the water fund and various other smaller projects/capital expenditures in the water and sewer funds under the CIP threshold. Install video security system at the WWTP (\$25K). Continue large water meter replacement program (\$100K). Mr. Lewis noted that all of the 1” water meters have been replaced and the majority of the 2” water meters will be replaced next fiscal year (approx. 80 meters).

Continue manhole rehab program to reduce I/I (\$100K). Continue construction of EDA water/sewer project. Total costs, including engineering, construction, legal, admin and, contingency ~ \$2.8 million.

Proposed drainage improvements at various locations around town (\$300K).

Considering the possibility of improvements to the corporate hangar to make it more appealing to future tenants.

No projects/capital expenditures in the solid waste budget that are above CIP threshold. Possibly looking at eliminating a position with the pending retirement of a solid waste employee in August.

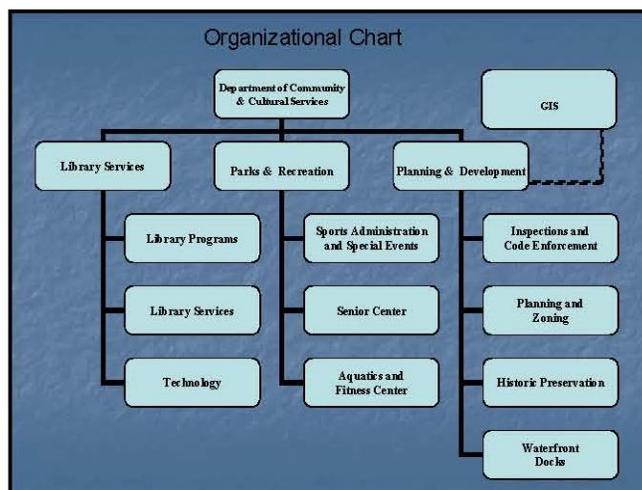
No projects/capital expenditures in the cemetery budget that are above CIP threshold.

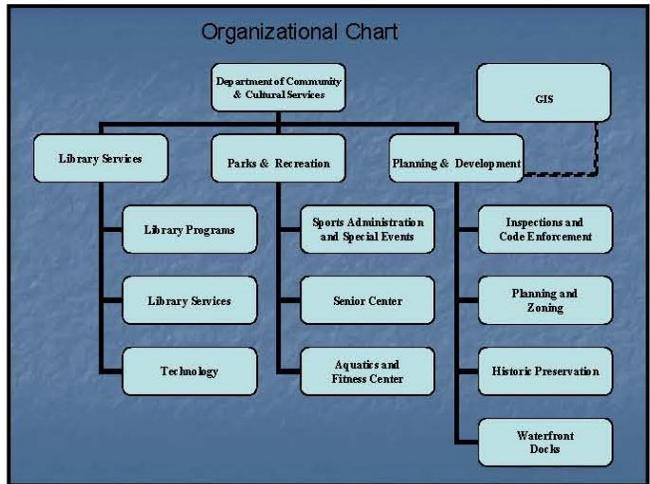
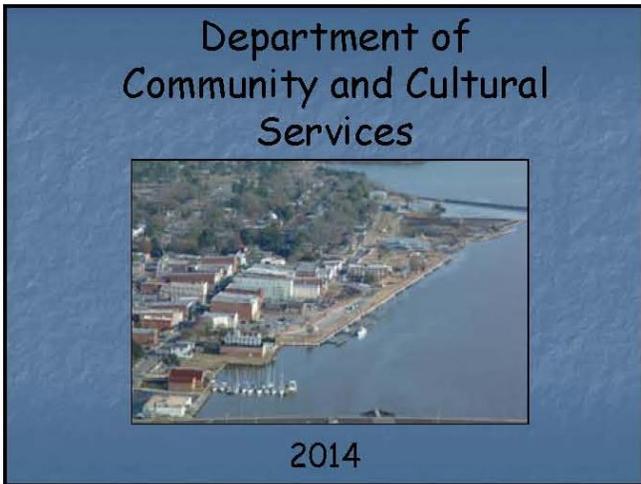
Mr. Alligood explained staff is currently reviewing the Stormwater program and plans to present the revised program to Council on February 9th. Council discussed the maintenance as well as the enhancement/improvements of the McConnell Sports Complex. Mr. Alligood noted that the current budget and as well as next fiscal year we need to concentrate on the maintenance of the current properties that we own instead of adding additional items. We need to spend a little more money and time on our current infrastructure before we add new items. Mr. Alligood challenged Council to look at all the items associated with the Stormwater Fees/Program and not just focus on capital. Mr. Alligood discussed the street resurfacing program with Council – this will be addressed in a long-term Capital Improvement Plan. Mr. Lewis noted that the roof on all of the press boxes at the McConnell complex will need to be replaced.

Councilman Brooks liked the fact that a maintenance plan is being created to take care of property and facilities that we own. Councilman Mercer asked if it was practical to install AMR meters on the larger meters and Mr. Alligood noted the larger AMR meters would be cost prohibitive.

JOHN RODMAN, COMMUNITY & CULTURAL SERVICES

The People’s Pier project is slated to begin in February and completed by June 30th. Councilman Mercer asked Mr. Rodman about future capital projects, the information will be provided to Council at a later date. Councilman Pitt noted that additional attention and funding needs to be provided for dilapidated structures.

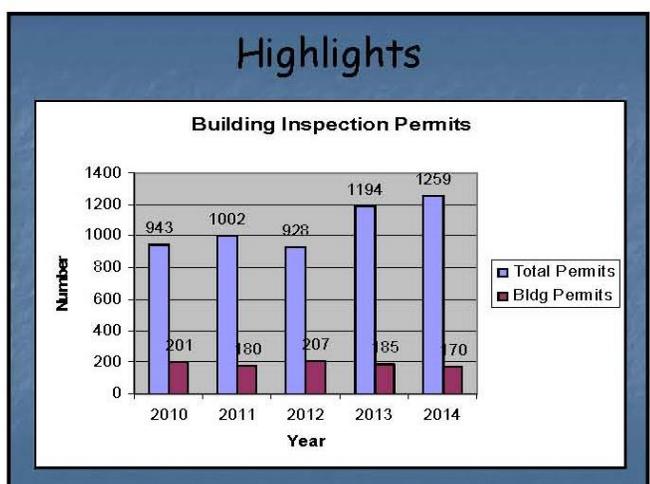




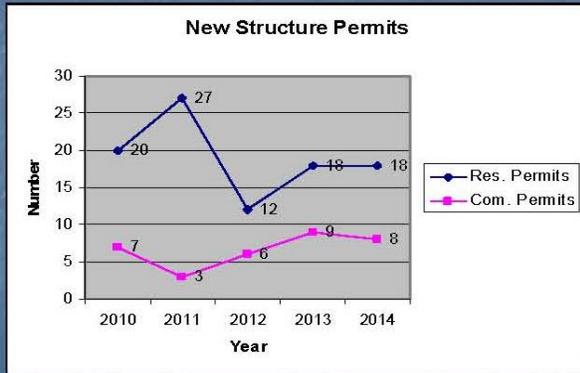
- ### Planning and Development
- Code Enforcement and Inspection
 - Planning and Zoning
 - Historic Preservation
 - Floodplain Management
 - Waterfront Docks
- 

- ### Overview/Projects (Planning & Development)
- Completed an update of the Historic Preservation Guidelines
 - Continue both Historic Preservation and a Building Inspection Newsletter
 - Retained our Certified Local Government status
 - Participated in the NFIP Community Rating System (CRS) program - recognizes activities that exceed minimum flood insurance standards
 - Received grant for Historic Structure Inventory
 - Began Wayfinding Signage program
 - Had organizational meeting for Downtown Streetscape Master Plan
 - Completed review of Inspection and Planning & Development fees

- ### Staff Certifications
- Certified Zoning Official
 - Certified Housing Code Official
 - Certified LEEDS Official
 - Certified Floodplain Manager
 - Building Officials retained Level III certifications in all 5 trades
 - American Institute of Certified Planners
 - Completed Grant Administration and Public Management Certification



Highlights



Highlights



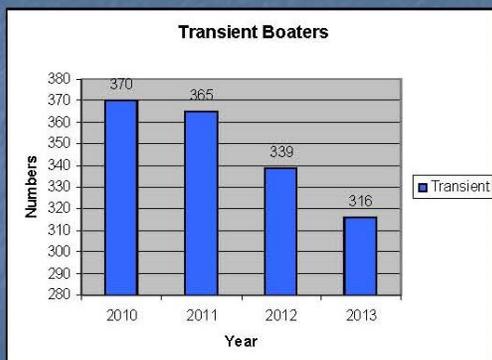
Goals and Challenges - 2015 (Planning & Development)

- Complete the process of revising and consolidating the Zoning Ordinance, Subdivision Ordinance, Sign Ordinance, and other departmental regulations into a *Unified Development Ordinance*
- Complete the Non-Residential Maintenance Code for sub-standard commercial structures
- Complete the Wayfinding sign Program - Begin the review for a comprehensive corridor and entranceway study to improve the major gateways into the community
- Better utilize and enhance our Demolition By Neglect Ordinance for the Historic District
- Continue the process for a Downtown Master Plan (Streetscapes)
- Develop an ordinance to incorporate Load Management into New Construction
- Continue to improve the Department and the City's use of GIS and document management technology
- Approve a fair and equitable fee schedule for Inspections and Planning

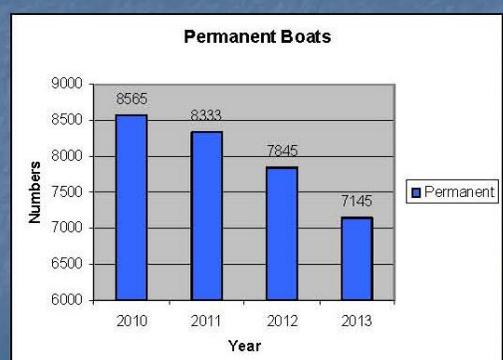
Overview/Projects (Waterfront Docks)

- Completed reorganization for the Waterfront Docks management
- Hired a part-time dockmaster
- Completed construction of Lighthouse Restrooms and Boaters Facility
- Appointed Waterfront Dock Committee
- Received grant funding for the construction of a municipal pier
- Completed review and implementation of waterfront docks fee schedule

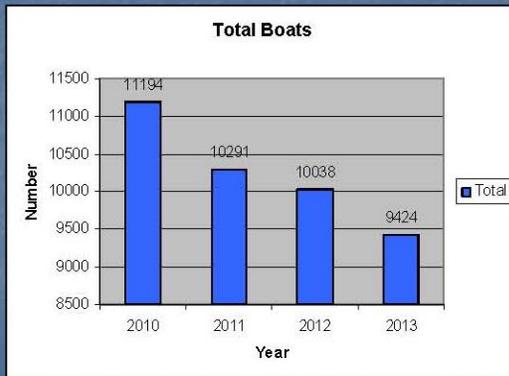
Waterfront Docks



Waterfront Docks



Waterfront Docks



Goals and Challenges - 2015 (Waterfront Docks)

- Continue maintenance on docks as needed
- Positive change over of waterfront docks - occupying new facility
- A procedure & budget for emergency removal of derelict boats
- Receive funding and complete the construction of the public pier
- Increase occupancy of the slips to warrant possible expansion in the future
- Investigate new policy for the use commercial activity on the waterfront
- Begin planning for completion of Maritime Quarter - storage building & Farmers Market
- Investigate the location of a fuel source

Parks and Recreation

- Administration
- Sports/Events
- Seniors
- Aquatic and Fitness Center



Overview/Projects (Administration)

- Completed the relocation of Parks and Recreation Administration offices
- Completed the Comprehensive Recreation Master Plan
- Completed the Comprehensive Bicycle Plan
- Updating the Pedestrian Plan
- Applied for CAMA Public Access Grant for walkway at Runyon Creek
- Completed review of youth sports and event fees

Goals and Challenges - 2015 (Administration)

- Implement the Havens Gardens Master Plan
- Apply for 2015 PARTF grant for upgrades at Havens Gardens.
- Find suitable location for of tennis courts.
- Review the process for the updating of McConnell Sports Complex
- Determine the viability of a disc golf course
- Providing a safe kayak launch at Havens Gardens Boat Launch
- Determine the feasibility of additional part-time facility attendants
- Kate B. Reynolds Foundation - project in conjunction with BC Schools, Beaufort Co. & Boys and Girls Club

Goals and Challenges - 2015 (Sports and Events)

- Additional gym space & repairs at Bobby Andrews Recreation Center
- Lack of enough parking and condition of parking area at McConnell complex
- Expanding parking to property on Springs Road
- Length of time Complex is open to activities
- Repairs needed Oakdale Bldg (15th St)
- Developing a fair & equitable fee schedule for youth sports events

Overview/Projects (Senior Center)

- Remained SCOPE Senior Center of Excellence
- Grace Martin Harwell Senior Center - is a Non-Profit
- Receives funding from United Way and has 3-5 fund raisers through the non-profit.
- Served 200+ Medicare D clients, saved them \$77,000 in medical expenses
- Completed upgrades to the Peterson Building
- Partnered with BC Emergency Services and American Cancer Center for services
- Fitness room served 80-95 participants monthly

Goals and Challenges - 2015 (Senior Center)

- Lack of parking space for seniors - in competition with Civic Center
- Complete updates to the Peterson Building
- Need additional tech support in computer lab
- Additional part-time help for front desk
- Determining space needs for the Senior Center
- Determining the highest and best use of the Peterson Building

Overview/Projects (Aquatics Center)

- Hired new Supervisor - July 2015
- Working on new programs and data.
- Updating pool documents and standards.
- Worked on increasing membership
- Began investigation to replace dehumidifier
- Repaired the crack in the joint and replastered the pool.
- Completed review of fees and charges

Goals and Challenges - 2015 (Aquatics Center)

- Loss of dehumidifier caused excess moisture in the facility
- Possible replacement of dehumidifier.
- Repair and replace roof
- Installation of a monitored fire system
- New marketing approach - develop web page for Aquatics Center
- Research opportunity for a salt chlorine generation system

Library Services

- Library Programs
- Library Services
- Library Technology



Overview/Projects (Library)

- Received a \$4,863 EX Online Edge Technology grant for computers
- Received \$23,345 LSTA grant to migrate to the NC Cardinal
- Children's and Young Adults Summer Reading program is growing and funded by the Friends of the Library
- Increased reader circulation by 25%
- Added numerous improvements to the Children's Room
- Saved \$11,900 on the purchased of books by a certain vendor by using a 45% discount

Goals and Challenges - 2015 (Library)

- Complete computer virtualization
- Prepare for NC Cardinal conversion
- Complete Evergreen Implementation schedule
- Add 2 additional educational literacy computers to the children's room
- Keep Brown Library collection current and relevant to our patrons
- Lack of space in the library patron study area
- Uncertainty on the future of the library

STACY DRAKEFORD, POLICE & FIRE SERVICES

POLICE AND FIRE
SERVICES

FD Program Measures

	2013	2014	Difference
Engine Response	651	578	-73
EMS Response	2,443	2,626	183
Public Education	(students) 3,903	(students) 2,846	-57
Training Hours	1,820	2,112	292

PD Program Measures

	2013	2014	Difference
Calls for Service	24,995	28,488	3,493
Citations	2,603	2,622	19
Arrests	1,059	1,477	418
Training Hours	3,413	3,618	205

PD Program Measures

	2013	2014	Difference
Accidents	609	693	84
Warnings	706	837	31
City Citations	111	431	302
Foot Patrols	1,331	1,967	636

PD Program Measures

	2013	2014	Difference
Pawn Tickets	7,325	10,091	2,766
Evidence	1,199	1,016	-183
Animal Control	764	891	127
Vehicle Unlocks	NA	2,588	2,588

PD Program Measures

	2012	2013	Difference
Murder	1	0	-1
Rape	3	2	-1
Robbery	25	21	-4
Agg. Assault	57	52	-5

Director Drakeford noted that staff in the Communications Center not only answers the phone, but they also take care of the Domestic Violence Protection Orders, Pawn Tickets (10,000+) as well as other administrative duties. As a measure of “good will” the Police Department began unlocking vehicles for our citizens.

PD Program Measures

	2012	2013	Difference
Burglary	152	148	-4
Larceny	552	478	-74
Motor Vehicle Theft	7	8	1

- GOALS 2014**
- Increase Community Involvement
 - High Angle Certification
 - Confine Space Certification
 - Heavy Rescue
 - Crisis Intervention Training
 - Cross Training Opportunities
 - Emergency Response Training
 - Management and Leadership Training
 - Paramedic Training
 - Reduce Crime Rate

- Challenges**
- Increasing community participation
 - Continuing to upgrade equipment

- Goals 2015**
- Maintain current energy level
 - Continued investment in the Community
 - Continued investment in the employees

Washington is one of three “heavy rescue departments” in Eastern North Carolina. There are currently two Police Officers that just completed their Fire Fighter II Certification – when the cross training program is complete there will be eight Police Officers cross trained to be able to respond to fire calls. We are trying to give our employees the best training possible. Eight employees completed the Paramedic Training Program and passed the State Certification. Director Drakeford noted that Christmas 2014 his staff participated in the “Shop with a Cop” program, with contributions from Wal-Mart as well as private donations and they were able to take 14 children on a shopping trip. Director Drakeford reviewed the National Night Out event was a huge success. He continued by thanking Kimberly Grimes for her efforts in the community outreach programs. Director Drakeford stated this is the best group of people that he has ever worked with and we will continue to invest in our employees.

Councilman Mercer noted that Director Drakeford has approximately \$60,000 worth of vehicles in the CIP and expressed concern that he is not getting enough new vehicles. Director Drakeford explained that he doesn’t want to buy five cars at one time then only be able to buy one during a future budget year, this would allow the vehicles to get on a rotation cycle. Mr. Alligood explained that staff will be developing a vehicle replacement program/fund and this will come before Council at a future meeting.

KEITH HARDT, ELECTRIC UTILITIES

Electric Department Projects
FY 2014-2015 and FY 2015-2016

- Rebuild 2nd and 5th Street Overhead Feeders
 - Construction from the area in and around Main Substation on West 2nd Street to Hackney Avenue.
 - Will upgrade aging facilities and eliminate the lack of access for the existing feeder location
 - Engineering Complete
 - All materials have been ordered and awaiting delivery
 - Labor and Equipment Contract almost completed

- Rebuild NC Highway 32 Overhead Feeder
 - Construction from Douglas Crossroads to Five Points
 - Will allow tie points between Forest Hills Substation and Slatestone Substation for both distribution and transmission
 - All materials have been ordered and awaiting delivery
 - Construction should be completed before the end of the fiscal year

- Highway 17 North Underground Conversion
 - Construction of a 1200' underground feeder to eliminate access restrictions to the existing overhead feeder due to the Highway 17 construction
 - Eliminates working in 404 wetlands in the event of a pole or conductor failure

- Main Substation Exits Feeders
 - Will upgrade aging facilities
 - FY 2014-2015 Budget
 - Replace all duct bank system for all six (6) 15 kV underground feeder exits
 - Replace the conductor for the following feeders:
 - 2nd Street
 - 5th Street
 - Clarks Neck
 - Highway 17
 - FY 2015-2016 Budget
 - Replace the conductor for the following feeders:
 - 15th Street
 - Market Street
 - Engineering Complete
 - All materials have been ordered and awaiting delivery
 - Labor and Equipment Contract almost completed

- Forest Hills - High School Feeder Exit Relocation
 - Construction from the area in and around Forest Hills Substation and Sherwood Forest subdivision along US 264 East
 - Will upgrade aging facilities and eliminate the lack of access for the existing feeder location

- This project was budgeted in FY 2013-2014 and was completed July of 2014
- Grimesland Bridge Road Feeder
 - Construction from Wharton Substation to Clarks Neck Road – 2.0 miles
 - Includes 1,000' Tranter's Creek overhead crossing
 - Engineering Phase I of the of the project was completed in the FY 2013-2014 budget
 - FY 2015-2016 Budget Phase II includes:
 - Engineering of the Tranter's Creek Crossing
 - R/W acquisition and permitting
 - Major material acquisition – long lead times
- Slatestone / White Post Tie Feeder
 - Construction of transmission and distribution from White Post Substation to Slatestone Substation – 6.3 miles
 - Will allow tie points between White Substation and Slatestone Substation for both distribution and transmission
 - FY 2014-2015 Budget – Engineering and R/W acquisition for the proposed feeder route.
- Main Substation B3 Bus Breaker Replacement
- Residential Load Management
 - Most recent campaign began in October 2010
 - Installed over 3,170 switches
 - Added or upgraded over 2,279 residential accounts
 - Increased annual wholesale savings by over \$432,000
- NCEMPA Asset Sale
 - Projected to be completed this calendar year
 - The wholesale rate structure is changing.
 - An update of the Electric Fund's cost of service study is to be included in the FY 2015-16 budget request.
- Chocowinity Substation Relay and Breaker Repairs
 - Relay Repairs
 - Engineering Complete
 - Material Acquisition Complete
 - Repairs to be completed within 4 weeks
 - Breaker Bushing Replacement
 - Originally estimated at \$120,000
 - While performing work prior to the bushing replacement it was determined that the bushings could be refurbished instead of replaced.
 - Cost will be lower, but total not known at this time.

Current saturation on residential load management is approximately 60%. Discussion was held regarding the Grimesland Bridge Road feeder project.

MATT RAUSCHENBACH, FINANCE/ADMINISTRATION

Administrative Services 2015
1/26/15

Finance

- GFOA Certificate of Achievement in Financial Reporting
- Grant and project management
- Marketing- consistent format/information/education
- Customer Service- foot traffic/demographics, chronic disconnect list
- System software replacement, \$100k

Human Resources

- Health care cost/wellness initiative
- Pay & classification study
- HR Director retirement

Purchasing/Warehouse

- Building & grounds maintenance

Information Systems

- FY 14/15 Projects
 - o EOC configuration in Mayor's conference room
 - o Library virtual desktop for patrons
 - o System backup in house vs. outsource
 - o UPS battery backup upgrade
 - o GIS implementation
 - o City hall customer service virtual desktops
 - o Telephone system emergency operations and failover configuration
 - o NC Cardinal library cataloging implementation
- FY 15/16 Projects, \$150k
 - o City hall virtual desktops
 - o Fiber to Jacks Creek
 - o Security Assessment implementation
 - o Switch upgrades

Electric Transfer to General Fund

Allowed Return on Electric System Investment Transfer

GS 159B-39: Return on electric system investment transferred to other funds of the municipality as a rate of return on the investment shall not exceed:

1) Electric sales	36,031,597
5%	1,801,580
2) Gross capital assets	60,308,954
3%	1,809,269

Transfer history

Year	Transfer	Change	Cummulative
2010	1,173,150		
2011	973,150	(200,000)	(200,000)
2012	973,150	-	(200,000)
2013	846,121	(127,029)	(327,029)
2014	470,000	(376,121)	(703,150)
2015	470,000	-	(703,150)
2016	430,000	(40,000)	(743,150)

Transfers utilized for:

- return on investment to shareholders (City residents), allowed by general statute
- County resident contribution for use of City services funded by property taxes (recreation facilities, senior center, library, cemetery)
- PILOT on non-City portion of assets

Inside City/ Outside City Residential Electric Sales

	Inside	Outside	Rate Differential	Total Sales
Sales \$	6,432,468	12,203,020	429,987	36,031,597
kWh	47,993,050	87,839,346		
\$/kWh	0.1340	0.1389	0.0049	
Customers	4,607	6,495		

PILOT

	Gross Assets	PILOT City	PILOT O/S City	PILOT Total
2015	60,308,954	135,695	165,850	301,545
2016	62,394,636	140,388	171,585	311,973

2015/2016 General Fund Budget Gap

Estimate FY 14/15	Gap FY 15/16	Category
		Revenue:
	(120,000)	Privilege License Tax
250,000	200,000	Sales Taxes
		Property Taxes
	80,000	Total Revenue
		Expenditures:
		Fund Balance Appropriated:
		Initial appropriation:
352,095	352,095	Capital
17,624		PEG Channel
22,064		Powell Bill
391,783	352,095	Total Fund Balance Appropriated
		Grant Clawbacks:
75,000	25,000	CDBG Keysville Rd.
	74,287	CDBG WHA (4)
	(24,000)	Escrow offset (4)
	75,287	Total Grant Clawbacks
		Salary & Benefits:
	202,992	COLA (3%)
	27,720	Merit
	(34,000)	\$250 Bonus
	0	Health Care Cost (0%)
	(27,066)	Retirement (0.4%)
	169,646	Total Salary & Benefits
		Other:
	8,056	Property, casualty, liab. Ins. (5%)
	40,000	Electric Fund Transfer Reduction
		Facility Maintenance
	35,000	Pay & classification study
	100,000	Financial Software
	25,000	Warehouse parking lot
	208,056	Total Other
	805,085	Total Expenditures
	725,085	Grand Total Budget Gap

Fund Balance

Available Fund Balance

6,644,822 6/30/2014

City Minimum Balance Resolution

1,992,077	16% of operating expenditures
2,000,000	Emergency reserve
3,992,077	Minimum balance 32%
2,652,745	Available

Possible designations for excess availability:

1,000,000	Police Station
500,000	Havens Garden PARTF match
500,000	Facility Maintenance
300,000	Vehicle replacement fund
2,300,000	Total

Discussion was held regarding Utility Franchise Tax, Sales Tax, Property Tax and Privilege License Fees. Councilman Mercer inquired what the cost would be to replace the Logics Financial

Software program and Mr. Rauschenbach explained approximately \$100,000. The cost several years ago to replace the program was approximately \$400,000 and was cost prohibitive. The software package would not be the same system that Beaufort County uses. The vendors we have looked at were recommended by other Finance Directors from across NC.

BRIAN ALLIGOOD, CITY MANAGER

Mr. Alligood reminded Council that last year there was conversation about changing Council's term limits from two year terms to four year staggered terms. Some members were interested in this and others were not. If there is still interest in making that change then we need to start having those conversations with our local delegation. Mr. Alligood asked for direction from Council. Councilman Mercer and Councilman Pitt expressed interest in leaving the term at two years. Councilman Beeman, Councilman Brooks, Mayor Pro tem Roberson and Mayor Hodges expressed interest in pursuing four year staggered terms. Councilman Mercer suggested holding a public hearing on the matter and letting the citizens weigh in on the issue. This topic will come back to Council on February 9th for more detailed discussion as well as the steps that would need to be taken to make the Charter change occur.

ANY OTHER ITEMS FROM CITY MANAGER: NONE

**ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:
NONE**

CLOSED SESSION: NONE

ADJOURN:

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council adjourned the meeting at 8:15 pm until Monday, February 2, 2015 at 5:30 pm, in the Council Chambers.

**Cynthia S. Bennett, CMC
City Clerk**