

The Washington City Council met in a regular session on Monday, July 28, 2014 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; Allen Lewis, Public Works Director; Keith Hardt, Electric Utilities Director; Lynn Wingate, Tourism Director; Gloria Moore, Library Director; Susan Hodges, Human Resources Director; John Rodman, Community & Cultural Resources Director; Kristi Roberson, Parks & Recreation Manager; David Carraway, IT Director; and Tony Black, Washington Daily News.

Mayor Hodges called the meeting to order and Councilman Mercer delivered the invocation.

APPROVAL OF MINUTES:

By motion of Councilman Mercer, seconded by Councilman Beeman, Council approved the minutes of July 14, 2014 as presented.

APPROVAL/AMENDMENTS TO AGENDA:

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

RECOGNITION: SOFTBALL TOURNAMENT WINNERS:

Mayor Hodges and League President, Neal Dixon presented certificates to the following Softball Tournament Winners:

Washington 8U All-Stars

District 6 Champion, State Tournament Runner-Up and Southeast Regional Tournament Runner-Up



Shaelee Chrismon, Erin Everett, Savannah Hale, Kirbi Case, Melanie Rutledge,
Katherine Pollock, Ava Shae Mizell, Ana Clare Roberson, Peyton Youmans, Haley Hedgepeth,
Sophie Purser, Lilly Davis
Coaches: Riley Youmans, George Everett, Tony Chrismon

Washington 10U All-Stars

District 6 Champion and State Tournament Runner-Up



Mary-Morgan Beeman, Laci Campbell, Kipper Case, Savanna Craft, Hannah Daniel,
Abby Gardner, Mary Emma Holscher, Cierra Linton, Sydney O'Neal, Olivia Paszt,
Leah Spencer, Emma Tucker
Coaches: Larry Beeman, Beau Daniel, Kevin Spencer

*Washington 12U All-Stars
District 6 Champion, State Tournament Champion and Southeast Regional Runner-Up*



Summer Campbell, Abbigail Tucker, Sydney Keech, Lily Wright, Desiree Maurizzio, Macy Main, Emerson Davis, Kaylee Elks, Abby Pippin, Grace Paszt, Courtney Cutler
Coaches: Dallis Tucker, EJ Paszt, Stacey Pippin

*Washington 16U All-Stars
District 6 Champion*



Samantha Sheppard, Jordan Pierce, Danielle Duckwall, Alyssa McLawhorn, Sarah Lynch, Catie Dority, Karley Little, Kaley Coltrain, Sarah Alligood, Kaitlyn Ivey, Hailey Harris
Coaches: Greg Dority, Walker Lynch, Melissa Nicholas

CONSENT AGENDA:

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

- A. Approve – Purchase Orders >\$20,000
- Requisition # 14875, \$21,849, to Ilderton Dodge (State contract) for passenger van to replace vehicle #522, account 30-90-8100-7400.
 - Requisition # 14877, \$51,042, to Old Dominion Brush Co. for 2 leaf vacuums, account 38-90-4710-7400.
 - Requisition # 14870, \$51,887.61, to Piedmont Truck Center (State contract) for a F750 truck to replace #454, account 10-20-4510-7400.
 - Requisition # 9203, \$24,625, to Power Secure for 2014/2015 peak shaving generator maintenance, account 35-90-8370-4500.

COMMENTS FROM THE PUBLIC: REVEREND DAVID MOORE

Reverend David Moore addressed City Council regarding the three homes Metropolitan has under construction at Keyslanding. He explained that the curb cuts were put in before construction started and the curb cuts are in the wrong place. Reverend Moore requested the City pay for curb cuts in the amount of \$3,960. He further noted that the first house will be closing possibly this week or next week at the latest.

Mayor Pro tem Roberson inquired if anyone had applied for driveway permits and Reverend Moore responded 'no'. Did the construction company put in the drive way cuts and Reverend Moore said 'yes' and that no one ever spoke with him about the driveway location. Mayor Pro tem Roberson requested Reverend Moore provide Council with a history on how the process has worked on prior housing development projects. Reverend Moore said normally the curb cuts aren't made until the house is already constructed, because that way you will know where the driveway is located. It is normally pretty simple but he feels the contractor jumped the gun by not having the proper communication with everyone involved. Mayor Pro tem Roberson asked Public Works Director, Allen Lewis if we can leave the existing curb cuts as is and then go over and construct the new cuts? Mr. Lewis stated this is not a policy he is familiar with as we don't normally have two curb cuts. Mayor Pro tem Roberson inquired if it would be a code violation if we go forward and construct the proposed driveway (violation of the driveway permit to leave the existing curb cut and cut a new one).

Mr. Lewis stated as long as the two curb cuts are not too close together, there would not be a problem, but we still encounter the cost installing the curb cut. Mayor Pro tem Roberson asked what is the estimated cost and Mr. Lewis stated \$3,960, which includes removing the three existing curb cuts and to re-pouring three new ones.

Councilman Brooks asked Reverend Moore if the City would remove the current curb cuts and replace with new curb cuts, would he help with the financial part. Reverend Moore noted that Metropolitan is providing all construction financing (approximately \$400,000 invested now). Councilman Brooks inquired if Metropolitan can reimburse the City of Washington once houses sell and Reverend Moore stated this arrangement would not really help him. Reverend Moore said if he doesn't meet his deadline then the penalty to the City is to repay the \$75,000.

Councilman Mercer inquired if the extension went until June 30, 2016 and Mr. Alligood said 'yes'. Representatives from the NC Department of Commerce are receptive to refunding the City the \$25,000 we have already paid; if we can close the grant out before the end of this year. Furthermore, we are on hold for the next two payments of \$25,000. Councilman Mercer asked Reverend Moore what is the selling price of the homes and Reverend Moore said roughly around \$169,900.

Mayor Pro tem Roberson requested clarification on the rule of procedures because the way he understands it Council can't vote on the request tonight. Mr. Alligood explained in order to vote tonight, Council will need four (4) affirmative votes.

Councilman Brooks made the motion for the City to fix the curb cuts if Reverend Moore agrees to reimburse the City \$1,320 per house when each one of the three homes is sold. Motion failed for lacked of second. ($\$1,320 \times 3 = \$3,960$)

Councilman Pitt commented it is very important we get this project completed. He suggested if fixing the curb cuts would expedite having the project completed by the end of November, then he would prefer that we seek another way to fund this cost other than charging the cost back to each home.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, it was proposed the City seek another way to fund the removal and replacement of the curb cuts other than a charge back to each home. Motion failed by 2-3 vote: Councilman Beeman, Brooks, and Mercer opposing.

Discussion followed with members of Council and Mayor Hodges trying to understand how the problem occurred in the first place and how it failed to be addressed until now. Council suggested that the contractor should have flipped his plans before starting anything and then the City and Metropolitan would not be in this situation. Reverend Moore agreed.

By motion of Councilman Brooks, seconded by Mayor Pro tem Roberson, it was proposed the City would fix the curb cuts if Reverend Moore agrees to reimburse the City \$1,320 per house when each one of the three homes is sold ($\$1,320 \times 3 = \$3,960$).

Discussion: Councilman Beeman inquired if there is a guarantee the City would recoup the \$1,320 per home if Reverend Moore agrees to this proposal. Mr. Holscher explained it would come out of closing proceeds of sale. Councilman Mercer expressed concerns regarding the Memo of Understanding, Deed of Trust, or a Promissory Note on those properties voicing would we not have to modify those documents that are in place. Mr. Holscher explained he did not see a need to modify those documents. Councilman Mercer suggested every time the developer has a problem in the project they run to the City to bail them out and expressed the City has done enough for this project. If the project is not finished by November then when June 30, 2016 comes around, the City has a Memo of Understanding and a Promissory Note and the money will come back to the City. Motion failed by 3-2 vote: Councilman Mercer and Pitt opposing.

City Manager, Brian Alligood explained the motion came up in the Public Comment section of the meeting and by following the Council's recently adopted policy; the motion does not pass tonight, because it would have needed four affirmative votes. If the item comes back at the next meeting in two weeks, the motion can pass on a simple majority. Council directed staff to place this on the August 11, 2014 agenda under "Old Business".

PUBLIC HEARING ON ZONING: NONE

PUBLIC HEARING – OTHER: NONE

SCHEDULED PUBLIC APPEARANCES:

PATTY PEEBLES, OPTIMIST CLUB OF WASHINGTON – LEAGUE AGREEMENT

Mr. Alligood explained we received correspondence from Patty Peebles requesting Council consider/review the Optimist Club request regarding the League Agreement, most specifically referencing increasing rates from \$25 to \$30 per participant. Councilman Brooks stated Parks and Recreation will be looking at new events this year. Mayor Pro tem Roberson inquired how much money did Parks and Recreation lose last year and Mr. Alligood stated approximately \$1.2 million. Mayor Pro tem Roberson stated in light of the deficit in Parks and Recreation he is in favor of the increase. Kristi Roberson, Parks and Recreation Manager explained that under the current agreement, the Leagues are not allowed to charge above \$25 for each participant. If you charge more than \$25 per participant then you have to pay fees that are associated with the facilities that you use.

By motion of Councilman Beeman, seconded by Councilman Brooks, Council agreed to allow an increase in the fee charged by the Optimist Club from \$25 to \$30 and to change the sport agreement accordingly with no revision to require payment of a fee to the City for the fall soccer program.

Councilman Mercer expressed his concern regarding the agreement we have in place and noted there is substantial cost to the City to operate this program. Councilman Mercer said now we are giving the league the authority to increase their fee with no additional compensation to the City. Councilman Beeman explained the increased fee is to cover the increased cost of the uniforms and their referees.

Mr. Alligood requested Council consider making the sport agreement go to \$30 for all leagues since this is the start of the fiscal year. This would prevent other leagues having to come before Council with the same request. Councilman Beeman noted that different leagues have different expenses and other leagues may have a different request. Mr. Holscher noted the sport agreement currently written is written for all leagues. If Council is talking about revising that agreement the motion is to revise it for soccer only and the current agreement for all other leagues will remain the same and subject to future revision upon request.

Motion restated: By motion of Councilman Beeman, seconded by Councilman Brooks, Council agreed to allow an increase in the fee charged by the Optimist Club from \$25 to \$30 and to change the sport agreement accordingly with no revision to require payment of a fee to the City for the fall soccer program.

NOON ROTARY – “LITTLE FREE LIBRARY”

Mr. Spencer Stanley with Noon Rotary explained the organization had met with the Parks & Recreation Advisory Committee in June and July about placing a “Little Free Library” site near the new dock masters station. This will be a small box that will hold approximately 30 books.

Mr. Stanley suggested they have plans to include 4-5 more boxes around the City over the next year and they have not identified the other locations yet. Councilman Pitt asked if the books are donated and Mr. Stanley replied ‘yes’.

By motion of Councilman Beeman, seconded by Mayor Pro tem Roberson, Council agreed to install the “Little Free Library” near the new dock masters station.

CORRESPONDENCE AND SPECIAL REPORTS:

DISCUSSION – GRANT UPDATES: *NO COMMENTS*

Grant Executive Summary
as of 6/30/2014

Fund	Grant Description	Dates			Financials				Deliverable			Compliance Reporting Status	Notes	
		Award	Expiration	Completion	Budget	Actual	Budget	Actual	Metric	Total	Achieved			Bal.
50	CDBG Affordable Housing	04/09/10	10/31/14	10/31/14	227,700	185,719	227,700	185,719	LMI homes	10	5	5	06/30/14	Applicant promotion & qualification
51	Blue Goose	03/01/13	03/01/15	02/01/15	350,000	347,264	350,000	323,224	Jobs (60%LMI)	16	16	0		Job creation targets met, last requisition submitted.
52	Comprehensive Bicycle Plan	05/26/11	12/31/13	06/30/14	35,000	30,430	35,000	32,288				0		DOT reviewing 3rd draft
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
57	CDBG for Job Creation	07/06/12	01/16/15	07/06/14	200,000	195,539	200,000	196,182	Jobs(7 new/1 ret.)	8	6	2	06/30/14	Equipment procured, admin. ED activity will continue through fall
61	Pedestrian Plan Grant	05/20/13	09/30/13	12/31/14	10,000	10,000	10,000	-				0		Plan being drafted
65	Econ. Development- Spinrite	01/07/12	01/07/15	01/07/15	90,000	90,405	90,000	67,500	Jobs	90	76	14		84% of job target met and 75% reimbursed
66	Airport Terminal Grant	04/04/13	07/01/15	03/31/15	1,255,902	585,260	1,255,902	294,098				0		Construction begun
67	Facade Grant Program	07/01/13	06/30/14	06/30/14	20,090	20,133	20,090	20,090				0		Complete
69	Way Finding				150,000	150,000	150,000	2,100				0		Design development in progress, public input meeting July 22nd
71	Airport Lighting Rehab				361,111	36,111	361,111	-				0		Grant project ordinance in June
76	EDA Water Projects	09/11/13	03/11/17	02/28/17	1,428,262	706,321	1,428,262	28,449				0		Eng. bid awarded, topo surveys begun, award const. Dec 2014
77	EDA Sewer Grants	09/11/13	03/11/17	02/28/17	1,423,894	703,974	1,423,894	118,159				0		Eng. bid awarded, topo surveys begun, award const. Dec 2014
78	Light House RR & Boater Facility	01/17/12	01/17/15	06/30/14	346,507	96,713	346,507	274,810				0		Construction nearing completion
	CDBG Keyville Rd.	2005	6/4/2013	06/30/16	320,000	320,000	320,000	320,000				0	06/30/14	3 homes in progress, requested extension on occupancy

Applications

	Pre-App	Selected	Final App	Grant	Match	Total	
CDBG Infrastructure, basin 11 13th & Bridge				1,100,000	50,000	1,150,000	Not selected 1st or 2nd round, submit for 2015
Public Access- Peoples Pier	2/28/14			120,000	30,000	150,000	Application submitted
Public Access- Havens Garden	5/30/14	6/20/14	9/15/14	180,000	20,000	200,000	May memo to Council
Vidant- EMS Paramedic Level				22,000		22,000	Not awarded, pursuing through corporate
FEMA- Fire vehicle, turnout wash/dry, vehicle exhaust				399,000	21,000	420,000	Did not make it through peer review
TAG- Sanitary sewer study				35,000	0	35,000	Awarded, July project ordinance and resolution
Historic Preservation Grant				14,000	4,000	18,000	Tentatively awarded, inventory/walking tour info development
NC Cardinal			7/1/14	22,345	0	22,345	Grant awarded, complete by 6/30/15
Police Bullet Proof Vests							

DISCUSSION – PROJECT UPDATES:

Councilman Mercer inquired if the Lighthouse had been completed and Mr. Allgood stated they are very close “we are on the punch list”. Community & Cultural Resources Director, John Rodman stated they now have a Conditional Certificate of Occupancy. There are some issues with sidewalks. The two granting agencies are supposed to be here this week to do their final inspection.

Capital Project Status FY 2013/2014

7/19/2014

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
	35-90-8390-7400	Equipment Shelter	42,000	46,500	0	(4,500)	Completed	
	35-90-8390-7400	Row Bushog	12,000	10,591	0	1,409	Completed	
	35-90-8390-7400	Trencher Trailer	8,000	7,055	0	945	Completed	
	35-90-8390-7400	Rope Pulling Machine	25,708	24,368	0	1,340	Completed	2
	35-90-8390-7400	Vehicle #651	44,580	45,174	0	(594)	Completed	2
Power Line Construction	35-90-8390-7401	Bucket Truck #616	235,547	235,541	0	6	Completed	2
		Total Power Line Construct	887,835	483,035	167,821	236,979		
		Actual	887,835	483,035	167,821	236,979		
		Total Electric Fund	1,191,735	734,529	218,886	238,320		
		Actual	1,191,735	734,529	218,886	238,320		
Airport:								
Warren Field Airport	37-90-4530-7400	John Deere Rotary Mower	15,752	15,751	0	1	Complete	
		Total Solid Waste	15,752	15,751	0	1		
		Actual	15,752	15,751	0	1		
Solid Waste:								
Solid Waste Collection	38-90-4710-7400	Replace Truck #438	126,545	126,544	0	1	Complete	
		Total Solid Waste	126,545	126,544	0	1		
		Actual	126,545	126,544	0	1		
Cemetery:								
Cemetery Fund	39-90-4740-7400	Kubota Tractor	35,000	35,000	0	0	Complete	
		Total Cemetery	35,000	35,000	0	0		
		Actual	35,000	35,000	0	0		
Grand Total		Grand Total	2,447,258	1,602,219	418,013	427,026		
		Actual	2,447,258	1,602,219	418,014	427,025		

Notes:
1 PO carryforward
2 Project carryforward

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
General Fund:								
IT	10-00-4132-7400	Virtualization Migration	30,000	0	27,500	2,500	Redundant PRI & Cisco server	
		PEG Channel Equipment	75,000	0	0	75,000	On Hold - to create plan for future	
		SSG Cisco Smartnet	9,148	0	0	9,148	Recurring cost of support	1
		Westinghouse Electric	2,065	4,964	0	(2,898)	Hardware associated with fiber	1
		SSG Fiber- Peterson Bldg.	8,340	1,192	0	7,148	Complete	1
		Fiber Project	24,113	49,561	1,206	(26,654)	Phase I complete	2
		Total IT	148,667	55,717	28,706	64,244		
		Actual	148,667	55,717	28,706	64,244		
Municipal Building	10-00-4260-7400	City Hall Chiller	87,270	87,270	0	0	Complete	
		Actual	87,270	87,270	0	0		
Police	10-10-4310-7400	Police vehicles	80,700	80,070	0	631	Complete	
		Vehicle equipment	4,395	4,431	0	(36)	Complete	2
		Total Police	85,095	84,500	0	595		
		Actual	85,095	84,500	0	595		
Fire	10-10-4340-7400	Fire Utility Vehicle	27,904	27,904	0	0	Complete	
		Thermal Imaging Camera	9,000	0	8,105	895	On order	
		Total Fire	36,904	27,904	8,105	895		
		Actual	36,904	27,904	8,105	895		
Inspections	10-10-4350-7400	Inspections vehicle	19,996	19,995	0	1	Complete	
		Actual	19,996	19,995	0	1		
Street Maintenance	10-20-4510-7400	Air Compressor	21,050	20,428	0	622	Complete	
		Actual	21,050	20,428	0	622		
Library	10-40-6110-7400	Library lighting	25,100	24,981	0	119	Complete	
		Actual	25,100	24,981	0	119		
Recreation Admin.	10-40-6120-7400	Peterson Building Roof	38,420	38,420	0	0	Complete	
		Peterson Building HVAC	10,000	9,970	0	30	Complete	
		Total Recreation Admin.	48,420	48,390	0	30		
		Actual	48,420	48,390	0	30		
Senior Center	10-40-6123-7400	Sr. Center Entrance & Ramp	34,000	33,800	0	200	Complete	
		Actual	34,000	33,800	0	200		
Civic Center	10-40-6125-7400	Concrete drive	1,300	1,233	0	67	Complete	
		Actual	1,300	1,233	0	67		
Aquatic Center	10-40-6126-7400	Phase I Dectron Unit Replace	16,200	16,200	0	0	Complete	
		Actual	16,200	16,200	0	0		
Rec. Maintenance	10-40-6130-7400	Boardwalk Replacement	24,856	24,856	0	0	Complete	

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
		Todd Maxwell Restrooms	59,620	0	59,620	0	In progress, complete by 8/15/14	
		Total Rec. Maintenance	84,476	24,856	59,620	0		
		Actual	84,476	24,856	59,620	0		
		Total General Fund	608,478	445,274	96,431	66,773		
		Actual	608,478	445,274	96,431	66,773		
Water:								
Water Meter Svc.	30-90-7250-7000	AMR Meters	100,000	89,276	10,000	724	2nd round of meters on order	
Water Meter Svc.	30-90-7250-7400	AMR Meters	235	0	0	235		
Water Treatment	30-90-8100-7400	Maint. & Repair of Cameras &	25,000	21,276	0	3,724	Complete	
Water Maintenance	30-90-8140-7400	Replace Truck #414	60,000	52,363	7,393	245	Complete	
Water Construction	30-90-8180-7400	6' Summit Ave.WL	179,000	9,693	75,920	93,387	Design in process, complete project October 1	
		Total Water Fund	364,235	172,608	93,313	98,314		
		Actual	364,235	172,608	93,313	98,313		
Sewer:								
Wastewater Treatment	32-90-8220-7400	Liquid Feed Constr. Admin.	4,464	2,495	0	1,969	Complete	
Wastewater Treatment	32-90-8220-7400	Replace Return Sludge Pump	21,000	20,916	0	84	Complete	
Lift Stations	32-90-8230-7400	Generator for Fountain Pump	80,049	49,101	9,384	21,565	Project under construction, complete by 6/30/14	
		Total Sewer Fund	105,513	72,512	9,384	23,617		
		Actual	105,513	72,512	9,384	23,617		
Electric:								
Electric Meter Service	35-90-7250-7400	Meters	48,300	46,512	1,740	48	Completed	
		AMR Mobile Collector	20,000	20,000	0	0	Completed	
		Total Electric Meter Svc.	68,300	66,512	1,740	48		
		Actual	68,300	66,512	1,740	48		
Substation Maint.	35-90-8370-7400	Highland Drive Recloser	30,000	31,620	0	(1,620)	Completed	
		Highland Dr. Breaker Replace	40,000	36,342	900	2,758	Completed	
		RTAC (White Post substation)	6,000	6,040	0	(40)	Completed	
		Eastern Substation Breaker	42,000	0	43,425	(1,425)	In Progress	
		Distribution reclosers	20,000	14,955	5,000	45	In Progress	
		Capacitors	6,600	6,436	0	164	Completed	
		Replace Truck #651	25,000	23,896	0	1,104	Completed	
		Total Substation	169,600	119,289	49,325	986		
		Actual	169,600	119,289	49,325	986		
				0				
Load Management	35-90-8375-7400	Load Management Switches	66,000	65,693	0	307	Completed	
		Actual	66,000	65,693	0	307		
Power Line Construction	35-90-8390-7400	2nd St./5th St Rebuild Engine	100,000	22,319	4,990	72,691	In Progress, reviewing draft design	
		High School Feeder relocation	180,000	65,912	105,512	8,577	OH complete, UG bid awarded 6/9/14	
		Grimesland Feeder Engineering	90,000	11,278	38,722	40,000	Add'l engineering re-work due to easement	
		NC 32 Feeder Engineering	50,000	14,297	18,597	17,106	In Progress, reviewing draft design	
		White Post/Slatestone Feeder	100,000	0	0	100,000	Delayed until FY 2014-15	

DISCUSSION – JACK’S CREEK UPDATES:

(memo from Allen Lewis, Public Works Director) At the July 14, 2014 Council meeting, Council asked staff about the pump station operations at Jack’s Creek in general and the fish that were introduced in the creek to help with the hydrilla and other vegetation in the creek.

On June 23, 2014, NC Wildlife Resources staff delivered forty-two (42) triploid grass carp with passive integrated transponder tags. These carp were introduced to the creek on the west side of the Brown Street bridge, just off East 4th Street. The carp were between 11”-14” long. They all appeared to do well in the transfer from the tank in which they were transported, to the creek.

On a daily basis when no precipitation is expected, the stormwater pump station is operated such that the water level in the creek is kept approximately 1.5’ below sea level. Prior to an anticipated significant rain event, the creek is normally pumped down to approximately 2’ to 2.5’ below sea level with the newly installed submersible pump. The four (4) large, 150 horsepower, 23,000 gallons per minute (GPM) pumps are set to come on automatically as the level in the creek rises from stormwater runoff. The first pump will come on automatically when the creek reaches approximately 1.3’ below sea level. The other pumps come on automatically at half foot intervals if the creek continues to rise. In other words, the second pump will automatically come on at approximately 0.8’ below sea level, the third at approximately 0.3’ below sea level and the fourth at approximately 0.2’ below sea level. Normally, staff is not called to monitor the pump station unless a second pump automatically comes on in order to keep overtime at a minimum. However, when staff knows that it’s only a matter of time before they are called in anyway, they take it upon themselves to report to the pump station. For example, on the evening of July 3, 2014, when we started to receive rainfall as a result of hurricane Arthur, staff came in before the second pump ever came on. Fortunately, this storm did not produce much street flooding at all due to less than anticipated rain amounts and staff reporting to work early. As a result, even though the winds from hurricane Arthur pulled the tide down extremely low, low enough for the flood gates to open, we did not manually crank the flood gates open completely. This was because the ‘town side’ of the creek was at a manageable level with the pumps and flood gates opening on their own. As a reminder, the flood gates start to open on their own when the level in the river is 6” below the water level on the upstream side of the pump station. (end)

Mr. Alligood noted the carp have not been in the creek very long (less than a month) and we are continuing to spray under the current contract to keep the algae down. Mr. Alligood stated staff would need time to see how the carp work out (they need time to eat). Discussion was held regarding the pumps in Jack’s Creek and when and/or how they operate. Mr. Alligood stated there have been conversations internally to determine if it would be prudent to open those gates, but the concern staff has with that is, the debris that moves back and forth from the river because there are no screens that would protect the trash from flowing into the river. Mayor Pro tem Roberson suggested let’s put the

screens up and Mr. Alligood voiced that is only one of the concerns. Also, leaving it open will not allow the City with all the protection required when there is anticipation of a weather event. Mr. Alligood stated staff recommends allowing the carp some time to work to see if that will help with the duckweed.

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES: NONE

APPOINTMENTS: TO WASHINGTON ELECTRIC UTILITIES ADVISORY BOARD & HISTORIC PRESERVATION COMMISSION

Councilman Pitt requested to postpone the Washington Electric Utilities Advisory Board appointment until August 11, 2014.

By motion of Councilman Beeman, seconded by Mayor Pro tem Roberson, Council appointed Mary Pat Musselman to the Historic Preservation Commission, to fill the expired term of Jerry Creech, term to expire June 30, 2017.

OLD BUSINESS:

ADOPT – BUDGET ORDINANCE AMENDMENT IN THE WATER FUND – RELOCATION OF WATER LINES (\$67,532)

City Manager, Brian Alligood explained this budget ordinance amendment is to fund the agreement that City Council entered on January 24, 2011 with NCDOT for relocation of water lines for the US 17 construction project. This project included the widening of US 17 north of Washington which necessitated the relocation of an existing City water line within NCDOT right of way along US 17 between Spring Road (SR 1509) and Cherry Run Road (SR 1001). At that time, the estimate for this work was \$131,120, as noted in the agreement. The actual cost was considerably less.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council adopted a budget ordinance amendment in the water fund for the relocation of an existing water line associated with the US 17 widening project north of Washington.

**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 following accounts of the Water Fund revenue budget be increased by the respective amounts indicated to pay for DOT provided utility improvements:

30-90-3991-9910	Fund Balance Appropriated	\$67,532
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Section 2. That the following accounts of the Water Fund appropriations budget be increased by the respective amounts indicated:

30-90-6610-5205	DOT Payments	\$67,532
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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 28th day of July, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

NEW BUSINESS

ADOPT – RESOLUTION TO ACCEPT A GRANT FROM NCDOT TO FUND APPROACH SURVEYS & ANALYSIS OF RUNWAYS 5/23 & 17/35 (\$11,366)

Mr. Alligood stated this is the NCDOT Aviation grant to do the approach survey and analysis of runways 5/23 and 17/35. This is the City's matching contribution of \$1,263, or 10% of the total \$12,629 total project cost.

- 5) That all work performed on the Project shall conform to the approved scope of work referenced in this Agreement. Any amendments or modifications to the approved scope of work, approved grant amounts, or this Agreement shall not be authorized by the Department unless they are contained in a written modification to this Agreement and fully executed by both the Sponsor and the Department.
- 6) Debarment and Suspension: The Grantee agrees to comply, and assures the compliance by each of its third party contractors and subrecipients at any tier, with the provisions of Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note, and U.S. DOT regulations on Debarment and Suspension at 49 C.F.R. Part 29.
- 7) The Sponsor certifies that it has adhered to all applicable laws, regulations, and procedures in the application for and Sponsor's approval of this Grant.
- 8) For a material breach of this Agreement or the Sponsor's Assurances, the Sponsor shall be liable to the Department for the return of all grant monies received.
- 9) The Sponsor agrees to adhere to the standards and procedures contained in the State Aid to Airports Program Guidance Handbook (third edition, dated January 1997), unless the Department issues a written waiver to the contrary.
- 10) The Sponsor agrees to adhere to and be bound by the Grant Assurances of the Federal Aviation Administration, said Grant Assurances contained in Appendix I of this Grant Agreement. Further, the Sponsor agrees that it shall be responsible to the Federal Aviation Administration, or its designated agent, for enforcement of such Grant Assurances including any penalties, sanctions, or other actions which may be legally enforceable for lack of compliance with said Grant Assurances.
- 11) The Sponsor agrees to comply with the "Sponsor Assurances" contained as part of this Agreement.
- 12) N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this grant agreement, you attest, for your entire organization and its employees or agents that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

DOA FORM (12/10)

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IN WITNESS WHEREOF, THE PARTIES HERETO EXECUTED THIS GRANT AGREEMENT THE DAY AND YEAR FIRST WRITTEN ABOVE:

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION:

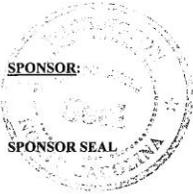
NCDOT SEAL

BY: [Signature]
Deputy Secretary for Transit

ATTEST: [Signature]

SPONSOR:

SPONSOR SEAL



SIGNED: [Signature]

TITLE: City Manager

ATTEST: [Signature]

STATE OF NORTH CAROLINA, COUNTY OF Beaufort

I Reatha B. Johnson, a Notary Public in and for the County and State aforesaid, do hereby certify that Brian M. Alligood personally came before me this day and acknowledged that he is City Manager of the City of Washington (Title) (Sponsor)

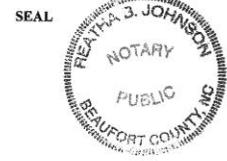
(hereinafter referred to as "Sponsor" and by authority duly given and as an act of said Sponsor, the foregoing instrument was signed by him, attested by Cynthia S. Bennett, City Clerk of the Sponsor, and the (Name and Title)

Seal of the Sponsor affixed hereto.

WITNESS my hand and Notarial Seal, this the 29 day of July, 20 14.

Reatha B. Johnson
Notary Public (Signature)

My Commission expires: 12/14/2014



DOA FORM (12/10)

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RESOLUTION

A motion was made by Billy Polk, Mayor Pro Tem and seconded by
(Name and Title)

Dave Meyer, Councilman for the adoption of the following resolution, and upon
(Name and Title)

being put to a vote was duly accepted:

WHEREAS, a Grant in the amount of \$11,366 has been approved by the Department based on total estimated cost of \$12,629; 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 AND IT IS RESOLVED THAT THE City Manager
(Title)

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.

Cynthia S. Bennett, City Clerk of the
(Name and Title)
City of Washington do hereby certify that
(Sponsor)

the above is a true and correct copy of an excerpt from the minutes of the
City of Washington, City Council of a meeting
(Sponsor)
duly and regularly held on the 28th day of July, 20 14.

This, the 28th day of July, 20 14.



Signed: Cynthia S. Bennett
Title: City Clerk
Of The: City of Washington

SECTION A: SPONSOR'S ASSURANCES: GENERAL CONDITIONS

A-1. The Sponsor certifies that it holds fee simple title to the property on which this project is to be constructed. In the event any work is proposed on property which has an easement or lease in the Sponsor's name, the Sponsor agrees that it will comply with the Department's conditions and receive written approval prior to any construction on such lease or easements. This condition does not apply to planning projects.

A-2. The Sponsor agrees to operate the Airport for the use and benefit of the general public and shall not deny reasonable access to public facilities by the general public.

A-3. The Sponsor agrees to operate, maintain, and control the Airport in a safe and serviceable condition for a minimum of twenty (20) years following the date of this Agreement and shall immediately undertake, or cause to be undertaken, such action to correct safety deficiencies as may be brought to its attention by the Department.

A-4. The Sponsor agrees that any land purchased, facilities constructed, or equipment acquired under this Agreement shall not be sold, swapped, leased or otherwise transferred from the control of the Sponsor without written concurrence of the Department.

A-5. The Sponsor agrees that the state share of any land purchased, facilities constructed, or equipment acquired under this Agreement shall be credited to the Department in a manner acceptable to the Department in the event such land, facilities or equipment are subsequently disposed of through sale or lease.

A-6. Insofar as it is within its power and reasonable, the Sponsor shall, either by the acquisition and retention of property interest, in fee or easement, or by appropriate local zoning action, prevent the construction of any object which may constitute an obstruction to air navigation under the appropriate category of Federal Air Regulation Part 77, 14 CFR 77.

A-7. Insofar as it is within its power and reasonable, the Sponsor shall, restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and taking off of aircraft and the noise produced by such operations by adoption of zoning laws, by acquisition and the retention of property interest, in fee or easement.

A-8. Terminal building spaces constructed under this Grant Agreement shall be for the use of the general public. The Sponsor agrees that it will not use any space so constructed for private use, or charge fees for the use of such space, without the written approval of the Department.

SECTION B: SPONSOR'S ASSURANCES: PROJECT ADMINISTRATION

B-1. The Airport shall comply with all requirements of the State Aid to Airports Program Guidance Handbook (third edition, January 1997).

B-2. It is the policy of this State, to encourage and promote participation by disadvantaged minority owned and women owned businesses (MBE and WBE) in contracts let by the Department pursuant to GS 136-28.4 for the planning, design, preconstruction, construction, alteration, or maintenance of State transportation infrastructure construction, and in the procurement of materials for these projects. All State agencies, institutions, and political subdivisions shall cooperate with the Department of Transportation and among themselves in all efforts to conduct outreach and to encourage and promote the use of disadvantaged minority owned and women owned businesses in these contracts. This is designed to ensure minority MBEs and WBEs have maximum opportunity to participate in performance of NCDOT contracts let using state funding. The sponsor assures and certifies with respect to this grant that they will pursue these requirements as stipulated by the Department in the advertising, award and administration of all contracts, and require the same for all contractors, sub recipient or subcontractors.

MBE/WBE program is governed by G.S. 136-28.4 and administered in accordance with Title 19A Chapter 02 SubChapter D Section .1101 - .1112 of North Carolina Administrative Code (19A NCAC 02D.1101).

B-3. The Sponsor shall submit draft plans and specifications, or approved alternate, for the project for review by the Department prior to advertising for bids on the Project. Should bids not be required on the project, the Sponsor shall submit a detailed scope of work and estimated costs prior to requesting "Project Concurrence and Notice to Proceed" form (AV-CONCUR/AV-503) for undertaking the project. All plans (and alternate) shall be supported by engineer's report. A list of deliverable(s) from the Sponsor to the Department is as follows:

Planning Projects

1. Interim Planning Submittals – All Airport Layout Plan Sheets, Reports, Projections, Construction Cost Estimate, drawings, sketches and all other pertinent information – electronic copy: PDF format. Paper copy, if requested: bond copy – true half-size.
2. Final Submittal - All Airport Layout Plan Sheets, Reports, Projections, Construction Cost Estimate, drawings, sketches and all other pertinent information – electronic copies: PDF format and AutoCAD or MicroStation format - Paper copy: bond– true half-size for plan sheets / sketches
 - a. All reports, projections – PDF Format. Any element of the documents shall be delivered in its original electronic format (i.e. MSWord, Excel, AutoCAD...) if requested by the Department
 - b. Sketches and drawings – electronic copies: PDF format and AutoCAD or MicroStation format - Paper copy: bond – true half-size for plan sheets / sketches.

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Construction Projects

1. Interim Design Submittals (i.e. 30%, 60%, 90%...) – Plan Sheets, Technical Specifications, Itemized Construction Cost Estimate and Engineers Report – electronic copy: PDF format. Paper copy, if requested: bond true half-size for plan sheets.
2. 100% Design and Issue for Bid Submittals – Plan Sheets, Technical Specifications, Itemized Construction Cost Estimate, Engineer's Report, and Bid Tab – Any element of the documents shall be delivered in electronic format (i.e. MS Excel and PDF format) and AutoCAD or MicroStation format and Paper copy: bond– true half-size for plan sheets.
3. As-built / Record Drawings
 - a. Contract Documents (Plan and Detail Sheets, Technical Specifications) – electronic copies: PDF format and AutoCAD or MicroStation format and Paper copy: bond– true half-size for plan sheets.
 - b. Technical Specifications – electronic copies: MS Word File and PDF format
 - c. Final Engineers Report – electronic copies: PDF format unless otherwise requested.

B-4. Bids will be taken in accordance with N. C. General Statute 143-129. Following bid opening or final contract negotiations, the Sponsor shall submit the "Project Concurrence and Notice to Proceed" (AV-CONCUR/AV-503) request along with the bid tabulations to the Department for review. The Department will take action on the request including the approval or disapproval of the Sponsor's Employment of specific contractors within ten (10) days of receipt. Approval will be communicated via a Contract Goal Requirements Letter sent directly to the Sponsor.

B-5. All contractor(s) who bid or submit proposals for contracts in connection with this project must submit a statement of non-collusion to the Sponsor.

B-6. The Sponsor shall not commence construction or award construction contracts on the project until a written "Project Concurrence and Notice to Proceed" (AV-CONCUR/AV-503) is co-signed by the Sponsor's Representative and the Department or alternate written approval is provided by the Department.

B-7. The Sponsor shall submit quarterly status reports (AV-STATUS/AV-502) to the Department, unless otherwise instructed, and will immediately notify the Department of any significant problems which are encountered in the completion of the project.

B-8. The Sponsor shall notify the Department of any significant meetings or inspections involving the Sponsor, his contractor(s), consultant(s), and/or federal funding agencies concerning Project.

B-9. The Sponsor shall notify the Department within thirty (30) days of completion of all work performed under this agreement for the purpose of final acceptance inspection and completion of audit requirements by the Department.

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B-10. The Sponsor has full responsibility for assuring the completed Project meets the requirements of the Department and appropriate federal funding agencies. The Sponsor further certifies that all local, state, and federal requirements for the conduct of this Project shall be met.

B-11. It is the policy of the Department not to award contracts to contractors who have been removed from the Department's list of pre-qualified bidders without subsequent reinstatement. Therefore, no State funds will be provided for any work performed by the contractor(s), or sub-contractor(s) which had been removed from the Department's list of pre-qualified bidders without subsequent reinstatement as of the date of the signing of the construction contract. It shall be the responsibility of Sponsor to insure that only properly qualified contractors are given construction contracts for work.

SECTION C: SPONSOR'S ASSURANCES: PROJECT ACCOUNTING AND PAYMENT

C-1. The Sponsor shall record all funds received under this Agreement and shall keep the same in an identifiable Project account. The Sponsor, and his contractor(s) and/or consultant(s), shall maintain adequate records and documentation to support all Project costs incurred under this Grant. All records and documentation in support of the Project costs must be identifiable as relating to the Project and must be acceptable costs only. Acceptable costs are defined as those costs which are acceptable under "Federal Acquisition Regulations 1-31.6, 48 CFR (OMC Circular A-87)". Acceptable items of work are those referenced in the State Aid to Airports Program Guidance Handbook and North Carolina General Statutes. The Sponsor's accounting procedures which were established for work as set out in this Agreement must be reviewed and accepted by the Department prior to the final execution of this Agreement and payment of State funds, except for Sponsor reporting under OMB Circular A-133.

C-2. The Sponsor and his contractor(s) and/or consultant(s) shall permit free access to its accounts and records by official representatives of the State of North Carolina. Furthermore, the Sponsor and contractor(s) and/or consultant(s) shall maintain all pertinent records and documentation for a period of not less than five (5) years from the date of final payment.

C-3. In accordance with OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" (www.whitehouse.gov/wh/eop/omb), the Airport shall arrange for an independent financial and compliance audit of its fiscal operations. The Airport shall furnish the Department with a copy of the independent audit report within thirty (30) days of completion of the report, but not later than nine (9) months after the Airports fiscal year ends.

The Airport shall maintain all books, documents, papers, accounting records, and such other evidence as may be appropriate to substantiate costs incurred under this Agreement. Further, the Airport shall make such materials available at its office at all reasonable times during the contract period, and for five (5) years from the date of final payment under this agreement, for inspection and audit by the Department's Fiscal Section

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C-4. Payment of the funds obligated under this Grant Agreement shall be made in accordance with the following schedule, unless otherwise authorized by the Department:

A. Payments from NCDOT to the Sponsor are made on a reimbursement basis. The Sponsor must pay all contractors/vendors prior to or within 3 business days of receipt of the Department's reimbursement.

B. Payments will be made on the basis of progress payments which may be requested by the Sponsor as costs are incurred, but not more frequently than monthly. Progress payments will be made provided the following requirements have been met:

(1) The Grant Agreement has been executed and a Project Concurrence (AV-CONCUR/AV-503) issued.

(2) The Project has received an appropriate environmental finding.

(3) The Sponsor has submitted a Proposed Project Budget (AV-BUDGET/AV-504) accurately reflecting costs to date.

The initial and revised AV-BUDGET/AV-504 shall be approved by the Department. With each AV-BUDGET/AV-504, the Sponsor shall provide the following documentation:

a) Scope of Services for the project, Consultant Fee - Man-hours Breakdown by task with hourly rates, Breakdown of Sub-consultant and / or Vendor Cost, Schedule of Deliverables, Estimated Construction Cost, Plan Sheet List

b) Actual Bidding Cost (once a project is bid) - Bid Tabulation / Bid Schedule, Recommendation for Award.

(4) Additional information shall be provided as requested.

(5) The Sponsor has submitted an executed Interim Payment Request (AV-PAY/AV-505) accurately reflecting costs incurred to date.

(6) The Sponsor has complied with all applicable conditions of the State Aid to Airports Program Guidance Handbook

C. The submission of progress payments is expected to parallel the value of work actually completed and costs incurred. At such point the Sponsor has requested payments equaling 100% of the State Grant, it is expected that the approved Project will be 100% complete.

D. Upon receipt of 100% of the State Grant, the Sponsor will promptly complete Project acceptance and submit the Project Completion and Final Payment Request (AV-FINAL/AV-506).

C-5. If after the acceptance of the Project by the Department, the final State share of approved eligible items is less than the amount of State funds actually disbursed for the Project, the Sponsor shall reimburse the Department in an amount equal to the difference between the amount of State funds actually disbursed and the final State share of the final, audited, approved eligible Project costs within thirty (30) days of notification by the Department of the amount due.

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C-6. If after the acceptance of the Project by the Department, the final State share of approved eligible Project costs shall be more than the amount of State funds obligated for the Project, the Sponsor may make application to the Department for a corresponding increase which will be considered for funding in accordance with their relative priority versus other applications for available State funds.

C-7. Under certain conditions, projects originally involving only state and local funds may subsequently be eligible for reimbursement from federal funding agencies. In such cases, the Sponsor shall notify the Department of its intent to apply for federal reimbursement and shall keep the Department informed of the status of such application. In the event federal funds are obtained for all or a portion of the Project, the Sponsor shall refund to the Department an amount equal to the difference between State funds originally disbursed for the work item(s) subsequently receiving federal funds and the final State share of the costs of the affected item(s) of work. Reimbursement will be made within ninety (90) days of the date of the final execution of the FAA Grant Agreement affecting the work elements in the approved Project.

C-8. For the purpose of calculating the State share of the Project, federal funds are defined as funds provided by an agency of the federal government for the specific purpose of undertaking the Project, including Block Grant funds administered by the Department.

SECTION D: SPONSOR'S ASSURANCES: REAL PROPERTY ACQUISITION

D-1. The acquisition of land, buildings, and other real property involving the use of State Airport Aid funds shall be in compliance with the provisions of this Section.

D-2. The Sponsor shall depict each parcel to be acquired on an airport property map containing the identity of the parcel and its metes and bounds.

D-3. The acquisition cost of each parcel, building, or other real property acquired with State financial assistance shall be based on the fair market value of the property as determined by an appraisal process acceptable to the Department.

D-4. For each parcel or building with an estimated cost of \$100,000 or less, fair market value shall be established by a single original appraisal and a review appraisal. For complex acquisitions, fair market value shall be established by two original appraisals and one review appraisal.

D-5. All original and review appraisals shall be conducted by qualified appraisers who have no financial or other interest in the property to be acquired.

D-6. The fair market value of a parcel will be established by the review appraiser based upon the information contained in the original appraisal or appraisals.

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D-7. No negotiation for property acquisition shall be commenced between the Sponsor and the property owner until the fair market value of the property has been established. Initial negotiations shall be based upon the fair market value.

D-8. Negotiated values above the fair market value shall not be eligible for State funds unless, prior to the final agreement for acquisition, the Sponsor has received the concurrence of the Department for paying such negotiated values in lieu of the appraised fair market value.

D-9. Sponsors who adhere to the federal "Uniform Guidelines for the Acquisition of Property" shall be deemed to have conformed to the Department's guidelines, except that Paragraph 8 above shall also be applicable under such acquisitions.

D-10. In the event the Project is a low value, non-complex acquisition, the Department, at its option, may accept the original appraisal without the review appraisal. In such cases, all other provisions of this Section shall apply.

D-11. Failure to follow the requirements of this Section shall disqualify the property from State participation for any parcel which has not been acquired in accordance with such standards.

SECTION E: Sponsor's Acknowledgement of Executive Order 24, issued by Governor Perdue, and N.C. G.S. § 133-32

E-1. Sponsor acknowledges and agrees that it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor). This prohibition covers those vendors and contractors who:

- (1) have a contract with a governmental agency; or
- (2) have performed under such a contract within the past year; or
- (3) anticipate bidding on such a contract in the future.

For additional information regarding the specific requirements and exemptions, vendors and contractors are encouraged to review Executive Order 24 and G.S. Sec. 133-32.

Revised 1/2/13

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ANY OTHER ITEMS FROM CITY MANAGER: NONE –

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

Mayor Pro tem Roberson voiced he would like the City Council to consider the budget process. As Council is aware, we borrowed some money from Fund Balance to balance the budget. We need to find a way to balance the budget without drawing from Fund Balance. Discussion was held regarding departments with deficits and noted when you start losing a million dollars, we need to figure out a solution.

Mayor Pro tem Roberson feels Council should not wait until January to address the budget preparation and suggested designating a little time at each Council meeting to address eliminating the deficit. Mr. Alligood explained staff is on that path now to resolve/reduce this issue, but it would help staff if they received broad statements/guidelines from Council about what you are looking for. We are working with the business review committee now to identify the issues we have in Parks and Recreation.

Councilman Mercer listed two suggestions: (1) No Fund Balances appropriated to balance the departmental budget next year and (2) reduce transfers from the Electric Fund to at least \$250,000. We will either need to set fees high enough to balance the books or cut some of the activities that we are funding. Mr. Alligood agreed and said these are some very tough decision that Council will have to make: on the services that the City provides, who benefits from those, who pays for those services. The General Assembly did not do the City any favor when they removed the City's ability to charge for privilege license ~ this will be on top of what we had to deal with this year. There is a possibility we may be looking at a tax increase next fiscal year.

Mayor Pro tem Roberson suggested the next important thing is the revenue stream ~ he would like to know exactly what the projection would be on the revenue stream. If we don't have enough money we will either have to cut some of the services or find another source of revenue.

Councilman Brooks stated Council will have to determine what services to cut.

CLOSED SESSION – UNDER NCGS § 143-318.11(a)(6) PERSONNEL

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to enter into closed session under NCGS § 143-318.11(a)(6) personnel at 6:45 pm.

By motion of Councilman Brooks, seconded by Councilman Pitt, Council agreed to come out of closed session at 6:55 pm.

UPDATE – NCEMPA

Councilman Mercer stated he forwarded to Council the press release that went out at 9:00 am regarding the Power Agency meeting last week. Councilman Mercer briefed Council regarding approval of a draft asset purchase agreement and the full power purchase requirements that will supply the power to the power agency for the next 30 years. This was presented to the Board of Directors of ElectriCities on Friday and approved, the Duke Energy Power Board received the agreements and they approved them. The next step will be to file those papers with the Federal Energy Regulatory Commission and North Carolina Utilities Commission. If they are approved, the projection at the present time is July 1, 2015 (or a year from now) to have everything completed. Councilman Mercer expressed concerns that they will need some legislative approval in both North Carolina and South Carolina. The legislators will not come back into session until February of next year. If we sale the asset, our current level of debt will be drastically reduced to a proposed ten year debt repayment plan.

ADJOURN

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting at 7:00 pm until August 11, 2014 at 5:30pm in the Council Chambers at the Municipal Building.

Cynthia S. Bennett, CMC
City Clerk