

The Washington City Council met in a regular session on Monday, January 14, 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 Pitt delivered the invocation.

**APPROVAL OF MINUTES FROM DECEMBER 10, 2012**

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council approved the minutes of December 10, 2012 as presented.

**PRESENTATION – DAVID AND SANDRA GOSSETT**

Mayor Jennings presented a clock to David and Sandra Gossett with the inscription “With gratitude from the City of Washington for your countless hours spent organizing the East Carolina Wildlife Arts Festival”. Mayor Jennings said that time is the only debt that can’t be repaid and he thanked the Gossett’s for organizing the East Carolina Wildlife Arts Festival for the past 17 years. Lynn Lewis, TDA Director participated in the presentation.



**APPROVAL/AMENDMENTS TO AGENDA**

Mayor Jennings reviewed the following amendments to the agenda:

1. New Business Item C: should read “Approve Purchase Order”
2. Remove: Old Business Item B: Approve – Sublease of Goess Hangar
3. Remove: New Business Item A: Adopt/Accept – Resolution of Intent to enter into a Recreational Lease with PTRF and Accept the Memorandum of Understanding

By motion of Councilman Pitt, seconded by Councilman Brooks, Council approved the agenda as amended.

**CONSENT AGENDA**

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

- A. Authorize/Adopt – Repurchase of Cemetery Lot P-59, Plots 1-8 in Oakdale Cemetery for \$700.00 **and** Adopt Budget Ordinance Amendment

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE 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:

Section 1. That the Estimated Revenues in the Cemetery Fund be increased in the amount of \$700 in the account Transfer from General Fund, account number 39-90-3980-1000.

Section 2. That account number 39-90-4740-490 1, Repurchase Cemetery Lots, portion of the Cemetery Fund appropriations budget be increased in the amount of \$700 to provide funds for the repurchase of cemetery lot P-59, plots 1-8.

Section 3. That account number 10-00-4400-3900, Transfer to Cemetery Fund, Miscellaneous portion of the General Fund appropriations budget be increased in the amount of \$700.

Section 4. That the Estimated Revenues in the General Fund be increased in the amount of \$700 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 6. This ordinance shall become effective upon its adoption.

Adopted this the 14<sup>th</sup> day of January, 2013.

Attest:

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

B. Approve – Parks and Recreation Department to apply for the North Carolina’s Adopt-A-Trail Grant Program (\$10,000)

(background) The Parks and Recreation Department is requesting permission to apply for a grant in the amount of \$10,000 from the North Carolina’s Adopt-A-Trail Grant Program. The grant application is to construct a canoe/kayak launch at the Havens Gardens Boat Ramp. This would be an access point for the Tar-Pamlico Blue Trail and connect two existing trails. The application is due on January 31, 2013. The funds will be awarded in October 2013. The scope of the project is not estimated to exceed \$10,000. Any additional costs would be included in the 2013-2014 budget. The Recreation Advisory Committee unanimously voted on December 4, 2012 to proceed with the NC Adopt- A-Trail Grant Program, pending approval by City Council. The Recreation Department will be partnering with PTRF for grant application assistance, as well as involvement in the Blue Trail Project. The project is ready to build. A cost estimate has been obtained for the purchase of the safe launch and the associated labor to install it. A CAMA permit has already been obtained for this project. This is a reimbursement grant. No matching funds are required.

C. Adopt – Budget Ordinance Amendment Gustnado Repairs

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE 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:**

Section 1. That the Estimated Revenues in the Airport Fund be increased in the amount of \$591,539 in the account Miscellaneous Revenue, account number 37-90-3839-0000.

Section 2. That account number 37-90-4530-5740, Gustnado Expense, Warren Field Airport portion of the Airport Fund appropriations budget be increased in the amount of \$266,339.

Section 3. That account number 37-90-4530-6600, Transfer to Grant Project, Warren Field Airport portion of the Airport Fund appropriations budget be increased in the amount of \$325,200.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 5. This ordinance shall become effective upon its adoption.

Adopted this the 14<sup>th</sup> day of January, 2013.

Attest:

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

- D. Approve – Purchase of Sewer Flusher through piggyback of Wise County (VA) Contract (\$55,944)

**COMMENTS FROM THE PUBLIC:**

**Lloyd May** asked Council the following questions regarding the Spinrite grant:

1. What is the number of jobs added/saved for the two grants together, pending the performance measurements are met?
2. While reading the original grant, there are three different companies mentioned; Spinrite Inc., Spinrite Services Inc., and Spinrite Acquisitions. Which company is the agreement with?
3. What is the relationship of National Spinning to the three corporations and has the City examined their financials to make sure that Spinrite is a viable investment for public money? What is the collateral behind the loan?

Mayor Jennings explained that this topic would be discussed later in the meeting and he would make sure that the questions were answered at that time.

**Dot Moate** announced that Ruth's House, a domestic violence home for women and children, would officially open on February 4, 2013.

**Mal Collins – Boys & Girls Club of Beaufort County** thanked Council for their continued financial support of the Boys & Girls Club. She continued by explaining the mission of the club and noted that they provide care for their members on weekdays from 2:30pm-6:00pm (formally 7:00pm, but reduced due to budget constraints). Members are engaged in enrichment programs, tutoring, arts, student government and access to a computer lab as well as a gym and recreational/educational field trips. There is a potential threat of the Club closing due to a lack of funding in the amount of \$45,280.48, this is just to cover current accounts payable. Funds needed to stay ahead are in the amount of approximately \$30,000. The funding need is immediate.

**John Hayes** discussed a sublease for the Goess hanger at the airport and a clause in the lease that states the sublease may not use the hanger/hanger ground site for any aeronautical service/business or other operation. His business, Carolina Crop Care, is actually purchasing the hanger to be used as a base of operations for his company. Therefore, he would be in violation of the terms of the lease. He continued by discussing his business plan that was presented to the City Manager. Why is he being limited to his uses of a corporate hanger? If he can't get the current hanger lease to accommodate his business, then he is looking for land space to build his own hanger to use in conjunction with his business.

Councilman Mercer asked why this clause was brought up at the last minute and why he didn't discuss this issue when he first began negotiations with Mr. Goess? This item is listed on the agenda to be discussed at a later time tonight.

**PUBLIC HEARING ON ZONING: NONE**

**PUBLIC HEARING: KEVIN RICHARDS – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - ECONOMIC DEVELOPMENT & BUILDING REUSE**

Mayor Jennings opened the public hearing. Kevin Richards, Mid East Commission explained that Federal funds are made available annually through the U.S. Department of Housing and Urban Development (HUD) to the State of North Carolina for the Small Cities Community Development Block Grant (CDBG) program. Application for Economic Development (ED) assistance may be made by eligible local governments to the N.C. Department of Commerce, Commerce Finance Center throughout the year. ED grant awards are limited to a maximum of \$1 million to a unit of local government during a program funding year. The maximum for all CDBG programs is \$1.25 million per funding year. CDBG funds are granted to local governments for various types of infrastructure improvements to assist for profit businesses create or retain jobs. Economic Development funds in North Carolina are intended to benefit low to moderate income persons through job creation or retention. Program priorities are placed on permanent, full time jobs, at least 60% of which are made available to persons with prior low to moderate family income status. Economic Development category projects may involve:

1. Building Reuse

2. Assistance for public facilities such as water and wastewater
3. Loans for publicly owned industrial shell buildings

Other types of CDBG grants include NC Catalyst, Infrastructure, Scattered Site Housing, Small Business Entrepreneurial Assistance, Talent Enhancement Capacity Building and the Neighborhood Stabilization Program. This is the first public hearing, the second public hearing will be more detailed relating to a specific project.

Councilman Mercer inquired if there was a specific project in mind at this time and Mr. Richards noted the specifics would be discussed at the 2<sup>nd</sup> public hearing in February.

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

**LYNN LEWIS – CIVIL WAR EVENT IN WASHINGTON (APRIL 12-14, 2013)**

Lynn Lewis, TDA Director said that March 2013 marks the 150<sup>th</sup> anniversary of the Siege of Washington. A small committee has formed to determine the feasibility of hosting an event to commemorate the date. The committee consists of Bill Zachman, Ray Midgett, Terry Rollins, and me. We will be calling on additional volunteers for the committee in the near future. The Parks and Recreation Department has also been engaged in the early stages of this planning. It was determined, after meeting with Josh Kay, that we should pursue the opportunity to have a living history event the weekend of April 12-14. At the present time, various re-enactor groups from eastern North Carolina have expressed an interest in participating and have encouraged us to move forward with our plans.

While the specifics are still being nailed down we do know that the event will likely be held at Veteran's Park. Besides the re-enactors, plans also include a guided walking tour and lectures. The Phoenix Historical Society plans to participate to share the story of Big Bob and the arming of refugees from enslavement. At the present time, we do not have any specific requests of City Council. This presentation serves to communicate our intentions with you. As additional details are confirmed, we will communicate those with you.

**CHARLIE HERITAGE – (WEAVER-KIRKLAND) REQUESTING THE WAIVING OF TAP AND IMPACT FEES IN ORDER TO APPLY FOR NCFHA TAX CREDITS FOR A MULTI-FAMILY PROJECT FOR THE BELK & HOTEL LOUISE BUILDINGS**

Charlie Heritage of Weaver-Kirkland Development, Greensboro, NC discussed the potential redevelopment of the former Belk and Hotel Louise Buildings on Main Street. The development company would like to turn the two buildings into multi-family units, this will be a \$9 million project. They are seeking tax credits in the amount of \$8.6 million both in the low income housing tax credit program and historic tax credit programs. The remaining \$400,000 will be through a low interest loan. In order to apply for tax credit with the North Carolina Housing Finance Agency, the City must agree to one of the three things listed below:

1. Donate \$75,000 to the project
2. Donate a piece of land
3. Waive any associated tap/impact fees (estimated at \$14,000)

Mr. Heritage is asking the Council to vote on allowing the City Manager to write a letter stating that the City agrees to waive the impact fees. If the letter is written, his company can proceed with applying for the tax credits for the project. Tonight is not a vote on approving the project, it is only allowing him to take the first step in the process.

Bill Zachman came forward and recommended that Council authorize the City Manager to write the letter advising that the City will waive the associated tap/impact fees for this project. Discussions were held regarding zoning, parking, apartment sizes and income requirements for potential residents of this project. Councilman Mercer felt this was a last minute request and the Council would need more time to review the project. Councilman Brooks noted that he has concerns with waiving the fees for this project. Councilman Pitt asked if we miss the January 25, 2013 deadline when is the next time we can submit an application? Mr. Heritage noted the next time would be January 2014 and apologized for the short notice.

By motion of Councilman Mercer, seconded by Councilman Brooks, based on the timing of the request Council voted to not take any action on this matter tonight.

**MEMO – REFINANCE USDA LOAN**

The USDA loan for Fire Station 2 has a principal balance of \$2,656,120 with twenty six years of \$171,934 in annual payments outstanding at an interest rate of 4.3%. If we use fund balance to pay down \$581,120 and refinance the remaining \$2,075,000 for fifteen years our interest rate will drop to approximately 2.79% and the annual payment will remain the same. This will allow the debt to be paid off eleven years early and will save \$1,302,591 net of the \$581,120 pay down. \$171,934 is currently reserved in fund balance for the annual USDA payment and will no longer be required with the refinancing so the effective impact on available fund balance is \$409,186. The refinancing of the debt requires approval of the LGC. Council directed staff to proceed with pursuing this opportunity.

**HUMAN RELATIONS COUNCIL**

Appoint a Sub-committee for Ed Peed Commemoration the following is an updated list of Board members that volunteered to serve on the sub-committee in honor of the Edward Peed Commemoration: Florence Lodge, Emma Howard, Allen Hughes, Keisha Jennette, Betty Moore (citizen) and Councilman Pitt.

Discussion: Asheville-Buncombe Community Relations Council (ABCRC) This item will be addressed more fully during the January 8, 2013 meeting. The members will decide if they wish to support this organization, if so, what dollar amount will be contributed.

FYI items addressed at this time inclusive of December report to be submitted to City Council on January 14, 2013, financial report and public notification. (report approved as presented)

**FINANCIAL REPORTS (EMAILED AS AVAILABLE)**

Councilman Mercer noted that receipts in the General Fund, year-to-date are at 35% of what we budgeted. Our expenditures are running slightly above 50% of what we budgeted/projected, not considering transfers. Mr. Kay stated the projections are trending on pace and reminded Council that property taxes do not come in until January/February/March.

**APPOINTMENT – FIREMAN’S RELIEF FUND**

City Manager Josh Kay explained the request is to consider the reappointment of William M. Alligood Jr. (Fire Department Appointee) and reappointment of Richard Brooks (City Council Appointee) by the City Council to the Local Fireman’s Relief Fund Board. Both of these current appointments expire January 2013.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council reappointed William M. Alligood Jr. as the Fire Department designated appointee, and reappointed Richard Brooks as the City Council designated appointee to the Local Fireman’s Relief Fund Board for a new term of two years to expire in January 2015.

**AWARD – CONTRACT – CLEARING OF 5 LOTS AT KEYS LANDING SUBDIVISION**

City Manager, Josh Kay explained that Keys Landing Subdivision is a Community Development Block Project jointly through the City of Washington and Metropolitan Housing. The initial expenses related to Keys landing included the entire 13 lot subdivision. After the bids for the project came in over bid the project was decided to be constructed in two phases. Phase I would include 5 lots. In order to have a balanced budget additional expense were removed from the budget list. One of the items removed included the clearing of each lot in order to construct single family homes. We are asking that a contract be approved for the clearing of these lots so that construction on the houses may begin.

<b>Bid Proposals:</b>	<b>Anticipated Start Date</b>	<b>Amount</b>	<b>Days to Complete</b>
Rick Stevens Builders	Jan. 15	\$20,000	5-7 days
Matt’s Mowing Service	?	\$20,000	?
St. Clair Trucking	Jan. 15	\$20,000	10-14 days

By motion of Councilman Brooks, seconded by Mayor Pro tem Roberson, Council awarded the contract for the completion of the lot clearing for the five (5) lots in Keys Landing Subdivision to St. Clair Trucking in the amount not to exceed twenty thousand (\$20,000) dollars.

**APPROVE – SUBLEASE OF GOESS HANGAR – Item removed from agenda**



Service will be provided under this Schedule only after a service agreement is executed including special terms and conditions for the customer’s requirements, if any, satisfactory to the Utility.

GENERAL

Service rendered under this Schedule is subject to the provisions of the Service Regulations of the City of Washington contained in the City Code of Ordinances. Washington Electric Utilities Meters may be read in units of 10 kWh and credits rendered accordingly.

SPECIAL CONDITIONS

The customer must complete any applicable alternative energy interconnection request (Application) and submit same to WEU prior to receiving service under this Rider.

The customer’s service shall be metered with two meters, one of which measures all energy provided by WEU and used by the customer, and the other measures the amount of energy generated by the customer’s photovoltaic energy generator.

In the event WEU determines that it is necessary to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay a Monthly Facilities Charge of 2.0% of the total installed cost of the additional facilities. The Monthly Facilities Charge shall not be less than \$25.00.

WEU reserves the right to test the customer’s photovoltaic energy generator for compliance with the applicable interface criteria. Should it be determined that the customer’s installation is in violation WEU will disconnect the photovoltaic energy generator from WEU’s distribution system and it will remain disconnected until the installation is brought back into compliance.

**APPROVE – PURCHASE ORDER FOR AN ALTEC BUCKET TRUCK FROM ALTEC THROUGH NJPA (\$234,541)**

Mr. Kay said the purpose of this request is to inform City Council and seek approval to purchase an Altec Bucket Truck from Altec through NJPA contract #060311-AII. This type of purchase is authorized through statute G.S. 143-129(e)(3). \$240,000 was budgeted for this purchase so we are coming in under budget.

<u>Vendor</u>	<u>Cost Per Unit</u>	<u>Delivery</u>	<u>Less Trade-In</u>
Altec	\$234,541.00	240 - 270 days	N/A
		<b>Grand Total</b>	<b>\$234,541.00</b>

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council approved the purchase order for an Altec bucket truck from Altec through NJPA in the amount of \$234,541.00.

**APPROVE/ADOPT – WORK AUTHORIZATION FOR TERMINAL BUILDING DESIGN, APPROVE CORRESPONDING PURCHASE ORDER AND ADOPT GRANT PROJECT ORDINANCE (\$112,185)**

Mr. Kay explained the request is to approve the work authorization for the new terminal building at the airport. He reminded Council that at the October 8, 2012 Council meeting, Council authorized the Manager to sign a reimbursement agreement with NCDOT for the design and construction of a new terminal building at Warren Field Airport. The attached work authorization authorizes Talbert and Bright to perform the design and bidding services for this project. As noted in the October 8 meeting, Council will be given the opportunity to review and approve the design as work progresses. The work scope and fee have been reviewed and approved by the NC Division of Aviation. The attached grant project ordinance establishes funding for the terminal construction project. The City contribution is being funded with insurance proceeds.

Councilman Brooks discussed the benefit for rebuilding and improving the terminal building at the airport as well as future improvements that are to be made.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council approved the work authorization for Talbert and Bright for design and bidding services, approved the corresponding purchase order, and adopted a grant project ordinance for the airport terminal construction project.

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GRANT PROJECT ORDINANCE FOR AIRPORT TERMINAL  
GRANT AWARDS 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 design and construction of an airport terminal.

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:

66-90-4530-0400	Professional Services	\$ 250,000
66-90-4530-4500	Construction	700,000
66-90-4530-2102	Rental Building	27,000
66-90-4530-3304	Furnishings	51,220
66-90-4530-9900	Contingency	<u>96,980</u>
	Total	\$1,125,200

Section 4. The following revenue is anticipated to be available to complete this project:

66-90-3490-0001	State Aid to Airports	\$ 500,000
66-90-3490-0002	State Aid- NPE 2012	150,000
66-90-3490-0003	State Aid- NPE 2013	150,000
66-90-3352-0000	City Contribution	<u>325,200</u>
	Total	\$1,125,200

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 State Aid to Airport Programs 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 14th day of January, 2013.

Attest:  
s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**ADOPT/AUTHORIZE – RESOLUTION AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT WITH NORTH CAROLINA DEPARTMENT OF TRANSPORTATION FOR AIRPORT/SAFETY/MAINTENANCE PROJECTS**

Mr. Kay explained this agreement allows NCDOT to make minor repairs to airport runways and taxiways, as well as drainage improvements, at no cost to the City, under the terms of this agreement with the exception of providing assistance in closing runways/taxiways. Councilman Mercer asked if the repairs have to be listed in our program of activities? Mr. Kay explained he didn't think it had to be.

By motion of Councilman Brooks, seconded by Mayor Pro tem Roberson, Council adopted the resolution authorizing the Mayor to sign the Agreement for Airport Safety/Maintenance Projects with the North Carolina Department of Transportation.

**AGREEMENT FOR AIRPORT SAFETY/MAINTENANCE PROJECTS  
(FIVE YEAR TERM)**

By and Between the  
North Carolina Department of Transportation (Division of Aviation)  
and the  
City of Washington  
\_\_\_\_\_  
(Airport Owner)

For the \_\_\_\_\_ Warren Field Airport  
(Official Airport Name)  
THIS AGREEMENT, made this the 14th day of January, 2012<sup>3</sup>  
by and between the North Carolina Department of Transportation (Division of Aviation), an  
agency of the State of North Carolina (hereinafter referred to as "Department") and the  
City of Washington \_\_\_\_\_ (hereinafter referred to as "Sponsor").  
(Airport Owner)

WITNESSETH

WHEREAS, the Department and the Sponsor are concerned with maintaining the facilities of the \_\_\_\_\_ Warren Field Airport \_\_\_\_\_ to enhance the safety of the traveling public and flight operations, and

WHEREAS, the Department and the Sponsor may determine that certain paved surfaces and adjacent areas on the airport have aged and deteriorated and are in need of maintenance, and

WHEREAS, pursuant to Article 7 of North Carolina General Statute 63, the Department is authorized to undertake safety improvements of these areas, on publicly owned and operated airports, and

WHEREAS, the Department and the Sponsor desire that the needed improvements be undertaken by the Department in conformance with the provision of North Carolina General Statute 63.

NOW THEREFORE, the Department and the Sponsor do hereby mutually agree as follows:

1. The Department, using NCDOT state forces and/or under a Purchase Order Contract, shall perform improvements to the Sponsor's airport. This work may include, but not be limited to, any of the following:

- Joint and Crack Sealing
- Pavement Repairs and Patching
- Surface Treatments
- Maintenance Overlays
- Drainage Improvements
- Pavement Markings

2. The Department will notify the Sponsor prior to any work being performed.
  3. The Sponsor hereby assures the Department that the title to the pavement and adjacent areas are vested under the Sponsor and hereby authorizes the Department and authorized Contractor(s) to enter onto the premises of the Sponsor and accomplish any of the work items as described in Paragraph 1 above.
  4. The Sponsor agrees to provide a duly authorized representative who will be present and/or available at all times work is in progress to monitor project operations and assist the Department's representative.
  5. The Sponsor agrees to provide a duly qualified operator who will monitor the airport's UNICOM radio transceiver at all times work is in progress and issue airport advisories as necessary on the UNICOM radio transceiver.
  6. The Sponsor agrees, when needed, to formally close any runway, taxiway, or apron at all times work is in progress on that pavement and to take appropriate steps to prohibit use of such areas by aircraft and/or ground vehicles.
  7. The Sponsor agrees to issue and keep current the necessary Notices to Airmen (NOTAMS) through the Federal Aviation Administration (FAA) until all work is completed and the Department's representative notifies the Sponsor's representative that the affected areas may be returned to service.
  8. The Department may, in its sole discretion, determine the design, scope of work, materials to be used, and methods of accomplishing this safety improvement project.
  9. To the maximum extent allowed by law, the Sponsor shall indemnify and hold harmless the Department and its officers and employees from all suits, actions, or claims of any character because of injury or damage received or sustained by any person, persons, or property resulting from work performed under this Agreement or on account of, or in consequence of any negligence in safeguarding the performance of said work.
  10. At its sole and unlimited discretion, the Department shall have the right to terminate this Agreement and immediately stop all work being performed pursuant to this Agreement.
  11. The Sponsor must be in good standing on all State and Federal Grant Requirements and Assurances before any project shall be performed under this agreement.
  12. This Agreement shall not be binding upon the Department and the Sponsor, nor any work performed by the Department, until this Agreement has been fully executed by both the Department and the Sponsor.
  13. Subject to the provisions of paragraph 10 above, this Agreement will expire five years. Subject to the provisions of paragraph 10 above, this agreement may be terminated by either the Department or the Sponsor by providing written notification of termination. The effective date of termination pursuant to this paragraph shall be the date of receipt of the notice of written termination by the non-terminating party.
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IN WITNESS WHEREOF, the Department and the Sponsor have executed this Agreement on the date first written on Page 1 of this.

FOR THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

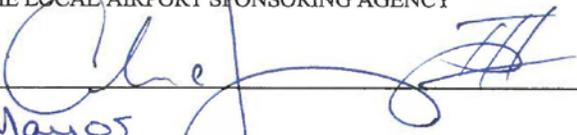
Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

SEAL OF THE DEPARTMENT  
OF TRANSPORTATION

FOR THE LOCAL AIRPORT SPONSORING AGENCY

Signed:  \_\_\_\_\_

Title: Mayor \_\_\_\_\_

Official Sponsor: City of Washington \_\_\_\_\_

Attest: Cynthia S. Bennett, City Clerk \_\_\_\_\_



Resolution of the Sponsor

A motion was made by Councilman Brooks  
(Name and title)

and seconded by Mayor Pro Tem Roberson  
(Name and title)

for the adoption of the following resolution, upon being put to a vote it was duly adopted:

THAT WHEREAS City of Washington (hereinafter referred  
(Airport Owner)

to as "Sponsor") has requested the North Carolina Department of Transportation (hereinafter referred to as "Department") to provide and oversee safety improvements on the operational surfaces of the Warren Field Airport; and

WHEREAS, the Department has agreed to provide safety improvement services as defined in Paragraph 1 of this Agreement in accordance with the provisions of North Carolina General Statute 63.

NOW THEREFORE, BE IT AND IS HEREBY RESOLVED, that the Mayor  
(Title of Official)  
of the Sponsor be and he is hereby authorized and empowered to enter into an Agreement with the Department, thereby binding the Sponsor to fulfillment of its obligation as incurred under this resolution and its Agreement with the Department.

\*\*\*\*\*

I, Cynthia S. Bennett, City Clerk, of the  
(Name and title)  
City of Washington, do hereby certify that the above  
(Name of Sponsoring Agency)  
is a true and correct copy of the minutes of the Washington City Council  
(Name of Authorizing Board)  
January 14, 2013  
of the Sponsoring Agency), held on January 14, 2013  
(Date of Meeting)

WITNESS my hand and the official seal of the Sponsor.

This the 14th day of January, ~~2012~~ 2013.

Signed: Cynthia S. Bennett



**ADOPT – BUDGET ORDINANCE AMENDMENT CAPITAL OUTLAY**

Mr. Kay thanked Matt Rauschenbach and his staff for their work on this project. Adequate fund balance is available in the General Fund, Water Fund, Storm Water Fund, and Electric Fund and can be used to reduce our installment financing for capital projects by \$733,968. Debt service will be reduced \$42,385 this year and \$169,540/year for the next four. Councilman Mercer as well commended the City Manager and entire staff for working towards "pay as you go" financing.

Installment Purchases FY 12-13

12/17/2012

Fund	Department	Item	Budget	Recommend	Reduction	6/30/2012 Fund Balance
General	Information Services	Utilities Server	45,000		(45,000)	
General	Information Services	Fiber for Network	65,000		(65,000)	
General	Municipal Building	Replace Chillers	90,000		(90,000)	
General	Police	Two Police Vehicles, #134 & #159	55,000		(55,000)	
General	Powell Bill	Street Sweeper #462	240,000	240,000	-	
General	Library	Server Replacement & PC Virtualization	47,568		(47,568)	
General	Civic Center	Decking Replacement	129,600		(129,600)	
General	Parks & Grounds Maintenance	Storage Bldg. at Complex	9,000		(9,000)	
General	Parks & Grounds Maintenance	Mower	13,000		(13,000)	
General	Parks & Grounds Maintenance	Grapple Hook	2,800		(2,800)	
General	Parks & Grounds Maintenance	Wetlands Boardwalk	19,000		(19,000)	
General	Parks & Grounds Maintenance	Soccer Field Lighting	10,000		(10,000)	
General	Parks & Grounds Maintenance	Waterfront Bathroom Grant Match	50,000		(50,000)	
<b>Total General</b>			<b>775,968</b>	<b>240,000</b>	<b>(535,968)</b>	<b>6,142,129</b>
<b>Water</b>	Water Meter Service	3/4 Ton Truck # 413	<b>38,000</b>		<b>(38,000)</b>	<b>1,887,522</b>
<b>Storm Water</b>	Operations	F-150 Truck #457	<b>30,000</b>		<b>(30,000)</b>	<b>299,500</b>
Electric	Substation Maintenance	38 KV Regulators Main Substation	60,000		(60,000)	
Electric	Substation Maintenance	7 EPA Generator Catalyst Installations	190,805	190,805	-	
Electric	Load Management	Load Management Switches	70,000		(70,000)	
Electric	Power Line Construction	Bucket Truck #616	240,000	240,000	-	
<b>Total Electric</b>			<b>560,805</b>	<b>430,805</b>	<b>(130,000)</b>	<b>5,648,682</b>
<b>Cemetery</b>	Operations	1 Ton Dump Truck #513	<b>35,000</b>	<b>35,000</b>	-	<b>14,399</b>
<b>Grand Total</b>			<b>1,439,773</b>	<b>705,805</b>	<b>(733,968)</b>	

Installment Purchases 2013

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council adopted a budget ordinance amendment to fund a portion of the current years budgeted installment purchases with fund balance instead of installment financing.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE 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:

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

10-00-3920-9101	Proceeds From Lease Purchase	\$ (535,968)
10-00-3991-9910	Fund Bal. Appropriated	<u>505,604</u>
		\$ ( 30,364)

Section 2. That the General Fund appropriations budget be increased or decreased in the following fund accounts and amount:

10-00-4132-7401	Installment Purchases	\$ (110,000)
10-00-4260-7401	Installment Purchases	( 90,000)
10-10-4310-7401	Installment Purchases	( 55,000)
10-40-6110-7401	Installment Purchases	( 47,568)
10-40-6125-7401	Installment Purchases	(129,600)
10-40-6130-7401	Installment Purchases	(103,800)
10-00-4132-7400	Capital Outlay	110,000
10-00-4260-7400	Capital Outlay	90,000
10-10-4310-7400	Capital Outlay	55,000
10-40-6110-7400	Capital Outlay	47,568
10-40-6125-7400	Capital Outlay	129,600
10-40-6130-7400	Capital Outlay	103,800

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10-50-4020-8000	Proposed Installment Note Payments	( 30,364)
		\$( 30,364)

Section 3. That the Estimated Revenues in the Water Fund be increased or decreased in the following accounts and amount:

30-90-3920-9100	Installment Note Proceeds	\$( 38,000)
30-90-3991-9910	Fund Bal. Appropriated	<u>35,825</u>
		\$( 2,175)

Section 4. That the Water Fund appropriations budget be increased or decreased in the following fund accounts and amount:

30-90-7250-7401	Installment Purchases	\$( 38,000)
30-90-7250-7400	Capital Outlay	38,000
30-90-4020-8300	Installment Note Principal	( 1,800)
30-90-4020-8301	Installment Note Interest	<u>( 375)</u>
		\$( 2,175)

Section 5. That the Estimated Revenues in the Storm Water Fund be increased or decreased in the following accounts and amount:

34-90-3920-9100	Installment Note Proceeds	\$( 30,000)
34-90-3991-9910	Fund Bal. Appropriated	<u>28,312</u>
		\$( 1,688)

Section 6. That the Storm Water Fund appropriations budget be increased or decreased in the following fund accounts and amount:

34-90-5710-7401	Installment Purchases	\$( 30,000)
34-90-5710-7400	Capital Outlay	30,000
34-90-4020-8300	Installment Note Principal	( 1,388)
34-90-4020-8301	Installment Note Interest	<u>( 300)</u>
		\$( 1,688)

Section 7. That the Estimated Revenues in the Electric Fund be increased or decreased in the following accounts and amount:

35-90-3920-9100	Installment Note Proceeds	\$( 130,000)
35-90-3991-9910	Fund Bal. Appropriated	<u>121,842</u>
		\$( 8,158)

Section 8. That the Electric Fund appropriations budget be increased or decreased in the following fund accounts and amount:

35-90-8370-7401	Installment Purchases	\$( 60,000)
35-90-8375-7401	Installment Purchases	( 70,000)
35-90-8370-7400	Capital Outlay	60,000
35-90-8375-7400	Capital Outlay	70,000
35-90-4020-8300	Installment Note Principal	( 5,653)
35-90-4020-8301	Installment Note Interest	<u>( 2,505)</u>
		\$( 8,158)

Section 9. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 10. This ordinance shall become effective upon its adoption.

Adopted this the 14<sup>th</sup> day of January, 2013.

Attest:

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**AUTHORIZE/APPROVE – BID AWARD FOR THE REPAIR OF WARREN FIELD AIRPORT HANGARS TO MOSELY CONSTRUCTION AND APPROVE THE PURCHASE ORDER)**

Mr. Kay explained this project is to continue repair to properties/structures damaged at the airport by the tornado in July. Repairs to hangars 4,5,6, and the Corporate hangar were bid with Mosely Construction being the low bid. Insurance proceeds are adequate to cover these repairs.

Vendor	Bid	Start Date	Days to Complete
Mosley Construction	\$34,000.00	immediately	30 days
Paul Woolard Construction	\$52,030.00	immediately	90 days

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council authorized the bid award for the repair of the Warren Field Airport hangars to Mosely Construction and approved the purchase order to be written to cover the repair.

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

**DISCUSS –  
DESIGNATION OF VOTING DELEGATES (NCLM ADVOCACY GOALS)**

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council designated Councilman Pitt as the voting delegate for the NCLM Advocacy Goals Conference.

**ANNOUNCEMENTS:**

Martin Luther King area celebrations

Coffee with Council – January 29, 2013 at 8:00am at Zaitona Restaurant

January 22<sup>nd</sup> at 6:30pm Washington High School wrestling team will be wrestling for Conference Championship

**ANY OTHER ITEMS FROM CITY MANAGER: NONE**

**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), JAMES L. DAVIS VS. CITY OF WASHINGTON, ET AL 12-CVS-571 AND NCGS 143-318.11(A)(4) ECONOMIC DEVELOPMENT**

By motion of Councilman Pitt, seconded by Councilman Mercer, Council entered into closed session at 6:40pm under § NCGS 143-318.11(a)(3) Attorney Client Privilege – including City of Washington vs. Anne & Harry Meredith, et al (08-CVS-105), James L. Davis vs. City of Washington, et al 12-CVS-571 and NCGS 143-318.11(a)(4) Economic Development.

By motion of Councilman Brooks, seconded by Councilman Pitt, Council came out of closed session at 8:15pm.

**ADOPT/AUTHORIZE – RESOLUTION AUTHORIZING THE APPLICATION FOR NC RURAL CENTER BUILDING REUSE AND RESTORATION GRANTS FOR SPINRITE (\$440,000)**

Councilman Mercer requested that action be delayed on this matter until after closed session.

Mr. Kay explained that Spinrite, a textile-related industry, desires to expand its presence in the National Spinning building to encompass approximately 330,000 square feet. Currently, Spinrite rents approximately 220,000 square feet in this building. The City is a secondary party to a One NC Grant, this grant requires Spinrite to create 60 jobs. The total jobs created would be 95-100 including the initial 60 jobs. In order for this expansion to occur, building renovations must occur. Spinrite and National Spinning have approached the City about applying for a NC Rural Center Building Reuse and Restoration Grant in an amount up to \$500,000. The grant will require a 5% match; however, National

Spinning/Spinrite has agreed to transfer this amount to the City. Additionally, if awarded, the grant will become a performance loan with Spinrite and National Spinning(exactly like the Weir Valve project) that will require the creation of jobs over a period of time or will require the payback of the “grant” to the City and subsequently to the NC Rural Center. The resolution is required for the application to be reviewed by the NC Rural Center.

The city would be dealing with Spinrite Inc(lessee), as well as National Spinning (building owner). The grant will be in the amount of \$480,000.

A motion was made by Councilman Pitt, seconded by Councilman Brooks, I move that Council adopt and authorize the Mayor to sign the resolution authorizing an application for the NC Rural Center Building Reuse and Restoration Grant for Spinrite.

Councilman Mercer offered to amend the motion to authorize the City Manager to prepare a contract similar to Weir Valves which insures the performance standards for Spinrite. Councilman Pitt and Councilman Brooks accepted the amendment. Motion carried.

Councilman Brooks noted that if City Council had not stepped up to save these jobs, then this expansion would not have occurred.

**AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE APPLICANT  
NC BUILDING REUSE AND RESTORATION GRANTS PROGRAM**

WHEREAS, the Occupied Building Category of the Building Reuse and Restoration Grants Program of the North Carolina Rural Economic Development Center is designed to assist with the expansion and renovation of buildings currently in use by companies; and

WHEREAS, the City of Washington is engaged in activities to assist local industries to increase the number of jobs in the area; and,

WHEREAS, the City of Washington intends to request grant assistance from the Building Reuse and Restoration Grants program for Spinrite, a local industry;

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY OF WASHINGTON CITY COUNCIL;  
That the City of Washington will provide 5% of the grant amount for the renovation project, if approved for the grant.

That the grantee with assistance from the City and the grant administrator will provide for effective administration, implementation and operation/maintenance of the project.

That the Mayor is hereby authorized to execute and file an application on behalf of the city of Washington with the North Carolina Rural Economic Development Center.

That the Mayor is hereby authorized and directed to furnish such information as the North Carolina Rural Economic Development Center may request in connection with the grant application and project; to make assurances as contained above and to execute such other documents as may be required in connection with the application.

That the City of Washington has substantially complied or will substantially comply with all Federal, State, and local laws, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this the 14th day of January, 2013.

Attest:

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**ADJOURN**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting at 8:30pm until January 28, 2013 at 5:30pm in the Council Chambers at the Municipal Building.

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