

The Washington City Council met in a regular session on Monday, April 9, 2018 at 4:00pm in the City Council Chambers at the Municipal Building. Present: Mac Hodges, Mayor; Virginia Finnerty, Mayor Pro tem; Doug Mercer, Councilmember; Richard Brooks, Councilmember; William Pitt, Councilmember and Roland Wyman, Councilmember. Also, present Bobby Roberson, City Manager; Franz Holscher, City Attorney and Cynthia S. Bennett, City Clerk.

Mayor Hodges called the meeting to order.

Council set the following second quarter goals:

- Goal #1 - Public Works: develop a plan to prioritize ditch cleaning locations & timetable to clean said ditches (including removal of structures built over ditches & removal of trees in ditches). Staff should prioritize in each drainage basin.
 - Goal #1a - Discuss with NCDOT the need for an assessment of drainage systems and drainage culverts – staff will provide locations that require the assessment.
- Goal #2 - City Manager/City Attorney: move forward with finalizing site for the new Police Station. Verify if the sites are available, negotiable and move forward with acquisition; begin with the former Roberson Beverage site/Tumble Bee site as the second option.
- Goal #3 – Council/Manager: establish methodology for increasing communication with the public via social media starting with Facebook. (Councilmember Roland Wyman agreed to oversee the project, which will include an inventory of city social media sites.) The City Manager will create “Policies and Procedures” for communications.
 - Goal #3a includes individual Council members reaching out to civic groups to make presentations regarding Council activities/City projects. City Manager will design presentations to be made by individual Council members (canned presentation).
- Goal #4 - Parks & Rec: obtain permit for Havens Gardens pier
- Goal #5 - Parks & Rec: when permit is approved, let contract for pier with a completion date of 90 days upon signing
- Goal #6 - Finance: complete de-bugging of new software system
- Goal #7 - Electric: complete Charlotte/5th Street rebuild
- Goal #8 – Electric: complete Hwy 32 – Community College rebuild and remove old equipment, possible abandonment of the old, unused ROW
- Goal #9 – Electric: Prepare and publish bid package for Slatestone Substation replacement
- Goal #10 – Electric: If Slatestone Substation is unsafe, with Risk Management, develop a strict safety protocol for its continued use until replaced
- Goal #11 - City Manager: revise travel policy (last updated in 1990) and present to Council {including meal allowance amounts. Council will determine if they want to continue to fall under the employee travel policy – Manager will forward existing travel policy to Council.} Manager stated he will also review Education Assistance Program.
- Goal #12 - Council: develop a policy regarding waiving fees
- Goal #13 - Council: develop policy for funding outside/support agencies

RECESS until 5:30PM

Mayor Hodges called the meeting back to order. Councilmember Pitt led Pledge of Allegiance and delivered the invocation.

APPROVAL OF MINUTES:

By motion of Councilmember Mercer, seconded by Mayor Pro tem Finnerty, Council approved the minutes of March 12, 2018 as presented.

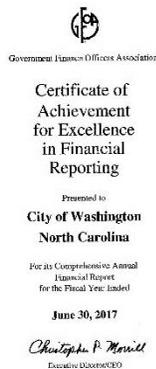
APPROVAL/AMENDMENTS TO AGENDA:

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

- *Remove: Scheduled Public Appearances: Emily Zalfini – National League of Cities (this item will be presented in May)*

PRESENTATION:

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
(22 CONSECUTIVE YEARS)**



LYNN DAVIS – CYCLE NC

Lynn Davis, TDA Director stated Washington is the local host for Cycle NC. Approximately 2000 cyclist & family members will be coming to Washington beginning April 19 – 22 for the event.

CONSENT AGENDA:

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council approved the Consent Agenda as presented.

- A. Declare Surplus/Authorize – Electronic Auction of Vehicle through GovDeals

Vehicle #	Make/Model	Department	Serial Number	Odometer Reading
618	2008 International	Electric	3HTMMAAN98N647038	117,453 Miles
- B. Accept – LSTA EZ Edge Technology Grant and Adopt a Budget Ordinance Amendment

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2017-2018**

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

Section 1. That the following accounts of the General Fund revenue budget be increased or decreased by the respective amounts indicated:

10-40-3611-3303 Library Grant-LSTA \$ 6,722

Section 2. That the following accounts of the General Fund appropriations budget be increased or decreased by the respective amounts indicated for the LSTA EZ Edge Technology Grant:

10-40-6110-4500 Contract Services \$ 6,722

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 9th day of April, 2018.

ATTEST:

s/Cynthia S. Bennett,
City Clerk

s/Mac Hodges,
Mayor

COMMENTS FROM THE PUBLIC:

Julie Hicks spoke to Council regarding the February 2019 Wildlife Festival, organized by Arts of the Pamlico. She noted it is the hope of many that the carving competition will return to the festival in 2019. The carving competition is essential to the success of any festival of this type. The

competition draws higher quality exhibitors because many of them also compete. Without the carving competition this will never be a true wildlife festival, it will only be an arts festival. Ms. Hicks continued by stating some sponsors will not come unless there is a carving competition. In the past, the City has supplemented up to \$5,000 -\$6,000 for this festival. This event can bring upward of \$250,000 to Washington.

William Kenner, member of Historic Preservation Commission stated there is a loophole regarding the demolition procedure for structures in the historic district. Currently, there is a 365-day waiting period before demolition can occur. After 365 days, the property owner can demolish the structure. The HPC wants to preserve these properties. He also referenced 415 W. 2nd Street and potential options for saving the structure as well as the property owned by First Baptist Church (that will soon be demolished).

Jerry Creech, 527 W. 2nd Street spoke to Council regarding preserving 411 & 415 W. 2nd Street.

Dee Congleton stated many people come to Washington from Raleigh, Kinston, Edenton, New Bern, etc. for the historic homes tour. People like to see historic structures and that is why we need to save them. She is asking Council to rescind the request to demolish the Carter house (415W. 2nd) and to save 411 W. 2nd Street.

David Clark, 401 East Main Street revisited a May 30, 1954 article in the Raleigh News and Observer relating to the DeMille home and the loss of historic properties in Washington. The article stated, "the property has been purchased by an oil company and will soon be occupied by a filling station. Cecil B. DeMille has offered half the purchase price of the property (\$12,500), provided citizens of the area would raise the remainder. He also offered the DeMille collection should the home be turned into a museum." Unfortunately, the home was eventually torn down for a gas station and is now a tattoo parlor. Mr. Clark said Washington needs a better entryway (Hwy 17/Bridge Street) and needs to stop tearing down historic structures.

Linda Lawson stated she recently moved back to Washington. She said the library does not need additional parking. She asked Council to consider saving these historic structures.

Rob Sands, CEO of Pamlico Rose Institute for Sustainable Communities. Washington needs to re-utilize historic properties. He said John Wood and others will talk about the importance of the historic district in Washington, it is an economic engine that drives the city. If we agree historic preservation is important to city, then it should be important for us as a city to lead the way, not take away from the historic district. We are in a critical time in Washington as we try to "grow business", that we maintain the historic district. If we move away from this model of re-utilization, preservation and revitalization, we will suffer as a city. All efforts should be made to preserve and utilize our historic structures.

Bill Booth stated he is speaking for the citizens that live on the opposite side of 5th Street. For too long, we as a community have focused on other things, but we need to focus on our young people, there is no place for them to congregate. The non-profit organization started the farmer's market on Market Street, they want to provide a venue where young people can grow and develop. Letter sent to Council.

Bill Booth

Alpha Life Enrichment Center, Inc.

Washington City Market

We are requesting a waiver for the \$50.00 AMP/Street Closing fee at 532 North Market Street due to the hardship placed on the organization being a non-profit. We will provide a number of services to enhance the quality of life for the residences in the area. In addition, we invite the police to take more of an active role in the community by participating in our community group activities.

Don Stroud, 127 E. 2nd Street & President of Washington Area Historic Foundation asked Council to save 411 W. 2nd Street & 415 W. 2nd Street. He asked Council, "How is it, that we as a city can afford to spend in excess of \$10,000 a piece for ten parking spaces, for a parking lot that has never been filled?"

Councilmember Mercer said he was not in favor of the parking spaces, but those houses were specifically purchased for potential expansion of the library. At the present time, we have no plans for the expansion. Mr. Stroud asked that the house not be torn down until the need arises, Councilmember Mercer said he agreed.

PUBLIC HEARING 6:00PM- ZONING: None

PUBLIC HEARING 6:00PM – OTHER:
ADOPT – RESOLUTION ORDERING THE CLOSING AND ABANDONING OF A PORTION
OF BERRY AVENUE AND RIGHT-OF-WAY

John Rodman, Community & Cultural Services Director provided background on the request and noted on February 12th City Council adopted a Resolution of Intent to close a portion of Berry Avenue and right-of-way that intersects with West 5th Street. The appropriate advertisement and publications were completed and the adjoining property owners were notified. This came from a private individual in order to expand his business. Staff followed proper steps on this matter. John read out of state statute regarding street closing.

(request from Crisp & Horton, LLC are the owners of the Athletic Edge Sports & Fitness facility located at 1100 W 5th St. We have ,has recently purchased the property located at corner of Berry Ave and 5th St, and would like to petition for Berry Ave to be closed. This is a gravel road that separates our two properties. We are looking to expand our facility to allow for more fitness and team sports areas. This would allow us to add a 15,000 square foot facility, which will allow us to add jobs for the local economy. Attached is a survey showing both properties along with the right-a-ways. Please let me know if this a possibility and what actions we may need to take to do so. I appreciate your assistance with this process.)

Mayor Hodges opened the public hearing at this time.

Jim Gardiner stated he is a boat builder and currently employs fifteen individuals on his property located on Hackney, Harrington & Berry. He continued by reading the following statement in opposition to the request, noting once the other buildings are constructed, their traffic flow will be in on Hackney and out on Berry. If Berry Avenue were closed, their traffic would be routed through Harrington, which is residential. He hopes Council will deny the request to close Berry Avenue and allow it to continue to be a conduit to his growing business.

EXHIBIT 1 - THE ARGUMENT

THIS ABANDONMENT AND CLOSURE OF BERRY AVENUE, AS WELL AS THE GRANTING OF THE USE AND OWNERSHIP OF THIS ABANDONED STREET (WITHOUT ANY COMPENSATION), IS DONE SOLELY FOR THE BENEFIT OF ANOTHER PRIVATE PROPERTY OWNER AND IS NOT BEING DONE FOR THE LOCAL COMMUNITY OR OTHER PUBLIC INTEREST.

THE ADJACENT PROPERTY OWNERS INCLUDING TIDELANDS, LLC, PURCHASED PROPERTY BASED ON THE PLATTED AND DEDICATED STREETS WITH INVESTMENT BACKED EXPECTATIONS OF VALUE.

FOR THE PAST 6 MONTHS, TIDELANDS HAS SPENT IN THE TENS OF THOUSANDS OF DOLLARS ON ENGINEERING, PRE-CONSTRUCTION ITEMS, AND FINANCING TO DEVELOP ITS TIDELANDS PROPERTY, WITH DIRECT USAGE OF BERRY AVENUE. THE ABANDONMENT OF BERRY AVENUE WILL SIGNIFICANTLY REDUCE TIDELANDS' ABILITY TO GO FORWARD WITH ITS' DEVELOPMENT PLANS IN PROGRESS, AND CAUSE TIDELANDS SIGNIFICANT LOSSES INCLUDING REDUCTION OF VALUE OF THE PROPERTY. THE CITY WAS AWARE OF TIDELANDS' INTENT TO DEVELOP BASED ON MEETINGS AND/OR DISCUSSIONS WITH TIDELANDS' DEVELOPMENT CONSULTANTS BEFORE PROPOSING THIS RESOLUTION.

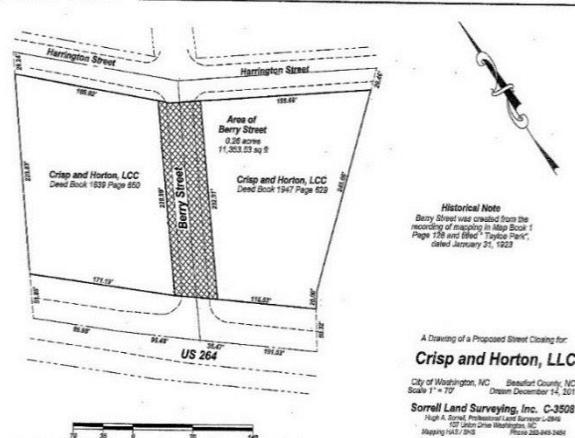
THE OWNER OF LAND ABUTTING ON A STREET OR HIGHWAY HAS A PRIVATE RIGHT IN SUCH STREET OR HIGHWAY DISTINCT FROM THAT OF THE PUBLIC. THAT RIGHT MAY NOT BE USURPED WITHOUT MATERIAL COMPENSATION TO THE ABUTTING PROPERTY OWNERS WHICH HAS NOT BEEN OFFERED. NOTWITHSTANDING, THE NORTH CAROLINA ABANDONMENT STATUTE DOES CONSTITUTE THE TAKING OF THE PROPERTY RIGHTS OF THE ADJACENT PROPERTY OWNER, TIDELANDS, LLC, WITHOUT REQUIRING A PAYMENT OF JUST COMPENSATION, IN VIOLATION OF ARTICLE I, SECTION 17, OF THE NORTH CAROLINA CONSTITUTION, AND IN VIOLATION OF THE 5TH AND 14TH AMENDMENT TO THE UNITED STATES CONSTITUTION. AN ACTION OF THIS NATURE IS AN INVITATION TO FEDERAL COURT JURISDICTION ON THE CONDEMNATION ISSUES

EVEN IF THE CITY HAD A RIGHT UNDER THE DOCTRINE OF "POLICE POWER" TO ABANDON A STREET - IT DOES NOT HAVE THE RIGHT TO "FAVOR ONE PROPERTY OWNER OVER ANOTHER" AND TO DEPRIVE ONE PROPERTY OWNER OF RIGHTS IN THE STREET AND LITERALLY GIVE THE STREET TO ANOTHER PROPERTY OWNER. OUR 14TH AMENDMENT TO THE UNITED STATES CONSTITUTION REQUIRES EQUAL PROTECTION AS TO ALL CITIZENS - NOT A BIAS OR PREFERENCE FOR SOME OVER OTHERS.

WE BELIEVE THIS RESOLUTION TO CLOSE THAT PORTION OF BERRY AVENUE ADDRESSED HERE TO BE WITHOUT THOUGHT OF THE PUBLIC GOOD, TO BE ARBITRARY TOWARDS ONE PROPERTY OWNER OVER ANOTHER AND TO CAUSE CHALLENGE TO 14TH AMMENDMENT ISSUES. THEREFORE, WE REQUEST THAT CITY COUNCIL RESCIND THE RESOLUTION IN FAVOR OF EQUITY TO ALL PROPERTY OWNERS INVOLVED.

Brad Horton stated he is the individual that made the request to close a portion of Berry Avenue. He is the co-owner of Athletic Edge & Fitness Center and they just purchased the portion of property near Lithographix (seen on map below) and they are only requesting to close the portion of Berry Avenue from 5th Street to Harrington Street. This portion of Berry Avenue only abuts commercial property. Athletic Edge & Fitness Center is planning a 15,000 square foot addition. Their 700 members only have 28 parking spaces at this time. The property recently purchased is for member parking and to allow the ability to expand the facility. If the street is not closed then their members will have to cross an unsafe street. Athletic Edge is here to help the community and this is a community facility. The main purpose for requesting to close Berry Avenue is to increase parking and

for the addition to their facility. Mr. Horton suggested that Tidelands can use Bowers Street instead of Berry Avenue.



Marie Peedin, Inner Banks Engineering said she is speaking on behalf of Jim Gardiner. If that section of Berry Avenue were closed, this would prohibit the customers from accessing the rear of the property. He could use Hackney, but for all of these years they've had access to Berry Avenue.

Tomp Litchfield stated he is very familiar with property and Berry Avenue is the best way for these boats to come out of his property due to the size of the boats and the turn radius. He stated Mr. Gardiner needs Berry Avenue for his expansion plans. Mr. Litchfield stated Mr. Gardiner purchased his property over a decade ago, while Mr. Horton just recently purchased his property. He asked Council not to close Berry Avenue.

Brad Dixon stated he was the operations manager for Jim Gardiner in 2007 -2011. Mr. Gardiner was working on his plans/vision for expansion of his property during that time. The business has grown and Mr. Gardiner is ready to expand. If they lose the access to Berry Avenue, this could set Mr. Gardiner back on his expansion plans.

Jim Gardiner asked that information delivered to Council be considered in their determination (petition, business plan, exhibits). He discussed an opinion letter he received that stated if Berry Avenue were closed, the value of his property would be diminished.

Discussion was held regarding minimum standards for street widths.

Clarification was provided by Marie Peedin regarding the ingress/egress for Mr. Gardiner's proposed additional structures.

The City Attorney asked Mr. Gardiner how is the access they would potentially have from Wilson Street different from the access from Berry Avenue? What makes using Wilson Street unreasonable? Councilmember Mercer responded the turning radius makes the difference. Marie Peedin stated using Wilson Street puts more commercial traffic in a small portion of a residential area. Councilmember Mercer stated Wilson Street is paved which would be to Mr. Gardiner's advantage.

Council formally acknowledged they received the following documents from Mr. Gardiner: business plan, exhibits and a petition. These documents are part of the public hearing record.

Brad Horton stated he purchased his building five years ago, opened Athletic Edge & Fitness Center four years ago and now he is trying to expand his business. He spoke with Mr. Gardiner two years ago about the plan to close a portion of Berry Avenue and expand Athletic Edge. Mr. Horton stated Mr. Gardiner has owned his property since 2007 and is just now making a plan to expand. He noted Bowers Street and Wilson Street offer Mr. Gardiner access to his property.

There being no further comments, Mayor Hodges closed the public hearing.

Councilmember Mercer stated this was a request to close a street, staff has published all the necessary documents and notified all of the necessary people regarding the public hearing. We have heard a lot of discussion as well as some new information. He continued saying Mr. Gardiner requested Council to provide an answer to the request tonight.

By motion of Mayor Pro tem Finnerty, seconded by Councilmember Mercer, Council voted not to adopt the resolution to close Berry Avenue (Resolution ordering the closure and abandonment of a portion of Berry Avenue and right-of-way between Harrington Street and West 5th Street). Motion carried – all in favor.

SCHEDULED PUBLIC APPEARANCES:

DISCUSSION – EMILY ZALFINI ~ NATIONAL LEAGUE OF CITIES LINE PROGRAM
(item moved to May)

**DISCUSSION – JOHN WOOD, NORTH CAROLINA STATE PRESERVATION OFFICE
AND MAGGIE GREGG, EASTERN OFFICE, PRESERVATION NORTH CAROLINA**

John Wood is a restoration specialist with the North Carolina State Historic Preservation Office located in Greenville. Mr. Wood noted Dee Congleton asked him to speak to Council regarding 411 W. 2nd Street and 415 W. 2nd Street. Both houses are contributing properties and his office strongly recommends these two structures not be demolished, but rather preserved and rehabilitated.

COMMENTS FROM THE PUBLIC - *continued*

Julie Hicks stated she does not advocate tearing down any property adjacent to the library. People should not say the library parking lot is *never* full because over 6,000 individuals visit the library per month.

Recess

CORRESPONDENCE AND SPECIAL REPORTS:
MEMO – DOWNTOWN WI-FI PROJECT UPDATE

(memo from David Carraway, IT Director) This is the third update to you concerning the downtown WiFi Project and the progress which has been made. As you recall we went live with connections to the public in early January 2018.

The report listed below is from the dates of 1 January to 2 April. The total number of devices which have connected during this reporting period is 1,835 with a daily average of 62 devices. These devices are either cellphones, tablets, or laptops. Also, within this report you will see a variety of categories to help determine where this office needs to look further. Unless requested by council, this will be the last update moving forward.

City of Washington
Summary report for network 'Public WIFI' | Jan 1 2018 through Apr 2 2018



- **Distinct clients:** 1835 (Daily average: 62)
- **Data transferred:** Total: 221.23 GB (↓ 199.02 GB ↑ 22.21 GB)

Councilmember Pitt suggested a quarterly Wi-Fi report and thanked all of the agencies involved in this project.

**DISCUSSION – JOHN WOOD, NORTH CAROLINA STATE PRESERVATION OFFICE
AND MAGGIE GREGG, EASTERN OFFICE, PRESERVATION NORTH CAROLINA**
Presentation continued

Maggie Gregg, Regional Director Eastern Office of Preservation NC reviewed the surplus property program. In 1979, the General Assembly passed a bill that allows local governments to sell historic properties to nonprofit preservation organizations at a negotiated price, rather than through a protracted bidding process. NCGS 160A-266 allows for a sale by private negotiation and sale of historic properties to a nonprofit preservation organization. That organization may then dispose of the property so long as protective covenants or a preservation easement has been incorporated into the transfer.

Councilmember Mercer inquired if Preservation NC had the authority or ability to relocate the properties once they've acquired them? Ms. Gregg stated it is a very expensive undertaking and she is unsure if those two properties can be moved. Preservation NC cannot move them due to their limited resources.

MEMO – PROJECT HWY 17

Jeff Clark, Electric Director and Bob Thomas, Progressive Engineering reviewed the City has been contacted regarding the widening of Highway 17. This project will complete the tie of the four-lane highway between Old Ford and Williamston. We currently have eight miles of powerlines in conflict with the new construction. We are currently working on a timeline for when we will have the easements on place to move forward with this project. Mr. Thomas stated approximately 200 poles of distribution line will need to be moved. They have contacted RKK (contractor for NCDOT) and stated we are looking for funding prior to Washington doing any work. Approximately 90-95% of the poles have to be moved. There should be no problem with NCDOT reimbursing the City for this project. If we have prior standing then NCDOT would have to pay us for relocation and 95%+ are outside of the existing right-of-way.

MEMO – JULY 4TH 2018

(memo for Teresa Hamilton, Parks and Recreation) In March of 2012 City Council authorized the City Manager to sign the Release, Hold Harmless and Indemnification agreement with Bridge Harbor, LLC. City Council also authorized the City Manager to sign the Agreement with East Coast Pyrotechnics, INC. The Manager was authorized to sign these agreements for future years as long as the release or agreement did not change. There is, however, a change in the price. The cost of the fireworks went up \$1,000 from \$10,000 to \$11,000.

The Release, Hold Harmless and Indemnification Agreement from the City to Bridge Harbor, LLC for the use of Bridge Harbor, LLC's property during the July 4, 2018 has been executed. The Agreement with East Coast Pyrotechnics has also been executed.

By motion of Councilmember Mercer, seconded by Mayor Pro tem Finnerty, Council approved the request as presented (*Release, Hold Harmless and Indemnification agreement with Bridge Harbor, LLC and Agreement with East Coast Pyrotechnics, Inc.*)

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:

HUMAN RELATIONS COUNCIL (approved as presented)

*Human Relations Council (HRC) report for the month of March
Monday, April 9, 2018 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: NONE

OLD BUSINESS:

Update – Edward Peed Commemoration Service: *Chair Horton reviewed the event and thanked all Board members.*

Councilmember Doug Mercer contributed \$40 toward the Edward Peed Program.

Update – 2018 Fair Housing: *Chari Horton opened the floor for discussion and items of interest:*

- *Use of room*
- *Table arrangement*
- *Food layout*
- *Date and time*
- *Two (2) interpreters to be provided*
- *Media*
- *Legal Aid Lawyer*
- *Flyers (English and Spanish)*
- *Honorarium for main presenter “Brenda Dixon”*

Update – Chain/Outreach Email:

- *Board member Taylor advised she will be working with an intern from BCCC*
- *Listserv still growing*
- *Providing a link for the Fair Housing event ~ just click on it*
- *Inquired about the Facebook page on the City Website*

Update – Cinco de Mayo (possible project): Board member Rodman voiced she is still working on collaborating with Arts of the Pamlico to co-sponsor. Ms. Torrence forwarded via email pertinent information for Board members to discuss. Right now, it appears funding will be an issue for the HRC Board and the rest of our allocated funds will be used for the Fair Housing event. Items of interest:

- Date and Time
- Music
- Food
- Sponsors

NEW BUSINESS: NONE

OTHER BUSINESS:

FYI – All FYI items were discussed inclusive of the February 13, 2018 report submitted to City Council and the financial report.

OPEN DISCUSSION:

Board Member Taylor requested consideration for the Boy Scouts of America attending on of HRC meetings. All members were excited with this possibility.

RECOGNITION:

Chair Horton recognized Councilmember Mercer. Mayor Pro tem Finnerty left earlier due to other obligations.

ADJOURN: at 7:25pm until Tuesday, April 10, 2018.

APPOINTMENTS: NONE

OLD BUSINESS:

REQUEST – PATTY PEEBLES/OPTIMIST CLUB SUSIEGRAY MCCONNELL SPORTS COMPLEX RESTROOMS AND CONCESSION STAND

Patty Peebles and Tom Anglim of the Optimist Club spoke to Council regarding the Optimist Club's contribution to the area youth. They noted the soccer complex does not have a permanent restroom facility at this time. They would like to have the new restroom/concession stand in place prior to the fall soccer season. Optimist has agreed to donate \$15,000, but are willing to donate an additional \$5,000 for the construction of the larger restroom/concession stand (Option A).

Council discussed the differences in Option A and Option B. Tom Anglim noted that in the future, they may ask Council for a \$7.50 or \$8.00 reduced fee instead of \$15.00. They are asking Council to approve Option A and the Optimist will donate a total of \$20,000.

AWARD – BID, APPROVE PO AND ADOPT BUDGET ORDINANCE AMENDMENTS FOR SUSIEGRAY MCCONNELL SPORTS COMPLEX RESTROOMS AND CONCESSION STAND

Kristi Roberson, Parks and Recreation Director discussed the differences in Option A and Option B. Option B removed two service windows, a door, reduced the size of the mechanical room, reduced the size of the concession stand and lower ceilings.

The "McConnell funds - \$15,295" were given in memory of Mr. McConnell's son with no stipulation on how it would be used at the complex.

Councilmember Mercer made a motion to continue this item until April 23 to allow staff to prepare a simple drawing to show the relationship between Option A and Option B. Motion dies for lack of a second. Councilmember Brooks discussed the various funding sources. The additional \$5,000 from the Optimist Club will now require \$17,897 from Fund Balance.

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council awarded the bid of Option A to build the Susiegray McConnell Sports Complex Soccer Restrooms and Concession Stand to Paul Woolard Construction, approved the corresponding Purchase Order for a total of \$126,077.00 (preferred by Washington Optimist Club) and approved the Budget Ordinance Amendments. (This includes an additional \$5,000 from the Optimist Club –a total of \$20,000 contribution. Motion carried 4-1 with Councilmember Mercer opposing.

Option A

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2017-2018**

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

Section 1. That the following accounts of the General Fund revenue budget be increased or decreased by the respective amounts indicated:

10-00-3991-9910	Fund Balance Appropriated	\$ 22,897
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Section 2. That the following accounts of the General Fund appropriations budget be increased or decreased by the respective amounts indicated for the use of the additional funding needed to build the soccer complex restrooms:

10-40-6130-7400	Capital Outlay	\$ 22,897
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Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 9th day of April, 2018.

ATTEST:
s/Cynthia S. Bennett,
City Clerk

s/Mac Hodges,
Mayor

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2017-2018**

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

Section 1. That the following accounts of the General Fund revenue budget be increased or decreased by the respective amounts indicated:

10-00-3991-9910	Fund Balance Appropriated	\$ 15,295
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Section 2. That the following accounts of the General Fund appropriations budget be increased or decreased by the respective amounts indicated for the use of the McConnell Fund Balance Reserve to fund the soccer complex restrooms:

10-40-6130-7400	Capital Outlay	\$ 15,295
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Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 9th day of April, 2018.

ATTEST:
s/Cynthia S. Bennett,
City Clerk

s/Mac Hodges,
Mayor

AWARD – BID TO JOHN LUCAS TREE EXPERT CO. TO CLEAR CHERRY ROAD & DAN TAYLOR RIGHT-OF-WAY AND APPROVE SUBSEQUENT PO

Jeff Clark, Electric Director stated Lucas Tree has given us an hourly rate on removing/trimming on Cherry Road & Dan Taylor to make ready for the line upgrades. This does not affect our current tree-trimming budget; all money is coming from the original budget for the Cherry Road project.

Councilmember Mercer request if a project includes multiple roads to please list all roads in the project description. He also asked if Mr. Clark had all of the right-of-ways in hand for this project and Mr. Clark said, yes.

By motion of Mayor Pro tem Finnerty, seconded by Councilmember Brooks, Council awarded the bid to John Lucas Tree Expert Co. for the amount of \$50,000 to clear Cherry Road & Dan Taylor Road right-of-way and approved the subsequent purchase order for the same amount.

AWARD – CONTRACT TO RIVER CITY CONSTRUCTION FOR THE CHARLOTTE & 5TH STREET REBUILD AND APPROVE SUBSEQUENT PO'S

Jeff Clark, Electric Director reviewed the following hourly bids were received for the rebuild of Charlotte & 5th Street:

1. Mastec: 5 man OH crew and equipment at \$478.00 per hour
2. T&D Solutions: 5 man OH crew and equipment at \$376.00 per hour
3. River City Construction: 5 man OH crew and equipment at \$361.50 per hour

Staff recommends awarding the bid to River City Construction for the rebuild of Charlotte & 5th Street. This will be all new poles and all new wire using the existing right-of-way.

By motion of Mayor Pro tem Finnerty, seconded by Councilmember Mercer, Council awarded the contract to River City Construction for the hourly rate of \$361.50 for the Charlotte & 5th Street rebuild, approved subsequent PO's not to exceed \$140,000.00 and included a completion date in the contract of not greater than 60 working days after the contract has been signed.

AWARD – CONTRACT FOR 2017 DRAINAGE IMPROVEMENTS AND APPROVE CORRESPONDING PURCHASE ORDER

Frankie Buck, Public Works Director reviewed the request with Council noting informal bids were received March 29, 2018 for the 2017 Drainage Improvements which includes bank stabilization at the Cherry Run pump station. Discussion was held regarding piping and pricing. Mr. Buck will discuss the pipe pricing with Dudley Landscaping and Tree Service, Inc.

By motion of Councilmember Mercer, seconded by Mayor Pro tem Finnerty, Council approved the contract in the amount of \$104,490.40 for the 2017 Drainage Improvements to Dudley Landscaping & Tree Service, Inc. and approved the corresponding purchase order with the requirement that Mr. Buck discuss the price of the pipe with Mr. Dudley.

NEW BUSINESS:

REQUEST – DOT MOATE/OPEN DOOR COMMUNITY CENTER ~ WAIVE FEES

Dot Moate, Open Door Community Center asked Council to waive the building permit fees for remodeling the structure located at 1240 Cowell Farm Road. The building permit fees are \$837.65. Ms. Moate reviewed the history of the facility as well as the purchase price of \$82,000, rehab cost of \$100,000 and funds raised to date of \$121,577 to assist with the purchase and rehab of the property. Ms. Moate stated they are also asking the Beaufort County Board of Commissioners for assistance as well (\$16,000). Councilmember Mercer stated it has been a long-standing policy of Council not to waive fees, but Council, in the past, contributed their personal funds towards the fees.

Mayor Pro tem Finnerty stated this is a very worthy cause and Council should waive the fees. A motion was made by Mayor Pro tem Finnerty to waive the building permit fees for Open Door Community Center in the amount of \$837.65. Discussion was held regarding fees. Motion dies for lack of a second.

REQUEST – TOM PEDERSON/WASHINGTON NOON ROTARY ~ SMOKE ON THE WATER

Tom Pederson, Washington Noon Rotary stated Smoke on the Water is a charity event hosted by the Washington Noon Rotary. Proceeds from the event go to local charities in Beaufort County.

Last year, Smoke on the Water generated approximately \$25,000 for local charities. This year the Noon Rotary is proposing to add a beer and wine garden for the first time. Individual cans of different brands of beer and pop top wines will be sold on Saturday, October 20, 2018, from 12:00pm to 5:00pm. The beer and wine garden will be located by the Main Stage Gazebo in Festival Park. The beer and wine garden will be enclosed under two or three tents and consumption of all alcohol will only be permitted inside the tent area. The tent area will be cordoned off from the surrounding area. Access to the beer and wine garden will be allowed after a wristband is issued from an identification/age verification check station just outside the beer and wine garden. Only persons with valid photo identification that proves their age is over 21 will be issued a wristband. Any person with a modified or damaged wristband will be expelled from the beer and wine garden permanently. A person with an authorized wristband will be allowed to purchase tickets at the entrance to the beer and wine garden.

Tickets can then be redeemed for alcoholic beverages inside the beer and wine garden. No more than two alcoholic beverages will be dispensed at a time to any one person. Every attempt will be made to ensure no minors are served. Every attempt will be made to ensure no one is overserved. Anyone showing any signs of over consumption will be denied alcohol service. Tables, chairs and televisions will be set up inside the beer and wine garden. A live band will be employed at the gazebo. Barbeque pork sandwiches and soft drinks will be sold nearby the beer and wine garden. Portable bathrooms will be deployed in the area. Noon Rotary members will staff the beer and wine garden along with Police Officer(s) as designated by the Police Department. Finally, to ensure children's activities are not impacted by sales of alcohol, the beer and wine garden has been purposely located at the extreme opposite end of the event far away from any children's events. This is the 21st year for smoke on the water. Last year they generated approximately \$25,000 that was distributed to local charities.

By motion of Mayor Pro tem Finnerty, seconded by Councilmember Pitt, Council approved the request by the Washington Noon Rotary ~ Smoke on the Water as presented. Motion carried 4-1 with Councilmember Mercer opposing.

REQUEST – AL POWELL/ BCPAL FUNDING REQUEST ~ \$5,000

Al Powell, President, BCPAL is requesting \$5,000 per year. These funds are being requested to help BCPAL pay the monthly operating expenses of our new Aviation, Technology and Fitness Center located at the Washington Warren Airport. These monthly operating costs collectively include the following expenses: electric, sewer, water, building maintenance and upkeep, security/alarm system, HVAC servicing, landscaping services, and internet service to downstream educational material. This 6,000 square foot building was completed on February 13, 2018 at a cost of \$229,000 or \$38/square foot (including the cost overruns detailed below). This is well below the prevailing construction cost of \$55-\$60/square foot for a comparable building. BCPAL is currently paying the monthly operating costs for this new building, expanding a comprehensive STEM program that features aviation and boating activities (for middle and high school aged youth) and seeking funds to pay-off the \$32,000 in bank/internal debt. This debt is a result of the BCPAL Board and Officers borrowing funds to cover the building costs overruns to complete the construction of our new building (discussed below). It is also noteworthy to mention that BCPAL made no changes in the design of the building during construction to cause any cost overruns.

BCPAL Community Benefit

The Aviation, Technology and Fitness Center will be a community resource and will be used to:

1. Allow BCPAL to conduct its science, technology engineering and math (STEM) summer camps and afterschool programs year-round to include night-time training programs
2. Provide a classroom for the U.S. Coast Guard Auxiliary to conduct boat safety classes
3. Provide a facility for City of Washington first responder personnel to conduct classroom training
4. Provide a back-up emergency deployment area in the event of a natural disaster/emergency
5. Ownership of the building will revert to the City of Washington in 10 years unless by mutual agreement, BCPAL receives a 10-year renewal on the land lease
6. Allow the City law enforcement authorities to divert resources away from juvenile related criminal activity to other types of criminal activity

No action taken by Council on this request.

PRESENTATION ~ FY 2018/19 BUDGET – BOBBY ROBERSON/MATT RAUSCHENBACH

Bobby Roberson, City Manager highlighted the following information relating to the proposed FY18-19 budget.

GENERAL FUND

The recommended General Fund budget for FY 18/19 is \$16,120,434. This amount is \$699,826 or 4.5 % higher than last year. The reason for the increase is primarily associated with salaries, health insurance, retirements, and capital expenditures.

REVENUES

The recommended budget maintains the ad valorem tax rate at \$.52 for each \$100 of assessed property valuation. The proposed tax rate continues to include \$.01920 designated for the Public Safety Capital Reserve Fund to service the debt on Fire Station #2, and \$.02 to fund the Police Station Capital Project Fund to be used solely for the land acquisition and construction of a new Police Station. The Police Station Capital Project Fund has a balance of \$1.1 million.

Ad valorem taxes are projected to be 0.4% higher than the prior year due to relatively stable growth projections.

Other Taxes and Licenses as a whole are projected to increase by approximately 4%. Sales tax revenues are projected to continue to increase and local occupancy tax revenues are also trending upward. However the occupancy tax revenue is a pass through that goes to the Tourism Development Authority, minus a 3% administrative fee from the city, and given the fact that the continued loss of the privilege license tax proceeds keeps this revenue category generally flat.

Unrestricted Intergovernmental revenues are projected to decrease by 2%, largely due to the utility franchise tax.

Permit and Fee Revenues are projected to increase 6% due to increased residential and commercial development in Washington.

Restricted Intergovernmental revenues are projected to decrease by 3% largely due to a reduction in EMS, Medicaid Reimbursement and the Powell Bill allocation.

Sales and Services revenues are projected to decrease 4% due to EMS collections related to the loss of the Old Ford/Clarks Neck EMS contract and the reduction of the sports league participant fee.

Investment earnings are projected to increase by 33% due to an increase in the investment interest rates.

Miscellaneous revenues are projected to decrease by 28% largely due to the one-time Optimist Club contribution in prior year.

Transfers from revenues have an increase of 1% largely related to Economic Development.

Administrative charges are recommended to increase by \$277,621. These charges are allocated to other funds in order to help pay for their share of resources use in the General Fund. Each Fund is assessed base on a specific metric that attempts to most accurately reflect its burden on the General Fund.

EXPENDITURES

Administrative Cost Centers-Expenditures in these cost centers have increased by \$205,949. The majority of the increase is due to salaries, health insurance and costs associated with retirements.

Other Cost Centers-The Airport Fund required an increase in the subsidy for operations.

Public Safety Cost Centers-Expenditures have increased by \$364,407 or 6%. An increase in salaries, health insurance, retiree cost, and building maintenance were the major contributors.

Cultural and Leisure Cost Center-Expenditures increased over all by \$13,625 or 1%.

Outside Agencies-The funding for all outside agencies remained the same as prior year with the exception of the one-time contribution to the Open Door Community Center.

ENTERPRISE FUNDS

Airport Fund-The airport recommended budget is \$661,434 whereas last year's budget was \$773,343 and includes the following significant items:

- A transfer will be made from the General Fund in the amount of \$244,769 whereas last year transfer from the General Fund to operate was \$217,518.
- Airport subsidy has been moved to Economic Development
- Reduction in grant expenditures \$170,850

Cemetery Fund-The Cemetery Fund recommended budget is \$298,836 which is \$50,877 more than the previous year. The increase is due to capital expenditures.

Electric Fund-The recommended budget is \$34,822,236 compared to \$35,853,437 last year which is a decrease of \$1,031,201 or 2.9%

- No wholesale rate increase for this year, however a 6% reduction in residential, small general service, and church rates has continued in this budget cycle.
- An Electric transfer to the General Fund was maintained at the same level as the prior year, \$1,162,690.

Water Fund-The Water Fund Budget is \$3,405,082 for this year as compared to last year which was \$3,232,774 and represents a \$172,308 increase in this year's budget. Administrative charges and capital project transfers were the major reasons.

Sewer Fund-The Sewer Fund budget is \$3,542,609 for this year whereas last year we had an approved amount for \$3,726,767. Thus, the amount decreased in this budget is \$184,158.

Storm Water Management Fund-The recommended budget is \$900,756 for this year. Last year's appropriation was \$778,539. This represents an increase of \$122,217. The commercial fee was increased to provide additional funding for future storm water improvements.

Solid Waste Fund-The Solid Waste Fund is budgeted at \$1,514,526 whereas last year the budgeted amount was \$1,291,800 which represents an increase in the amount of \$222,726. The purchase of a Rear Loader is the main reason for the increase.

SUMMARY

During this budget process, the important message we are sending to our citizens and local businesses is the city staff appreciates them and we try every day to achieve our mission objective by providing municipal services at a reasonable price. In every organization there are challenges and for us, because we represent a very diverse work group, it has become even more important for us to maintain our skill levels along with our compensation plan. It is important that our salary compensation plan be updated and we need to begin that discussion on how to implement the plan this fiscal year. In addition, we need to seek funding to implement the plan successfully. Thus, our revenues must be increased or our service levels need to be reduced.

Matt Rauschenbach, our Chief Financial Officer, and Tammy Swindell, our Assistant Finance Director, along with the Finance team did an excellent job this year in providing a functional document. We have changed the budget model this year for City Council to review, comment and make revisions, if necessary.

Once again our department managers did an outstanding job in analyzing and compiling the budget for this year and have completed their assignment in a timely manner. We have continued to provide those municipal services at the same level, as in the past, even though changes have occurred. Our work force are dedicated individuals and function well in difficult times. They continue to provide those necessary services at a reasonable cost. Therefore, I am very proud to be a part of their team and submit to you on their behalf a balanced budget.

Council discussed the revaluation recently performed by Beaufort County.

ANY OTHER ITEMS FROM CITY MANAGER:

DISCUSSION – CERTIFICATE OF APPROPRIATENESS (INFORMATION ON PROCESS)

The City Attorney reviewed the history of the Certificate of Appropriateness relating to 415 W. 2nd Street. The Historic Preservation Commission enacted a 365-day delay for the City's request to demolish 415 W. 2nd Street. The 365-day delay expires May 2018.

DISCUSSION – ITEMS REQUESTED BY MAYOR PRO TEM FINNERTY

➤ **415 WEST 2ND STREET (CARTER HOUSE)**

Mayor Pro tem Finnerty inquired what the process would be if Council opted to ask Preservation NC to market the property for the City.

The City Attorney noted the last action by City Council was April 2017, which instructed staff to proceed with demolition. If this needs to change then Council needs to provide specific direction to staff. Councilmember Brooks stated the library wants to expand, which is why the properties were purchased.

By motion of Mayor Pro tem Finnerty, seconded by Councilmember Mercer, Council instructed the City Manager to delay the demolition, not to issue a purchase order for demolition of 415 W. 2nd Street in order to allow Preservation NC the opportunity to make a proposal to market 415 W. 2nd Street. Motion carried 4-1 with Councilmember Brooks opposing.

By motion of Councilmember Mercer, seconded by Mayor Pro tem Finnerty, Council instructed the City Manager to move forward with Preservation NC to allow the opportunity to make a proposal to market 411 W. 2nd Street.

Councilmember Mercer asked the City Attorney to research if the Historic Preservation Commission could stray from their stated guidelines.

RECOMMENDATION – POWELL BILL FUNDING – STREET CLOSINGS

The Public Works Director reviewed his office advertised for street resurfacing bids to be received on March 20, 2018 at 2:00 pm. Only one bid was received and was from S.T. Wooten Corporation in the amount of \$285,280. Our department estimated the project at \$155,410. The estimate was calculated using FY 16-17 pricing. The budget dollars for street resurfacing is \$174,000. Since the bids exceeded our budgeted amount, I would like to suggest that the City Council consider paving Keys Landing with part of the budgeted street paving funds and carry forward the balance of the street paving funds to FY 18-19. This will allow Public Works to create a larger project in order to get better pricing and contractor response.

Council instructed the Public Works Director to forward a list of the unpaved streets which includes the priority rating. There may be more other streets in the City that need paving more than the road in Keyslanding.

UPDATE – KEYSLANDING SUBDIVISION

The City Manager explained Rev. David Moore has agreed to deed the Keyslanding Subdivision over to the City of Washington. The City Attorney will prepare the necessary documentation.

UPDATE – WATER STREET/OFF-STREET PARKING

Councilmember Mercer discussed the Water Street/off-street parking and the status of the proposed ordinance. The City Manager noted we are thirty days behind with the study.

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

**DISCUSSION – ITEMS REQUESTED BY COUNCILMAN PITT
BROADBAND INITIATIVE**

Councilmember Pitt reviewed the Broadband Initiative, HB 68.

ADOPT A STREET

Councilmember Pitt suggested the City look into the “Adopt the Street” program.

REMINDERS:

NCLM State/Town dinner – May 29

Rural Day – May 29

Mid-East Commission installation ceremony – April 12

CLOSED SESSION:

**CLOSED SESSION: UNDER NCGS§143-318.11 (A)(3) ATTORNEY/CLIENT PRIVILEGE
(A)(6) PERSONNEL**

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council entered into closed session at 9:15pm under NCGS§143-318.11 (A)(3) Attorney/Client Privilege and (A)(6) Personnel.

By motion of Mayor Pro tem Finnerty, seconded by Councilmember Brooks, Council agreed to come out of closed session at 10:25pm.

ADJOURN:

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council adjourned the meeting at 10:30pm until Monday, April 23, 2018 at 3:00pm (budget workshops are scheduled for the week of April 23rd) in the Council Chambers.

Cynthia S. Bennett, MMC
City Clerk