



APRIL 15, 2013
5:30 PM

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from March 11 and March 25, 2013 (page 4)

Approval/Amendments to Agenda

PRESENTATION: Councilman Pitt – NCLM Local Elected Leaders Academy

PRESENTATION: Washington Area Historic Foundation (page 24)

I. Consent Agenda:

A. Approve – Purchase Orders >\$20,000 (page 26)

II. Comments from the Public:

III. Public Hearing on Zoning: **6:00 PM**

A. Adopt – Resolution to consider a zoning change consisting of 0.988 acres of vacant property located on West 10th Street and Hackney Avenue (page 28)

IV. Public Hearing – Other:

A. None –

V. Scheduled Public Appearances:

A. Neal Woolard & David Gossett – Dock Dogs

B. Ken McNeil – Booth & Associates – Long Range Plan

VI. Correspondence and Special Reports:

A. Memo – Lighthouse Restrooms and Boater Facilities update (page 41)

B. Memo – Donation – Coastal Warning Display Tower (page 46)

C. Memo – Electric Fund Budget Transfer (page 52)

D. Report – Load Management Device Installation (page 54)



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- VII. Reports from Boards, Commissions and Committees:
- A. Human Relations Council (**page 55**)
 - B. Financial Reports (**emailed as available**)
- VIII. Appointments:
- A. Appoint – Historic Preservation Commission to fill a vacant position with a term to expire on June 30, 2016 (**page 56**)
- IX. Old Business:
- A. Adopt – Resolution – Personnel Manual Revisions – requested by Councilman Brooks (**page 58**)
 - B. Adopt – Grant Project Ordinance for – CDBG Grant- Project Blue Goose (**page 60**)
- X. New Business:
- A. Award/Authorize – Bid to install a fiber network to SoundSide Group of Plymouth **and** Authorize the purchase order (**page 67**)
 - B. Award/Authorize – Chiller Bill Award **and** Authorize the purchase order to Eneco East of Greenville (\$90,000) (**page 69**)
 - C. Approve – Release Deed from the City to Brown Development of NC, LLC (**page 71**)
 - D. Authorize – City Manager to enter into EMS services agreement with Beaufort County – Old Ford Fire District and Clark’s Neck Fire District (**page 76**)
 - E. Authorize – City Manager to enter into an IT managed services agreement with the SoundSide Group (**page 80**)
 - F. Adopt – Resolution in Support of the Preservation of Tax-Exempt Financing (**page 87**)
 - G. Approve – Sublease Agreement of Goess Hangar (**page 94**)
 - H. Adopt – Resolution on behalf of the Partnership for the Sounds and the North Carolina Estuarium (**page 115**)



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- XI. Any Other Items From City Manager:
- A. Discussion – Recognition of Ms. Edith Jenkins – donation towards the street scape project
 - B. Discussion - Disposition of Property Adjacent to First Presbyterian Church
- XII. Any Other Business from the Mayor or Other Members of Council
- A. None –
- XIII. Closed Session – Under § NCGS 143-318.11(a)(3) Attorney Client Privilege – 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 and NCGS 143-318.11(a)(6) Personnel.
- XIV. Adjourn – Until Monday, April 29, 2013 at 5:30 pm, in the Council Chambers at the Municipal Building.

The Washington City Council met in a regular session on Monday, March 11, 2013 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Bobby Roberson, Mayor Pro tem; Josh Kay, City Manager; Cynthia Bennett, City Clerk and Franz Holscher, City Attorney. Councilman Ed Moultrie was absent.

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, Interim 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 Councilman Mercer delivered the invocation.

APPROVAL OF MINUTES FROM FEBRUARY 11 AND FEBRUARY 25, 2013

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

Councilman Mercer requested that board reports that are in the agenda package not be included in the minutes, this may reduce the length of the minutes. Mayor Jennings acknowledged that these items will need to be included in the final set/official set of minutes.

APPROVAL/AMENDMENTS TO AGENDA

City Manager, Josh Kay requested the following changes to the agenda:

- Add as Old Business Item C: Adopt a Resolution to accept a grant for Airport Drainage Improvements at Warren Field (\$314,527)
- Add as New Business Item F: Approve - Project Blue Goose Agreements
- Remove: Closed Session – 143-318.11(a)(4) Economic Development

Councilman Mercer requesting the following changes to the agenda:

- Move Consent Item A - Approve – Purchase Orders >\$20,000 to New Business Item G

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

Council requested further discussions regarding the location of the new Beaufort County jail be added to the March 25th Committee of the Whole agenda.

CONSENT AGENDA:

(moved to New Business Item G:) A - Approve – Purchase Orders >\$20,000

COMMENTS FROM THE PUBLIC: None**SCHEDULED PUBLIC APPEARANCES: NONE****MEMO – DRAINAGE IMPROVEMENTS IN IRON CREEK**

(Begin Memo)Below is a summary of the latest discussions in bullet format regarding this subject.

- At the July 23, 2012 Council meeting, residents of Iron Creek asked the City to look into ongoing drainage issues within their subdivision. Staff was directed to look into silt build-up in the culvert under Ore Drive as a possible contributing factor.
- At the August 27, 2012 Council meeting, Council asked for an update on Iron Creek drainage issues and it was decided that a presentation would be made at the next Committee of the Whole meeting.
- At the September 24, 2012 Council meeting, a presentation was made to Council on the drainage issues in Iron Creek. Several options were discussed and by consensus Council agreed with staff's recommendation to muck out the ditch east of Ore Drive and to bring the necessary budget ordinance to Council for consideration at its next meeting.
- On October 8, 2012, Council approved a budget ordinance amendment to appropriate \$50,000 for drainage improvements in Iron Creek.

After numerous contacts with several area contractors, we were only able to get a quote from one contractor, TA Loving. As you can tell from the attached quote, that price was \$123,500. In the quote, they expressed concern for the project regarding the lack of need of a permit but agreed to do the work, at the price quoted, if all parties were in agreement with the means and methods of construction. Specifically, they are looking for approval of their methods from the appropriate regulatory agencies prior to beginning work.

At this time, with only one quote in hand and it being an amount considerably more than the amount budgeted, I would not recommend moving forward with this project at this cost. It would be preferable to get some additional quotes at a minimum before moving forward.(End Memo)

Mayor Pro tem Roberson expressed concern with the memo regarding drainage improvements at Iron Creek. Inquiries were made regarding specifications for the proposed improvements. Mayor Jennings agreed with staff, that additional quotes/bids should be acquired.

MEMO – BELLE OF WASHINGTON DOCKAGE

(Begin Memo)The Belle of Washington is once again requesting to continue their relationship with the City of Washington for docking at the Waterfront Docks. They are not requesting any changes in the agreement. Communications about activities aboard the Belle was greatly improved in the 2012 season. Tammy Swanner personally managed the notifications and we received reminders from the Captain when cruises were scheduled. This notification is very beneficial to the Dock Attendants.

The Belle of Washington's activities around the park were better managed in 2012, with fewer instances of conflicts with park policies. I contribute that to the improved communication between the Belle of Washington and the Parks and Recreation Department staff. Pump outs at Dock "A" were scheduled and managed well with few, if any, conflicts or interruptions to daily operations of the Waterfront Docks or the Belle of Washington. The new docking agreement will cover the period of March 27, 2013 March 26, 2014.
(End Memo) ***Memo accepted as presented.**

MEMO – LITTLE WASHINGTON SAILING CLUB DOCKAGE

(Begin Memo)The Little Washington Sailing Club is once again requesting to continue their relationship with the City of Washington for docking at the Waterfront Docks. They are not requesting any changes in the agreement. During the 2012 Little Washington Sailing Club season, communications between the Parks and Recreation Department at its Waterfront Docks Division and the Club continued to improve from previous years.

The Club kept the Waterfront Docks informed of activities and special requests far in advance which helped with scheduling and general knowledge of the activities of the Club. Information request by the Waterfront Docks was quickly and thoroughly provided. The new docking agreement will before the period of April 1, 2013 - March 31, 2014. (End Memo) *Memo accepted as presented.

HUMAN RELATIONS COUNCIL:

(report accepted as presented and will be included in final minutes)

FINANCIAL REPORTS (EMAILED AS AVAILABLE)

Councilman Mercer discussed the Washington Electric Utilities forecast model that was distributed to Council. He stated we need to bring sales price in line with our purchase price, most specifically, Industrial sales. Reconfiguration of load management credits was also discussed with the suggestion that the cost of operation comes out before the distribution of credits. Council will discuss this further, possibly at the March 25th meeting.

APPOINTMENTS: NONE**APPROVE – EMS CHARGES**

City Manager, Josh Kay reminded Council that this item was discussed at the last meeting and staff was directed to obtain additional information. He stated that clients are not balance billed for the contractual adjustments, balances are written off. Adopted EMS rates are billed out to every payer, (Medicare, Medicaid, insurance & bill patient). Contractual adjustments (allowed amounts for each payor type) are posted on the back end at the time the payments are posted. These contractual adjustments would include Medicare, Medicaid, any insurance our clients are contracted and patient contractual allowances (if required). Contractual adjustments for the 2012 calendar year were: Medicare 30%, Medicaid 76%, Insurance 20%.

Our collection rate by payor type after contractual allowances is:

Medicare 96%
 Medicaid 99%
 Insurance 70%
 Patient 5%

By recommendation of EMS Management & Consultants, Inc. and in following the 2013 calendar schedule for Medicare Rates; we should adopt the proposed fee schedule prior to July to enable us to implement fees for the 2013 calendar year. Specifically we are recommending the addition of the ALS Level 2 charge which we currently do not use, and the increase of the loaded mileage transport fee. All other fees will remain unchanged.

CURRENT/PROPOSED CHANGES

DESCRIPTION	CURRENT	PROPOSED
ALS Emg. Transport – Co. Resident	\$550	\$550
ALS Emg. Transport – Non-Co. Resident	\$655	\$655
ALS Level 2 Emg. Transport	\$0	\$755.39 *New
BLS Emg. Transport – Co. Resident	\$450	\$450
BLS Emg. Transport – Non-Co. Resident	\$550	\$550
ALS Treatment No Transport	\$350	\$350
BLS Treatment Non Transport	\$250	\$250
Patient Transport Mileage Charge	\$13.00	\$14.00 *Change

ALS= Advance Life Support

BLS= Basic Life Support

Note: Level 2 ALS transport involves 3 or more ALS Patient procedures

Note: Level 2 ALS transport charges same for County * Non-County Residents

Discussion was held regarding the fee schedule for ambulance services and prior collection rates for EMS charges.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council approved the recommended changes to EMS fees concurrent with the 2013 calendar year prior to the FY 13/14 budget and effective upon approval (rates effective March 12th). Motion carried 4-1 with Councilman Mercer opposing.

PUBLIC HEARING: MS. HILDA MARTINEZ – CERTIFICATE OF CONVENIENCE AND NECESSITY FOR TAXI LATINO CAB SERVICE

Mayor Jennings opened the public hearing. City Manager, Josh Kay explained the purpose of this Council Action is to hold a public hearing, as advertised, to consider the application for a Certificate of Convenience and Necessity by Hilda Martinez to operate one cab in the City of Washington as the Taxi Latino Cab Service. According to her application, Ms. Martinez desires to operate one taxicab in the City limits from her terminal located outside of the City limits at 4637 Cherry Run Rd. The notice calling for the public hearing was published on March 1, 2013, and a copy of the notice was mailed to all holders of Certificates of Convenience and Necessity for the operation of vehicles in compliance with the Washington City Code.

Ms. Hilda Martinez explained the need for a Latino/Bilingual cab service in the Washington community.

Mayor Pro tem Roberson inquired if the business would be operated out of Ms. Martinez’s house. Ms. Martinez explained the business will operate out of her business (convenience store) on Cherry Run Road. She has confirmed with the Planning Department that she meets zoning requirements.

Councilman Pitt inquired about the hours of operation and Ms. Martinez stated she has not determined the hours of operation yet.

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

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council approved a Certificate of Convenience and Necessity be issued to Hilda Martinez with one taxicab for the Taxi Latino Cab Service.

ADOPT – RESOLUTION AMENDING PERSONNEL POLICY

The City Manager explained that Council has reviewed the revised Personnel Policy on numerous occasions, including the February Committee of the Whole meeting. Additionally, the revised policy has been reviewed by Robin Davis, an employment law attorney. Comments that have been received from City staff have been forwarded to City Council along with requested changes made by Councilman Brooks. No other comments or requested corrections have been received at the time of publication of the agenda.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adopted a resolution amending the City of Washington Personnel Policy. Councilman Pitt reminded everyone that the Personnel Policy is a fluid document and changes to the document can be made as warranted.

RESOLUTION FOR THE CITY OF WASHINGTON, NC ADOPTING PERSONNEL POLICIES FOR THE ADMINISTRATION OF EMPLOYEES OF THE CITY.

WHEREAS, the City of Washington, NC administers an existing personnel policy manual providing for a guide in the provision of compensation, benefits, discipline and attendance, among other things; and

WHEREAS, periodic review and amendment of such policies is good personnel administration practice that assists in providing sound management of human resources in service to the City; and

WHEREAS, the review and amendatory process has been completed by the City’s administrative staff and the City Council wishes to adopt the manual as personnel management policy of the City, now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, NC:

That the attached Personnel Policy Manual is hereby approved and adopted as the Personnel Policy Manual for the City of Washington, NC, effective the 1st day of July, 2013.

ADOPTED this the 11th day of March, 2013.

Attest:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

ADOPT A RESOLUTION TO ACCEPT A GRANT FOR AIRPORT DRAINAGE IMPROVEMENTS AT WARREN FIELD (\$314,527)

City Manager, Josh Kay reviewed the request with Council, reminding them that the Council action is necessary in order to accept the grant from NCDOT in order to proceed with the drainage improvements at the airport. The original total project amount taken to you on December 10, 2012 of \$349,359. The grant amount, \$314,527, will be matched with City funds of \$34,947, for a total project of \$349,474. The \$115 difference between the two total project numbers was the cost of legal

advertising that is refundable and was submitted to NCDOT. The grant agreement that they sent back to us for execution included the total project cost of \$349,474 which did not agree with the material presented at the December 10, 2012 Council meeting, thus the need for this resolution.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council adopted the resolution to accept a grant from the North Carolina Department of Transportation (NCDOT) in the amount of \$314,527 for drainage rehabilitation at Warren Field Airport.

RESOLUTION

A motion was made by Mayor Pro tem Roberson and seconded by Councilman Ed Moultrie for the adoption of the following resolution, and upon being put to a vote was duly accepted:

WHEREAS, a Grant in the amount of \$314,527 has been approved by the Department based on total estimated cost of \$349,474; and

WHEREAS, an amount equal to or greater than 10 percent 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 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.

I, Cynthia S. Bennett, City Clerk of the City of Washington do hereby certify that the above is a true and correct copy of an excerpt from the minutes of the Washington City Council of a meeting duly and regularly held on the 11th day of March 2013.

This, the 12th day of March, 2013.

APPROVE – SIEGE OF WASHINGTON CIVIL WAR EVENT

Josh Kay stated the Washington Tourism Development Authority has formed a committee to host a living history weekend marking the 150th anniversary of the Siege of Washington. Visitors to a reenactment event want to see as much action as possible. These re-enactors are trained in how to appropriately handle live demonstrations of period firearms. The WTDA has completed and submitted the City's required special events application.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council approved the firing of cannons and other historic firearms (non-projectile) during the Siege of Washington living history event on Saturday, April 13 between the hours of 9am-5pm at Festival Park.

APPROVE – PARKS & RECREATION DEPARTMENT TO APPLY FOR A COMMUNITY TRANSFORMATION GRANT – BICYCLE PLAN TO INCLUDE A PEDESTRIAN PLAN (\$10,000)

City Manager, Josh Kay explained the request is to allow the Parks and Recreation Department to apply for a grant in the amount of \$10,000 from the Community Transformation Grant Project. This grant application will allow the Mideast Commission to upgrade the Bicycle Plan they are currently

working on to a Bicycle and Pedestrian Plan. The most current Pedestrian Master Plan was completed in 2006. The application is due on April 1, 2013. This is a reimbursement grant. No matching funds are required.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council approved the Parks and Recreation Department to apply for a grant in the amount of \$10,000.00 from the Community Transformation Grant Project to upgrade the Bicycle Plan to a Bicycle and Pedestrian Plan.

Councilman Mercer commented on the short turnaround on grant applications/submissions and reminded staff to submit those request as early as possible.

APPROVE – PARKS & RECREATION DEPARTMENT TO APPLY FOR A COMMUNITY TRANSFORMATION GRANT – RECREATION MASTER PLAN (\$50,000)

City Manager, Josh Kay explained the request is to allow the Parks and Recreation Department to apply for a grant in the amount of \$50,000 from the Community Transformation Grant Project. This grant will allow the Recreation Department to upgrade their 2008 Parks and Recreation Comprehensive Plan. It is recommended to update these plans every 4-5 years. The application is due on April 1, 2013. This is a reimbursement grant. No matching funds are required.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council approved the Parks and Recreation Department to apply for a grant in the amount of \$50,000.00 from the Community Transformation Grant Project to upgrade the 2008 City of Washington Recreation Master Plan.

ADOPT/ACCEPT – RESOLUTION OF INTENT TO ENTER INTO A RECREATIONAL LEASE WITH PTRF AND ACCEPT THE MEMORANDUM OF UNDERSTANDING

Josh Kay, City Manager said the City of Washington is considering a resolution to enter into a lease agreement with PTRF to construct a camping platform that is accessible by canoes and kayaks on the south side of the Tar River on the McMullen tract. Camping platforms are usually 16' x 32' raised wooden platforms that provide space for overnight camping access to the Tar River. PTRF's ultimate goal is to provide a series of platforms along the Tar/Pamlico River. PTRF is requesting that the City partner with them to lease 1/10 of an acre adjacent to the Business 17 Bridge. If approved, a notice citing the resolution of intent must be published and 10 days must pass before the documents can be executed.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council adopted the Resolution of Intent to enter into a Recreational Lease Agreement with Pamlico Tar River Foundation (PTRF) in order to construct a camping platform on City of Washington property known as the McMullen Tract located on the southern shore of the Tar River. Council also accepted the Memorandum of Understanding with PTRF for said camping platform.

Councilman Mercer discussed the map that accompanied the document. Mr. Kay explained that GIS coordinates would be used to specify the location in the lease agreement.

**RESOLUTION AUTHORIZING THE CONVEYANCE
OF CERTAIN REAL PROPERTY BY LEASE AND
APPROVING THE LEASE OF SAID REAL PROPERTY**

PURSUANT TO NORTH CAROLINA GENERAL STATUTE 160A-279 and 267

WHEREAS, the City of Washington (hereinafter may be referred to as “City”) owns certain real property described in that first tract of property conveyed to the City by Gift Deed from James B. McMullan and wife Bettie H. McMullan dated October 31, 1996 and recorded in Deed Book 1060 at Page 535 of the Beaufort County Registry.

WHEREAS, the City desires to lease approximately one-tenth (1/10) of an acre of said tract and related easements (“the Property”) for a term of up to twenty-five (25) years to the Pamlico-Tar River Foundation, Inc. (“PTRF”), a North Carolina non-profit corporation, in order to allow PTRF to construct, maintain, and administer a camping platform and related improvements for recreational use by the general public, a public purpose and use.

WHEREAS, North Carolina General Statute § I 60A-279 authorizes a city to convey real property by private negotiation to a non-profit corporation which carries out a public purpose if the city is authorized by law to appropriate money to the corporation and so long as the procedural provisions of North Carolina General Statute § 160A-267 are followed.

WHEREAS, Article 18, Parks and Recreation, of Chapter 160A of the North Carolina General Statutes authorizes a city to create, establish, and operate parks and recreation programs as a proper governmental function and to appropriate funds in furtherance of that function.

WHEREAS, North Carolina General Statute § 160A-267 authorizes a city to adopt a resolution at a regular council meeting authorizing an appropriate city official to dispose of real property by private negotiation. Thereafter, the city must publish a notice summarizing the resolution and no conveyance may be consummated thereunder until ten (10) days after said publication.

WHEREAS, PTRF is engaged in the implementation of the Tar River Camping Platform System, a recreational program, and desires to lease said Property from the City for the purpose of utilizing the Property as part of said recreational program, which purpose and recreational program constitute a public purpose and use.

WHEREAS, the City finds it currently does not have a use for said Property and therefore concludes the Property is currently surplus to the City’s needs and will not be needed by the City for the term of the lease proposed hereby.

WHEREAS, the City supports said recreational program; finds that the recreational program will benefit the public good as well as general welfare of the citizens of the City, the County of Beaufort, and the State of North Carolina; and finds the proposed public use to be acceptable.

WHEREAS, any revenue produced through rental of the Property by PTRF shall be used solely to support said recreational program or some other legal public purpose.

THEREFORE, the City Council for the City of Washington resolves as follows.

1. Said Property is hereby declared to be surplus to the needs of the City for the term of the proposed lease.

2. The consideration for said lease is that the Property shall be utilized in conjunction with and in furtherance of the Tar River Camping Platform System, a recreational program which constitutes a public purpose and use, and the lease will restrict the use of the Property to the same.
3. The City Clerk shall cause a notice summarizing the contents of this Resolution to be published once after its adoption in accordance with North Carolina General Statute § 160A-279 and § 160A-267.
4. The City Manager is authorized to further negotiate, if necessary, and enter the lease attached hereto ten (10) days after publication of said notice.

Adopted this 11th day of March, 2013.

Attest:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

(copy attached)

AWARD – INSTALLMENT FINANCING BID

Mr. Kay stated six proposals were received from financial institutions on February 26, 2013. We have reduced our budgeted installment financing down to \$705,805. The lowest bid came from BB&T. Councilman Mercer expressed appreciation to the City Manager and Matt Rauschenbach on achieving the reduction in installment financing.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, City Council awarded a \$705,805 installment purchase financing bid to BB&T, adopt a Resolution Approving Financing terms, and authorize the C.F.O. to execute the necessary documents to close this transaction.

	East Carolina Bank	Wells Fargo	PNC	First Bank	First South	BB&T
Interest rate	2.15%	1.65%	1.49%	3.00%	2.68%	1.36%
Interest	39,177.41	29,530.29	26,606.84	54,212.35	48,356.60	24,259.82
Monthly Payment	12,626.82	12,463.31	12,413.76	12,881.65	12,782.40	12,373.98
Prepayment	0		No call 24 mth, 3%			1%
Fee	1,500	-	250	750	1,764	-
Closing Costs	100	500	-		500	-
Term	59 months	59 months	59 months	59 months	59 months	59 months
Escrow Fees	0					
Escrow Interest	0.00%				0.50%	

APPROVE - PROJECT BLUE GOOSE AGREEMENTS

City Manager, Josh Kay reviewed the history of this project with City Council. Three public hearings have been held regarding this project.

1. Public Hearing(CDBG) - January 14, 2013
2. Public Hearing(CDBG Grant) - February 11, 2013
3. Public Hearing (Economic Incentives) February 25, 2013

Blue Goose, LLC will own two properties and lease those properties to Pronamic Industries, LLC and Oak Ridge Metal Works, LLC. Pronamic Industries, LLC will move into the Quick Start 2 Building at the Industrial Park, while Oak Ridge Metal Works, LLC will move into the former Brooks Boatworks building at the Industrial Park.

CDBG Grant Agreement - The City applied for and has been granted \$320,000 to assist in the building restoration/renovation of the former Brooks Boatworks Building located at the City/County Industrial Park. The required match will be provided by Oak Ridge Metal Works, LLC through their renovation costs. The only actual cost to the City will be limited to grant administration. Grant requirements include:

- Funds will be loaned to the project (see *Loan Agreement*)
- Creation of 16 full-time jobs
- 60% of jobs will benefit low to moderate-income persons
- Jobs must be maintained for five (5) years
- Cumulative average of 16 jobs must equate to \$15.95 per hour

Loan Agreement – The City will loan Blue Goose, LLC/Oak Ridge Metal Works, LLC \$320,000 for building renovation and site improvement costs. The loan is forgivable over a 5-year period; however, tiered repayment occurs if grant/loan conditions (listed in *CDBG Agreement* above) are not met during that period. The loan is secured by a first lien of deed of trust against the building and property. All work must be completed by January 1, 2015.

Economic Incentive Grant Agreement – The City will provide an annual grant of up to \$19,436 per year for a total of five years to Blue Goose, LLC/ Oak Ridge Metal Works, LLC/Pronamic Industries, LLC. The grant is made annually beginning on January 31, 2016 and ending on January 31, 2020 to assist in building renovations, utility expansions and site improvements. Conditions of the grant include:

- All conditions of the CDBG Grant Agreement & Loan Agreement highlighted above
- Total jobs created by all projects is 54 and cumulative average hourly rate is \$15.95
- Total pre-depreciation investment of \$9,400,000 in property, buildings, and machinery and equipment
- Grant is based on 50% of annual tax payments made to the City of Washington, with an annual maximum grant of \$19,436

Council discussed the various terms of the agreements including, but not limited to, the repayment process.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council approved the CDBG Grant Agreement for Oak Ridge Metal Works, LLC Building Reuse Project, a Loan Agreement by and between the City of Washington and Blue Goose, LLC/Oak Ridge Metal Works, LLC, and an Economic Incentive Grant Agreement by and between the City of Washington and Blue Goose, LLC/Pronamic Industries, LLC/Oak Ridge Metal Works, LLC. Council also authorized the City Manager and/or City Attorney to make any necessary minor non-substantive changes to the Agreements and authorized the Mayor and/or City Manager to execute said Agreements.

(copy attached)

(Moved From Consent Item A) - APPROVE – PURCHASE ORDERS >\$20,000

*Requisition #12524, \$98,251.92, to Atlantic Power Systems to repair the water treatment plant generator, account 35-90-8370-1600.

Councilman Mercer requested further information regarding the repair of the generator with a cost of \$98,251.92 and wanted to know if the item should be repaired or replaced. Keith Hardt, Electric Director explained the repair would cost less than \$100,000 while a new generator would be \$650,000-\$750,000. The damage occurred to the generator due an intake issue, which in turn damaged some valves. The damage was not caused by a lack of maintenance, there was unknown algae build up in the tank. We are working with our supplier to include an algaecide added to the fuel to prevent this from happening again.

*Requisition #12581, \$24,741.51, to Holland Industrial to repair the submersible pump at Fifth and Respass, account 32-90-8230-1600.

The repair to the submersible pump is \$24,741.51 while a replacement pump would be around \$90,000. Allen Lewis, Public Works Director explained that the life span of the repaired pump would be equal to the lifespan of a new pump, which is about 4-5 years. Mr. Lewis suggested to repair the pump at this time.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the following purchase orders: *Requisition #12524, \$98,251.92, to Atlantic Power Systems to repair the water treatment plant generator, account 35-90-8370-1600 and *Requisition #12581, \$24,741.51, to Holland Industrial to repair the submersible pump at Fifth and Respass, account 32-90-8230-1600.

**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), AND NCGS 143-318.11(A)(6) PERSONNEL**

By motion of Councilman Pitt, seconded by Councilman Mercer, Council entered into closed session at 6:45 pm under § NCGS 143-318.11(a)(3) Attorney Client Privilege – including City of Washington vs. Anne & Harry Meredith, et al (08-CVS-105), and NCGS 143-318.11(a)(6) Personnel.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council agreed to come out of closed session at 7:15pm.

ANY OTHER ITEMS FROM CITY MANAGER:

City Manager, Josh Kay tendered his resignation with the City of Washington. Mr. Kay will be taking a position with Santee-Cooper located in Moncks Corner, South Carolina.

(begin resignation letter) It is with mixed emotions that I tender my resignation as City Manager for the City of Washington. I have been offered and have accepted a position with Santee Cooper in Moncks Corner, SC.

It is my hope that during these remaining days, that I can assist you in preparing the 2013/2014 Fiscal Year Budget and also assist you in initiating the process to find your next manager. I have truly enjoyed

working with each of you and the staff. Washington is truly blessed to have such a great team of dedicated men and women who strive to continually provide the highest level of services to its citizens and customers.

While my family and I are excited about this opportunity, we are saddened to leave a community that we have come to know as home. I want to thank you and the many people of this community for welcoming, befriending, and supporting us during our time here. We will truly miss Washington and will eagerly look forward to hearing, reading, and seeing the many positive changes that Washington will experience in the future.

Again, thank you for the opportunity to serve as your City Manager.

Sincerely,

Joshua L. Kay (end)

Mayor Jennings/Council members as well as members of the audience (Trent Tetterton & Norma Latham) provided well wishes to Mr. Kay and thanked him for his outstanding performance as Washington's City Manager.

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

NONE

ADJOURN

By motion of Councilman Mercer, seconded by Councilman Pitt, Council adjourned the meeting until March 25, 2013 at 5:30pm in the Council Chambers at the Municipal Building.

(Subject to the approval of City Council)

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

The Washington City Council met in a continued session on Monday, March 25, 2013 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Edward Moultrie, Councilman; Bobby Roberson, Mayor Pro tem; William Pitt, Councilman; Richard Brooks, Councilman; Josh Kay, 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, Fire & Police Services Director; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Electric Director; John Rodman, Community/Cultural Services Director; Kristi Roberson, Parks and Recreation Manager; Susan Hodges, Human Resources Director; Gloria Moore, Library Director; Lynn Lewis, Tourism Director; David Carraway, IT Department and Mike Voss, Washington Daily News.

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

APPROVAL/AMENDMENTS TO AGENDA

City Manager, Josh Kay requested the following amendments to the agenda:

1. Presentation to Councilman Pitt to be moved to the April meeting.
2. Closed Session – remove from Closed Session - City of Washington vs. Anne & Harry Meredith, et al (08-CVS-105) but will still need an Attorney Client Privilege for general reasons.

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

DISCUSSION: 2013-2014 WORKING DRAFT BUDGET

Josh Kay, City Manager reviewed draft budget updates of revenue in the general fund and utility funds. Mr. Kay reviewed the three part budget goals directive given by City Council to staff: 1) Present budget earlier with more discussion, 2) Two-tier approach to the budget process, and 3.) Reduce the Electric Fund transfer to \$700,000 down from \$860,000.

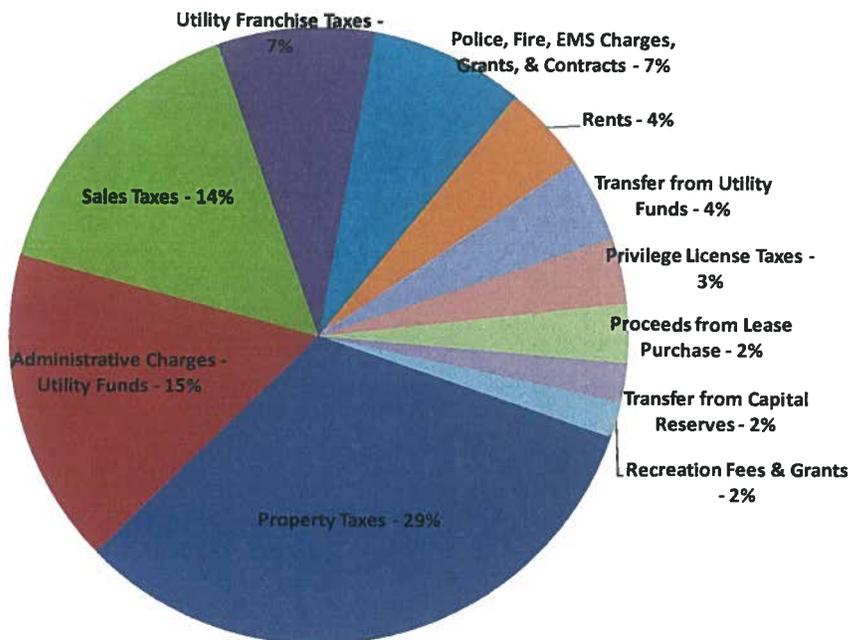
Highlights from the General Fund – FY 2012-2013 of which the original budget approved by City Council was just under \$14.5 million. The current budget we are operating under is \$14.8 million. This equates to roughly a \$350,000 change over the course of this year. Staff is currently working on a \$14.8 million budget which is a 2.1% increase over the original or 0.2% decrease over the current budget. In essence, we are staying in line where we are on the General Fund.

City of Washington
2013-2014 Budget
Revenue

General Fund

- 2012-2013 General Fund
 - Original Budget: \$14,491,745

- Current Budget: \$14,839,967
- 2013-2014 Proposed General Fund
 - \$14,796,230
 - 2.1% increase over original budget
 - 0.2% decrease over current budget
- 90% of all GF Revenue from 11 sources:
 - Property Taxes (29%)
 - Administrative Charges from Utility Funds (15%)
 - Sales Taxes (14%)
 - Utility Franchise Taxes (7%)
 - Police, Fire, EMS Charges, Grants, Contracts, & Fees (7%)
 - Rents (4%)
 - Transfer from Utility Funds (4%)
 - Privilege Licenses (3%)
 - Proceeds from Lease Purchases (3%)
 - Transfer from Capital Reserves (2%)
 - Recreation Fees & Grants (2%)



General Fund Revenue Highlights

- Property Taxes
 - Proposed: \$4,286,324
 - No increase in tax rate proposed
 - Increased collections of \$155,000
- Utility Fund Transfer
 - Total Proposed: \$582,495
 - Water Fund: \$71,963
 - Sewer Fund: \$40,532

- Electric Fund: \$470,000
 - Decrease of \$376,121 from 12/13 Budget
- Administrative Charges from Utility Funds
 - Total Proposed: \$2,202,635
 - Increase of \$218,373 or 1.1%
- Privilege Licenses (*Details Later)
 - Proposed: \$460,374
 - Increase of \$280,374
- Proceeds from Lease Purchase
 - Proposed: \$409,000
 - Decrease of \$362,368
- Fund Balance Appropriated
 - Proposed: \$186,200

Privilege License - Current

- 4 Categories:
 - Service Establishment
 - Merchant Retail
 - Manufacturer
 - Wholesale Merchant
- All other categories governed by NC State Statute
- Current Rate
 - \$50 for 1st \$25,000
 - \$0.80 per each additional \$1,000
 - Maximum \$1,500
- Internet Sweepstakes
 - \$250 per machine
- Proposed Rates
 - Retail, Wholesale, & Service Establishments
 - Up to \$80,000: \$50
 - \$80,001 - \$1,000,000: \$0.35 per \$1,000
 - \$1,000,001 - \$15,000,000: \$0.70 per \$1,000
 - Over \$15,000,000: \$1.00 per \$1,000
 - Maximum: \$20,000
 - Manufacturing:
 - Same as above
 - Maximum: \$10,000
 - Internet Sweepstakes
 - \$1,000 per machine

Privilege License Example

- Business #1 - \$250,000 in sales
 - Current: \$190
 - Proposed: \$109.50
- Business #2 - \$1,000,001 in sales
 - Current: \$640

- Proposed: \$372
- Business #3 - \$5,000,001 in sales
 - Current: \$1,500
 - Proposed: \$3,172
- Business #4 - \$35,000,000 in sales
 - Current: \$1,500
 - Proposed: \$20,000

Utility Funds

- **Water Fund**
 - Proposed: \$4,541,525
 - Increase of \$1,489,788
 - \$100,000 Transfer from Water Reserve
 - \$655,738 Fund Balance Appropriated
 - \$640,550 EDA Grant Funds
 - No rate changes requested
- **Sewer Fund**
 - Proposed: \$4,979,886
 - Increase of \$1,757,747
 - \$120,000 Transfer from Sewer Reserve
 - \$802,338 Fund Balance Appropriated
 - \$837,000 EDA Grant Funds
 - No rate changes requested
- **Electric Fund**
 - Proposed: \$36,296,274
 - No rate changes requested
 - \$2,095,099 decrease from original 12/13 Budget
 - \$2,260,667 reduction in Electric Sales
 - Installment Financing: \$851,000
 - Fund Balance Appropriated: \$337,596
- **Storm Water Fund**
 - Proposed: \$657,276
 - \$129,005 decrease from 12/13
 - Fund Balance Appropriated: \$65,238
- **Airport Fund**
 - Proposed: \$261,675
 - Fund Balance Appropriated: \$70,675
 - Transfer from General Fund: \$0
- **Solid Waste Fund**
 - Proposed: \$1,406,580
 - Fund Balance Appropriated: \$169,280
- **Cemetery Fund**
 - Proposed: \$309,756
 - Installment Financing: \$35,000
 - Transfer from General Fund: \$115,906
 -

Budget Calendar

- April 8, 2013 – Budget Presented to Council
- April 22, 2013 – General Fund Overview
- April 25, 2013 – General Fund Detail Discussion
- May 6, 2013 – Utility Fund Overview
- May 9, 2013 – Utility Fund Detail Discussion
- May 23, 2013 – Budget Public Hearing
- June 10, 2013 – Budget Adoption

Mr. Kay regarding Fund Balance appropriation, that PEG Channel and Powell Bill Funding are restricted fund balance accounts. We have different levels of fund balance – unassigned fund balance and restricted fund balance.

Mayor Pro tem Roberson expressed concern on the proposed increase for the Business Privilege License (increase of \$280,374) and inquired if the Business Privilege License had increased approximately three years ago. Matt Rauschenbach noted that they were restructured. Mayor Pro tem Roberson voiced if we are going to bring this proposal up for discussion then he would like to request some specific examples. Mr. Kay explained this will be presented tonight. Mayor Pro tem Roberson requested explaining the procedure of increasing the threshold to those service establishments that are based on the first up to \$80,000 now be \$50. Mr. Kay addressed this by explaining the hypothetical (examples) businesses covered under privilege license in the budget working draft. Mayor Jennings requested staff provide a current distribution and then the proposed distribution (where the impact is) and how many businesses fall into these categories.

Mr. Kay reviewed the aforementioned Utility Funds. Several months ago, Council authorized staff to apply for an EDA Grant for numerous projects. This grant is a 50/50 grant. EDA will give the City 50% and the City will need to come up with 50% to provide those projects. This (EDA) is the majority of the increase in the water and sewer fund.

Mr. Kay stated staff is proposing a \$36.2 million of revenue in the Electric Fund and requesting no changes in rates; however, approximately \$2.2 million decrease in electric sales.

Mayor Jennings addressed the issue of the City Manager's new job opportunity and that Mr. Kay will be leaving at the end of May. The scheduled date for budget adoption is June 10th, so we need to be mindful of our time table.

Mayor Pro tem Roberson requested an organization/administration chart with name, vehicles, cell phone, equipment, etc. Councilman Mercer added to this request by following up on the replacement of a vehicle (i.e. pickup truck) show that you will replace a pickup truck with a pickup truck and explain if it is not the same size/capacity stating why. Councilman Moultrie requested during the budget process if Council members question anything in the budget, correct those items prior to the night or day of adoption. Mr. Kay stated this year there would be a little more overview. This will give Council an opportunity to have any recommendations regarding any line item that would need specific justification. Staff can compile recommendations and bring those back to the full body of Council. Mayor Jennings agreed, recommending Council should receive a lot of documentation from the summary activities (recommendation/outcomes)

from each session; this way when we get down to the end we can prevent having a ripple impact of looking back.

Also, Mayor Pro tem Roberson requested developing a policy for funding of outside agencies inclusive of previous funding/amount requested. Mr. Kay stated this information will be compiled and provided for Council. Mayor Jennings stated as well as in-kind contributions (entity occupying City owned space - free space, etc) this should be documented in the budget. Councilman Moultrie inquired if outside agencies funding would be cut this year and Mr. Kay stated the City has received outside agencies request and he is working on a proposed funding level for those outside agencies.

DISCUSSION: LOCATION OF COUNTY JAIL

Mr. Kay referred to the memo received from John Rodman, Community/Cultural Services Director on page two of the agenda which outlines the permitted and non-permitted uses that are currently allowed in the Industrial Park.

Mayor Jennings summarized the information received from Mr. Rodman and the City Attorney, stating it is pretty clear that either from a restricted covenant or zoning standpoint, not mentioning joint ownership, that the County Jail move can't happen without City input. Mayor Jennings suggested resting comfortably in the City's position and that the City will be better served by remaining confident around our ownership stake and our zoning regulations.

MEMO: INDUSTRIAL PARK ZONING USES

(begin)The premise of most zoning ordinances is that compatible land uses should be grouped together so as to minimize conflict. Typically a local government's jurisdiction is divided into two or more zones, with acceptable land uses listed for each zone. Municipalities may zone within their boundaries, as well as, extraterritorially certain lands outside of their boundaries.

Generally, a zoning ordinance permits certain uses, allows some uses on a conditional or special exception basis, and prohibits other uses. For example, a residential district might allow only single family homes and maybe churches and parks. Two-family homes might be a special use – allowed only with a special use permit. All other uses would be prohibited.

The City of Washington has seventeen (17) zoning districts established:

- Eight residential districts
- Five business & commercial districts
- Two industrial districts
- One office & institutional district
- One airport district

The concept of permitting and prohibiting various uses in the aforementioned zoning districts works fairly well. Within each district, specific uses are allowed either by-right (permitted), or with special exception approval. The City established their list of permitted and special uses that are acceptable in each district by consulting the Standard Industrial Classification System (SIC). The SIC was developed for use in the classification of establishments by activity and

comparability. The SIC has since been renamed the North American Classification System (NACS).

According to the Standard Industrial Classification System, Government Jails are established under the category of Education and Institutional Uses. Jails are further listed under the term “Correctional Institutions” (#9223 under SIC).

The Washington/Beaufort County Industrial Park has been established as an 1-2 (Light Industrial) zoning classification. As stated earlier, this zoning classification has a list of Permitted Uses and Special Uses that are allowed within that zoning district.

According to the City of Washington’s Table of Permitted Zoning Uses, Correctional Institutions are **not allowed** in the 1-2 Zoning District as a permitted or a special use. Therefore, the proposed county jail is **not allowed** as a use in the Industrial Park.

However, sometimes exceptions to strict adherence to zoning regulations or the need for zoning changes are allowed. The exceptions generally fall within the following categories: Rezoning, Variances, or Text Amendments. These exceptions can be discussed if needed. (end)

ADOPT: DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ASSOCIATED WITH PRE-DISASTER MITIGATION GRANT (PDM-PJ-04-NC02010-003) 403 HARVEY STREET

Mayor Jennings stated this item was held over from the last session. Mr. Kay stated this declaration to restrict the use of the Old Health Department property (403 Harvey Street) is a requirement of the FEMA mitigation grant we were awarded. Mr. Kay noted the covenants and restrictions basically state the property will always be used for green space.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council adopted a Declaration of Covenants, Conditions, and Restrictions for the Old Health Department Property located at 403 Harvey Street associated with Pre-Disaster Mitigation Grant (PDM-PJ-NC02010-003).

(copy attached)

DISCUSSION: APRIL CITY COUNCIL MEETING DATES

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council agreed to move the regular scheduled meeting date of April 8, 2013 to April 15, 2013.

CLOSED SESSION – UNDER § NCGS 143-318.11(a)(3) ATTORNEY CLIENT PRIVILEGE – INCLUDING CITY OF WASHINGTON – GENERAL, 143-318.11(a)(6) PERSONNEL, AND 143-318.11(a)(4) ECONOMIC DEVELOPMENT

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council agreed to enter closed session at 6:20pm under § NCGS 143-318.11(a)(3) Attorney Client Privilege; 143-318.11(a)(6) Personnel and 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 6:55 pm.

APPROVED AND AUTHORIZED – CITY ECONOMIC INCENTIVE GRANT AGREEMENT FOR PROJECT BLUE GOOSE, LOAN AGREEMENT AND LEGALLY BINDING COMMITMENT COMMUNITY DEVELOPMENT BLOCK GRANT – GRANT NO. 12-E-2404, PROMISSORY NOTE AND NORTH CAROLINA DEED OF TRUST

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council approved and authorized the execution of:

1. City Economic Incentives Grant agreement for Project Blue Goose.
2. Loan Agreement and Legally Binding Commitment Community Development Block Grant - Grant No. 12-E-2404.
3. Promissory Note.
4. North Carolina Deed of Trust including the substantives and non-substantives revisions thereof.

ADJOURN – UNTIL MONDAY, APRIL 15, 2013 AT 5:30 PM IN THE COUNCIL CHAMBERS AT THE MUNICIPAL BUILDING

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting until Monday, April 15, 2013 at 5:30 pm in the Council Chambers at the Municipal Building.

(Subject to the Approval of the City Council)

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

Presentation

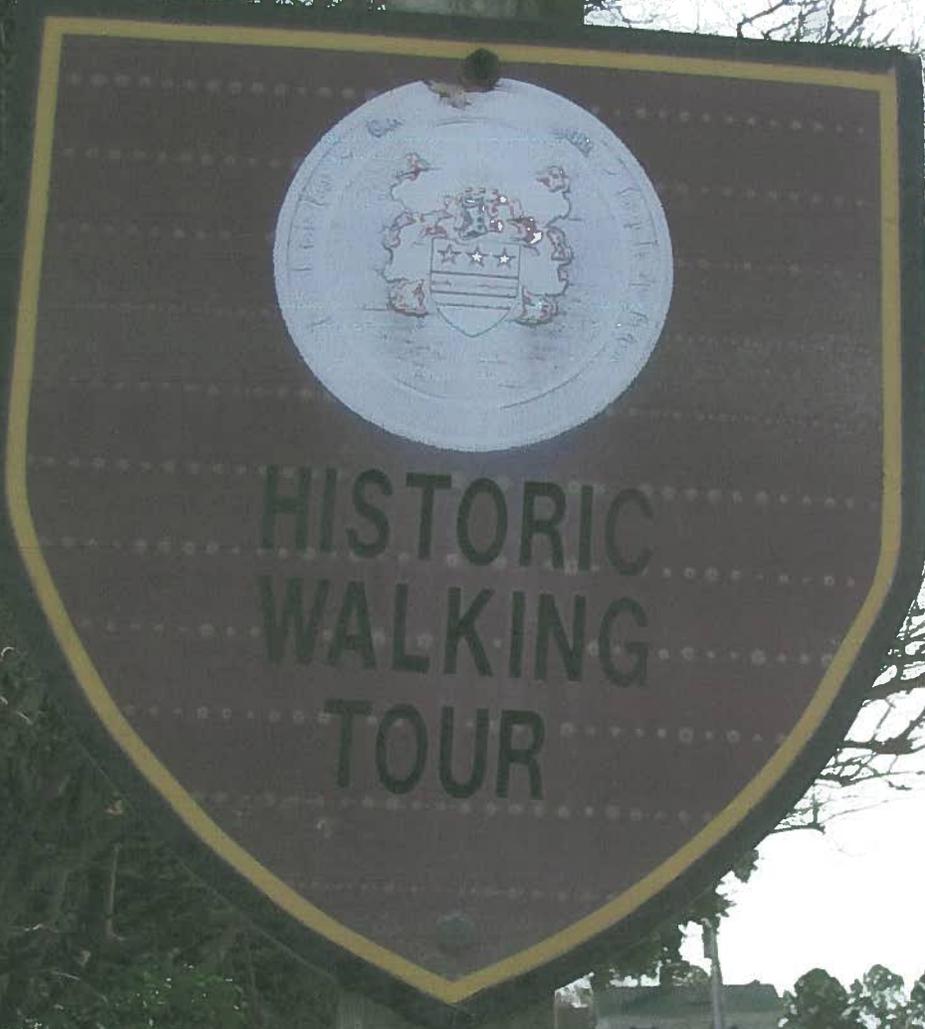
Washington Area Historic Foundation

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 Midget, 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.





City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: April 8, 2013
Subject: Purchase Orders > \$20,000 Approval
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council approve the attached purchase orders.

BACKGROUND AND FINDINGS:

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

PREVIOUS LEGISLATIVE ACTION

2012-2013 adopted budget and amended budget.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Requisitions

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: MR Concur _____ Recommend Denial _____ No Recommendation
4/9/13 Date

Requisition Form

City Of Washington

P.O BOX 1988

WASHINGTON, NC 27889

Requisition #: 12591

PO #: Not Assigned

User Name: Frankie Buck

Date: 03/07/2013

Approved By:

Approved Code: Awaiting Final Approval

Total Amount: \$40,950.00

Ship To:

CITY OF WASHINGTON WAREHOUSE (PW)

203 GRIMES ROAD

WASHINGTON, NC 27889

CONCRETE CONSERVATION, INC.

PO BOX 24354

JACKSONVILLE, FL 32210

Vendor Instructions: CONTACT FRANKIE BUCK PRIOR TO STARTING WORK 252 - 943 - 4460

Quantity	Description	Job Number	Unit Price	Extended
210	REHAB. MANHOLES IN BASIN # 1 - CHERRY RUN AND BASIN # 11 W 13TH ST & BRIDGE		\$195.00	\$40,950.00
Sub Total				\$40,950.00
Total Tax				\$0.00
Total				\$40,950.00

Account Number	Account Description	Amount
32-90-8210-4500	CONTRACT SERVICES SEWER REHAB	\$40,950.00
Total		\$40,950.00

Approval List

Dept Level Approval: _____

Department Head: _____

PO Level Approval: _____

Purchase Order Prep: _____

April 15, 2013

Page 27 of 116



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: John Rodman, Planning and Development
Date: April 3, 2013
Subject: 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.

Applicant Presentation: William F. Sheppard
Staff Presentation: John Rodman, Planning and Development

RECOMMENDATION:

I move that the City Council accept the recommendation of the Planning Board and adopt 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).

BACKGROUND AND FINDINGS:

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 Planning Board voted unanimously to recommend to City Council to approve the rezoning.

PREVIOUS LEGISLATIVE ACTION

Planning Board meeting – March 26, 2013

FISCAL IMPACT

Currently Budgeted (Account _____) _____ requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Application for the rezoning	Planning Board report	Resolution
Map of the subject property	Permitted Uses	

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Concur _____ Recommend Denial _____ No Recommendation

4/9/13 April 15, 2013
Page 28 of 116

City of Washington
Department of Planning and Development
Rezoning Request Application

Page 1: Ownership, Property and Zoning Request Information

Date: 3/7/13 Fee:

OWNERSHIP INFORMATION

Applicant Name: WILLIAM F. SHEPPARD

Address: PO BOX 1902

Phone No.: 945-1188

Applicant's Legal Interest in the Property:

Owner: WILLIAM F. SHEPPARD, INC

Address: PO BOX 1902

Phone No.: 945-1188

Date Property Acquired: 12/31/12 Deed Reference:

PROPERTY INFORMATION

Tax Map: see attached Parcel Number: see attached

Area (square feet or acres):

Current Land Use: Vacant

Location of Property: West 10th Street

ZONING REQUEST INFORMATION

Existing Zone: RA-20 Requested Zone: B-2

Reason for zoning change and a statement regarding the changing conditions, in the area and in the City, that makes the proposed amendment reasonably necessary to the promotion of the public health, safety and general welfare.

The request for a zoning change because at the current zoning classification I am unable to make the highest best use of my property

Continue to Page 2 of the Rezoning Request Application

City of Washington
Department of Planning and Development
Rezoning Request Application

Page 2: Property Owners Within 100 Feet

List the adjoining property owners within 100 feet of the property in question. (Note: Where the property is bound by a street, alley, stream, or similar boundary, the land owner across such a boundary shall also be considered an adjoining land owner.)

TO FIND LISTINGS OF ADJOINING PROPERTY OWNERS, FOLLOW THESE STEPS:

1. Locate the subject property on the map in the City Planning Office and write down the entire parcel number. Be sure to write down the map number, section number, and individual parcel number, in that order (example: 5675-06-3291).
2. Go to the Beaufort County Land Records Office at 220 N. Market Street, show the attendant the parcel number, and ask the attendant to run off a map of the property that shows the adjacent property for at least 100 feet on all sides. The attendant can look up the owners names, parcel numbers, and addresses for the lots within 100 feet of the subject property, or show you how to find the information on the land records computer.
 Note: In the Beaufort County records, the parcel number is called the "alternate parcel number".
3. Write down the name(s) of the owners of each of the adjacent lots within 100 feet, the parcel number of the lot, and the owner's entire address below. If no address is listed, make a note to that effect.

PLEASE NOTE: ACCURACY IS VERY IMPORTANT BECAUSE IF SOMEONE WITHIN 100 FEET OF THE PROPERTY IN QUESTION FAILS TO GET NOTIFIED, THE REQUEST MAY BE VOIDED EVEN IF THE BOARD VOTES IN YOUR FAVOR.

NAME	PARCEL NUMBER	ADDRESS
1. <i>see attached</i>		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

(USE ADDITIONAL SHEET(S) IF NECESSARY)

Continue to Page 3 of the Rezoning Request Application

April 15, 2013

Page 30 of 116

City of Washington
Department of Planning and Development
Rezoning Request Application
Page 3: Legal Description and Owner/Agent Statement

LEGAL DESCRIPTION (Metes and Bounds Description):

To Wit:

Location:

OWNER/AGENT STATEMENT

I, William F. Sheppard, being the Owner or Agent acting on behalf of the owner request that the attached rezoning request of 6 parcels be placed on the agenda of the Planning Board meeting scheduled for 3 / 26 / 13.

I certify that all of the information presented by me in this application is accurate to the best of my knowledge, information, and belief. I authorize the City of Washington to place a sign on the property in question for the purpose of alerting the general public of my request, no less than seven (7) days prior to the meeting.

I understand that failure to address any item in these requirements may result in the rezoning not meeting the minimum submission requirements and will be returned to me for revision and resubmission at the next regular review cycle.

Signature:

William F. Sheppard

Date:

3/17/13

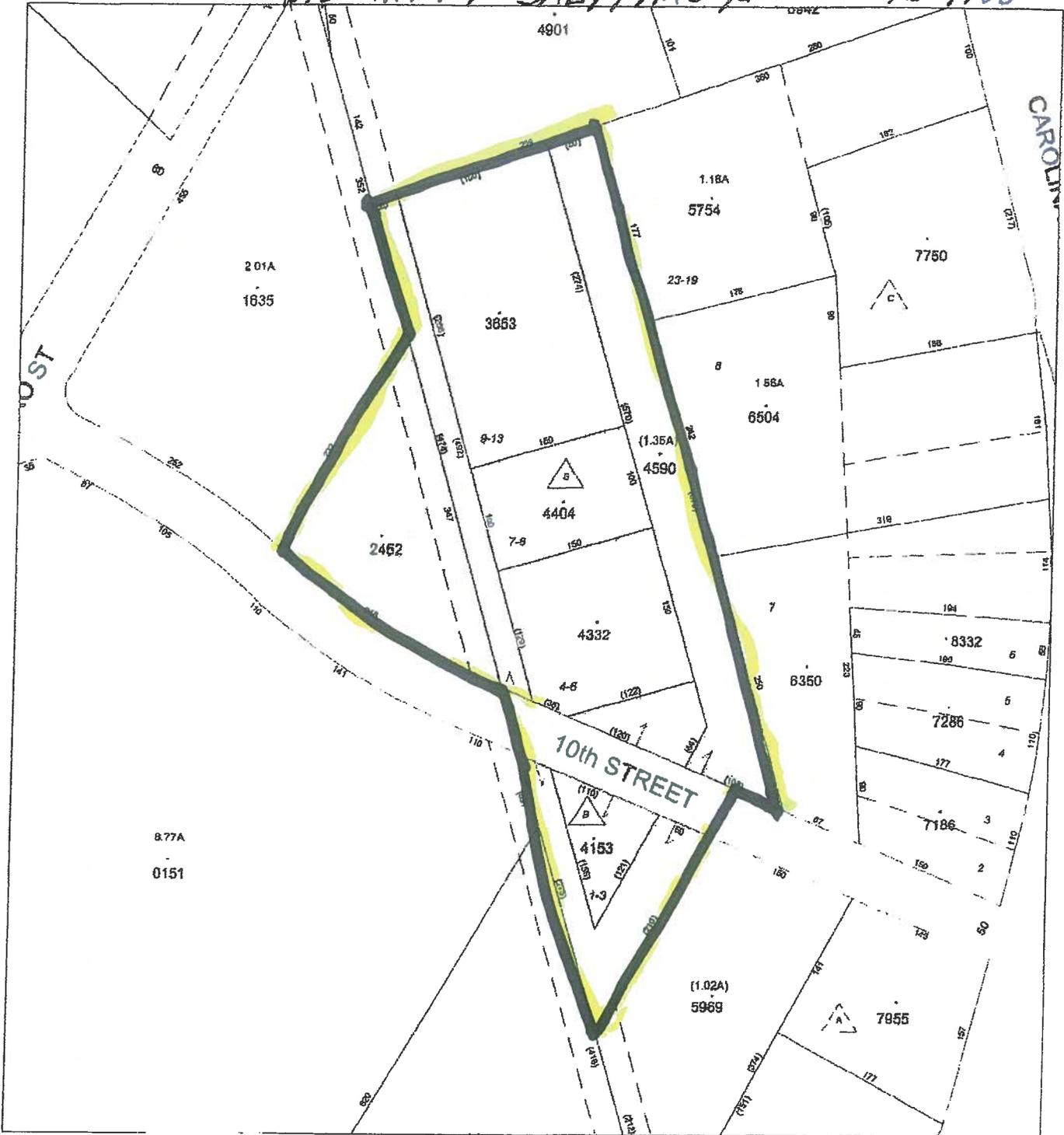
NOTE:

Agents acting on behalf of property owners must submit a notarized letter from the property owner which gives them authority to act on their behalf.

**William F. Sheppard
Rezoning Parcels**

Parcel #	PIN #	Acres
15-003334	5676-63-4153	0.115
15-003335	5676-63-4332	0.344
15-003336	5676-63-4404	0.092
01-002159	5676-63-3653	0.115
01-009609	5676-63-2452	0.230
15-011676	5676-63-4590	<u>0.092</u>
		0.988

WILLIAM F. SHEPPARD, INC 945-1188

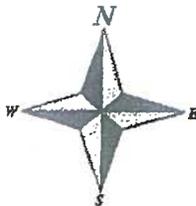


Beaufort County

Owner Name : PHILLIPS-FULLER LLC

Scale : 1 Inch = 135 Feet.

Date : 12/17/2012

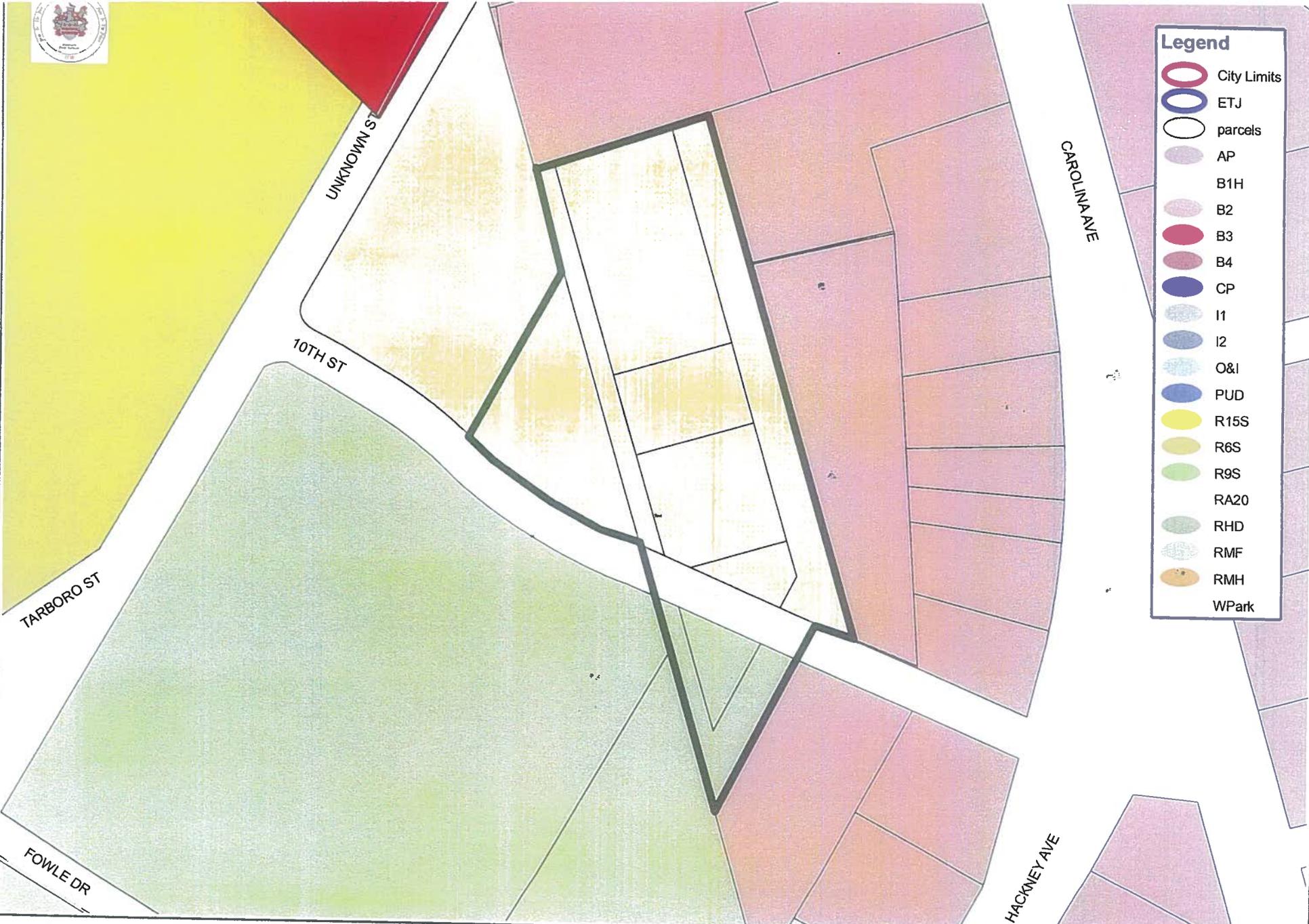


***** DISCLAIMER *****

THIS MAP IS PREPARED FOR THE INVENTORY OF REAL PROPERTY IN ACCORDANCE WITH N.C. LAND RECORDS TECHNICAL SPECIFICATIONS FOR BASE, CADASTRAL AND DIGITAL MAPPING SYSTEMS. GRAPHIC ILLUSTRATIONS HEREON ARE COMPILED FROM RECORDED DEEDS, PLATS AND OTHER PUBLIC RECORD RESOURCES. PERSONS ARE HEREBY NOTIFIED TO CONSULT ALL APPLICABLE PUBLIC RECORDS FOR VERIFICATION. BEAUFORT COUNTY AND ITS AGENTS ASSUME NO LEGAL RESPONSIBILITY FOR THE ACCURACY OF INFORMATION DEPICTED ON THIS MAP.

Land Records / GIS

Online Maps: www.co.beaufort.nc.us



Legend

- City Limits
- ETJ
- parcels
- AP
- B1H
- B2
- B3
- B4
- CP
- I1
- I2
- O&I
- PUD
- R15S
- R6S
- R9S
- RA20
- RHD
- RMF
- RMH
- WPark



City of Washington
ReZoning Map
 William F. Asher, 2013
 Page 34 of 116

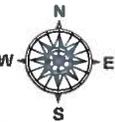
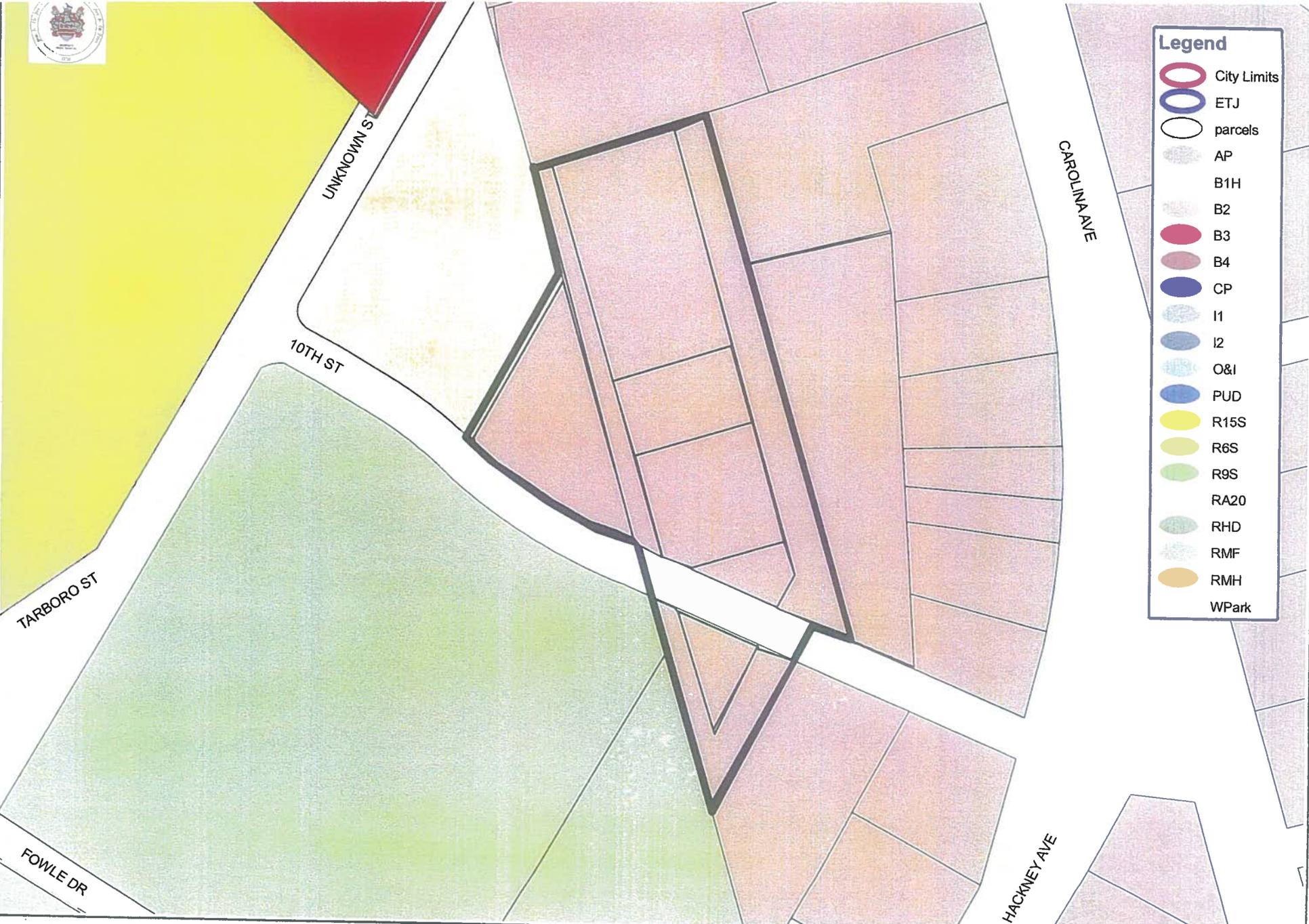
1 inch = 160 feet

 0 0.005 0.01 0.02 Miles



Legend

- City Limits
- ETJ
- parcels
- AP
- B1H
- B2
- B3
- B4
- CP
- I1
- I2
- O&I
- PUD
- R15S
- R6S
- R9S
- RA20
- RHD
- RMF
- RMH
- WPark



City of Washington
Proposed Zoning
 William F. ~~April 15, 2013~~
 Page 35 of 116

1 inch = 160 feet

 0 0.008 0.01 0.02 Miles

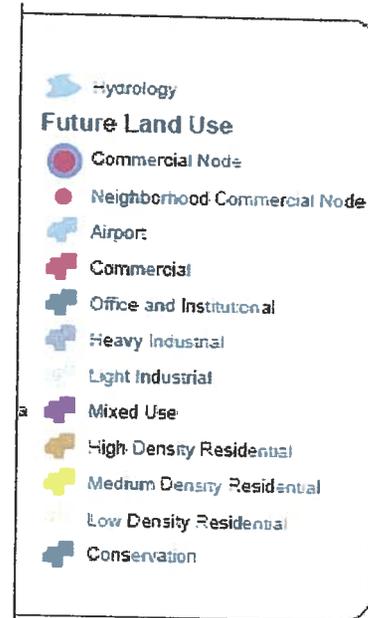


Future Land Use Map

Rezoning

William F. Sheppard

 Property Location



Adjoining Property Owners – William F. Sheppard Rezoning

Terryl D. Smithwick
1589 West 5th Street
Washington, NC 27889

New Horizons Apts. LLC
2021 Cross Beam Drive
Charlotte, NC 28217

Washington Housing Nonprofit
PO Box 1046
Washington, NC 27889

Cook Out Washington
125N. Ridgewood Ave. Ste 200
Daytona Beach, FL 32114

Hagan Family Properties
3968 Dr. Martin Luther King Jr. Blvd
New Bern, NC 28562

Coastal Yogurt, Inc
C/o Bobby Whichard
4475 US Hwy 264 W
Washington, NC 27889

WORKSHEET FOR REZONING REQUESTS

Applicant: William F. Sheppard
 Property Location: West 10th Street
 Parcel ID: 5676-63-4153, 5676-63-4332, 5676-63-4404,
 5676-63-3653, 5676-63-2452, 5676-63-4590
 Lot Size: 0.988 acres
 Existing Zoning Designation: RA-20 (Residential Agricultural)
 RMF (Residential Multi-Family)
 Proposed Zoning Designation: B-2 (General Business)
 Meeting Date: March 26, 2013

REASONABLE FINDINGS OF FACT

A. Size of the tract- The overall size of the tract of land proposed for rezoning is reasonable when compared to the size of the zoning district in which the subject property is located.	<input checked="" type="radio"/> Yes	<input type="radio"/> No
B. Compatibility with a comprehensive plan- The proposed rezoning is consistent with any comprehensive plan, area plan or elements thereof.	<input checked="" type="radio"/> Yes	<input type="radio"/> No
C. Impact- The impact to the adjacent property owners and the surrounding community is reasonable, and the benefits of the rezoning outweigh any potential inconvenience or harm to the community.	<input checked="" type="radio"/> Yes	<input type="radio"/> No
D. Comparison of uses- The allowed uses within the proposed zoning district are similar or compatible to the surrounding area and zoning district.	<input checked="" type="radio"/> Yes	<input type="radio"/> No

GRANTING THE REZONING REQUEST

Motion to grant the rezoning request upon finding that the rezoning is reasonable considering one or more of the above findings of fact A-D being found in the affirmative and that the rezoning advances the public interest.

DENYING THE REZONING REQUEST

Motion to deny the rezoning upon finding that the proposed rezoning does not advance the public interest and is unreasonable due to the following:

- A. The size of the tract.
- B. Incompatibility with the comprehensive plan or other adopted plan.
- C. Impact to surrounding community and immediate neighbors
- D. Permitted or special uses are not consistent with surrounding uses.

PLANNING BOARD REPORT – Rezoning – William F. Sheppard

Per NCGS 160A-387, all proposed amendments to the zoning ordinance or zoning map shall have a written report provided from the Planning Board to the City Council within thirty (30) days of referral of the amendment to the Planning Board, or the City Council may proceed in its consideration of the amendment without the Planning Board report. Furthermore, in no case is the City Council bound by the recommendations, if any, of the Planning Board.

Per NCGS 160A-383, the Planning Board shall advise and comment on whether the proposed zoning amendment is consistent with all applicable officially adopted plans, and provide a written recommendation to the City Council that addresses plan consistency and other matters as deemed appropriate by the Planning Board, but a comment by the Planning Board that a proposed amendment is inconsistent with the officially adopted plans shall not preclude consideration or approval of the proposed amendment by the City Council.

PLANNING BOARD RECOMMENDATIONS

 ✓ **Approval** – the application is consistent with all of the objectives and policies for growth and development contained in the City of Washington Land Use Plan and Comprehensive Plan.

 Approval with conditions – the application is not fully consistent with all the objectives and policies for growth and development of the City of Washington Land Use Plan and Comprehensive Plan, so the following conditions are recommended in order to make it fully consistent:

 Denial – this project or application is not consistent with all the objectives and policies for growth and development of the City of Washington Land Use Plan and Comprehensive Plan.

 Continued – the application as presented requires additional information to be determined by the staff in order for the Planning Board to determine if the project is consistent with all the objectives for growth and development contained in the Washington Land Use Plan and Comprehensive Plan.

This report reflects the recommendation of the Planning Board, this the 26th day of March , 2013.

Attest:



Planning Board Chair



Director Planning & Development



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.

N. Archie Jennings, Mayor

ATTEST:

Cynthia S. Bennett, City Clerk

April 15, 2013
Page 40 of 116

MEMORANDUM

Date: April 3, 2013

To: Mayor and City Council

From: John Rodman, Planning and Development

RE: Update on Lighthouse Restrooms and Boater Facilities

The City of Washington has proposed to construct a structure that would contain public restroom facilities, boater's bathrooms and laundry facilities. Currently there 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. Attached are the latest revised images of the lighthouse restrooms.

If you have any questions or I may assist you in any way please don't hesitate to let me know.











MEMORANDUM

Date: April 3, 2013

To: Mayor and City Council

From: John Rodman, Planning and Development

RE: 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 possible 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.

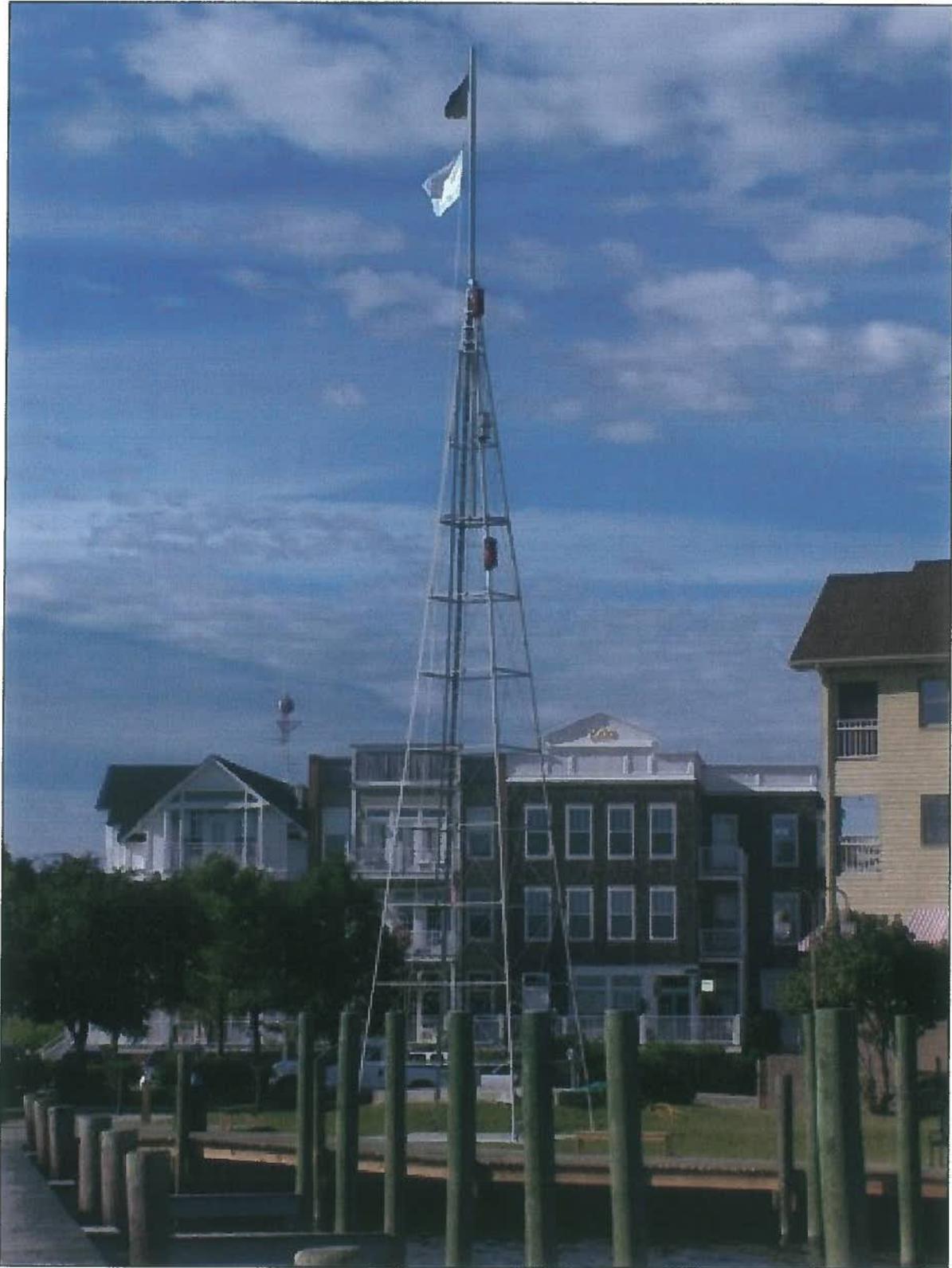
A site for a new tower location has not been selected. There is a possibility of five locations along the waterfront that could be discussed and possibly used as a permanent site.

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.

I would like Council to determine if they would like to accept the donation of the Coastal Weather Display tower from Mr. Jim Miller and his family and have the Planning and Development Department continue the process for reestablishing the tower.

Enclosed are pictures of the Southport and Manteo towers and the tower located at 720 East Main Street.

If you have any questions or I may further assist you in any way please don't hesitate to let me know.



Coastal Warning Display Tower
Southport, NC

April 15, 2013
Page 48 of 116



Coastal Warning Display Tower
Manteo, NC



Coastal Warning Display Tower
Manteo, NC



Coastal Warning Display Tower
Washington, NC

Mayor
Archie Jennings

City Manager
Joshua L. Kay



Washington City Council

Richard Brooks
Doug Mercer
Edward Moultrie
William Pitt
Bobby Roberson

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: April 8, 2013
Subject: 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.

NC GS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes. Transfer request is attached

Request for Transfer of Funds

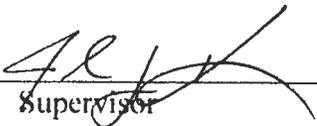
Date: 3/21/2013

TO: City Manager or Finance Director
 FROM: Matt Rauschenbach
 SUBJECT: REQUEST FOR TRANSFER OF FUNDS

I hereby request the transfer of funds as set forth below from one account to another, all within the same appropriation fund account, as permitted and authorized by the General Statutes of North Carolina.

	Department	Account Number	Object Classification	Amount
FROM:	35-90-8375	7400	Capital Outlay	70,000
TO:	35-90-8370 35-90-7250	1600 4500	M/R Equipment Contract Services	50,000 20,000

For the purpose of: Additional funds for generator repair and large meter testing



 Supervisor



 Department Head

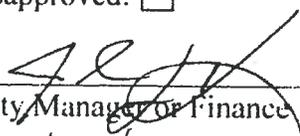
ACTION OF CITY MANAGER OR FINANCE DIRECTOR

Approved:

Disapproved:

* Request for Transfer of Funds from Department to Department require City Manager's approval.

** Request for Intradepartmental Transfer of Funds require Finance Director approval.



 City Manager or Finance Director
 3/21/13

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	



HUMAN RELATIONS COUNCIL

102 East 2nd Street

Washington, NC 27889

Phone: 252-975-1280

Fax: 252-974-6461

Human Relations Council (HRC) Report for the month of March Monday April 8, 2013 City Council Meeting



MISSION STATEMENT

- To promote social and economic equality in the community, working with Local Government and other resources
- To appreciate the cultural and ethnic diversity of the citizens of Washington and Beaufort County
- To encourage citizens to live and work together in harmony and mutual respect

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 Housing/‘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.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Cynthia S. Bennett, City Clerk *CSB*
Date: March 28, 2013
Subject: Appointment to Historic Preservation
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that the City Council appoint _____ to the Historic Preservation Commission to fill a vacant position with a term to expire on June 30, 2016.

BACKGROUND AND FINDINGS:

The application was forwarded to the staff representative to allow them time to meet with their Council liaison and Board Chairman. Nominations will be made by the Council liaison at the April 15, 2013 Council meeting.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Board Application

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *4/9/13* Date Concur _____ Recommend Denial _____ No recommendation *JK*

Requested Board Historic

CANDIDATES REQUEST FOR APPOINTMENT TO BOARDS, COMMISSIONS, AND/OR AUTHORITY OF THE CITY OF WASHINGTON

NAME William D Kenner

ADDRESS 743 West 2 St

PHONE (WORK) 919-395-8761 (HOME) 252-946-2389

E-MAIL ADDRESS William.D.Kenner@gmail.com

DO YOU LIVE WITHIN THE CORPORATE LIMITS OF WASHINGTON? YES NO

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 9 yr YEARS

YEARS OF EDUCATION Post Gr

HAVE YOU SERVED ON A BOARD/COMMISSION OF THE CITY? YES NO

IF YES, PLEASE INDICATE _____

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? NO IF YES, EXPLAIN _____

STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT (s) (OPTIONAL): Use back of sheet if additional space is needed.

I grew up in the first historic dist in Nashville TN my mother was one of the founders of the commission in 1973 spent most of my 45 yr in the south from New Orleans to Washington DC I fell I understand Southern charm

NOTE: This information will be used by the City Council in making appointments to Boards and Commissions AND, in the event you are appointed, it may be used as a news release to identify you to the community.

03/11/2013
Date

William D Kenner
Signature



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Joshua Kay, City Manager *JK*
Date: April 8, 2013
Subject: Personnel Manual Revisions requested by Councilman Brooks
Applicant Presentation:
Staff Presentation:

RECOMMENDATION:

I move that the City Council adopt a Resolution for the City of Washington, NC Amending the Personnel Policies for the Administration of Employees of the City.

BACKGROUND AND FINDINGS:

Councilman Brooks has requested 3 amendments to the Personnel Policy adopted in March, to become effective on July 1, 2013. The three changes replace the term "should ordinarily" to "shall" in Article III, Sections 8, 9, and 18.

PREVIOUS LEGISLATIVE ACTION

Adopted Resolution Amending Personnel Policy – March 11, 2013

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Resolution

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: _____ Concur _____ Recommend Denial
JK No Recommendation 4/9/13 Date

**RESOLUTION FOR THE CITY OF WASHINGTON, NC
AMENDING THE PERSONNEL POLICIES FOR THE ADMINISTRATION OF
EMPLOYEES OF THE CITY**

WHEREAS, the City of Washington, NC administers an existing personnel policy manual for a guide in the provision of compensation, benefits, discipline and attendance, among other things; and

WHEREAS, periodic review and amendment of such policies is good personnel administration practice that assists in providing sound management of human resources in service to the City; and

WHEREAS, the City Council for the City of Washington on March 11, 2013 amended said policies and will be implemented effective July 1, 2013; and

WHEREAS, there are certain sections within the policy that desired to be further amended, now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, NC:

1. The following sections of the City of Washington Personnel Manual be amended as noted:
 - a. Article III. Section 8 – Effect of Promotions, Demotions, etc. on Salary – Change the words “should ordinarily” to “shall;”
 - b. Article III. Section 9 – Reclassifications and Salary Range Adjustments - Change the words “should ordinarily” to “shall;” and
 - c. Article III. Section 18 – Longevity Pay - Change the words “should ordinarily” to “shall.”
2. All amendments become effective at the time the revised Personnel Policy Manual becomes effective on July 1, 2013.

ADOPTED this 15th day of April, 2013.

Archie Jennings, Mayor

ATTEST:

Cynthia Bennett, City Clerk



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: April 8, 2013
Subject: CDBG Grant Project Blue Goose
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a Grant Project Ordinance for the CDBG Project Blue Goose Grant.

BACKGROUND AND FINDINGS:

The CDBG has awarded a \$320,000 grant for the Project Blue Goose project. There is not a City match

PREVIOUS LEGISLATIVE ACTION

2012-2013 adopted budget and amended budget.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

- Grant Agreement
- Grant Project Ordinance

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: MR Concur _____ Recommend Denial _____ No Recommendation
4/9/13 Date

**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.

MAYOR

ATTEST:

CITY CLERK

NORTH CAROLINA
DEPARTMENT OF COMMERCE

GRANT AGREEMENT

COMMUNITY DEVELOPMENT BLOCK PROGRAM
ECONOMIC DEVELOPMENT

Recipient Name:	City of Washington	Grant No. 12-E-2404
Project Name:	Oak Ridge Metal Works, LLC Building Reuse Project	

Upon execution of this grant agreement, the North Carolina Department of Commerce (DOC) agrees to provide to the recipient the Community Development Block Grant assistance under Title I of the Housing and Community Development Act of 1974, as amended (P.L. 93-383) authorized by the DOC funding approval, the North Carolina Community Development Block Grant administrative rules, applicable laws and all other requirements of DOC now or hereafter in effect. The grant agreement is effective on the date the grant agreement and funding approval are signed by the recipient. The grant agreement consists of the approved application, including the certifications, maps, schedules and their submissions in the application, any subsequent amendments to the approved application and funding approval and the following general terms and conditions:

1. **Definitions.** Except to the extent modified or supplemented by the agreement, any term defined in the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 1 K shall have the same meaning when used herein.

(a) Agreement means this grant agreement, as described above and any amendments or supplements thereto.

(b) Recipient means the entity designated as a recipient for grant assistance in the grant agreement and funding approval.

(c) Certifications mean the certifications submitted with the grant application.

(d) Assistance provided under this agreement means the grant funds provided under this agreement.

(e) Program means the community development program, project, or other activities, including the administration thereof, for which assistance is being provided under this agreement.

(f) Private entity means the corporation, partnership, proprietorship or other entity, which has entered into an equally binding commitment with the recipient to create and/or retain jobs as part of this program.

2. **Obligations of the Recipient.** The recipient shall perform the program as specified in the application approved by DOC. The recipient shall also comply with all other lawful requirements of DOC, all applicable requirements of the General Statutes of the State of North Carolina and any other applicable laws and Executive Orders currently or hereafter in force. The recipient shall be responsible for ensuring that all project jobs are created or retained in accordance with the approved CDBG application, that such jobs are filled by low and moderate income persons in the proportion presented in the application, and that all parties incur the full level of private investment committed to in the application. In the event of a finding by the

recipient or by DOC that a participating private entity has failed to fulfill its responsibilities under the project application and legally binding commitment(s), including the responsibilities to create and/or retain jobs and invest private funds, the recipient shall promptly exercise its rights and remedies to require repayment of CDBG funds, or to assess such other penalty as provided by the legally binding commitment and applicable state laws.

3. **Obligations of Recipient with respect to Certain Third Party Relationships.** DOC shall hold the recipient responsible for complying with the provisions of this agreement even when the recipient designates a third party or parties to undertake all or any part of the program. The recipient shall comply with all lawful requirements of DOC necessary to insure that the program is carried out in accordance with the recipient's application.

4. **Conflict of Interest.** None of the following or their immediate family members, during the tenure of the subject person or for one year thereafter, shall have any direct or indirect financial interest in any contract, subcontract or the proceeds thereof for work to be performed in connection with the program assisted under this agreement: employees or agents of the recipient who exercise any function or responsibility with respect to the program, and officials of the recipient, including members of the governing body. The same prohibition shall be incorporated in all such contracts or subcontracts.

5. **Reimbursement to DOC for Improper Expenditures.** The recipient will reimburse DOC for any amount of grant assistance improperly expended. In addition, in the event of a finding by the recipient or by DOC that a participating private entity has failed to fulfill its responsibilities under the project application and legally binding commitment(s), including its responsibilities to create and/or retain jobs and invest private funds, the recipient shall pay to DOC any amount which it is able to collect under the terms of the legally binding commitment(s) and Section 2 of this Agreement.

6. **Access to Records.** The recipient shall provide any duly authorized representative of DOC, HUD and the Comptroller General at all reasonable times access to and the right to inspect, copy, monitor, and examine all of the books, papers, records, and other documents relating to the grant for a period of three years following the completion of all close-out procedures.

7. **Project Savings.** The recipient is obligated to contribute 100 percent of its pledged cash contribution to the CDBG project even if the project experiences a savings after authorized activities are completed. Any project savings accrue to the CDBG program.

8. **Payment of Income Generated by the Grant.** The recipient shall have the responsibility to collect and pay to DOC certain income generated by the CDBG and earned by the recipient. Such income includes but is not limited to the following: (1) payment of principal and interest on loans made using CDBG funds; (2) proceeds from the lease or disposition of real property acquired with CDBG funds; (3) any late fees associated with loan or lease payments in (1) and (2) above; (4) sale of utility lines; and (5) interest earned on the income in this part pending disposition of such income. Payments of income included in this part shall be made to DOC within fifteen (15) days of receipt of same by the recipient.

The assistance provided under this agreement shall not be used in the payment of any bonus or commission for the purpose of obtaining DOC approval of the application for such assistance, or DOC approval of applications for additional assistance, or any other approval or concurrence of DOC required under this agreement, or the North Carolina Community Development Block Grant Administrative Rules, with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

Upon execution of this agreement by DOC and the recipient in the spaces below, the recipient hereby accepts the assistance on the terms of this grant agreement, effective on the date indicated below, and further certifies that the official signing below has been duly authorized by the recipient's governing body to execute this grant agreement.

Signature of Department of Commerce
Authorized Official

Date: March 1, 2013

By:

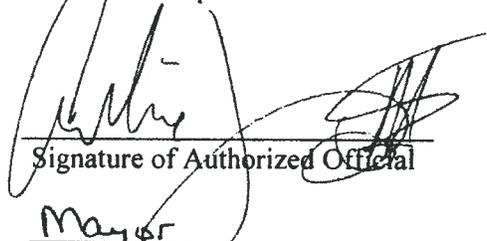


Dale B. Carroll, Deputy Secretary

Date: 3/11/13

City of Washington
Name of Recipient Government

By:



Signature of Authorized Official

Mayor
(Title)

Appropriation Items -- Recommended Adjustments

Continuation

	<u>2013-14</u>	<u>2014-15</u>
1. Consolidate Funding Sources Supporting the Tarheel Challenge Academy		
The North Carolina Tarheel Challenge program is part of the National Guard Youth Challenge Program and receives federal funds from this entity. The appropriation that provides the required matching funds was transferred to the Department of Public Instruction as a pass-through per Session Law 2009-451. National Guard federal funds are designated receipts to the Department of Public Safety where the program is implemented. Moving the state match to the Department of Public Safety will consolidate all funding sources in the agency where the program operates.		
Appropriation	\$767,719	\$767,719

Total Recommended Continuation

	<u>2013-14</u>	<u>2014-15</u>
Recurring		
Requirements	\$767,719	\$767,719
Receipts	-	-
Appropriation	\$767,719	\$767,719
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Reductions

	<u>2013-14</u>	<u>2014-15</u>
1. Consolidate State Highway Patrol Communications Centers		
This recommendation will increase efficiency of telecommunications operations by consolidating eight centers to five, and redeploying some positions to other locations in order to maintain service and response to citizens.		
Appropriation	(\$1,887,305)	(\$1,887,305)
Positions	(36,000)	(36,000)



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: David Caraway, Network Administrator
Date: April 8, 2013
Subject: Fiber Bid Award and Approve Purchase Order
Applicant Presentation: N/A
Staff Presentation: David Caraway

RECOMMENDATION:

I move that City Council award the bid to install a fiber network to SoundSide Group of Plymouth, NC and authorize the purchase order.

BACKGROUND AND FINDINGS:

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. 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.

PREVIOUS LEGISLATIVE ACTION

2012-2013 adopted budget and amended budget.

FISCAL IMPACT

Currently Budgeted (Account 10-00-4132-7400) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Bid Tab

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *DC* Concur _____ Recommend Denial _____ No Recommendation
4/9/13 Date

BID TABULATION

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

=====

<u>Item</u>	<u>Description</u>	<u>The SoundSide Group</u>	<u>Century Link</u>	<u>Wesco</u>
1	Fiber Cabling	\$42,638.09	\$111,961.00	no bid

Recommendation: Purchase from SoundSide Group.

Signed: Mike Whaley



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director
Date: April 8, 2013
Subject: Chiller Bid Award and Approve Purchase Order
Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that City Council award the bid to replace the chiller at City Hall to Eneco East of Greenville and authorize the purchase order.

BACKGROUND AND FINDINGS:

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.

PREVIOUS LEGISLATIVE ACTION

2012-2013 adopted budget and amended budget.

FISCAL IMPACT

Currently Budgeted (Account 10-00-4260-7400) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Bid Tab

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: AL Concur _____ Recommend Denial _____ No Recommendation
4/9/13 Date

BID TABULATION

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

=====

<u>Item</u>	<u>Description</u>	<u>Eneco East</u>	<u>Advance Mechanical</u>	<u>Piedmont Service</u>	<u>Brady</u>
1	70 Ton Chiller and Pump	\$87,270	\$114,411	\$117,250	\$119,644

Recommendation: The recommendation would be to purchase from
Eneco East.

Signed: Mike Whaley



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Franz Holscher, City Attorney
Date: April 9, 2013
Subject: Release Deed from the City to Brown Development of NC, LLC
Staff Presentation: Franz Holscher, City Attorney

RECOMMENDATION:

I move that City Council approve and authorize the Mayor to execute as well as enter into the attached Release Deed between the City of Washington and Brown Development of NC, LLC.

BACKGROUND AND FINDINGS:

Attorney Keith Mason represents Mike and Pam Gray who are in the process of purchasing the lot shown as "Lot 88 Addition" on the attached 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.

PREVIOUS LEGISLATIVE ACTION

Water and Sanitary Sewer Service and Easement Agreement by and between the City of Washington, North Carolina, and NC Land Partners, LLC
Modified Water and Sanitary Sewer Service and Easement Agreement by and between the City of Washington, North Carolina, and NC Land Partners, LLC

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Release Deed from the City of Washington to Brown Development of NC, LLC
Survey for Michael H. and Pamela H. Gray

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: April 15, 2013 (if applicable)
City Manager Review: 4/9/13 Date Concurred Page 7 of 116 Recommend Denial _____ No Recommendation _____

NORTH CAROLINA
BEAUFORT COUNTY

THIS RELEASE DEED, made and entered into this _____ day of March, 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 1/2" 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.

THE CITY OF WASHINGTON

By: _____
Archie Jennings, Mayor

SEAL

Attest:

Cynthia S. Bennett, City Clerk

NORTH CAROLINA
BEAUFORT COUNTY

I, a Notary Public in and for 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 and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by Archie Jennings, its Mayor, sealed with its corporate seal, and attested by herself as its City Clerk.

Witness my hand and notarial seal this the _____ day of March, 2013.

Notary Public

My Commission Expires:



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: April 15, 2013
Subject: Beaufort County EMS Services Agreement
Applicant Presentation:
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council authorize 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.

BACKGROUND AND FINDINGS:

Current agreement expires on June 30th, 2013.

New agreement is essentially the same as current with the exception of including a 2%/year escalation factor and a provision for automatic renewal.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) _____ Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Service agreement

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: MR Concur _____ Recommend Denial _____ No Recommendation
4/15/13 Date April 15, 2013
Page 76 of 116

**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.

Jim W. Chrisman, Finance Officer
Beaufort County

ATTEST:

BEAUFORT COUNTY

Sharon Singleton, Clerk

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.

Matt Rauschenbach, Chief Financial Officer
City of Washington

ATTEST:

CITY OF WASHINGTON

Cynthia S. Bennett, City Clerk

Joshua L. Kay, City Manager

COUNTY OF BEAUFORT
STATE OF NORTH CAROLINA

I, _____, a 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 ____ day of _____, 2013.

NOTARY PUBLIC

My Commission expires: _____.

COUNTY OF BEAUFORT
STATE OF NORTH CAROLINA

I, _____, a 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 ____ day of _____, 2013.

NOTARY PUBLIC

My Commission expires: _____.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: April 8, 2013
Subject: IT Managed Services Agreement
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council authorize the City Manager to enter into an IT managed services agreement with the SoundSide Group.

BACKGROUND AND FINDINGS:

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.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Agreement

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: MR Concur _____ Recommend Denial _____ No Recommendation
4/5/13 Date

**STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT**

THIS CONTRACT entered into and effective as of the 1st day of July, 2013, by and between **The SoundSide Group, Inc.**, a corporation organized and existing under the laws of the State of North Carolina, and the **City of Washington**, a municipal corporation of the State of North Carolina.

WITNESSETH:

WHEREAS, The SoundSide Group, Inc. (hereinafter "SoundSide") is engaged in the business of providing computer and network support services to public and private businesses.

WHEREAS, the City of Washington (hereinafter "City") has deemed it necessary and advisable to contract for Information Technology (IT) support to provide managing and monitoring services as well as Chief Information Officer (CIO) level assistance.

WHEREAS, the City has agreed to contract with SoundSide to provide the aforementioned services to the City on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of ten dollars and other valuable considerations, the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows.

1. **SoundSide Services.** SoundSide shall provide IT management and technical services for the City in accordance with the following.

(a) **Device Management, Troubleshooting & Monitoring Services.** SoundSide shall:

- (1) Monitor network for predictive faults, licensing inconsistencies, and performance characteristics;
- (2) Monitor servers for potential issues, health checks, and updates;
- (3) Review network security (identify vulnerabilities, take corrective action);
- (4) Conduct Windows Patch management;
- (5) Conduct Patch management of PCs
- (6) Provide Antivirus monitoring and control.
- (7) Provide basic phone system administration along with moves, adds, and changes

(b) **Management Services.** SoundSide shall:

- (1) Meet periodically with City personnel;
- (2) Provide strategic guidance and assist in budget preparation;
- (3) Perform security analysis as needed;
- (4) Perform systems analysis and assist in system design;
- (5) Assign a support engineer as a primary contact;
- (6) Provide a support engineer for site visits.

April 15, 2013

(c) Service Detail.

- (1) SoundSide shall provide support services onsite three days per month and on-call in accordance with the City's operating days. SoundSide shall meet with the proper City personnel on an as needed basis. Technical support and services can be provided by SoundSide onsite, via phone or electronically as needed. Proactive monitoring shall be twenty-four (24) hours a day seven (7) days a week. If SoundSide personnel are not onsite when an emergency occurs, SoundSide will guarantee a four (4) hour response to the issue. This does not mean that the problem will be solved in 4 hours, but SoundSide will formulate a plan of action during that time and do everything SoundSide can to rectify the situation. Mark Hendrix will be the Project Manager and Jeremy Smith will be the Lead Technology Consultant.
- (2) Patch management support for servers will be automated using free Microsoft tools on existing hardware.
- (3) The City will be responsible for maintaining backup tapes offsite if needed. After initial evaluation of existing processes, if the City desires automated backups offsite, this will be an additional service that SoundSide could provide, but outside the scope of this contract.
- (4) SoundSide shall provide support with application vendors including problem resolution and negotiations for City applications. SoundSide will be an extension of the City and will act in its best interest in all situations to get the problem resolved.
- (5) SoundSide will review IT licenses and contracts as needed. SoundSide will compile an inventory of existing licensing and vendor related information, making the City aware of potential licensing violations.
- (6) SoundSide shall prepare and maintain web-based technical documentation.
- (7) SoundSide shall meet periodically with the City management and department heads to discuss progress, formulate plans, and resolve any issues that may arise.
- (8) SoundSide shall create a standard method to centrally report and track support issues. It is suggested, but not required, to have a phone extension and designated area that SoundSide can use as needed.
- (9) SoundSide will observe all holidays and closings observed by the City. SoundSide's hours shall be 8:30 a.m. to 5:00 p.m. The project team will be composed of regularly scheduled SoundSide employees and supplemented by additional SoundSide employees as determined in their absolute discretion. SoundSide will provide assistance as needed for catastrophic events and other necessary after hours support as part of this contract.

- (10) SoundSide shall provide guidance in the selection of all computing equipment.

2. **Term and Termination.** This contract will have a term of three years, commencing July 1, 2013 and ending June 30, 2016.

- (a) **Termination without cause.** At any time after the commencement date, the City shall have the right to terminate this contract for any reason or no reason upon ninety (90) days written notice to SoundSide and SoundSide shall have the right to terminate the contract for any reason or no reason upon one hundred eighty (180) days written notice to the City.
- (b) **Termination For Cause.** Either party may terminate this contract upon thirty (30) days written notice if the other party is in default of any material term of this contract. A party shall be in default of any material term of this contract if it has failed to comply with such term for at least thirty (30) days after receipt of a written description of the failure by the other party. Either party may terminate this contract at its discretion, without notice, if the other party terminates its business operations, unless it is succeeded by a permitted assignee under this contract.
- (c) This Agreement shall remain in effect for the term dates indicated in the Term and Termination, section 2. Thereafter, the agreement shall renew automatically for one (3) year term at a 10% rate increase unless either party terminates this Agreement by giving rate written notice to the other party with at least thirty (90) days' notice before the end of the initial term or any renewal term.

3. **Consideration.** In consideration for the services provided by SoundSide, the City shall pay SoundSide as follows.

- (a) For the period beginning July 1, 2013 and ending June 30, 2016, the City shall pay SoundSide in equal monthly installments of \$4,000, each in advance, by the tenth day of each month with the first payment being due on July 1, 2013.

4. **Exclusions.** This contract does not include voice/data cable installation or any application development. Major server and network software upgrades and replacement labor will be quoted separately.

5. **Subcontracting.** The SoundSide Group has the right to sub-contract any services described herein to subcontractor(s) of SoundSide's choosing, provided that such subcontractor(s) shall possess appropriate qualifications to perform the subcontract work. SoundSide shall retain ultimate responsibility for compliance with the terms of this contract.

6. **Confidential Information.** SoundSide agrees that the information, data and programs handled on the City's network are the sole and exclusive property of the City. SoundSide shall treat this information as confidential and shall not disclose it to any third party without the client's written consent or a Court order.

7. **Prohibition against Hiring.** During the term of this contract and for a period of 12 months following the expiration of this contract, the City shall be prohibited from hiring any employee of SoundSide without SoundSide's consent. The parties agree that the violation of this provision will cause irreparable damage to SoundSide, the amount of which is difficult to ascertain. As such, the parties agree that this provision may be enforced by equitable remedies, including restraining orders, preliminary and permanent injunctions.

8. **Force majeure.** The parties hereto shall not be liable to one another for delay or failure in performance of any of the acts required by this contract when such delay or failure arises from circumstances beyond the reasonable control of said party (including, without limitation, acts of God, fire, flood, war, explosion, sabotage, terrorism, embargo, civil commotion, acts or omissions of any government entity, supplier delays, communications or power failure, equipment or software malfunction, or labor disputes), and without the negligence or willful misconduct of said party.

9. **Relationship of Parties.** The parties acknowledge and agree that this contract does not create an employer/employee relationship between the City and SoundSide, or its personnel, employees or agents. The parties and their respective agents and employees are independent contractors and shall have no authority to bind the other party to any obligations or liabilities without the prior written consent of the other party.

10. **Insurance.** SoundSide shall, throughout the term of this contract and any renewal thereof, at its own expense, keep and maintain in full force and affect the following insurance coverage.

- (a) Statutory workers' compensation insurance with coverage and in amounts required by law and, unless exempted by applicable law, employer's liability insurance at a minimum of \$100,000.00 each accident and \$100,000.00 for bodily injury by disease each employee, with a policy limit of \$500,000.00 by disease.
- (b) Commercial general liability insurance, including general aggregate, products/completed operations aggregate, personal and bodily injury, and advertising injury, coverage at a minimum of \$1 million per occurrence and \$1 million aggregate. Coverage shall be written on an occurrence basis. Said policy shall list the City as additional insured and provide that it is not subject to cancelation or reduction in coverage except after thirty (30) days following notice to the City.
- (c) Professional errors and omissions liability coverage at a minimum of \$1 million per claim and \$1 million aggregate.
- (d) SoundSide shall deliver to the City certificates of insurance for all insurance policies required hereunder. SoundSide shall, within a reasonable time prior to the expiration of any such policy, furnish the City with certificates of insurance evidencing renewal thereof. The City may, in its sole discretion, require SoundSide to expand the form and/or increase the amounts of all such insurance.

11. **Waiver of Subrogation.** SoundSide releases and relieves the City and waives SoundSide's entire rights of recovery against the City for loss or damage arising out of or incident to any matter insured against under this contract. SoundSide shall give notice to its insurance carriers that this waiver of subrogation is contained in this contract and cause the carriers to accept this waiver of subrogation, to the extent permissible by applicable law.

12. **Indemnification and Hold Harmless.** SoundSide does for itself, its agents, successors, assigns, customers, guests and invitees, hereby unconditionally agrees to protect, release, hold harmless, and will indemnify, defend, acquit, and forever discharge the City, its respective present and former employees and elected officials, in both their individual and official capacities, agents, representatives, contractors, attorneys, insureds, successors, and assigns, and each of them, respectively, of and from all and any manner of action or actions, cause and causes of actions, claims, demands, costs, expenses, losses, penalties, attorney's or other professional fees, and consequential, general, special, and punitive damages or liabilities, of every kind, known or unknown, on account of, arising from or in any way related to or growing out of this contract, including but not limited to SoundSide's services and performance hereunder. SoundSide further agrees to investigate, handle, respond to, provide defenses for, and defend the same at its sole expense and agrees to bear all other costs and expenses related thereto.

13. **Adherence To Regulations.** SoundSide agrees to comply with all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or anytime hereafter may be applicable to the services contemplated hereby and SoundSide's performance hereunder.

14. **Assignment.** Neither party may assign the contract without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

15. **Illegal Provisions, Governing Law.** If any provision or any portion thereof contained in this contract is held unconstitutional, invalid or unenforceable, the remainder of this contract, or portion thereof, shall be deemed severable and shall be effective and shall remain in full force and effect. This contract shall be governed by the laws of the State of North Carolina.

16. **Entire Agreement.** This contract constitutes the entire agreement between the parties. This contract may not be modified or amended except by a written agreement signed by both parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals by their authorized representatives, the day and year first above written.

PRE-AUDIT CERTIFICATE

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Officer

City Of Washington

By: _____(SEAL)
City Manager

ATTEST:

Clerk

The SoundSide Group, Inc.

By: _____(SEAL)
Vice President

ATTEST:

Services Manager



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: April 8, 2013
Subject: Adopt Resolution in Support of the Preservation of Tax-Exempt Financing
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a resolution in support of tax exempt financing.

BACKGROUND AND FINDINGS:

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.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Resolution
Talking Points

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: _____ Concur _____ Recommend Denial _____ No Recommendation
_____ Date.

**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 INSERT JURISDICTION NAME 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 15th DAY OF APRIL, 2013.

N. Archie Jennings, III

Mayor

Cynthia Bennett

City Clerk

CERTIFICATE OF RECORDING OFFICER

The undersigned duly qualified and acting City Clerk of the City of Washington does hereby certify:

That the above/attached resolution is a true and correct copy of the resolution authorizing the support of the preservation of Tax-Exempt financing, as regularly adopted at a legally convened meeting of the City of Washington duly held on the 15th day of April, 2013; and further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2013.

Cynthia Bennett

CITY CLERK

Title

TALKING PONTS ON PRESERVATION OF THE MUNICIPAL TAX EXEMPTION

- **Tax-exempt bonds are the primary financing mechanism for state and local infrastructure projects—they have been used for more than 100 years and provide essential funding for states, counties and localities.**
- **Three-quarters of all public infrastructure projects in the U.S. are built by states and localities, and tax-exempt bonds are the primary financing tool utilized to satisfy these infrastructure needs.**
- **If the tax exemption is eliminated or reduced, states and localities will pay more to finance projects, leading to fewer projects and fewer jobs, or project costs will be transferred to local tax and rate payers.**

IMPACT OF PROPOSALS TO REDUCE OR REPEAL THE TAX EXEMPTION

Over the last few years several federal proposals have been offered that would either completely remove the long-standing exemption on municipal bond interest or impose a 28% cap on the amount investors may exempt from their taxes.

- **IMPACT OF REPEAL** - If the proposal to repeal the exemption had been in place during the 2003–2012 period, it is estimated that it would have cost governments an additional \$495 billion in interest costs for the \$1.65 trillion in bonds used for state and local infrastructure that was completed during this period.
- **IMPACT OF 28% CAP** - With regard to the proposed 28% cap, if this proposal had been in place over the last 10 years, it is estimated that the \$1.65 trillion of state and local infrastructure investment that took place over that time would have cost governments an additional \$173 billion of interest costs.
- **IMPACT ON THE MARKET** - Federal proposals to cap or remove the exemption on municipal bond interest has already created volatility in the municipal bond market and this trend would only continue with severe repercussions if either of these proposals were enacted.

Investors would demand higher yields from state and local governments to due to the increased level of uncertainty about further Washington intervention into the municipal bond market both prospectively and retroactively (i.e., if the 28% cap goes into effect, then there is always a threat that Congress could make additional changes that would raise costs even more for state and local governments).

- **IMPACT ON TAXPAYERS** - If state and local governments are unable to satisfy investor demands for higher yields, then either needed infrastructure projects will not move forward or the costs of these projects will be passed on directly to state and local tax and rate payers.

THE TAX EXEMPTION IS A WIN-WIN-WIN-WIN!

- A win for state and local governments who need the support of investors to finance critical infrastructure;
- A win for taxpayers across the country who depend on this infrastructure for reliable transportation systems, schools, public health facilities, energy, clean water and affordable housing;
- A win for the federal government who is able to provide a small tax benefit for a return of billions of dollars of infrastructure; and
- A win for investors who purchase bonds for many reasons, including the safe nature of these financial products.
- Further, elected bodies at the state and local levels or voters themselves approve whether an entity should issue bonds for specific long-term projects, not to support general government functions, such as maintaining employees or keeping the lights on.

THE TRUTH ABOUT MUNI INVESTORS

Some have claimed that proposals to cap the investor deduction would solely impact wealthy investors. However, these claims are not accurate:

- The IRS' own data illustrates that 57% of tax exempt income is reported by earners over the age of 65.
- In 2010, 52% of all bond interest paid to individuals went to those with incomes of less than \$250,000.
- 2010 Thomson Reuters data indicates that 72.4% of the total outstanding muni debt is held by retail investors/households, either directly or through mutual funds and money market funds.
- These are critical points that give us a picture of who is investing in municipal bonds and why.
 - For example, those 57% of tax exempt income earners who are investing in muni bonds are investors with limited incomes that have chosen to invest in municipal bonds because they are a secure investment.
 - Muni bonds are an extremely safe investment, second only to U.S. Treasuries, with a nearly zero default rate.
 - Investors purchase municipal bonds without the expectation of a larger investment return from state and local governments because they know they are making safe investments.

ENOUGH ALREADY!

- The federal government has asked state and local governments to sacrifice a lot over the years, with dramatic decreases in federal government funding for critical state and local programs such as CBGB, HOME, COPS , BYRNE/JAG and the CWSRF and DWSRF programs through annual appropriations cuts and sequestration. To also take away this advantage to low cost capital, is a double hit that would cripple national infrastructure development.
- The tax exemption on muni bonds has helped state and local governments pay for the vast majority of our country's infrastructure over the past 100 years, having been maintained through two world wars and the Great Depression, as well as the recent Great Recession. It works. It works for small governments and large governments.
- Why would Congress want to change something that works already for a majority of state and local governments of all sizes, and provides trillions of dollars in infrastructure funding that cannot be replicated or replaced?



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Joshua L. Kay, City Manager *JK*
Date: April 8, 2013
Subject: Approve the Sublease of Goess Hangar
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that Council approve the Hangar Ground Site Sublease Agreement by and between Craig Goess and Carolina Crop Care, LLC and the City of Washington.

BACKGROUND AND FINDINGS:

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.

PREVIOUS LEGISLATIVE ACTION

None

FISCAL IMPACT

_____ in General Fund Revenue _____ Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Sublease of Hangar

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *JK* Concur _____ Recommend Denial _____ No Recommendation
4/9/13 Date

**NORTH CAROLINA
BEAUFORT COUNTY**

HANGAR GROUND SITE SUBLEASE AGREEMENT

THIS HANGAR GROUND SITE SUBLEASE AGREEMENT (“Sublease”), is made, entered into and executed in triplicate originals as of the ____ day of _____, 20____, by and between **CRAIG GOESS**, an individual whose address is 3615 South Memorial Drive, Greenville, North Carolina, (“Sublessor”); **CAROLINA CROP CARE, LLC**, a North Carolina limited liability company whose address is Post Office Box 841, Washington, North Carolina 27889, (“Sublessee”); and **THE CITY OF WASHINGTON**, a body politic and corporate under Chapter 160A of the North Carolina General Statutes whose address is Post Office Box 1988, 102 East Second Street, Washington, North Carolina 27889, (“Owner”).

WITNESSETH

WHEREAS, by a Hangar Ground Site Lease Agreement dated October 1, 2009 (“Master Lease”), Owner leased to Sublessor certain real property located at Warren Field Airport, Washington, North Carolina (“Airport”) for a term of twenty-five (25) years commencing on October 1, 2009 and continuing through and including September 30, 2034. A copy of which Master Lease is attached hereto as “Exhibit A” and incorporated herein by reference as if fully set forth.

WHEREAS, Sublessor desires to sublease to Sublessee the exact same property as Sublessor leased from Owner in the aforesaid Master Lease upon all of the exact same terms and conditions set forth in said Master Lease, except to the extent that said terms and conditions are amended, revised, or replaced by the terms and conditions of this Sublease.

NOW THEREFORE, in consideration of one dollar (\$1.00) and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, and in consideration of the mutual covenants contained herein as well as the valuable consideration paid and to be paid, Sublessor does hereby demise and lease unto Sublessee, and Sublessee does hereby accept from Sublessor, that certain tract or parcel of land (“Hangar Ground Site”) more particularly described in said Master Lease.

TO HAVE AND TO HOLD said land and premises together with all privileges and appurtenances thereto belonging to it, Sublessee, upon the following terms and conditions.

**SECTION ONE
Demised Premises**

Sublessor subleases to Sublessee the exact same property as set forth in the aforesaid Master Lease.

**SECTION TWO
Term**

This Sublease shall be for the exact same term as set forth in the aforesaid Master Lease.

SECTION THREE

Rent

This Sublease shall be for the exact same rent as set forth in the aforesaid Master Lease and shall be adjusted as more specifically provided for in the Master Lease.

SECTION FOUR

Incorporation of Master Lease

All of the terms, provisions, covenants, and conditions contained in the Master Lease are made a part of this Sublease, except to the extent that the same are amended, revised, or replaced by the terms, provisions, covenants, and conditions of this Sublease, and the rights and obligations contained in this Sublease are, during the term of this Sublease, imposed on the respective parties, with Sublessor being substituted for Lessor in the Master Lease and Sublessee being substituted for Lessee in the Master Lease. Sublessee recognizes that Sublessor is not in a position to render any of the services or to perform any of the obligations required of Sublessor by the terms of this Sublease. Therefore, notwithstanding anything herein to the contrary, Sublessee agrees that performance by Sublessor of all of Sublessor's obligations under this Sublease is conditional on the due performance by Owner of Owner's corresponding obligations under the Master Lease. Sublessor warrants that Sublessor will promptly pay all rent and other charges due Owner.

Except for an obligation that is amended, revised, or replaced by an obligation in this Sublease, Sublessee hereby expressly acknowledges that, by virtue of this Sublease, Sublessee assumes each and every obligation of Sublessor to Owner under the Master Lease, including but not limited to all indemnifications, duties to defend, releases, and all other hold harmless provisions contained in the Master Lease. Sublessee and Sublessor hereby expressly acknowledge that, by virtue of this Sublease, Sublessee and Sublessor are and remain jointly and severally liable to Owner for performance, including default, of the terms and conditions of the Master Lease as the same may be amended, revised, or replaced by the terms and conditions of this Sublease.

SECTION FIVE

Use of Hangar Ground Site

Sublessee covenants and agrees to use the demised premises in accordance with the terms and conditions of the Master Lease and further covenants not to do any act which will result in a violation of the terms of the Master Lease. Without limiting the terms and conditions pertaining to the use of the Hangar Ground Site contained in Section Two of the Master Lease, Sublessee expressly acknowledges that Sublessee shall not utilize the hangar or Hangar Ground Site for or in conjunction with any aeronautical service, business, or other operation except as specifically permitted herein. Sublessee further expressly acknowledges that Sublessee would be required to enter and have a fixed base operation agreement by and between Sublessee and Owner before

Sublessee would be authorized to conduct any aeronautical service, business, or other operation at the Airport.

Notwithstanding anything herein or in the Master Lease to the contrary, the parties hereto expressly agree and acknowledge that Sublessee may utilize the hangar as the "base of operation" for agricultural chemical application so long as Sublessee is properly certificated and/or licensed by the Federal Aviation Administration or Division of Aviation for the same. Said "base of operation" shall be limited to: 1) the storing of aircraft that are owned or leased and utilized by Sublessee in conjunction with agricultural chemical application and 2) the storing of such records as are required by law to be stored by Sublessee in conjunction with agricultural chemical application. Sublessee shall not store or handle any type of chemical(s) in the hangar or on the Hangar Ground Site.

SECTION SIX Assignment and Subletting

Sublessee covenants and agrees that it will abide by, fulfill, and not violate the provisions, conditions, and obligations set forth in Section Seventeen, Assignment and Subletting, of the Master Lease. In addition to and without limiting the foregoing, Sublessee expressly acknowledges that Sublessee shall not at any time sell the hangar or sublease, assign, or in manner surrender personal control of any part of the property or rights herein subleased without the written consent of Owner, which consent may be withheld in Owner's sole discretion.

SECTION SEVEN Insurance

Sublessee agrees to procure and maintain in force the types as well as amounts of insurance required in the Master Lease in the manner required by the Master Lease.

SECTION EIGHT Termination and Default

Without limiting the terms and conditions contained in Section Fourteen of the Master Lease, the parties hereto expressly acknowledge that the use and definition of the term "vacant" in subsection C.(1) of said Section Fourteen shall include "unoccupied by an aircraft". The parties also expressly acknowledge that, during the term hereof, Sublessee shall at all times have at least one aircraft listed on the tax rolls of Beaufort County, North Carolina that is intended to occupy the hangar. Further, should Sublessee fail to perform the aforesaid obligation, Owner, at Owner's option and without any other notice, demand, or legal proceeding, may declare this Sublease void, terminate this Sublease, require Sublessee to vacate, enter the Hangar Ground Site, and eject Sublessee therefrom or may pursue any other lawful right or remedy.

SECTION NINE Miscellaneous

This Sublease and the attached exhibits:

- A) Contain and constitute the sole, entire agreement between the parties hereto with respect to the indicated subject matter and
- B) May not be altered, modified, or changed in any manner, or rescinded, except by a written agreement executed by Sublessor, Sublessee, and Owner.

SECTION TEN
Owner's Purpose for Execution

The parties hereto expressly acknowledge that Owner joins in the execution of this Sublease for the purposes of 1) acknowledging Owner's written consent to this Sublease and 2) establishing privity of contract with Sublessee in order for Owner to have the legal right, in its discretion, to enforce the terms of the Master Lease against Sublessor and/or Sublessee.

IN WITNESS WHEREOF, each party to this Sublease caused it to be executed by their duly authorized officers and/or agents as of the date referenced hereinabove.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

PRE-AUDIT CERTIFICATE

This Agreement has been pre-audited pursuant to North Carolina General Statute § 159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

THE CITY OF WASHINGTON

By: _____ (SEAL)
Matt Rauschenbach,
Chief Financial Officer

SUBLESSOR:
CRAIG GOESS

By: _____ (SEAL)
Craig Goess

SUBLEESSEE:
CAROLINA CROP CARE, LLC

By: _____ (SEAL)
John Davis Hayes, Jr., Member

OWNER:
THE CITY OF WASHINGTON

(CORPORATE SEAL)

ATTEST:

By: _____ (SEAL)
Joshua L. Kay, City Manager

Cynthia S. Bennett, City Clerk (SEAL)

[NOTARY ACKNOWLEDGEMENTS BEGIN ON FOLLOWING PAGE]

**STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT**

I, _____, a Notary Public in and for the county and state aforesaid, do hereby certify that CRAIG GOESS, Sublessor, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the ___ day of _____, 20_____.

NOTARY PUBLIC

My Commission Expires: _____

**STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT**

I, _____, a Notary Public in and for the county and state aforesaid, do hereby certify that JOHN DAVIS HAYES, JR., Member of CAROLINA CROPCARE, LLC, Sublessee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the ___ day of _____, 20_____.

NOTARY PUBLIC

My Commission Expires: _____

**STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT**

I, _____, a 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, Owner, a North Carolina municipal corporation, and as the act of the corporation, the foregoing instrument was signed in its name by JOSHUA L. KAY, its Manager, sealed with its corporate seal and attested by herself as its City Clerk.

Witness my hand and notarial seal, this the ___ day of _____, 20_____.

NOTARY PUBLIC

My Commission Expires: _____

EXHIBIT A

Master Lease

**NORTH CAROLINA
BEAUFORT COUNTY**

HANGAR GROUND SITE LEASE AGREEMENT

THIS HANGAR GROUND SITE LEASE AGREEMENT ("Lease"), made, entered into and executed in duplicate originals as of the 1st day of October, 2009, by and between THE CITY OF WASHINGTON, a body politic and corporate under Chapter 160A of the North Carolina General Statutes, ("LESSOR") and CRAIG GOESS, having an address of 3615 South Memorial Drive, Greenville, North Carolina, ("LESSEE").

WITNESSETH:

That pursuant to Chapter 63 of the General Statutes of North Carolina, including but not limited to North Carolina General Statute § 63-53 and other relevant statutory authority, and for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, and in consideration of the mutual covenants contained herein as well as the valuable consideration paid and to be paid, LESSOR does hereby demise and lease unto LESSEE, and LESSEE does hereby accept from LESSOR, that certain tract or parcel of land ("hangar ground site") lying and being at Warren Field Airport ("Airport") in Washington Township, Beaufort County, North Carolina, more particularly described as follows:

MEASURING 80 feet by 60 feet, containing 4,800 square feet and being the footprint of the hangar LESSEE currently occupies (formerly occupied by Public Relations Transportation, L.L.C.) and specifically exclusive of all adjacent and nearby taxiways, access ramps, aprons, parking areas or other paved surfaces or grounds, and more particularly shown on Exhibit "A" attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD said land and premises together with all privileges and appurtenances thereto belonging to it, LESSEE, upon the following terms and conditions:

**SECTION ONE
Use of Airport**

Subject to the express conditions contained in Section 7, Part B hereof, LESSOR grants LESSEE the non-exclusive use, in common with others similarly authorized, of the Airport, together with all adequate space and facilities consisting of sufficient ground area to permit the efficient taxiing, servicing, taking off; equipment; improvements and services which have been or may hereafter be provided at or in connection with the Airport from time to time, including, but not limited to, the landing field and any extensions thereof or additions thereto, roadways, runways, aprons, taxiways, floodlights, landing lights, beacons, control tower, signals, radio aids, and any and all other conveniences for flying, landing, and takeoff.

LESSOR grants LESSEE the non-exclusive right, in common with others similarly authorized, to load and unload persons and property as is customary in said airport so long as the normal routine of Airport operations is not interfered with or made burdensome and to install, maintain, and operate radio communications, meteorological and aerial navigations and such other equipment and facilities, in, on or about the premises herein leased, as may be necessary and convenient for LESSEE's operation so long as all applicable city, county and governmental regulations are complied with.

LESSOR grants LESSEE, its employees, customers, passengers, guests, and other licensees or invitees, the non-exclusive use, in common with others similarly authorized, of all public space in the terminal building of the Airport as well as all additional public space that may hereafter be made available therein and any additions thereto, including, but not limited to, the lobby, passenger lounges, waiting rooms, hallways, rest rooms, rooms for flight personnel and other public and passenger conveniences.

Notwithstanding anything herein to the contrary, the parties hereto recognize and understand that LESSEE shall have the exclusive right to park his plane on the apron in front of his hangar.

SECTION TWO

Acceptance, Maintenance and Use of Hangar Ground Site

LESSEE agrees to accept the hangar ground site in the physical condition in which the same now is. LESSEE further agrees to maintain the same and the grounds immediately adjacent thereto in at least a like condition during the term of this Lease, normal wear and tear excepted. LESSEE further agrees to maintain the hangar ground site and the grounds immediately adjacent thereto in a clean, neat and orderly manner so as to promote the use of the Airport, and further agrees to abide by such reasonable requests as may be made by LESSOR for the proper use and maintenance of the Airport to the end that the general welfare of the public may be promoted and served thereby, and that there not be permitted any accumulation of non-aviation equipment or discarded junk or discharge of hazardous or regulated chemicals onto the airport. LESSEE further agrees to surrender the hangar ground site back to LESSOR in as good a condition as the same now is, ordinary wear and tear excepted, upon termination of this Lease. The parties expressly understand that LESSOR may develop the grounds immediately adjacent to the hangar ground site; in which case, the maintenance obligation described herein shall decrease as directed by LESSOR. As used herein "grounds immediately adjacent" shall mean the areas between the hangar and the middle of the ditch located generally to the north, the taxiway located generally to the west, the middle of the ditch located generally to the south, and the fence located generally to the east.

The hangar ground site is to be used only for aircraft related operations and limited to the storage of private aircraft owned or leased by LESSEE as well as for the repair and maintenance of LESSEE'S private aircraft or aeronautical equipment only. Only licensed and airworthy private aircraft owned or leased by LESSEE may occupy the hangar located on the hangar ground site (spare aircraft parts excepted). No other use of the hangar ground site will be permitted. Specifically, LESSEE shall not offer or permit any commercial sale, repair service or

other services, including the rebuilding, restoring, or maintaining of a succession of aircraft, to be offered to, rendered in, on or from any hangar or hangar ground site. Aircraft to be hangared at the hangar ground site may be inspected by a representative of LESSOR prior to signing this Lease and during the Lease period. Should an aircraft become unairworthy during the Lease period, a determination by LESSOR may terminate this Lease.

SECTION THREE
Parking Space

LESSOR grants LESSEE, its employees, customers, passengers, suppliers, and other licensees or invitees, without charge, adequate vehicular parking space located as near as practicable to the hangar ground site. LESSOR shall designate the area to be used, which area shall be maintained and kept in good order and condition by LESSOR.

SECTION FOUR
Right of Ingress and Egress

LESSEE shall have at all times the full and free right of ingress to and egress from the hangar ground site and facilities referred to in this Lease for LESSEE, its employees, customers, passengers, guests, and other licensees or invitees. Such rights also extend to persons or organizations supplying materials or furnishing services to LESSEE, to include vehicles, machinery and equipment reasonably required by such persons or organizations.

SECTION FIVE
Term

The term of this Lease shall be for twenty-five (25) years, beginning on the 1st day of October, 2009, and ending on the 30th day of September, 2034, unless sooner terminated as provided for herein.

SECTION SIX
Rental

LESSEE agrees to pay LESSOR for the use of the premises, facilities, rights, services, and privileges granted in this Lease the sum of seventy-two cents (\$0.72) per square foot of hangar space for 4,800 square feet per year (\$3,456.00 annually), due and payable each year in one lump sum, beginning on or before October 1, 2010 (LESSOR expressly waives any rent for the October 1, 2009 – September 30, 2010 year as an incentive for the occupancy of the hangar located on the hangar ground site by a jet aircraft), and on or before the same date each and every year thereafter until the termination of this Lease. The annual rental amount due hereunder (initially \$0.72 per square foot of hangar space per year) shall be reestablished following every fifth year to reflect the average adjustment in the Consumer Price Index (CPI All Urban Consumers, South – Size Class D, All items) over the previous five year period. The readjusted annual amount due hereunder shall be applicable for the next five years until the next readjustment consistent herewith. The rental amount shall also be adjusted to reflect any change in the square footage of the hangar space during the period of this Lease. Any change in the

rental amount attributable to a change in square footage shall be applicable beginning with the first, full year following such change in square footage and in each succeeding year thereafter. As used herein, square footage will be based upon the footprint of the hangar.

No charges, fees, or tolls other than those expressly provided for in this Lease, including Section 7, Part B and Section 8 hereof, shall be charged or collected by LESSOR from LESSEE or any other persons for the privilege of entering or leaving the Airport or, within the limits of the Airport, for the privilege of transporting, loading, unloading, or handling persons, cargo, property, or mail in connection with LESSEE's use of the leased premises.

SECTION SEVEN
Rights, Privileges, Obligations, and Responsibilities

A. In its use of the Airport and related facilities, LESSEE is granted the following specific rights and privileges:

(1) LESSEE has the right to add and remove any additional capital improvements on the hangar ground site under the exclusive control of LESSEE, including the right to install, maintain, and remove additional adequate storage facilities and appurtenances for the purpose of carrying out any of the activities provided for herein, subject to advance approval from LESSOR as well as any other conditions herein generally or particularly set forth. All improvements so added by LESSEE will be and become the property of LESSOR at the termination of this Lease without cost to LESSOR. Any improvements that involve alterations to any premises under the non-exclusive control of LESSEE shall be subject to approval in advance by LESSOR and all improvements so added by LESSEE will be and become the property of LESSOR at the termination of this Lease without cost to LESSOR.

B. In its use of the Airport and related facilities, LESSEE accepts the following obligations and responsibilities:

(1) The use and occupancy of the hangar ground site and use and maintenance of the grounds immediately adjacent thereto by LESSEE shall be without cost or expense to LESSOR. It is understood and agreed that LESSOR is not obligated to furnish any utility services such as light, water, sewer and gas to LESSEE during the period of occupancy. If LESSOR operates or maintains utility services to the hangar ground site, it will continue to furnish such utility services at the request of LESSEE provided that LESSEE shall assume and pay for necessary meters for measuring said service and the charges for providing such service. LESSEE shall save LESSOR harmless of and from any and all costs or charges for utility services furnished to or required by LESSEE during the term hereof and shall provide, at its own cost or expense, such services as may be necessary or required in the operation and maintenance of the hangar ground site to any and all storm and sanitary sewers, water, and utility outlets at its own expense and shall pay for any and all service charges incurred or used on the hangar ground site.

(2) LESSEE shall maintain and be responsible for all repairs to the hangar located on the hangar ground site. LESSEE agrees, at its own expense, to cause the hangar ground site and the buildings, improvements, and appurtenances thereto including grounds immediately adjacent

thereto, to be maintained in a presentable condition and equal in appearance and character to other similar improvements on said Airport. All tools, machines, parts and maintenance equipment shall be stored in the hangar.

(3) LESSEE agrees, at its own expense, to cause all waste, garbage and rubbish to be removed from the hangar ground site and agrees not to deposit the same on any of the Airport premises, except LESSEE may temporarily deposit the same on the hangar ground site in an approved container or enclosure in connection with their collection or removal.

(4) LESSEE will not suffer or permit to be maintained upon the outside of any improvements located on the leased premises any billboards or advertising signs unless previously approved in writing by LESSOR. A normal company identification sign will be permissible on the hangar ground site.

(5) LESSEE will make no unlawful, improper or offensive use of the premises.

(6) Any and all improvements to, use of, or activities upon the hangar ground site shall conform to and be consistent with the then current Airport plan as well as the minimum standards, rules and regulations adopted for the Airport by LESSOR, as amended.

(7) LESSEE, in its use, improvement, or operation of the premises and facilities of the Airport including hangar ground site, shall not, on the grounds of race, color, sex, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by law and shall otherwise use the premises in compliance with all other requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and as said regulations may be amended.

SECTION EIGHT Taxes and Assessments

LESSEE shall be responsible for and promptly pay before default any and all real and personal property taxes or special assessments, if any, that may be levied or assessed against the hangar ground site or any improvements or other property situated thereon, it being the mutual intention of the parties that LESSOR shall not be required to pay any taxes on either real or personal property by reason of permitting LESSEE to use said real property as herein described. LESSEE also agrees to indemnify LESSOR against any loss or liability resulting from any and all claims or liens in connection with such taxes and assessments.

LESSEE must verify, if requested, that the hangared aircraft, including any spare parts, is listed on the tax roles of Beaufort County, North Carolina, for the current year.

SECTION NINE Maintenance and Utilities

Except as otherwise specified herein, during the term of this Lease, LESSOR shall maintain and keep in good repair so much of the Airport premises as are not under the exclusive

control of the individual lessees, including, but not limited to the terminal building; vehicle parking areas and all roadways, runways, aprons and taxiways. Subject to the conditions expressly set forth in Section 7 Part B hereof, LESSOR shall also maintain and operate all sewage and water facilities, electrical and electronic facilities and such other appurtenances and services as are now or hereafter connected with the operation of the Airport.

SECTION TEN
Rules and Regulations

LESSEE agrees to comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the leased premises or any part thereof, or any of the adjoining property, or any use or condition of the premises or any part thereof. Further, LESSEE shall comply with any and all local, state, federal or other rules and regulations as well as all applicable environmental rules and regulations, including, but not limited to, such rules and regulations regulating hazardous or similar substances or conditions, their storage and disposal.

LESSEE agrees to observe and obey the rules and regulations with respect to the use of the Airport premises, including hangar ground site; provided, however, that such rules and regulations shall be consistent with all rules, regulations, and orders of the Federal Aviation Administration; and provided further, that such rules and regulations shall not be inconsistent with the provisions of this Lease or the procedures prescribed or approved from time to time by the Federal Aviation Administration with respect to LESSEE's use of the Airport premises, including hangar ground site. LESSEE further agrees to indemnify and hold LESSOR harmless for any and all damage of any kind arising from LESSEE's failure to comply with the aforementioned rules and regulations, including, but not limited to, the cost of clean-up, restoration fees, mitigation costs, and attorney's fees caused or occasioned by LESSEE, its employees, customers, passengers, guests, and other licensees or invitees.

LESSEE agrees to abide by and cooperate with LESSOR in the enforcement and implementation of applicable Airport security regulations, safety plan standards, and measures as may be adopted by LESSOR.

SECTION ELEVEN
Subordination

This Lease shall be subject to and subordinate to the provisions of any existing or future agreement between LESSOR and the United States, the State of North Carolina or any agencies thereof, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development or operation of the Airport or as a condition precedent to the acquisition of the Airport facilities by the LESSOR. It is specifically understood by LESSEE that this Lease is subject to the recapture clause and other conditions of a grant agreement by the Navy

Department or Civil Aeronautics Administration, respectively. LESSOR shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of LESSEE in and to the premises, and to compensation for the taking thereof, interference therewith and damage thereto, caused by such agreement or by actions of LESSOR or the United States pursuant thereto.

SECTION TWELVE
Indemnification

LESSOR shall stand indemnified by LESSEE as hereinafter provided. It is expressly understood and agreed by and between the parties hereto that LESSEE herein is and shall be deemed to be an independent contractor, responsible to all parties for its respective acts or omissions and LESSOR shall in no way be responsible therefor. It is further agreed that in the use of the Airport; the maintenance, erection, or construction of any improvements thereon and the exercise or enjoyment of the privileges herein granted, LESSEE agrees to indemnify and save harmless the LESSOR from any negligence of LESSEE.

LESSEE agrees to indemnify LESSOR against any and all liability for injuries to persons or damage to property caused by LESSEE's negligent use or occupancy of the leased premises; provided, however, that LESSEE shall not be liable for any injury, damage, or loss occasioned by the negligence of LESSOR or its agents or employees; and provided further that LESSOR shall give to LESSEE prompt and timely notice of any claim made or suit instituted which in any way directly or indirectly, contingent or otherwise, affects or might affect LESSEE, and LESSEE shall have the right to compromise and defend the suit to the extent of its own interest.

SECTION THIRTEEN
Insurance

LESSEE shall procure and maintain in force necessary liability insurance coverage for the leased premises and LESSEE'S activities thereon in the minimum amount of \$1,000,000.00 for personal injury, death and property damage, including any environmental damage as well as any damages related to or arising from any hazardous material or product, resulting from each occurrence to indemnify and hold harmless LESSOR from any and all liability of claims for loss, damage, or injury to persons or property caused or occasioned by the use of the leased premises by LESSEE during the term of this Lease. All insurance shall be carried by a responsible company licensed to do business in the State of North Carolina and shall be in a form satisfactory to LESSOR. LESSOR shall be furnished any and all copies of all insurance policies obtained by LESSEE in compliance with this requirement on or before LESSEE begins occupancy. LESSEE agrees to maintain sufficient coverage on a current status and that all such insurance policies obtained by LESSEE in compliance with this requirement name LESSOR as insured and provide a thirty (30) day written notice to LESSOR of termination, material change in the terms thereof or non-renewal of such policies.

The minimum amount of insurance due hereunder (initially \$1,000,000.00) shall be reestablished following every fifth year through good faith negotiations regarding the same. Said readjustment(s) shall be applicable for the next five (5) years until the next readjustment

consistent herewith. Notwithstanding the foregoing, the minimum amount of insurance due hereunder shall not be less than \$1,000,000.00 at any time during the period of this Lease.

SECTION FOURTEEN
Termination and Default

A. This Lease shall terminate at the end of its original term, unless sooner terminated as provided for herein. No holding over by LESSEE after the expiration or earlier termination of this Lease shall operate to extend or renew this Lease for any further term whatsoever; but LESSEE will, by any such holding over, become the tenant at will of LESSOR. After any written notice by LESSOR to vacate the hangar ground site, continued occupancy thereof by LESSEE shall constitute LESSEE a trespasser.

B. This Lease shall be subject to termination by LESSEE in the event of any one or more of the following events:

(1) The abandonment of the Airport as an airport or airfield for any type, class, or category of aircraft.

(2) The default by LESSOR in the performance of any of the terms, covenants, or conditions of this Lease and the failure of LESSOR to remedy, or to undertake to remedy, such default for a period of thirty (30) days after receipt of notice from LESSEE to remedy the same.

(3) Damage to or destruction of all or a material part of the premises or Airport facilities necessary for the Lessee's use of the hangar ground site.

(4) The lawful assumption by the United States, the State of North Carolina or any authorized agencies thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as to restrict substantially LESSEE from using the hangar ground site for a period in excess of ninety (90) days.

C. This Lease shall be subject to termination by LESSOR in the event of any one or more of the following events:

(1) The default by LESSEE in the performance of any of the terms, covenants, or conditions of this Lease, and the failure of LESSEE to remedy or undertake to remedy such default for a period of thirty (30) days after receipt of written notice from LESSOR to remedy the same. Notwithstanding the foregoing, if LESSEE abandons the hangar ground site for any period of time, allows the hangar thereon to remain vacant for a period in excess of Ninety (90) days, or fails or neglects to make any payment of rental when due, LESSOR, at its option and without any other notice, demand, or legal proceeding, may declare this Lease void, terminate this Lease, require LESSEE to vacate, enter the hangar ground site, and eject LESSEE therefrom or may pursue any other lawful right or remedy.

(2) LESSEE files a voluntary petition in bankruptcy including a reorganization plan; makes a general or other assignment for the benefit of creditors; is adjudicated as bankrupt or if a

receiver is appointed for the property or affairs of LESSEE and such receivership is not vacated within thirty (30) days after the appointment of such receiver.

SECTION FIFTEEN

Surrender of Possession: Title to Improvements and Repairs

Upon termination by expiration of the original term of this Lease or upon earlier termination under any circumstances, LESSEE's rights to use the premises, facilities, and services described in this Lease shall cease, and LESSEE shall vacate the premises without unreasonable delay. Upon termination by expiration of the original term of this Lease or upon earlier termination under any circumstances, LESSEE shall have no further right or interest in any of the leased premises or the improvements thereon. It is mutually agreed that title to any and all improvements, including hangar, currently situated, hereafter erected, or hereafter constructed upon the premises shall remain the property of LESSEE for so long as this Lease shall remain in effect, but such improvements, including hangar, shall revert to or become owned and possessed by LESSOR upon the expiration or earlier termination of this Lease, without any additional payment or consideration to LESSEE therefor, free and clear of all claims on the part of LESSEE on account of any repair or improvement work. The vesting of title in LESSOR at the time specified is a part of the consideration for this Lease. LESSOR shall not be liable to LESSEE or LESSEE's contractors or sub-lessees for the value of such improvements, including hangar, currently situated on, hereafter erected, or hereafter constructed upon the premises.

SECTION SIXTEEN

Inspection by Lessor

LESSOR may enter the premises now or hereafter leased exclusively to LESSEE at any reasonable time for any purpose necessary or incidental to the performance of its obligations under this Lease. LESSEE will provide access to the hangar ground site including the hangar located thereon for inspection by LESSOR. This inspection may be made at least semi-annually with a fire department official. Any discrepancies or violations must be corrected within thirty (30) days or this Lease may be terminated.

SECTION SEVENTEEN

Assignment and Subletting

LESSEE shall not at any time sublease, assign, or in any manner surrender personal control of any part of the property or rights herein leased without the written consent of LESSOR. Provided, however, that the foregoing shall not prevent the assignment or subletting of such rights to any corporation with which LESSEE may merge or consolidate, or which may succeed to the business of LESSEE, or to the United States Government or any agency thereof. No such assignment or subletting contemplated hereunder shall release LESSEE from its obligations to pay any and all of the rentals and charges set forth in this Lease. It is recognized that the interest of all parties will be promoted and served by the increased use of the Airport facilities and it is not the intention of this provision to so restrict this use, but rather to insure that the same is accomplished with the view of serving the public interest invested in LESSOR.

SECTION EIGHTEEN

Notices

Notices provided for in this Lease shall be sufficient if sent by registered mail, postage prepaid, and addressed as follows:

TO LESSOR: Attn: City Manager
 City of Washington
 Post Office Box 1988
 Washington, NC 27889

TO LESSEE: Craig Goess
 3615 South Memorial Drive
 Greenville, NC 27834

Any notice so given to either party hereunder shall be conclusively considered to have been received on the third business day following the proper mailing thereof. Each party shall give written notice to the other of any change of address at least thirty (30) days in advance of the date such change is to become effective, whereupon the address so given shall control.

SECTION NINETEEN

Governing Law

This Lease shall be governed by, construed, and enforced in accordance with the laws of the State of North Carolina.

SECTION TWENTY

Severability

Any covenant, condition, or provision of this Lease that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Lease, but such deletions shall in no way effect any other covenant, condition or provision of this Lease, so long as such deletion does not materially prejudice LESSOR or LESSEE in their respective rights and obligations contained in the valid covenants, conditions, or provisions of this Lease.

SECTION TWENTY ONE

Effect of Waiver

The waiver of any breach, violation or default in or with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation or default in or with respect to the same or any other covenant or condition hereof.

SECTION TWENTY TWO
Arbitration

In the event of any disagreement as to whether there has been a breach of contract under this Lease, the questions shall be submitted to arbitration, each party hereto selecting one arbitrator and the two so selected selecting a third arbitrator (but if no agreement can be reached as to the third arbitrator, he shall be appointed by the Clerk of Superior Court of Beaufort County), which board of arbitrators shall sit within two weeks following the date of their appointment, and after proper notice to both parties, shall hear the evidence presented by both sides and render their decision. The majority vote shall be binding on both LESSOR and LESSEE, and it shall be made and announced as soon as possible, and in no event later than two weeks after the aforementioned hearing. Each party shall pay the arbitrator appointed by it, and the third arbitrator shall be paid jointly by LESSOR and LESSEE. In this connection, attention is invited to the fact of the management of said Airport, its general appearance and the manner in which LESSEE serves and meets the general public is of paramount importance to the LESSOR, and in the event of any disagreement requiring adjustment or adjudication by arbitration, as herein provided, said arbitrator shall give particular attention to these considerations to the extent that LESSEE shall comply with all requirements of this Lease.

SECTION TWENTY THREE
Effect of Lease

All covenants, conditions, or provisions in this Lease shall extend to and bind the legal representatives, successors and assigns of the respective parties. This Lease is in lieu of any lease heretofore executed between the parties hereto and any such prior lease is hereby cancelled and no longer in effect.

SECTION TWENTY FOUR
Attorney's Fees

In the event any action is filed in relation to this Lease, the unsuccessful party in the action shall pay to the successful party, in addition to all sums that either party may be called on to pay under this Lease, a reasonable sum for the successful party's attorney's fees.

SECTION TWENTY FIVE
Entire Agreement

This Lease shall constitute the sole agreement between the parties hereto and it is understood that the provisions contained herein shall not be altered, modified or changed in any manner except by written agreement executed by LESSOR and LESSEE, and no oral contract or agreement, or informal memorandum shall have the effect of so modifying, altering or changing this agreement. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding on either party except to the extent incorporated in this Lease.

**SECTION TWENTY SIX
Modification of Lease**

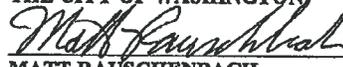
Any modification of this Lease or additional obligations assumed by either party in connection with this Lease shall be binding only if in writing signed by each party or an authorized representative of each party.

IN WITNESS WHEREOF, each party to this Lease has caused it to be executed by their duly authorized officers and/or agents on the date indicated below.

PRE-AUDIT CERTIFICATE

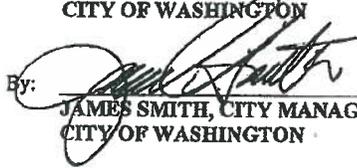
This Agreement has been pre-audited pursuant to North Carolina General Statute § 159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

THE CITY OF WASHINGTON,


MATT RAUSCHENBACH,
CHIEF FINANCE OFFICER

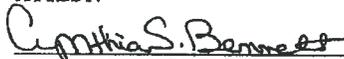
LESSOR:
CITY OF WASHINGTON

(CORPORATE SEAL)

By: 

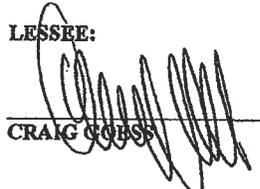
JAMES SMITH, CITY MANAGER
CITY OF WASHINGTON

ATTEST:


CYNTHIA S. BENNETT,
CITY CLERK

DATE: 1/20/10

LESSEE:


CRAIG GOESS

DATE: 1-14-10

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, Reatha B. Johnson, a 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 as the act of the corporation, the foregoing instrument was signed in its name by JAMES C. SMITH, its City Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the 20 day of January, 2010.



Reatha B. Johnson
NOTARY PUBLIC

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

Before me, the undersigned Notary Public in and for the State and County aforesaid, this day personally appeared CRAIG GOESS, who being by me duly sworn says that he executed the foregoing instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 14 day of January, 2010.

Cornelius T. Partrick Jr
NOTARY PUBLIC

My Commission Expires: 27 November 2010

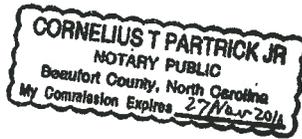
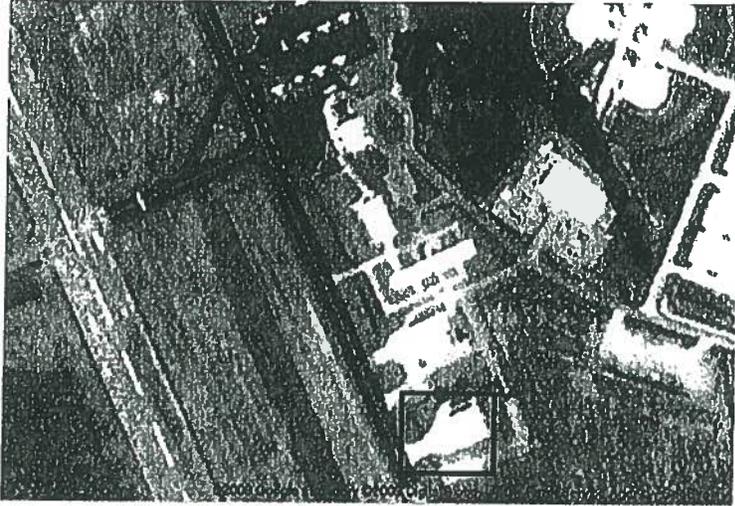


EXHIBIT "A"





City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Joshua Kay, City Manager *(Signature)*
Date: April 8, 2013
Subject: Resolution on Behalf of the Partnership for the Sounds
Applicant Presentation:
Staff Presentation:

RECOMMENDATION:

I move that the City Council adopt a Resolution on behalf and in support of the Partnership for the Sounds and the North Carolina Estuarium.

BACKGROUND AND FINDINGS:

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.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Resolution

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *(Signature)* Concur _____ Recommend Denial _____
 _____ No Recommendation *4/9/13* Date

Mayor
Archie Jennings

City Manager
Joshua L. Kay



Washington City Council
Richard Brooks
Doug Mercer
Edward Moultrie
William Pitt
Bobby Roberson

**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:

Cynthia Bennett,
City Clerk

N. Archie Jennings, III
Mayor, City of Washington