

The Washington City Council met in a regular session on Monday, April 15, 2013 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Richard Brooks, Councilman; Ed Moultrie, Councilman; Bobby Roberson, Mayor Pro tem; Josh Kay, City Manager; Cynthia Bennett, City Clerk and Franz Holscher, City Attorney.

William Pitt, Councilman entered the meeting at 5:50pm.

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

Mayor Jennings called the meeting to order and Mayor Pro tem Roberson delivered the invocation. A moment of silence was held to honor the memory of John McConnell, Jr. Silent reflection was also held to remember those affected by the tragic bombing at the Boston Marathon that occurred earlier this afternoon.

APPROVAL OF MINUTES FROM MARCH 11 AND MARCH 25, 2013

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the minutes of March 11 & 25, 2013 as presented.

APPROVAL/AMENDMENTS TO AGENDA

Councilman Brooks requested the following additions to the agenda:

- Discussion: Severance Pay
- Discussion: Insurance for City retirees
- Discussion: Nepotism Policy

Mayor Jennings requested the following changes to the agenda:

- Add under Closed Session: the word “including” City of Washington....
- Add under Closed Session: NCGS 143-318.11(a)(4) Economic Development
- Remove: Presentation to Councilman Pitt
- Remove: Appointment to Historic Preservation Commission to fill a vacant position with a term to expire on June 30, 2016
- Correct adjournment date to reflect April 22nd instead of April 29th.

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

PRESENTATION: Councilman Pitt – NCLM Local Elected Leaders Academy (moved to May)

PRESENTATION: WASHINGTON AREA HISTORIC FOUNDATION

The Department of Planning and Development and the Historic Preservation Commission, in conjunction with the Washington Area Historic Foundation, will be replacing the Historic Walking Tour Signs in Downtown Washington and the surrounding neighborhoods. Members of the Washington Area Historic Foundation have researched the placing of the Tour Signs and the costs.

The Beaufort County Historic Society, along with the City of Washington, developed a walking tour of the City and erected approximately 15 signs guiding visitors to historic homes and buildings approximately 25 years ago. Over the past 20 plus years some of the signs have disappeared and others have weathered badly.

The Washington Area Historic Foundation Committee, consisting of George Fields, Dee Congleton, and Ray Midgett, has studied various proposals to replace the signs with 22 new ones. The total cost to complete the sign replacement project is \$4,981. The Washington Area Historic Foundation wishes to donate \$1,000 toward the completion of this project.



Left to Right: Mayor Archie Jennings, WAHF Members: George Fields & Dee Congleton and City Manager, Josh Kay

CONSENT AGENDA

A. Approve – Purchase Orders >\$20,000

*Requisition #12591, \$40,950 to Concrete Conservation, Inc. to rehab sewer manholes, account 32-90-8210-4500

By motion of Councilman Mercer, seconded by Councilman Brooks, Council approved the consent agenda as presented.

NEAL WOOLARD & DAVID GOSSETT – DOCK DOGS

Mr. David Gossett and Mr. Neal Woolard reminded Council that in 2009/2010 Council voted to give the Wildlife Guild \$5,000 specifically for the Dock Dogs event. It has come to their attention that the Wildlife Guild will not host the Dock Dogs event beginning in 2014. Mr. Woolard and Mr. Gossett felt the event was too popular to be cast to the wayside. Plans have been made to hold the Dock Dogs event during the Summer Festival beginning in 2014. The event will be moved from Kugler Field to the Washington waterfront/Stewart Parkway and will now be a free event instead. They are requesting that the \$5,000 designated to the Dock Dogs event since 2010-2013 be transferred directly to Dock Dogs. Mr. Woolard said normally the event has 35 dogs participating. He was told that being the event will be held in the summer, the number of dogs participating would more than triple. He asked participants in the past, “how could we make this event better”. They all answered having the event closer to the other activities and within walking distance of all the events. Having the Dock Dogs competition downtown will accomplish this task.

Mayor Jennings thanked Mr. Woolard and Mr. Gossett for pulling this event out and giving it a home of its own.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the relocation of the \$5000 allocated to the Dock Dogs event from the Wildlife Guild.

Councilman Mercer noted that the indication of the motion was that the money was already appropriated for 2014, we are in budget discussions now and no funds have been appropriated for 2014 yet.

Mayor Pro tem Roberson withdrew his motion.

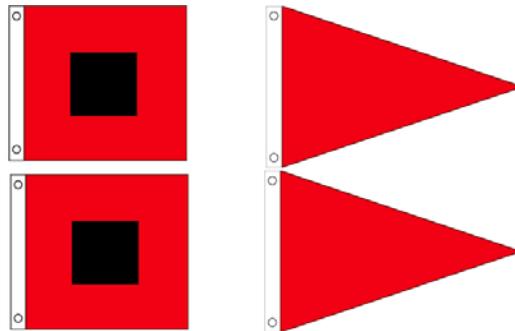
By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council amended the FY 2012-2013 budget to encumber \$5000 for the 2014 Dock Dogs event to be held during the Summer Festival.

COMMENTS FROM THE PUBLIC:

Ray Midgett, 108 Simmons Street spoke in support of the donation of Washington’s Coastal Warning Display tower to the City of Washington and its restoration and relocation to Washington’s waterfront. Mr. Midgett shared a brief history of the Coastal Warning Display towers, and specifically the history of Washington’s tower.

(begin)Over one hundred years ago, when coastal shipping was a major method of moving goods to market, the Federal government realized that a system was needed to warn sailing and motor vessels of impending bad weather. Such a system was vital to the mariner’s safety and well being. So in 1898, President McKinley ordered the newly established Weather Bureau to build a series of coastal warning display towers to “supply the needs of the more important ports not having regular Weather Bureau offices.” Washington, being one of those important ports, received one of the first towers, a tower that still stands off East Main Street near the Pamlico River.

A “coastal warning display tower,” sometimes known as a storm warning tower, was a special kind of skeletal tower designed to display storm warnings with flags during the day and colored lanterns at night. The daytime flags consisted of 8 foot square red flags with black centers, two of which were flown for hurricane warnings, or a red pennant that was 8 feet by 15 feet to indicate small craft warnings.



The night warnings were displayed by three vertical lanterns, two of which were red separated by one white lantern. The individuals employed by the Weather Bureau to display the warnings were given the title of “storm-warning display man” and were often local residents.

A history of the tower in Washington finds that a Storm-Warning Display and Seacoast Telegraph station was in place here in Washington by 1900. The first “storm-warning display men” in town were Dr. James Gallagher and his wife Mary. The Gallagher’s lived at 629 East Main Street. It was in their backyard where the tower was first erected. Mary Gallagher was listed in 1906 Weather Bureau records as receiving \$12/month compensation for her services.

Dr. Gallagher died in 1911, and for almost 30 years, Mary Gallagher had the sole responsibility of raising the storm flags. Mary, at the age of 88, was still listed in the 1940 census as employed by the Weather Bureau. Mary died in 1944 at the age of 91.

According to Hugh Sterling, it was in the early 1940’s when the tower was moved to its present location at 720 East Main Street. According to Hugh, Ms. Lossie Waters assumed the responsibility of displaying the flags until the National Weather Service discontinued the use of the towers on February 15, 1989. So interestingly, for the 80+ years that the tower was in use, two women were employed in the important position of “storm-warning display men,” or should I say women, warning mariners of impending bad weather.

Hundreds of these towers were built during the first half of the 20th Century, but a quick Google search of the web retrieves only a short list of less than 10 still standing. Unlike the towers in other historic NC ports; such as Edenton, Elizabeth City, and New Bern; Washington’s tower still stands. Like the coastal towns of Southport and Manteo, it is my hope that Washington’s tower can be restored and moved to our waterfront to be used as an educational exhibit and as an illustration of Washington historic maritime past. As Manteo has done to make the tower an attraction to visitors, forecast flags could be flown daily from our tower to display the day’s expected weather conditions and storm warning flags flown whenever they are appropriate. Plaques could be attached to the tower explaining its history and describing the weather flags.

I am on the board of the Washington Area Historic Foundation, and in a recent meeting, the board passed a resolution in support of moving the tower to the waterfront.(end)

Mr. Midgett stated it is his belief that history buffs, boaters, and meteorological enthusiasts would find our restored “storm-warning display” tower an attraction worth visiting on Washington’s waterfront.

MEMO – DONATION – COASTAL WARNING DISPLAY TOWER

The U.S. Weather Bureau once used Coastal Warning Display towers to fly signal flags to warn mariners of wind shifts or approaching storms. Dozens of these towers were built after 1898, when President McKinley ordered the Weather Bureau to implement a hurricane warning system for ships. The towers were officially known as coastal warning display towers (CWD). Use of the forecast flags faded after 1925, as radio stations took over the role of disseminating local weather forecasts. The storm warning system and the CWD towers are obsolete today; the National Weather Service deactivated its Coastal Warning System in 1989. Although the program has been formally discontinued, the Coast Guard and other stations may continue to display warning signals without the direct assistance of the National Weather Service. It is believed that only five towers are still in use today, with two of those being in North Carolina.

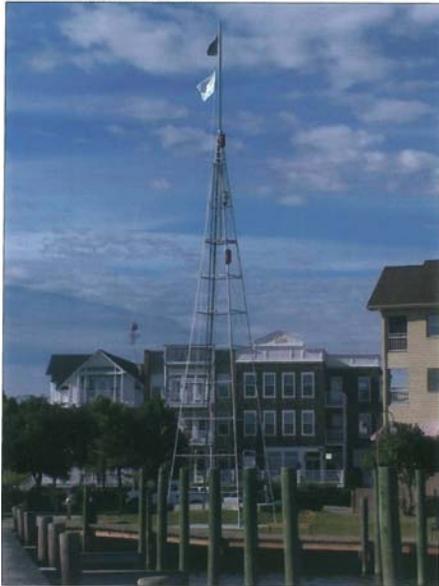
The City of Southport restored its tower as a memorial to Jessie Taylor, the woman who flew the signal flags from the tower from 1900, when it was built, until she died in 1962. The tower now flies the Stars and Stripes. It stands in front of the Fort Johnston Officers Quarters, a historic building dating from about 1800. In September 2005, the North Carolina Maritime Museum’s branch at Manteo, just inside the Outer Banks, acquired Manteo’s 1904 CWD tower and reinstalled it on the town waterfront. By November 1, the museum had fully restored the tower, reinstalling and reactivating the original lights. Forecast flags are displayed daily, and storm warning flags are flown whenever they are appropriate.

Mr. Jim Miller owns the residence and property at 720 East Main Street and a Coastal Warning Display tower has been located on the property since the 1940’s. The tower has not been in use in a number of years and Mr. Miller has expressed an interest in donating the tower to the City of Washington; to be removed and possibly restored and placed at a separate location.

The City Building Inspections Office had a Structural Engineer look at the existing tower to make sure that its structural integrity would not be compromised if the tower was taken down, removed and once again installed. He stated that the tower would remain structurally sound. The height of the tower is approximately fifty feet. The engineer also gave the City an approximate cost to have the tower taken down, dismantled, moved to a remote site to have it refurbished and painted and once again installed at a separate location. That cost estimate was \$14,200. That cost does not include any purchase of weather flags or signal lights that were no longer with the tower. A site for a new tower location has not been selected. There is a possibility of five locations along the waterfront that could be discussed and possibly used as a permanent site. We are currently in the process of trying to find additional funding sources that may aid in the refurbishment and reinstallation of Washington’s Coastal Weather Display tower.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council accepted the donation of the Coastal Weather Display tower from Mr. Jim Miller and his family and directed the Planning and Development Department to continue the process for reestablishing the tower. Motion carried.

Councilman Mercer inquired where the funding would come from for this project? Mayor Pro tem Roberson expressed confidence in the Planning Department in finding funds for this project. Mayor Jennings noted that he knew Lossie Waters’s son, Norman and he remembers hearing him talk about the job his mother performed relating to the tower.



Coastal Warning Display Tower
Southport, NC



Coastal Warning Display Tower
Manteo, NC



Coastal Warning Display Tower
Washington, NC



Coastal Warning Display Tower
Manteo, NC

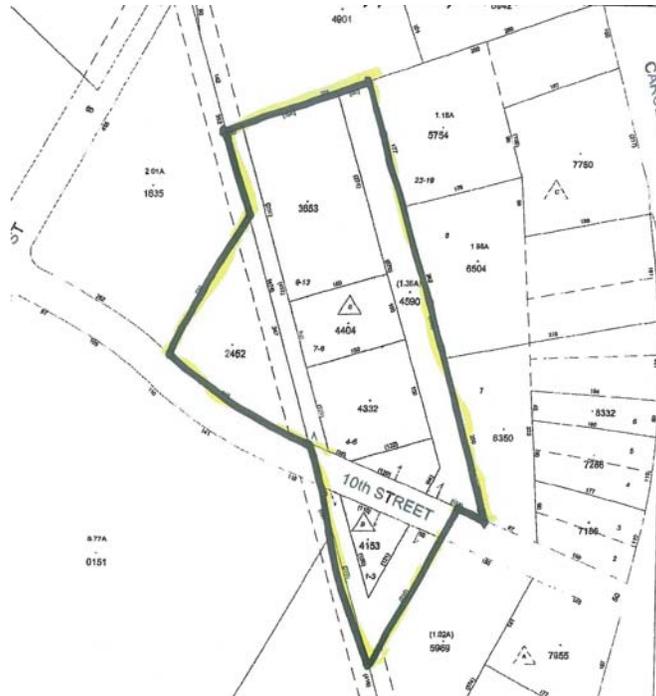
PUBLIC HEARING: ADOPT – RESOLUTION TO CONSIDER A ZONING CHANGE CONSISTING OF 0.988 ACRES OF VACANT PROPERTY LOCATED ON WEST 10TH STREET AND HACKNEY AVENUE

Mayor Jennings opened the public hearing and John Rodman, Planning Director explained the request. A request has been made by Mr. William Frank Sheppard to rezone 6 parcels of property consisting of 0.988 acres located on West 10th Street and Hackney Avenue. The property is currently zoned RA-20 (Residential Agricultural) and RMF (Residential Multi-Family) and the request is to rezone the property to B-2 (General Business). The request is consistent with the Comprehensive Land Use Plan. The Planning Board voted unanimously to recommend City Council approve the rezoning.

Councilman Mercer inquired about the map of the property asking if this was one lot or two lots? Mr. Rodman noted the property consists of two triangular lots with easements on each side of the lot. Mayor Pro tem Roberson asked Mr. Rodman to confirm the property is consistent with the Comprehensive Land Use Plan and that the Planning Board voted unanimously to recommend approval to Council. He also asked Mr. Rodman to confirm that no one spoke in opposition to the request at the Planning Board meeting. Mr. Rodman confirmed the aforementioned statements.

Comments from the public: Mr. Frank Sheppard explained that the triangular section of the lot was never developed. There being no further comments from the public, Mayor Jennings closed the public hearing.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council accepted the recommendation of the Planning Board and adopted the resolution to approve the rezoning of the property located on West 10th Street containing 0.988 acres, from RA-20 (Residential Agricultural) and RMF (Residential Multi-Family) to B-2 (General Business).



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

WHEREAS, the City of Washington received a request to rezone property from RA-20 (Residential Agricultural) and RMF (Residential Multi-Family) to B-2 (General Business) specifically identified as Beaufort County Parcel Identification Numbers 5676-63-4153, 5676-63-4332, 5676-63-4404, 5676-63-3653, 5676-63-2452, 5676-63-4590.

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

WHEREAS, this zoning request was duly advertised and was the subject of a public hearing by the Council of the City of Washington on April 15, 2013;

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

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

Adopted this 15th day of April 2013.

Attest:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

KEN MCNEIL – BOOTH & ASSOCIATES – LONG RANGE PLAN

Purpose of 20 year Long-Range Plan for the Electric System:

- Identify System Deficiencies
 - Normal Configuration
 - Contingencies
- Outline System Upgrades
- Prepare Long-Range System Conceptual Design

Design Criteria:

- Maximum 8 Volts drop
- 60% conductor loading
- Ordinary replacements

- Substation transformers – 100% of base
- Power factor correction
- System coordination

34.5 kV Transmission

- Delivery voltage at Slatestone and Whitepost Substations marginal
- Contingency
 - Inadequate backfeed capacity
 - Loss of either Main T1 or T2
 - Loss of Highland Drive or Forest Hills 34.5 kV Circuits

Present System Analysis:

SUBSTATION	TRANSFORMER CAPACITY (OA/FA MVA)	PRESENT SYSTEM PEAK LOAD (kW)	PERCENT LOADING (OA/FA)
230 kV to 34.5 kV			
Main T1	45 / 84	29,909	66.5 / 35.6
Main T2	45 / 84	47,687	106.0 / 56.8
34.5 kV to 12.5 kV			
Main T3	30 / 56	15,929	53.1 / 28.4
Main T4	30 / 56	14,029	46.8 / 25.1
Eastern	20 / 37.3	8,940	44.7 / 24.0
Forest Hills	15 / 28	11,831	78.9 / 42.3
Whitepost	10 / 14	6,634	66.3 / 47.4
Slatestone	15 / 28	6,253	41.7 / 22.3
Flanders Filters *	5 / 7	1,480	29.6 / 21.1
Hamilton Beach *	5 / 7	1,207	24.1 / 17.2
Wharton	15 / 28	11,293	75.3 / 40.3

* 34.5 kV to 480 kV

Present System Analysis:

Distribution Circuits

- Circuit loads exceed 60%
Highway 17, 15th Street, Market Street, 2nd Street, 5th Street, John Small
- Low Voltage
Slatestone, Market Street, High School, Asbury Church, Highway 92, Bath Mill Road

Condition Assessment

Large percentage of system infrastructure is 40+ years old
 Typical useful life of facilities is 35 - 40 years
 Controlled, systematic replacement program implemented

System Analysis:

- Step 1 - 5 years (2013-2017)
- Step 2 - 5 years (2018-2022)
- Step 3 - 10 years (2023-2030)
- Projected growth rate is 1.4%

System Projections

- Delivery point
- Substation
- Circuit

System Models

- WindMil[®] - distribution
- EasyPower - transmission

System Analysis:

- Circuit Voltage (12.5 kV and 34.5 kV)
- Transformer Loading

Circuit Conductor Loading
Normal Feed and Contingency Feed

System Contingency:

Loss of Main T1 or T2
Loss of Main T3 or T4
Loss of 34.5 kV circuit
Loss of substation transformer

Recommendations:

Step 1

- Relocation of 5th and 2nd Street circuits
- Forest Hills and Slatestone Road ties
- 115 kV to 34.5 kV transformer at Eastern
- Slatestone Road to Eastern line upgrade
- Slatestone Road transformer upgrade
- Whitepost to Forest Hills line upgrade
- Proposed Highway 17 Substation
- Proposed Industrial Park Substation
- 115 kV Transmission Line
 - Main to Highway 17
 - Main to Eastern
- 230 kV to 115 kV transformers at Main
- Highland Drive 34.5 kV circuit upgrade
- Forest Hills 34.5 kV circuit upgrade
- Market Street 34.5 kV circuit
- Industrial Park 34.5 kV circuit

Step 2

- Downtown Underground rebuild
- 34.5 kV circuit tie - Wharton and Highway 17
- Wharton Substation upgrade
- Eastern transformer upgrade
- Forest Hills transformer upgrade (from Eastern)
- Whitepost to Slatestone Road ties
- 115 kV to 34.5 kV transformer at Highway 17
- Proposed Market Street Substation (from Forest Hills)
- 34.5 kV tie, Highway 17 to Market Street
- Flanders 34.5 kV circuit upgrade

Step 3

- Downtown Underground rebuild
- Eastern to Forest Hills 34.5 kV circuit upgrade
- Washington Park circuit upgrade
- Slatestone to Whitepost 12.5 kV tie
- Whitepost Substation upgrade
- Proposed Chocowinity Industrial Park Substation
- Proposed Highway 264 Substation
- Hamilton Beach Substation Upgrade
- Hamilton Beach 34.5 kV circuit upgrade
- Chocowinity 230 kV Delivery Point upgrade
- Replace Main Substation T1 and T2

Cost Estimates:

SUBSTATION	S1	S2	S3	TOTAL
Forest Hills	\$ 1,200,000	\$ 105,000	\$ 125,936	\$ 1,430,936
Main (T3)	120,950	500,000	500,000	1,120,950
Main (T4)	564,325	54,775	105,321	724,421
Eastern	2,257,467	876,685	1,046,581	4,180,733
Slatestone	3,196,778	2,408,261	723,635	6,328,674
Wharton	509,810	1,980,771	242,802	2,733,383
Whitepost	865,445	98,595	2,252,510	3,216,550
Proposed Highway 17	2,200,000	1,800,000	--	4,000,000
Proposed Market Street	--	2,494,360	--	2,494,360
Proposed Industrial	2,200,000	--	--	2,200,000
Proposed Chocowinity	--	--	2,200,000	2,200,000
Proposed Highway 264	--	--	2,200,000	2,200,000
General System-wide	650,000	650,000	1,300,000	2,600,000
Transmission	9,325,000	650,000	6,525,000	16,500,000
TOTAL	\$ 23,089,775	\$ 11,618,447	\$ 17,221,785	\$ 51,930,007

Conclusions:

- Recommendations are load-driven
- Typical long-range planning period is 10 years
- Reliability drives systematic facility replacement
- System conditions are dynamic

Mr. McNeil explained the useful life of electric facilities is normally 35-40 years. Replacement is not based on age alone, but on number of outages/failures.

MEMO – LIGHTHOUSE RESTROOMS AND BOATER FACILITIES UPDATE

The City of Washington has proposed to construct a structure that would contain public restroom facilities, boater’s bathrooms and laundry facilities. Currently there are no permanent public restrooms located along the western end of the downtown waterfront promenade. The proposed structure would accommodate the general public, especially small children and adults who may be walking and viewing the waterfront along Stewart Parkway. In addition, the City’s docking facilities are being used more frequently and with more dock space being planned this would only complicate the problems of inadequate public facilities. While the City marina does have pump-out facilities; convenient, attractive and comfortable facilities would certainly help the problem of overboard dumping. Following the adoption of the City of Washington’s Waterfront Visualization & Reinvestment Strategy, the Citizens for Revitalization Committee proposed a list of priorities for an implementation strategy of the new plan. One of the priorities was the development of restroom & dockmaster facilities for the western end of Stewart Parkway. This area would be known as the “Maritime Quarter”. Maritime activity is a core component of Washington’s downtown waterfront. Following community input, a series of improvements for restroom facilities were shown as a part of the vision for the western end of the waterfront and the maritime quarter. The building is shown as a two story structure with the ground floor dedicated to boater, visitor and community info and a new restroom area. The upper level of the building will provide office space and a harbor observation area. The building is designed architecturally to reflect the historic Pamlico Lighthouse.

The Lighthouse restroom sub-committee has completed work on final specifications and materials for the project. They have authorized Mosley Design Group to begin work on providing a set of sealed drawings in order to begin the process of bidding the project. The Committee received a proposal from an engineer to provide site layout services, including surveying, grading and site plans. The engineer has been authorized to begin the work on the preparations for site design and also to begin core borings at the location of the restrooms.



MEMO – ELECTRIC FUND BUDGET TRANSFER

The Budget Officer transferred \$70,000 of funding between the Load Management, Substation, and Meter Services departments of the Electric Fund to provide additional funds needed for the complete testing of all large electric meters and generator preventive maintenance. NCGS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes.

From:	35-90-8375-7400	Capital Outlay	70,000
To:	35-90-8370-1600	M/R Equipment	50,000
	35-90-7250-4500	Contract Services	20,000

REPORT – LOAD MANAGEMENT DEVICE INSTALLATION

Load Management Device Installation Report

Project Start Date : October 2010

	March 2013	Project to Date
Total Load Management Device Installations	51	1,890
Total Accounts Added with Load Management	35	1,441
Appliance Control Installations		
Air Conditioner / Heat Pump	29	1,470
Auxiliary Heat Strip	16	742
Electric Furnace	2	244
Water Heater	30	1,166
Total Encumbrances to Date		
Load Management Devices		\$65,600
Contractor Installations		\$205,000
Total Project Encumbrances		\$270,600
Total Expenses to Date		
Load Management Device Purchases		\$65,600
Contractor Installation Expenses	\$4,340	\$197,360
Total Project Expenses		\$262,960
Average Cost per Load Management Device Installed		\$139
Average Installed Cost per Controlled Appliance		\$73
Load Management Devices Remaining In Stock	610	

Councilman Mercer asked Keith Hardt about the number of devices installed this month (51). Mr. Hardt explained that one switch can control up to four functions (heat pump, heat strips and water heater). Since the inception of the project in October 2010, essentially 1900 switches have been installed, about 70 per month. Mr. Hardt explained that there was a real big push at first, now we install

an average of 40-60 per month, installation depends on the marketing efforts of the Customer Service staff.

Mayor Jennings spoke with Mr. Hardt regarding the Washington Electric Utilities Advisory Commission. During Council's November planning session, Council was in agreement that this board should be fully charged with implementing the load management program. He continued by saying that he's noticed this group has met sporadically. With the Manager's imminent departure, now would be a good time to convene that board for the purpose of being fully briefed and being charged with the ownership of the load management program. The board was scheduled to meet this week, but a notice was sent stating the meeting was canceled. Mayor Jennings directed Mr. Hardt to coordinate a special meeting with his board, so they would be ready to take action at their regular meeting in May.

FINANCIAL REPORTS (EMAILED AS AVAILABLE)

Matt Rauschenbach, CFO explained that the financial reports should be sent out later this week.

HUMAN RELATIONS COUNCIL

Scheduled Public Appearances:

Ms. Sandra Hughes, Program Coordinator, Literacy Volunteers of Beaufort County explained the Literacy Volunteers program and that it has been in operation for almost thirteen years. North Carolina's CRC has three levels: Bronze, Silver, and Gold. The three levels allow an individual to advance his or her reading, applied math, and locating information skill levels in order to qualify for more jobs. An individual can receive a CRC by testing at the appropriate skill levels on the WorkKeys® assessments. WorkKeys® assessments may be taken at your local Community College or JobLink Career Center.

Discussion — Fair Housin/'Taste of Washington' Event

Four presenters for the April 9, 2013 Fair Housing Forum:

Ms. Mary Curtis, Representative, North Carolina Human Relations Commission

Mr. David Caddigan, Fair Housing Project, Legal Aid of North Carolina

Mr. Brandon Madden, Representative, Attorney General Roy Cooper's office

Mr. Marc Recko, Executive Director, Washington Housing Authority, Inc.

'Taste of Washington' event - area restaurants will be present to provide one or more of their popular food items to be sampled following the Fair Housing Forum.

Report — Ed Peed Commemoration

Chairman O'Pharrow voiced the event was a success and thanked every Board member for their participation. Also, informed the Board that wind had destroyed the permanent banner.

FYI — items addressed at this time — inclusive of February report, budget request FY2013-14, funds, financial report, and presentations/proclamations and public notification.

**APPOINT – HISTORIC PRESERVATION COMMISSION TO FILL A VACANT POSITION
WITH A TERM TO EXPIRE ON JUNE 30, 2016 (Item tabled)**

RECESS: 6:45pm - 6:55pm

**ADOPT – RESOLUTION – PERSONNEL MANUAL REVISIONS REQUESTED BY
COUNCILMAN BROOKS**

City Manager, Josh Kay explained that Councilman Brooks has requested 3 amendments to the Personnel Policy adopted in March, to become effective on July 1, 2013.

Councilman Brooks discussed the proposed amendments and requested changing the words "should ordinarily" to "shall" in Article III, Sections 8, 9, and 18. Mayor Pro tem Roberson stated that the adopted language was the recommendation from Robin Davis, an employment law attorney. She specifically outlined numerous areas, stating that we should move from "should ordinarily" to "shall". Councilman Moultrie felt "should ordinarily" does not give him the same feeling of comfort as "shall". Council members continued discussions regarding the use of non-mandatory/non-contractual language. Mr. Kay stated we need to have stability with the personnel policy. Councilman Brooks acknowledged the attorneys recommendation, but he still felt more comfortable with the word "shall". Councilman Pitt said he was sure the employees realized that Council would do what's best for them. Councilman

Mercer said we have received legal guidance to use non-contractual/non-mandatory language and we should follow the legal guidance.

A motion was made by Councilman Brooks, seconded by Councilman Moultrie to adopt a Resolution for the City of Washington, NC Amending the Personnel Policies for the Administration of Employees of the City by amending Article III. Section 8 — Effect of Promotions, Demotions, etc. on Salary — Change the words “should ordinarily” to “shall;” Motion failed 2 -3 with Brooks and Moultrie voting for; Mercer, Roberson and Pitt, voting against.

A motion was made by Councilman Brooks, seconded by Councilman Moultrie to adopt a Resolution for the City of Washington, NC Amending the Personnel Policies for the Administration of Employees of the City by amending Article III. Section 9 Reclassifications and Salary Range Adjustments change the words “should ordinarily” to “shall;” Motion failed 2 -3 with Brooks and Moultrie voting for; Mercer, Roberson and Pitt, voting against.

A motion was made by Councilman Brooks, seconded by Councilman Moultrie to adopt a Resolution for the City of Washington, NC Amending the Personnel Policies for the Administration of Employees of the City by amending Article III. Section 18 — Longevity Pay - Change the words “may” to “shall.” Motion failed 2 -3 with Brooks and Moultrie voting for; Mercer, Roberson and Pitt, voting against.

ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL

Discussion: Severance Pay – Article VIII. Section 2. Reduction in Force – policy revised and added to Personnel Policy instead of separate/free standing policy. Changed severance payment from shall to may and eliminated specific terms and conditions as these will need to be authorized by City Council at time of the RIF – per advisement from employment law attorney.

Councilman Brooks expressed concern with changing the words from “may” to “shall” in regards to severance payment. Mr. Kay explained the change to be implemented that was approved by Council in March, by reading the following section:

(d) **Severance Pay.**

A full-time regular employee whose employment is being terminated due to a reduction in force may be eligible for severance pay, subject to approval of the City Council, availability of funds and such other terms and conditions as may be set forth.

Mr. Kay explained the section that was replaced in March is nearly a full page long and is very descriptive and leaves no room for flexibility. Councilman Brooks feels that budget cuts are made on the “employees back”.

A motion was made by Councilman Brooks and seconded by Councilman Moultrie to change the wording from “may be eligible for severance pay” to “shall be eligible for severance pay”. Motion failed 2-3 with Brooks and Moultrie voting for; Mercer, Roberson and Pitt, voting against.

Discussion: Insurance for City retirees Article VII. Section 5. Retiree Insurance Benefits added the following: *“As with other benefits, the provision of and the terms of retiree insurance is subject to change at any time, with or without notice. The ability of the City to provide retiree coverage is further dependent upon budget appropriations from year to year and approval by the City Council.”* – per advisement from employment law attorney.

Councilman Brooks wants to insure the City will still cover retiree insurance. Mr. Kay explained the above changes noting the benefits rely on the budget. Mr. Kay continued by reading the first paragraph of Article VII. Section 5: “The City will continue to provide medical insurance for any full-time employee including the City Manager who retires with thirty (30) years of creditable service as recognized by the NCLGERS at least ten (10) years of which must be in service with the City of Washington until such employee becomes eligible for Medicare.” The retiree’s insurance is covered at the same rate as an active employee.

A motion was made by Councilman Brooks that the City shall keep medical insurance on retirees. Mr. Kay explained that the policy does not alter the intent to keep medical insurance on retirees. Mayor Jennings explained that maybe additional clarification needs to be addressed with the

employees. Councilman Brooks stated that employees seem to not understand the changes in the policy. Mr. Kay explained that numerous memos regarding the changes have been forwarded to the employees, the changes have been on the intranet, and supervisor training was held to explain the changes in the policy. Mr. Kay explained that each year the health insurance renewal information is relayed to the employees and is addressed during the budget process. Councilman Brooks withdrew his motion.

Discussion: Nepotism Policy: Article V. Section 9. Relationship / Nepotism Policy- Previously titled *Limitation of Employment Relatives Policy*– drafted by employment law attorney with some modifications incorporating current City policy and changing shall to should not ordinarily.

Councilman Brooks expressed concern with this section of the personnel policy and his fear of employees receiving special treatment by being an immediate family member of the Mayor, Mayor Pro-Tem, City Council Member, City Manager, Assistant City Manager or Human Resources Director. Mr. Kay noted the prior policy stated “shall not”, while the current policy wording states “does not ordinarily” and allows for some flexibility. The prior policy had absolutely no flexibility, this could result in elimination of some very qualified candidates. The prior policy stated “the City also prohibits the continued employment or hiring of any person into a regular position who is an immediate family member of individuals holding the following position: Mayor, Mayor Pro-Tem, City Council Member, City Manager, City Clerk, City Attorney or Human Resources Director. If an immediate family member is elected or appointed into one of these positions, then the employee must resign by the beginning of the term of services”. The new policy removed the City Clerk and City Attorney and added the Assistant City Manager to this section.

V. Section 9. Relationship / Nepotism Policy

In order to prevent actual or perceived discrimination and/or favoritism in the workplace, and to aid in the enforcement of the City’s no-harassment/no-discrimination policy, the City does not ordinarily permit relatives or persons who are married, dating or otherwise engaged in a romantic relationship to work in a direct supervisory relationship with each other. In addition the hiring or continued employment of immediate family, as defined in Article I. Section 10., in the same division shall require the authorization of the Department Head and City Manager.

The City also does not ordinarily permit the hiring of any person who is an immediate family member of an individual holding any the following positions: Mayor, Mayor Pro-Tem, City Council Member, City Manager, Assistant City Manager or Human Resources Director. A City employee that is an immediate family member of an individual elected or appointed to one of these positions after the employee was hired may remain employed with the City provided the newly elected or appointed individual does not directly or indirectly supervise the employee, create a conflict of interest with either relative or the City or create the potential or perception of favoritism.

All employees are required to disclose any such relationships upon employment and/or the commencement of the relationship. Disclosures may be made to Human Resources or other person designated by the City who is not involved in the relationship, and will be maintained confidential upon request. Upon disclosure, both parties will be required to affirm: the consensual nature of the relationship; and their understanding of and agreement to comply with City’s no-harassment/no-discrimination policy and other applicable policies. Where applicable, assignments will be modified to eliminate any supervisory relationship between such employees.

In general, the City requires that:

- (a) Any such relationships must be consensual and not otherwise violate applicable law.
- (b) Personal relationships should not interfere with the day to day operations or business of the City.
- (c) No person should receive any more or less favorable treatment in the terms and conditions of their employment because of their personal relationships with other employee(s) in the City or lack thereof.
- (d) There should be no retaliation or reprisal for good faith reporting of suspected violations of this policy or the City’s no-harassment/no-discrimination policy.

Violation of this policy and/or the City’s no-harassment/no-discrimination policy is grounds for immediate termination.

Councilman Brooks expressed his desire to leave the changes in place as they were adopted by Council in March 2013.

**ADOPT – GRANT PROJECT ORDINANCE FOR –
CDBG GRANT- PROJECT BLUE GOOSE**

City Manager, Josh Kay explained Council approved the CDBG grant agreement last month, essentially this is the grant project ordinance in the amount of \$320,000 for the Project Blue Goose project. There is not a City match. All public hearing requirements have been met.

By motion of Councilman Moultrie, seconded by Councilman Mercer, Council adopted the Grant Project Ordinance for the CDBG Project Blue Goose Grant.

**GRANT PROJECT ORDINANCE FOR CDBG PROJECT BLUE GOOSE GRANT 12-E-2404
CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2012-2013**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1. The project authorized is to provide funds for the renovation of manufacturing facilities of Oak Ridge Metal Works, LLC.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the grant agreements and documents.

Section 3. The following amounts are appropriated for the project:

51-60-4930-4500	Construction	\$ 320,000
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Section 4. The following revenue is anticipated to be available to complete this project:

61-60-3470-0000	CDBG Grant	\$ 320,000
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Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient detailed accounting records to satisfy the requirements of the CDBG grant agreements.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments that are due. Reimbursement requests should be made to the granting agency in an orderly and timely manner.

Section 7. The Finance Director is directed to report, on a monthly basis, the financial status of each project element in Section 3 and on the total grant revenues received or claimed.

Section 8. The Budget Officer is directed to include a detail analysis of past and future costs and revenues on this grant project in every budget submission made to the City Council.

Section 9. Copies of this grant project ordinance shall be furnished to the City Clerk, Budget Officer, and Finance Director for direction in carrying out this project.

Section 10. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 11. This ordinance shall become effective upon its adoption.

Adopted this the 15th day of April, 2013.

Attest:
s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

AWARD/AUTHORIZE – BID TO INSTALL A FIBER NETWORK TO SOUND SIDE GROUP OF PLYMOUTH AND AUTHORIZE THE PURCHASE ORDER

Mr. Kay stated that two bids were received to install a fiber network from City Hall to the Civic Center, Peterson Building, Communications Center, Warehouse, and Fire Station 2. The SoundSide Group was the lowest responsible bidder. Mr. Kay stated we were able to lower the overall cost by having some of the work performed “in-house”. The Electric Department line crew will hang the fiber on utility poles. This network will replace the wireless canopy which will become the backup network. \$65,000 was budgeted for this project.

Bid for: Fiber Cabling - Opened: 5:00 pm, Monday -April 1, 2013

Item Description	The SoundSide Group	Century Link	Wesco
Fiber Cabling	\$42,638.09	\$111,961.00	no bid

Councilman Mercer inquired what the estimated internal cost would be for the Electric Department to hang the fiber optic line. Keith Hardt, Electric Utilities Director explained that the engineering work has not been completed yet. Councilman Mercer further inquired as to who provided the fiber optic cable? Matt Rauschenbach, CFO explained that the bid includes SoundSide providing the fiber optic cable. Soundside will connect all of the locations. David Carraway, IT explained that Century Link did not follow the requirements of the RFP, which stated the City would hang the fiber, their bid included them hanging the fiber. Councilman Mercer requested a complete breakdown of costs for this job, including the in-house costs as well as cost for fiber optic cable. 144 strand of single fiber, 15,000 feet at \$2.19 per foot(\$32,800); 5000 feet of 12 strand fiber at \$0.51 per foot (\$2,500), total cost for fiber optic cable: \$35,300.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council awarded the bid to install a fiber network to SoundSide Group of Plymouth, NC and authorized the purchase order. Motion carried 4-1 with Councilman Mercer opposing.

AWARD/AUTHORIZE – CHILLER BILL AWARD AND AUTHORIZE THE PURCHASE ORDER TO ENECO EAST OF GREENVILLE (\$90,000)

City Manager, Josh Kay explained that four bids were received to replace the two chillers in City Hall. Eneco East was the lowest responsible bidder. \$90,000 was budgeted for this project.

Bid for Municipal Building Chiller -Opened: 2:30 pm, Thursday -March 21, 2013

Item Description	Eneco East	Advance Mechanical	Piedmont Service	Brady
70 Ton Chiller and Pump	\$87,270	\$114,411	\$117,250	\$119,644

By motion of Councilman Pitt, seconded by Councilman Mercer, Council awarded the bid to replace the chiller at City Hall to Eneco East of Greenville and authorized the purchase order.

APPROVE – RELEASE DEED FROM THE CITY TO BROWN DEVELOPMENT OF NC, LLC

Josh Kay, City Manager explained that this property is located in Beaufort Point Development and contains 1/10 of an acre. Attorney Keith Mason represents Mike and Pam Gray who are in the process of purchasing the lot shown as “Lot 88 Addition” on the survey from Brown Development of NC, LLC. On behalf of Mr. and Mrs. Gray, Mr. Mason is asking the City to release this property from the Water and Sanitary Sewer Service and Easement Agreement recorded in Deed Book 1558, Page 460 of the Beaufort County Registry and the Modified Water and Sanitary Sewer Service and Easement Agreement recorded in Deed Book 1614, Page 457 of the Beaufort County Registry. These agreements are between the City of Washington and NC Land Partners, LLC, predecessor in interest to Brown Development of NC, LLC and pertain to the Beaufort Pointe development. Mr. Mason prepared the attached Release Deed from the City of Washington to Brown Development of NC, LLC. Our office revised and reviewed the Release Deed and finds the same to be acceptable in the event City Council desires to approve and enter it. Public Works Director Allen Lewis has no objection to this property being released from the above referenced agreements.

Discussion was held regarding water and sewer and Beaufort Point Development. Allen Lewis, Public Works Director explained the 1/10 of the property is wetland. Mr. Gray needs the additional property to allow him the ability to move his property line approximately 20 feet to allow him to install his septic tank and septic tank lines. Mr. Lewis continued to explain that the property that Mr. Gray purchased is not in Beaufort Point, but is part of the original development of Bayside Shores. The

NORTH CAROLINA

BEAUFORT COUNTY

THIS RELEASE DEED, made and entered into this 15th day of April, 2013, by and between THE CITY OF WASHINGTON, a North Carolina municipal corporation, whose address is 102 East Second Street, Washington, NC 27889, hereinafter designated "Grantor", and BROWN DEVELOPMENT OF N.C., LLC, a North Carolina limited liability company, whose address is P. O. Box 5689, Florence, SC 29501, hereinafter designated "Grantee";

WITNESSETH:

THAT WHEREAS, said Grantee is the owner of certain property located in Chocowinity Township, Beaufort County, North Carolina, which is subject to a certain Water and Sanitary Sewer Service and Easement Agreement recorded in Book 1558, Page 460, and a certain Modified Water and Sanitary Sewer Service and Easement Agreement recorded in Book 1614, Page 457, Beaufort County Registry, (hereinafter, collectively referred to as the "Agreements");

AND WHEREAS, Grantee is the successor in interest to NC Land Partners, LLC under the Agreements;

AND WHEREAS, Grantee has requested the said Grantor to release from the operation of said Agreements so much of the land thereby encumbered as is hereinafter described, and the said Grantor has agreed to do so;

NOW, THEREFORE, for and in consideration of the sum of \$1.00 and other good and valuable considerations to it paid by the Grantee, said Grantor has remised and released, and by these presents does remise and release from the above described Agreements, all those certain lands situate in Chocowinity Township, Beaufort County, North Carolina, and more particularly described as follows:

PREPARED BY:

KEITH B. MASON

BEGINNING at an existing 1" iron pipe located in the westernmost corner of Lot 88, Bayside Shores Subdivision No. 6, and being designated as point "F" on a plat entitled "A Survey for: Michael H. & Pamela H. Gray" dated January 31, 2013 by Hugh A. Sorrell, PLS, which said plat is recorded in Plat Cabinet H, Slide 98-6, Beaufort County Registry, and incorporated herein by reference for a more complete and adequate description; running thence from said beginning point along the high water mark of a canal North 46° 50' 13" West 34.99 feet to a new iron pipe designated as point "G" on said plat; thence North 39° 08' 27" East 120.28 feet to a new iron pipe designated as point "D" on said plat; thence along the southwesterly line of the "New 20' Easement" South 46° 49' 39" East 35.00 feet to a ½" rebar located in the northernmost corner of Lot 88, and being designated as point "C" on said plat; thence along the northwesterly line of Lot 88 South 39° 08' 40" West 120.27 feet to the point of beginning, containing 0.10 acres, more or less, and being shown as "Lot 88 Addition" on the aforesaid plat. Reference is made to deed recorded in Book 1689, Page 87, Beaufort County Registry.

TO HAVE AND TO HOLD said lands and premises, together with all privileges and appurtenances thereunto belonging to the Grantee, its successors and assigns, free, and discharged from the all the rights and obligations contained in the Water and Sanitary Sewer Service and Easement Agreement recorded in Book 1558, Page 460, and the Modified Water and Sanitary Sewer Service and Easement Agreement recorded in Book 1614, Page 457, Beaufort County Registry

But it is understood and agreed that this Release shall apply only to so much of said lands as are herein expressly described and conveyed, and that as to the remainder of said lands said Agreements shall be and remain in full force and effect.

IN WITNESS WHEREOF, the City of Washington has caused this instrument to be executed by its Mayor, attested by its City Clerk, and its municipal seal to be hereunto affixed, all as of the day and year first above written.



Cynthia S. Bennett
Cynthia S. Bennett, City Clerk

THE CITY OF WASHINGTON
By: *[Signature]*
Ardie Jennings, Mayor

AUTHORIZE – CITY MANAGER TO ENTER INTO EMS SERVICES AGREEMENT WITH BEAUFORT COUNTY – OLD FORD FIRE DISTRICT AND CLARK’S NECK FIRE DISTRICT

Josh Kay, City Manager explained that the current agreement expires on June 30th, 2013. The new agreement is essentially the same as current with the exception of including a 2%/year escalation factor and a provision for automatic renewal.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council authorized the City Manager to enter into an EMS services agreement with Beaufort County to provide services in the Old Ford Fire District and the Clark’s Neck Fire District.

**NORTH CAROLINA
BEAUFORT COUNTY**

THIS CONTRACT is made and entered into effective as of the 1st day of July, 2013, by and between the **CITY OF WASHINGTON**, a municipal corporation organized and existing under the laws of the State of North Carolina ("**CITY**"), and **BEAUFORT COUNTY**, a political subdivision of the State of North Carolina established and operating pursuant to the laws of the State of North Carolina ("**COUNTY**").

WITNESSETH

WHEREAS, North Carolina General Statute § 160A-11, 160A-461, and 153A-250 authorize municipalities and counties to contract for emergency medical services, including ambulance services, ("**EMS**").

WHEREAS, the **COUNTY** has negotiated with the **CITY** to obtain EMS for the fire districts named below under the terms and conditions contained herein.

NOW THEREFORE, pursuant to said relevant statutory authority, and for and in consideration of the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows.

A. **SERVICES.** The **CITY** agrees to provide EMS to the extent of the certifications of the responding crew(s) to those parts of Beaufort County currently designated as the Old Ford Fire District and the Clark's Neck Fire District. Upon receipt of a request for EMS in the aforementioned areas, the **CITY** shall dispatch an EMS vehicle with a crew of two (2) Emergency Medical Technicians, if available. The dispatched crew(s) shall render said EMS to the limit of their certifications and, in the event further medical treatment is required, transport those patients requiring further medical treatment via the EMS vehicle to the nearest hospital. Said EMS crew(s) shall not be responsible for fire control, rescue, or other activities not directly involving patient care.

B. **EMS FEES.** There shall be an EMS fee for each person who is provided emergency medical services and/or transported by the EMS vehicle. Said fees shall be subject to change and approval by the Washington City Council. Said fees shall be billed and collected by the **CITY** through its standard medical billing procedure. All funds collected by the **CITY** for services rendered shall be retained by the **CITY**.

C. **TERM.** The initial term of this Contract shall be for two (2) years, beginning on the 1st day of July, 2013 and ending on the 30th day of June, 2015. At the expiration of said initial term, this Contract shall automatically renew on the same terms and conditions as stated herein for successive one (1) year terms unless either party gives written notice of intent not to renew at least ninety (90) days before the expiration of any such term, including the initial term.

D. **COST OF EMS AND COUNTY PAYMENT.** The **CITY** and the **COUNTY** shall share the cost of maintaining EMS through the **CITY**'s General Fund – Department 5310. The

COUNTY's share of said cost shall be \$134,713.99 for year one of this Contract (July 1, 2013 through June 30, 2014) and \$137,408.27 for year two of this Contract (July 1, 2014 through June 30, 2015). For any subsequent, successive one (1) year term for which this Contract is automatically renewed after the initial term, the COUNTY's share of said cost shall increase by two percent (2%) each such term. CITY shall provide COUNTY with written notice of the amount of COUNTY's share of said cost at least thirty (30) days prior to the commencement of any such subsequent, successive one (1) year term. Said amounts shall be due and payable from the COUNTY to the CITY, in advance and in equal quarterly installments, on July 1st, October 1st, January 1st, and April 1st of each year.

F. **EFFECT.** Upon acceptance and execution of this Contract by both parties, all previous EMS contracts between the CITY and the COUNTY for said areas shall be null and void.

IN WITNESS WHEREOF, after due authority given, the COUNTY has caused this Contract to be signed in its name by its Manager, and attested by its Clerk, and the CITY has caused this Contract to be signed in its name by its Manager, and attested by its Clerk.

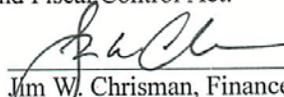
PRE-AUDIT CERTIFICATE

This Contract has been pre-audited per North Carolina General Statute 159-28 in the manner required by the Local Government Budget and Fiscal Control Act.

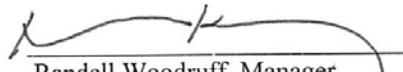


ATTEST:


Sharon Singleton, Clerk

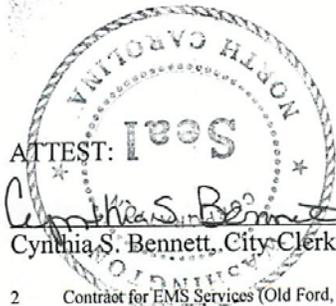

Jim W. Chrisman, Finance Officer
Beaufort County

BEAUFORT COUNTY


Randell Woodruff, Manager

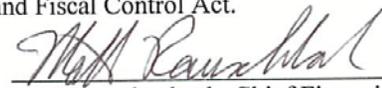
PRE-AUDIT CERTIFICATE

This Contract has been pre-audited per North Carolina General Statute 159-28 in the manner required by the Local Government Budget and Fiscal Control Act.



ATTEST:


Cynthia S. Bennett, City Clerk


Matt Rauschenbach, Chief Financial Officer
City of Washington

CITY OF WASHINGTON


Joshua L. Kay, City Manager

COUNTY OF BEAUFORT
STATE OF NORTH CAROLINA

I, Rashonda B. Dolberry Notary Public of the State and County aforesaid, certify that Sharon Singleton personally appeared before me this day and acknowledged that she is Clerk of Beaufort County, a political subdivision of the State of North Carolina, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Randell Woodruff, its Manager, sealed with its corporate seal and attested by herself as its Clerk.

WITNESS my hand and official seal, this the 8th day of May, 2013.

Rashonda B. Dolberry
NOTARY PUBLIC

My Commission expires: 1-9-2018



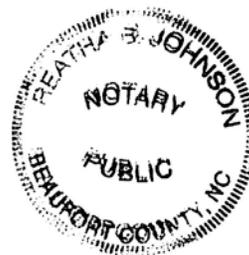
COUNTY OF BEAUFORT
STATE OF NORTH CAROLINA

I, Reatha B. Johnson Notary Public of the State and County aforesaid, certify that Cynthia S. Bennett personally appeared before me this day and acknowledged that she is City Clerk of the City of Washington, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Joshua L. Kay, its City Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the 22 day of April, 2013.

Reatha B. Johnson
NOTARY PUBLIC

My Commission expires: 12/11/2014



Recess 8:20pm-8:30pm

AUTHORIZE – CITY MANAGER TO ENTER INTO AN IT MANAGED SERVICES AGREEMENT WITH THE SOUNDSIDE GROUP

Josh Kay, City Manager stated that the SoundSide Group has been providing managed services for the City's IT systems for the past two and one half years. We have been pleased with their service. The current agreement expires June 30, 2013. The new agreement includes an additional day of onsite support each month and the new VOIP phone system. Mr. Kay noted a correction to the agreement on page 3, paragraph 2 (c) line 4, the word "rate" should be removed.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council authorized the City Manager to enter into an IT managed services agreement with the SoundSide Group.

ADOPT – RESOLUTION IN SUPPORT OF THE PRESERVATION OF TAX-EXEMPT FINANCING

The City Manager explained that as part of the Federal budget deficit discussions, the elimination of tax-exempt financing for municipal debt is being considered. If enacted our borrowing costs would increase at least 45%. Council is encouraged to adopt this resolution as well as direct the Clerk to send a letter to our federal legislators on the Council's behalf.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council adopted a resolution in support of tax exempt financing.

A RESOLUTION IN SUPPORT OF THE PRESERVATION OF TAX-EXEMPT FINANCING
WHEREAS, tax-exempt municipal bonds are the primary means by which state and local governments finance three quarters of the critical infrastructure of our nation, including roads, bridges, hospitals, schools, and utility systems; and

WHEREAS, through the tax exemption, the federal government continues to provide critical support for the federal, state and local partnership that develops and maintains essential infrastructure, which it cannot practically replicate by other means; and

WHEREAS, the municipal tax exemption has enabled state and local governments to finance more than \$1.65 trillion in infrastructure investment over the last decade; and

WHEREAS, this tax exemption is part of a more than century-long system of reciprocal immunity under which owners of federal bonds are, in turn, not required to pay state and local income tax on the interest they receive from federal bonds; and

WHEREAS, municipalities benefit from this tax exemption through substantial savings on the interest cost of borrowed money; and

WHEREAS, tax exempt bonds benefit state and local governments who need the support of investors to finance critical infrastructure, taxpayers across the country who depend on this infrastructure for reliable transportation systems, schools, public health facilities, energy, clean water and affordable housing, the federal government, who gets quite a bargain on their partnership with state and local government to provide the nation's infrastructure through the exemption; and investors who buy bonds for many reasons, including the safe nature of these financial products; and

WHEREAS, municipal bonds are the second safest investment, aside from U.S. Treasuries, with state and local governments having nearly a zero default rate; and

WHEREAS, 72.4 percent of the total outstanding muni debt is held by individual investors, either directly or through mutual funds and money market funds (Source - 2010 Thomson Reuters); and

WHEREAS, Congress and the President have proposed legislation to reduce or repeal the tax exemption on municipal bonds; and

WHEREAS, these proposals to reduce or repeal the tax exemption would have severely detrimental impacts on national infrastructure development and the municipal market, raising costs for state and local borrowers and creating uncertainty for investors; and

WHEREAS, if the proposal to cap the exemption on municipal bonds at 28 percent had been in place over the last 10 years it would have cost state and local governments an additional \$173 billion in interest costs; and

WHEREAS, total repeal of the exemption over the last decade would have cost state and local governments over \$495 billion in additional interest costs; and

WHEREAS, the municipal tax exemption has a long history of success, having been maintained through two world wars and the Great Depression, as well as the recent Great Recession, and it continues to finance the majority of our nation's infrastructure needs for state and local governments of all sizes when no other source exists to do so;

NOW, THEREFORE, BE IT RESOLVED that the City of Washington opposes any efforts by Congress and the White House to reduce or repeal the federal tax exemption on interest earned from municipal bonds; and

BE IT FURTHER RESOLVED that we oppose any action that would reduce or repeal the exemption on tax-exempt bond interest, and affirm that there should be no legislative action to apply any changes retroactively to current outstanding bonds; and

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to our Congressional Representatives and key members of the Administration.

Adopted this the 15th day of April, 2013.

Attest:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

APPROVE – SUBLEASE AGREEMENT OF GOESS HANGAR

Mr. Kay expressed that Craig Goess has requested the approval to sublease his hangar to Carolina Crop Care, LLC, via Mr. John Hayes. The sublease will reference all conditions within the Master Lease and will not extend the term of the lease by and between the City and Mr. Goess. Council discussed the terms of the agreement.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council approved the Hangar Ground Site Sublease Agreement by and between Craig Goess and Carolina Crop Care, LLC and the City of Washington.

ADOPT – RESOLUTION ON BEHALF OF THE PARTNERSHIP FOR THE SOUNDS AND THE NORTH CAROLINA ESTUARIUM

Mayor Jennings explained that the Partnership for the Sounds and the NC Estuarium are facing a possible funding reduction from the State. This resolution requests that our State legislators maintain funding for the Partnership and the Estuarium because of the economic and educational impact it has on the residents and visitors of Washington. They have received resolutions from the County's and Municipalities that they serve. If you feel led, please contact your legislatures and offer your support of the Partnership and Estuarium.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council adopted a Resolution on behalf and in support of the Partnership for the Sounds and the North Carolina Estuarium.

RESOLUTION ON BEHALF OF THE PARTNERSHIP FOR THE SOUNDS AND THE NORTH CAROLINA ESTUARIUM

WHEREAS, the Partnership for the Sounds, Inc., built the North Carolina Estuarium and opened it in 1998; and

WHEREAS, over \$1 million was contributed to the Estuarium's construction from private donations, the City of Washington, and Beaufort County; and

WHEREAS, this was the first facility in the United States to be called an "Estuarium"; and

WHEREAS, the Estuarium brings great pride to Washington through its outstanding exhibits and programs celebrating this area's natural resources and maritime culture; and

WHEREAS, the Estuarium remains Washington's most identifiable and visible tourism attraction, and its visitor experience received exceptionally high ratings in the Washington TDA's 2009 survey of tourists and local tourism assets; and

WHEREAS, the Partnership works diligently to be an involved, responsive, and accommodating partner with the City of Washington and other attractions, organizations and businesses in the Downtown area; and

WHEREAS, the presence of the Estuarium and Partnership accrues substantial economic benefit to the local business community through tourism development, the purchasing of goods and services, staff employment, quality of life enhancements, and other avenues; and

WHEREAS, the Estuarium and Partnership provide productive full-time and part-time employment for over 25 area residents whose lives and livelihoods are invested in the betterment of this community and region,

Therefore, let it be resolved that the Washington City Council, encourages the General Assembly of North Carolina to make every effort to provide funding that will enable the continued operation of the North Carolina Estuarium and the Partnership for the Sounds, Inc.

Adopted this the 15th day of April, 2013.

Attest:

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

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

DISCUSSION – RECOGNITION OF MS. EDITH JENKINS – DONATION TOWARDS THE STREET SCAPE PROJECT

City Manager, Josh Kay thanked Ms. Edith Jenkins for her monetary contribution towards the streetscape project.

DISCUSSION - DISPOSITION OF PROPERTY ADJACENT TO FIRST PRESBYTERIAN CHURCH

Mr. Kay updated Council regarding the property adjacent to First Presbyterian Church and the possibility of the church purchasing the lot at the corner of 2nd and Respass. The City owns the parking lot at that location. In August 2012, an offer was received in the amount of \$37,500 for the parking lot that is owned by the City of Washington. Council requested an appraisal of the property and the parking lot appraised at \$100,000. If and what steps would Council like for staff to take at this point? The appraisal was only for the City owned parking lot. Discussion was held regarding the Parvin property and the former dry cleaner property. Mayor Pro tem Roberson expressed that if the church is still interested in the property then they need to make an offer closer to the appraised value. Mayor Jennings inquired if the Council is predisposed to consider a higher offer for the parking lot? Mr. Kay explained that if an additional offer is received and Council accepts the offer, then we would move forward with the upset bid process.

CLOSED SESSION– UNDER § NCGS 143-318.11(A)(3) ATTORNEY CLIENT PRIVILEGE – INCLUDING CITY OF WASHINGTON VS. ANNE & HARRY MEREDITH, ET AL (08-CVS-105); NCGS 143-318. (A)(5) POTENTIAL ACQUISITION OF PROPERTY – PROPERTY LOCATED ON 1656 SPRINGS ROAD OWNED BY RICKY AND BRENDA BRANN, FOR THE POTENTIAL USE OF PARKS AND RECREATION; NCGS 143-318.11(A)(6) PERSONNEL; AND NCGS 143-318.11(A)(4)ECONOMIC DEVELOPMENT

By motion of Councilman Pitt, seconded by Councilman Brooks, Council entered into closed session at 8:50 pm under § NCGS 143-318.11(a)(3) Attorney Client Privilege – Including City of Washington vs. Anne & Harry Meredith, et al (08-CVS-105); (a)(5) Potential Acquisition of Property – Property located on 1656 Springs Road owned by Ricky and Brenda Brann, for the Potential use of Parks and Recreation; NCGS 143-318.11(a)(6) Personnel and NCGS 143-318.11 (a)(4) Economic Development.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council agreed to come out of closed session at 9:30pm.

**BCSC 08-CVS-105
THE CITY OF WASHINGTON V. MEREDITH, ET AL
MOTION AND STATEMENT OF SETTLEMENT TERMS FOR COUNCIL MINUTES**

By motion of Councilman Brooks, seconded by Councilman Pitt, Council authorized and/or ratified City Manager Josh Kay's execution and entrance of a Consent Judgment on behalf of the City of Washington to settle the following lawsuit: City of Washington, Plaintiff/Condemnor v. Anne F. Meredith and husband, Harry W. Meredith; County of Beaufort; PRLAP, INC. (f/k/a TIM, INC.), Trustee; NationsBank, NA (a/k/a Bank of America), Defendants/Condemnees, Beaufort County Superior Court File No.: 08-CVS-105.

As required by North Carolina General Statute § 143-318.11(a)(3) the terms of the settlement are hereby being reported to the City Council and entered into the Council minutes. The City was required

to bring said lawsuit to acquire an avigation easement over 2.47 acres of property owned by Anne and Harry Meredith in order to certify to the Federal Aviation Administration (“FAA”) and the North Carolina Division of Aviation (“NCDOA”) that the approach path, known as the approach surface, to primary runway 5-23 of the Warren Field Airport met certain safety and clearance regulations. The avigation easement was acquired consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as codified in the FAA Advisory Circular No. 150/5100-17, Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects. After the lawsuit was filed and prior to this settlement, the City cleared obstructions to the approach surface by removing certain trees that extended, or were a threat to extend, into the approach surface. If the City had not taken this action, said runway essentially would have become unusable as a primary runway for the Airport, there would have been significant safety issues for pilots as well as passengers, and FAA funding would have been jeopardized. The City reached a financial settlement with the Merediths concerning the amount of just compensation owed to them for this acquisition and the City has satisfied the same partially through FAA grant funding. The Merediths still own the property under the avigation easement and may continue to utilize said property consistent with the terms of the avigation easement as agreed to by the parties. As a result of this acquisition, the Warren Field Airport is now in compliance with FAA and NCDOA safety as well as clearance regulations for approach surfaces and future funding for the Airport from the FAA is no longer jeopardized.

ANY OTHER ITEMS FROM CITY MANAGER: None

ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:

FYI: Solar farm public hearing, Tuesday, April 16th at 7:00pm, Beaufort County Courthouse
Special Meeting – Friday, April 19th at 7:30am at the Hampton Inn
Budget Meetings – April 22nd and 25th at 5:30pm

ADJOURN

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adjourned the meeting until April 22, 2013 at 5:30pm in the Council Chambers at the Municipal Building.

Cynthia S. Bennett, CMC
City Clerk