

The Washington City Council met in a regular session on Monday, June 9, 2014 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney. Bobby Roberson, Mayor Pro tem was absent and excused from the meeting.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Allen Lewis, Public Works Director; Lynn Wingate, Tourism Director; Gloria Moore, Library Director; Susan Hodges, Human Resources Director; Keith Hardt, Electric Utilities Director; John Rodman, Community & Cultural Resources Director and Tony Black, Washington Daily News.

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

APPROVAL OF MINUTES:

By motion of Councilman Mercer, seconded by Councilman Beeman, Council approved the minutes of May 12, 2014 as presented.

**RECOGNITION: RUNNER-UP NCHSAA STATE 2-A WOMEN'S SOCCER
WASHINGTON HIGH SCHOOL**



Sidney Edwards, Caitlyn Scott, Anna McLawhorn, Alana Jefferson, Kennedy Landen, Warner Little, Katie Tate, Elizabeth Miller, Harley Hudson, Isabella Mayo, Sydney Lewis, Rubi Perez, Rylee Anderson, Christian Heggie, Rebecca Omonde, Emily Alligood, Coach Ed Rodriguez & Mayor Mac Hodges



Washington Women's Soccer Team presented the City of Washington with the Eastern Regional game ball.

TEAM STATS:

-First Place in conference with 8-0 record and outscoring the opposition 74-0.

-Eastern Regional champions.

-State Runner up Class 2A.

-Team overall record 22-3.

-Most wins in Washington High School Soccer history.

-Team outscored the opposition 176-9.

-Team scored the most goals in the state and allowed the least amount of goals in Class 2A.

-Team won 21 consecutive games (tied for 7th all-time in North Carolina).

-Senior Christian Heggie finished the number one scorer in North Carolina with 55 goals (tied for 22nd all-time in North Carolina). A school record for boys and girls.

-Junior goalie Emily Alligood recorded 19 Shutouts (tied for 4th all-time in North Carolina)

APPROVAL/AMENDMENTS TO AGENDA:

Mayor Hodges reviewed the requested amendments to the agenda:

- Add under Item XII: Other Business from Mayor & Council Members:
 - A. Discussion – Girls Softball Tournament
 - B. Discussion – Water Street & East Main Street parking spaces

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

CONSENT AGENDA:

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

- A. Declare Surplus/Authorize – Electronic Auction of Vehicle through GovDeals (Vehicle Number 166) 2004 Pontiac Grand Prix
- B. Accept/Adopt – Annual Grant from Mid-East Commission Area Agency on Aging and Adopt Budget Ordinance Amendment (\$15,000)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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 in the following accounts and amounts:

10-40-3621-3300	Mideast Grant – Recreation	\$ 15,000
10-00-3991-9910	Fund Balanced Appropriated	<u>1,667</u>
	Total	\$ 16,667

Section 2. That the following account in the Senior Programs department of the General Fund appropriations budget be increased:

10-40-6123-4504	Mideast Grant – Ctr. Operations	\$ 16,667
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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 June, 2014.

ATTEST:

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

**s/Mac Hodges
Mayor**

- C. Adopt – Budget Ordinance Amendment Tornado Expense (\$129,986)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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

Section 1. That the Estimated Revenues in the Electric Fund be increased in the following account and amount:

35-90-3991-9910	Fund Balanced Appropriated	\$129,986
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Section 2. That the following account in the Miscellaneous Department of the Electrical Fund appropriations budget be increased:

35-90-6610-5750	Tornado Expenses	\$129,986
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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 June, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

COMMENTS FROM THE PUBLIC: NONE

PUBLIC HEARING ON ZONING: NONE

PUBLIC HEARING – OTHER: NONE

SCHEDULED PUBLIC APPEARANCES:

LEESA JONES & WANDA McLEAN – NATIONAL UNDERGROUND RAILROAD

Ms. Wanda McLean and Ms. Leesa Jones are requesting Council's permission to submit the application to designate Washington as part of the National Underground Railroad Network to Freedom. This program is part of the National Park Service Site Designation. Ms. McLean explained a brief history of the Underground Railroad and the benefits of the site designation for Washington. The application submission deadline is July 15, 2014.

What are the benefits of being listed in the Network to Freedom? Additional advantages of inclusion in the Network include: • Enhance existing Washington brochures for tourism, • Augment the 'Civil War Trails' in Washington with the UGRR, • Partner with East Carolina University for possible archaeological excavations of Fort Washington and any other Civil War related structures, • Partner with other towns with UGRR-NTF-NPS designations and the North Carolina Department of Cultural Resources for the development of a State wide UGRR-NTF-NPS tourism program, • Partner with Washington library, churches, estuary, schools, etc., to enhance or develop environmental heritage programs/activities for children as it relates to the UGRR in Washington, • Organize a non-profit to raise money and/or write proposals for the enhancement of existing tours/programs, and for the development of educational activities for tourism purposes in Washington.

By motion of Councilman Brooks, seconded by Councilman Beeman, Council agreed to send a letter of support to Sherri Jackson, Southeast Regional Manager – National Park Service designating Washington as part of the National Underground Railroad Network to Freedom Program.

BETH BYRD – GET DOWN DOWNTOWN! CONCERT AUGUST 2ND

Beth Byrd, Executive Director WHDA explained the memo she presented to Council, noting that for the last 6 years Washington Harbor District Alliance has brought numerous events to Washington in order to help promote the downtown business district to the outside area. These events take many forms as they produce over 15 events a year not including the weekly Saturday Market.

Report from Ms. Byrd: *Plans are in place to bring Mother's Finest, a well-known band to Washington for the August 2nd Get Down Downtown! concert in Festival Park. We have partnered with the adjacent restaurant On the Waterfront. Mr. Dunn, owner of On the Waterfront has supported WHDA for many years and is now incurring even more expense by covering the cost of the band called Mother's Finest from Atlanta, Georgia. In an effort to promote his restaurant and help with his expenses Mr. Dunn has proposed offering beer & wines sales in his parking lot which is adjacent to Festival Park. WHDA has done this in the past, including last year during the Downtown Motown concert on August 24, 2013. Mr. Dunn has modified his liquor license to legally sell beer and wine on the parking lot premises.*

Ms. Byrd asked Council to support the plan for concert-goers to go back to their seats to consume beer and wine in Festival Park. Last year, the beer garden at Downtown Motown proved to be

inadequate in size for the concert goers to consume their beverage. Also, there were complaints that it was very difficult to see the stage clearly from the beer garden. Festival Park will be taped off to form a boundary and there will be signs posted that will clearly indicate where drinking will be permitted. WHDA will meet all City requirements and will pay the Washington Police Department for monitoring patrons.

Ms. Byrd explained that she knows Mayor Hodges understands the importance of the concerts as they draw people to Washington to “shop, dine and play.” Mayor Hodges asked if those legally able to purchase the alcohol will be issued arm bands and Ms. Byrd indicated arm bands would be distributed once ID’s have been verified.

Ms. Byrd inquired about the new policy implemented by Council regarding requests made under “comments from the public or scheduled public appearances”. Council could vote on the request tonight, but approval requires a supermajority vote. Councilman Mercer suggested that it would be to Ms. Byrd’s advantage to come back before Council next month, because he will vote “no” for allowing alcohol on public space.

Franz Holscher, City Attorney commented that the 2nd meeting of the month is considered a regular meeting and continued by reviewing the policy that Council adopted on April 14th. Staff’s interpretation was that with 5 members of Council, 4 would be a supermajority. If a member is absent, those attending would be 4; therefore a supermajority would be 3. Council by consensus agreed that the 2nd meeting of the month (Committee of the Whole) is considered a regular scheduled meeting.

Policy adopted by Council on April 14, 2014 - By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved a policy where they will take no action on a request presented during a regular or called meeting, unless the item is included in the scheduled Old or New Business section of the approved agenda. Items presented during Scheduled Public Appearances or during the Public Comment portion of the agenda, will not be acted upon until the next regularly scheduled meeting of the Council, unless a super majority (four members) of the Council approve an action at the time of the presentation.

Mr. Holscher explained that if Council decided to vote on the request tonight and the vote was 3-1, then the Mayor could make a procedural ruling as to whether or not that vote met the supermajority requirement of the previously adopted policy.

A motion was made by Councilman Beeman and seconded by Councilman Brooks to approve the request made by WHDA and allow for concert-goers to go back to their seats in Festival Park to consume beer and wine that was purchased from the beer garden during the August 2nd – Get Down Downtown concert. Mayor Hodges made a procedural ruling, noting that the motion passes with a 3-1 supermajority vote. Vote 3-1(For: Beeman, Brooks, Pitt)(Against: Mercer).

Councilman Mercer asked the City Manager and City Attorney to request an interpretation from the School of Government as to what constitutes a supermajority when one of the Councilmembers is absent if the language is specific in the policy requiring 4 members for a supermajority vote. Mr. Holscher noted that as a backup plan, this item may need to come back to Council on June 23rd.

MARY CAROLYN WALKER –NFL MEET & GREET
(request withdrawn by applicant)

SCOTT VONCANNON – RETAIL STRATEGIES INC.

Mr. Scott VonCannon explained that Retail Strategies, Inc. has been working with the City of Washington a little over a 1½ years. Their job is to partner with the City in order to identify opportunity to grow the retail base in Washington. A retail market analysis identified potential needs and/or gaps. They are in the process of retail recruitment and marketing Washington to potential retailers.

CORRESPONDENCE AND SPECIAL REPORTS:

MEMO – CONTRACTS FOR WATER TREATMENT CHEMICALS

This memorandum is to inform Council of contract commitments for water treatment chemical requirements for the City for a period of 2 years from July 1, 2014 through June 30, 2016.

Contract awarded as follows:

	<u>Vendor</u>	<u>Cost per Unit</u>	<u>Estimated Usage</u>
A.	<u>Amerochem</u>		
	Potassium Permanganate	\$2.19/lb.	\$45,990.00
	Liquid Aluminum Sulfate	\$334.19/ton	\$28,406.15
B.	<u>Water Guard</u>		
	Sodium Hypochlorite	\$1.05/gal.	\$33,600.00
	Hydroflousilicic Acid	\$.30/lb.	\$10,500.00
	Sodium Bisulfite	\$2.05/gal	\$41,000.00
C.	<u>Morton Salt</u>		
	Sodium Chloride	\$106.10/ton	\$180,370.00
D.	<u>Jones Chemical</u>		
	Liquid Chlorine – Ton Cylinders	\$900.00/ton	\$16,200.00
E.	<u>Chem South</u>		
	Sodium Hexametaphosphate	\$1.05/lb.	\$18,900.00
F.	<u>Tanner</u>		
	Anhydrous Ammonia	\$.93/lb.	\$8,835.00
TOTAL			\$383,801.15

BID TABULATION

Bid for: Water Treatment Chemicals
Opened: 2:00 PM, Tuesday
May 20, 2014

Item	Chemical	Cargill Salt	Morton Salt	GEO Chemical	Amerochem	Chem South	Waterguard	Sterling Water	Chemtrade Chem.	Jones Chemical	Tanner
1	Potassium Permanganate				2.19/lb.	2.50/lb.		2.5253/lb.			
2	Sodium Chloride		106.10/ton								
3	Liquid Chlorine-Ton Cylinders									900.00/ton	
4	Hydroflousilicic Acid				.4398/lb.		.30/lb.				
5	Anhydrous Ammonia				.99/lb.						.93/lb.
6	Liquid Aluminum Sulfate			434.50/ton	334.19/ton				529.00/ton		
7	Sodium Hexametaphosphate				2.31/lb.	1.05/lb.	1.08/lb.	1.4925/lb.			
8	Sodium Bisulfite				2.24/gal.		2.05/gal				
9	Sodium Hypochlorite				1.16/gal		1.05/gal				

Recommendation: I recommend we purchase item 1 and 6 from Amerochem. Item 2 from Morton Salt. Items 4,8 and 9 from Waterguard. Item 5 from Tanner. Item 7 from Chem South and item 3 from Jones Chemical.

Signed: Mike Whaley

BID TABULATION

Bid for: Water Treatment Chemicals
Opened: 2:00 PM, Tuesday
May 20, 2014

Item	Chemical	C & S Chemical	DPC Enterprises	Shannon Chem.	Brenntag
1	Potassium Permanganate		no quote		no quote
2	Sodium Chloride				
3	Liquid Chlorine-Ton Cylinders				
4	Hydroflousilicic Acid				
5	Anhydrous Ammonia				
6	Liquid Aluminum Sulfate	367.00/ton			
7	Sodium Hexametaphosphate			1.32/lb.	
8	Sodium Bisulfite				
9	Sodium Hypochlorite				

Recommendation: See page 1.

Signed: Mike Whaley

MEMO – CONTRACTS FOR PETROLEUM PRODUCTS

The purpose of this request is to inform Council of contract commitments for petroleum product requirements for the City for a period of 2 years from July 1, 2014 through June 30, 2016.

Contract awarded as follows:

<u>Vendor</u>	<u>OPIS</u>	<u>Margin</u>	<u>Cost per Gallon</u>	<u>Estimated Usage</u>
A. <u>F. Ray Moore</u>				
Diesel (Tankwagon)	\$2.9788	\$.2144	\$3.1932	\$429,485.40
B. <u>Pitt Country Mart</u>				
Diesel (Transport)	\$2.9714	\$.0509	\$3.0223	\$241,784.00
87 Octane Gasoline ethanol free (Transport)	\$3.1881	\$.0294	\$3.2175	\$643,500.00
87 Octane Gasoline (Tankwagon)	\$3.1881	\$.2554	\$3.4435	\$5,165.25
Kerosene 1-K	\$4.419	\$.0000	\$4.419	\$5,744.70
			TOTAL	\$1,325,679.35

Price fluctuations will be governed by the bid margin above or below the OPIS Average Rack price for the commodity on the day April 29, 2014 at Selma, NC. The City will pay the Average Rack price for the commodity on the day of delivery plus or minus the margin bid on April 29, 2014.

Bid for: Petroleum Products
Opened: 2:00 PM, Thursday
May 22, 2014

<u>Item</u>	<u>Petroleum Product</u>	<u>Red Star</u>	<u>Great Lakes</u>	<u>Pitt Country Mart</u>	<u>Petroleum Traders</u>	<u>Potter Oil & Tire</u>	<u>F. Ray Moore</u>
1	87 Octane, Ethanol free (Transport)	no quote	no quote	\$3.2175	\$3.2340	no quote	
2	87 Octane, Ethanol free (Tankwagon)			\$3.4435			\$3.5084
3	Diesel 40 Cetane/w Additive (Tankwagon)			\$3.1942			\$3.1932
4	Diesel (Transport)			\$3.0223	\$3.0263		
5	Kerosene 1-K Grade (Tankwagon)			\$4.4190			

Recommendation: Pitt Country Mart for tankwagon gas, diesel transports , Kerosene and for gasoline transports.
F. Ray Moore for tankwagon diesel.

Signed: Michael Whaley

MEMO – ECU RESEARCH VESSEL RIGGS DOCKAGE

The Research Vessel Riggs is once again requesting to continue their relationship with the City of Washington for docking at the Waterfront Docks. They are not requesting any changes in the agreement. Each year the RN Riggs provides a list of emergency contacts, as these people tend to change frequently. The list assures the Waterfront Docks that prompt communications can be obtained should it be needed. The new docking agreement will be for the period of August 15, 2014 – August 14, 2015.

MEMO – GENERAL FUND BUDGET TRANSFER

The Budget Officer transferred the following funding between departments of the General Fund: \$4,000 from Outside Agencies to the Water Front Docks Department to furnish the lighthouse RR/boater facility and \$13,010 from Outside Agencies to the Parks & Grounds Maintenance Department for the repair and maintenance of all park/facility bleachers.

From: 10-40-6170-9016	WHDA	\$4,000
To: 10-40-6124-7000	Non-Capitalized Purchases	\$4,000

REPORT – MAY LOAD MANAGEMENT

Load Management Device Installation Report

Project Start Date : October 2010		May 2014	Project to Date
Total Load Management Device Installations		32	2,775
Total Accounts Added with Load Management		29	1,998
Appliance Control Installations			
Air Conditioner / Heat Pump		20	2,073
Auxiliary Heat Strip		13	1,059
Electric Furnace		0	276
Water Heater		26	1,623
Total Encumbrances to Date			
Load Management Devices			\$ 130,600
Contractor Installations			\$ 280,000
Total Project Encumbrances			\$ 410,600
Total Expenses to Date			
Load Management Device Purchases			\$ 130,600
Contractor Installation Expenses		\$ 3,380	\$ 274,150
Total Project Expenses			\$ 404,750
Average Cost per Load Management Device Installed			\$ 145.86
Average Installed Cost per Controlled Appliance			\$ 80.45
Load Management Devices Remaining in Stock		725	

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:
HUMAN RELATIONS COUNCIL

SCHEDULED PUBLIC APPEARANCES: NONE

OLD BUSINESS:

Discussion - Expiring terms of Board members Florence Lodge, Sandra Albritton, and Barbara Gaskins: Chairman Hughes acknowledged Board member Lodge had submitted her application for reappointment. Also, Chairman Hughes mentioned the one vacant position and requested support from all members in seeking candidates to appoint.

Discussion - Fair Housing Forum: Chairman Hughes acknowledged Board member O'Pharrow for his time invested in coordinating this event. By consensus, the Board agreed the Fair Housing Forum was successful and wishes to partner with Washington Housing next year.

NEW BUSINESS:

Discussion: Criminal Justice Outreach Manager, Kimberly Grimes provided updates on "National Night Out" and NFL Football weekend. NFL Football weekend has been scheduled for June 20-21, 2014 and National Night Out has been scheduled for Tuesday, August 5, 2014. Councilman Mercer informed Board members of "First Responder Appreciation Day" scheduled for Saturday, June 28 from 11am - 4 pm. Board member Lodge voiced a complaint from citizens referencing West 7th Street. The resident is afraid to call the Police Department but feels there are questionable activities going on in the neighborhood. City Manager, Brian Allgood requested Lt. Chrismon and WPD check into the complaint and provide updates.

OTHER BUSINESS:

FYI - All FYI items and reminders were discussed inclusive of March 11 and April 8, 2014 reports submitted to City Council financial report, Councilman Mercer's donation to Ed Peed commemoration, and Fair Housing presenter's thank you letters.

OPEN DISCUSSION:

Discussion was held regarding the June 10 and July 8, 2014 Human Relations Council meetings. Chairman Hughes voiced that City Council will make appointments and reappointments on June 9, 2014. Accordingly, the election of officers for the Human Relations Council shall be held annually at the last meeting of Council fiscal year. Board members did not have any action.

By consensus, the Board agreed to meet for their regularly scheduled meeting on Tuesday, June 10, 2014.

By motion of Chairman Hughes, seconded by Board member Lodge, the Board agreed to cancel the Tuesday, July 8, 2014 meeting and to meet on the regularly scheduled meeting Tuesday, August 12, 2014.

APPOINTMENTS – TO VARIOUS BOARDS, COMMISSIONS, AND COMMITTEES

A. Planning Board-

By motion of Councilman Mercer, seconded by Councilman Beeman, Council reappointed Jane Alligood to the Planning Board, term to expire June 30, 2017.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council appointed Howell Miller to the Planning Board, to fill a vacant position, term to expire June 30, 2017.

B. Enlarged Planning Board -

By motion of Councilman Mercer, seconded by Councilman Pitt, Council appointed Rawls Howard to the Enlarged Planning Board, to fill a vacant position, term to expire June 30, 2017.

C. Board of Adjustment -

By motion of Councilman Brooks, seconded by Councilman Beeman, Council appointed Susan Murrell, to the Board of Adjustment to fill the expiring term of Paula McCullough, term to expire June 30, 2017.

D. Enlarged Board of Adjustment -

By motion of Councilman Brooks, seconded by Councilman Beeman, Council reappointed Steve Fuchs to the Enlarged Board of Adjustment, to fill the expiring term of **Steve Fuchs**, term to expire June 30, 2017, subject to the concurrence of the Beaufort County Board of Commissioners.

E. Board of Library Trustees -

By motion of Councilman Mercer, seconded by Councilman Beeman, Council appointed Ray Midgett to the Board of Library Trustees, to fill the unexpired term of Deborah J. Midgett, term to expire June 30, 2015.

F. Recreation Advisory Committee –

By motion of Councilman Brooks, seconded by Councilman Beeman, Council reappointed Carl W. Moore, Jr. (outside) to the Recreation Advisory Committee, term to expire June 30, 2017.

By motion of Councilman Brooks, seconded by Councilman Beeman, Council reappointed Annie Moore (inside) to the Recreation Advisory Committee, term to expire June 30, 2017.

Appointment for Audrey Woolard's expiring position will be held until the July 14th Council meeting.

G. Historic Preservation Commission –

By motion of Councilman Beeman, seconded by Councilman Brooks, Council reappointed Edward Hodges to the Historic Preservation Commission, term to expire June 30, 2017.

By motion of Councilman Beeman, seconded by Councilman Brooks, Council reappointed Judith Hickson to the Historic Preservation Commission, term to expire, June 30, 2017.

H. Washington Tourism Development Authority -

By motion of Councilman Mercer, seconded by Councilman Brooks, Council reappointed David Gossett to the Washington Tourism Development Authority, term to expire June 30, 2017.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council appointed Neil Woolard to the Washington Tourism Development Authority, to fill the unexpired term of Richard Andrews term to expire June 30, 2016.

I. Human Relations Council –

By motion of Councilman Pitt, seconded by Councilman Beeman, Council appointed Bonita Wright to the Human Relations Council to fill the expiring term of Florence Lodge, term to expire June 30, 2017.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council reappointed Barbara Gaskins to the Human Relations Council, term to expire June 30, 2017.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council appointed Marc Recko to the Human Relations Council to fill the expiring term of Sandra Albritton, term to expire June 30, 2017.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council appointed Susan Lundy to the Human Relations Council to fill a vacant position, term to expire June 30, 2017.

J. Animal Control Appeals Board –

By motion of Councilman Mercer, seconded by Councilman Beeman, Council reappointed Tucker Talley to the Animal Control Appeals Board, term to expire June 30, 2017.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council appointed Phyllis Schulte to the Animal Control Appeals Board to fill the expiring term of Dee Congleton, term to expire June 30, 2017.

K. Washington Electric Utilities Advisory Commission –

By motion of Councilman Pitt, seconded by Councilman Beeman, Council reappointed Warren Smith (Washington Park) to the Washington Electric Utilities Advisory Commission, term to expire June 30, 2017.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council appointed Ronald Lundy to the Washington Electric Utilities Advisory Commission, to fill the expiring term of Reid Brodie (inside), term to expire June 30, 2017.

L. Mayor's Certificate of Appointment to the Washington Housing Authority

Mayor Hodges reappointed Gil Davis and Josephine Royster to the Washington Housing Authority, terms to expire June 30, 2019.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council concurred with the Mayor's reappointment of Gil Davis and Josephine Royster to the Washington Housing Authority.

OLD BUSINESS:

ADOPT – GRANT PROJECT ORDINANCE AMENDMENT AND ADOPT BUDGET ORDINANCE AMENDMENT – LIGHTHOUSE RESTROOMS (\$2,110)

City Manager, Brian Allgood and Community & Cultural Resources Director, John Rodman explained that the City of Washington has begun construction on the Lighthouse Restroom structure that would contain public restroom facilities, boater's bathrooms and laundry facilities. White Construction and Design Company received the contract in the negotiated amount of \$331,222. The City received a grant from the CAMA Public Access Grant in the amount of \$200,000 and a Boating Infrastructure Grant in the amount of \$50,000. Work has been progressing according to schedule and completion date is set for June 30, 2014. Two amendments to the grant project are needed: (1) Fabricate an aluminum cage style structure to enclose and protect the (6) mechanical units located on the west side of the lighthouse at a cost of \$1,800; (2) Create a new electrical unit that will allow the use of the US Coast

Lantern that was donated and will provide the authentic lighthouse beacon at a cost of \$310. Total Grant Project Amendment of \$2,110. City Council - Contract awarded October 7, 2013.

Mr. Rodman explained that the original design had an enclosure for the mechanical units, but the State Historic Preservation Office requested that the enclosure be removed because they wanted to be able to see through the building. Staff didn't realize how severe the access to the mechanical units would be until the equipment was installed, now staff feels for safety measures, the enclosure needs to be installed.

By motion of Councilman Beeman, seconded by Councilman Mercer, Council adopted the Grant Project Amendment and adopted the Budget Ordinance Amendment for the Lighthouse Restrooms and Boaters Facility in the amount of \$2,110.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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 in the amount of \$2,110 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That the following account number be increased in the amount indicated:

10-00-4400-9201	Transfer to Grant Project	\$ 2,110
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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 June, 2014.

ATTEST:

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

**s/Mac Hodges
Mayor**

**AN ORDINANCE TO AMEND THE GRANT PROJECT ORDINANCE FOR THE
WATERFRONT RESTROOM GRANT AWARD
CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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

Section 1. That the following appropriation accounts in the Waterfront Restroom grant be increased by the following amount for a cover for the mechanical equipment and the Coast Guard lantern installation:

78-40-6124-4500	Construction	\$ 2,110
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Section 2. That the following revenue accounts in the Waterfront Restroom grant be increased by the following amount:

78-40-3352-0000	City Contribution- Trans. Gen. Fund	\$ 2,110
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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 June, 2014.

ATTEST:

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

**s/Mac Hodges
Mayor**

ADOPT – ORDINANCE TO AMEND CHAPTER 40, SECTION 40-261, PROVISIONS FOR FLOOD MANAGEMENT, OF THE CODE OF ORDINANCES OF THE CITY OF WASHINGTON

City Manager, Brian Alligood explained that the ordinance presented tonight, is worded exactly the same as it was originally presented on May 12th. Mr. Alligood further explained that staff renews their suggestion to leave the language as originally presented. If the language is changed to reflect the suggestion by Councilman Mercer, then all changes to any of the panels shared by Washington, even if it does not affect Washington's jurisdiction, will have to come back to City Council for approval. Subsequently, any changes that do affect Washington's jurisdiction are required to be approved by the Washington City Council.

PREVIOUS LEGISLATIVE ACTION

Planning Board - Recommendation - April 2014

City Council- Ordinance did not pass on 1st reading - May 12, 2014

A motion was made by Councilman Mercer to approve the recommendation of the Planning Board and adopt the ordinance to amend Chapter 40, Article X, Flood Damage Prevention, Section 40-261, Provisions for flood management, (b) of the Washington City Code with the amendment that the phrase "Future revisions to the FIS and DFIRM panels that do not change flood hazard data within the jurisdictional authority of the City of Washington are also adopted by reference and declared a part of this ordinance" be removed from the presented ordinance amendment. Motion dies for lack of second.

Councilmembers continued their discussions regarding this amendment.

By motion of Councilman Beeman, seconded by Councilman Brooks, Council accepted the recommendation of the Planning Board and adopted the ordinance to amend Chapter 40, Article X, Flood Damage Prevention, Section 40-261, Provisions for flood management, (b) of the Washington City Code as presented. Voting in favor: Beeman, Brooks & Pitt; against: Mercer. Motion carried 3-1.

An Ordinance to Amend Chapter 40, Zoning, Article X. Flood Damage Prevention
Section 40-261 (b), of the Washington City Code

WHEREAS, NCGS 160A-385 authorizes local governments to amend ordinances regulating land use within their jurisdiction; and

WHEREAS, the amendment set out below is made in accordance with NCGS 160A-364; and

WHEREAS, the amendment set out below is intended to promote the public health, safety, and welfare by amending the City Code to amend the Flood Damage Prevention Ordinance and to reflect new data for its use.

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

Section 1. That **Chapter 40. Article X, Section 40-261, Provisions for Flood Management, (b)**, be amended as follows:

Sec. 40-261. Provisions for flood management.

(b) *Basis for establishing the special flood hazard areas.* ~~The special flood hazard areas are those identified by the Federal Emergency Management Agency (FEMA) or produced under the Cooperating Technical State (CTS) agreement between the state and FEMA in its Flood Hazard Boundary Map (FHBM) or Flood Insurance Study (FIS) and its accompanying flood maps such as the Flood Insurance Rate Map (FIRM) and/or the Flood Boundary Floodway Map (FBFM), for the city dated May 15, 2003, which with accompanying supporting data, and any revision thereto, including letters of map amendment or revision, are adopted by reference and declared to be a part of this article. The special flood hazard areas also include those defined through standard engineering analysis for private developments or by governmental agencies, but which have not yet been incorporated in the FIRM.~~ This includes, but is not limited to, detailed flood data:

(b) *Basis for establishing the special flood hazard areas.* **The Special Flood Hazard Areas are those identified under the Cooperating Technical State (CTS) agreement between the State of North Carolina and FEMA in its FIS dated July 7, 2014 for Beaufort County and associated DFIRM panels, including any digital data developed as part of the Flood Insurance Study, which are adopted by reference and declared a part of this ordinance. Future revisions to the FIS and DFIRM panels that do not change flood hazard data within the jurisdictional authority of the City of Washington are also adopted by reference and declared a part of this ordinance.**

This includes, but is not limited to, detailed flood data:

Section 2. This Ordinance shall become effective July 7, 2014.

Section 3. All Ordinances or parts in conflict herein are repealed.

Adopted this 9th day of June, 2014.

ATTEST:

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

s/**Mac Hodges**
Mayor

**AWARD – UPSET BID FOR THE DISPOSITION OF A VACANT LOT
LOCATED AT 507 WEST SECOND STREET (\$2,500)**

City Manager, Brian Alligood summarized the request by explaining that during the regular scheduled meeting of the City Council, which was held on May 12, 2014, a resolution was adopted to begin the upset bid process to dispose of the vacant lot located at 507 West Second Street. The original offer of \$2,500 was advertised and no additional bids were received. The recommendation is to accept the offer in the amount of \$2,500 and adopt a resolution authorizing the Mayor to sign all the necessary legal documents to convey the surplus property to Elizabeth Davis.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adopted the Resolution to convey the vacant lot located at 507 West Second Street to Elizabeth Davis in the amount of \$2,500.00 and authorize the Mayor to sign all the necessary legal documents to convey the surplus property.

**RESOLUTION STATING THE INTENT OF THE CITY OF WASHINGTON
TO SALE SURPLUS PROPERTY LOCATED AT 507 WEST SECOND STREET**

WHEREAS, the City of Washington has declared the property located at 507 West Second Street surplus property; and,

WHEREAS, the process, as outlined and set forth in the North Carolina General Statutes 160A-269, has been followed under the upset bid procedure for selling property; and,

WHEREAS, the notice for the upset bid process was advertised in the Washington Daily News and the notice described the property, set out the amount and terms of the offer and specified the requirements for submission of an upset bid; and,

WHEREAS, a qualified offer has been received and is now being reported to City Council for their action and disposition of the subject property; and,

NOW THEREFORE BE IT IS RESOLVED: The bid in the amount of \$2,500.00 is accepted by the City of Washington and the Mayor is hereby authorized to sign all the necessary legal documents to convey the property located at 507 West Second Street to Elizabeth Davis.

Adopted this 9th day of June, 2014

ATTEST:

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

s/**Mac Hodges**
Mayor

**AWARD – CONTRACT FOR THE REBUILD OF THE HIGH SCHOOL FEEDER
(\$104,180)**

City Manager, Brian Allgood explained the request is to approve a contract and corresponding purchase order for the rebuild of the electric system's High School Feeder. This project was approved in the fiscal year 2013-14 budget. The original budgeted amount was \$180,000. To date \$68,229 has been expended on the project. The current project balance is \$111,771. Staff recommends that the contract be awarded to the lowest reasonable bidder: C.W. Wright Construction Company with a bid of \$104,180. Staff originally recommended a 5% contingency of \$5,209 be included in the contract amount so as to cover any unforeseen project incidentals. After discussion with Councilman Mercer, staff will maintain the contingency on the City side in the project budget and not part of the contractors agreement.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council awarded a contract and approved the corresponding purchase order to C. W. Wright Construction Company for the High School feeder project in the amount of \$104,180.

CITY OF WASHINGTON, NORTH CAROLINA
BID TABULATION
ELECTRIC DISTRIBUTION SYSTEM IMPROVEMENTS
IN THE AREA OF FOREST HILLS SUBSTATION
BID OPENING - 27 MAY 2014, 2:00 P.M. EDT

Bidder	Bid Bond or Check	Part 1 Conduit and Vault System Units	Days to Complete	Part 2 Conductor Installation	Days to Complete	Total
T&D Solutions	Bid Bond	\$145,050	45	\$39,600	20	\$184,650
Lee Electrical Construction, Inc.	No Bid					
C.W. Wright Construction Company	Bid Bond	\$90,920	30	\$13,260	10	\$104,180
Baynor Construction	Bid Bond	\$91,260	30	No Bid **		\$91,260 **
Pike Corporation, Inc.	No Bid					
Underground Solutions	No Bid					

This is to certify that at 2:00 P.M. EDT, 27 May 2014 the bids tabulated herein were publicly opened, read, checked, and the above totals are correct. All recognized bids were accompanied by an acceptable check or bond. No irregularities are noted. Baynor Construction noted as "No Bid" on Part 2.

I recommend that the award of this contract go to C.W. Wright Construction Company in the amount of \$104,180 plus a 5% contingency of \$5,209 for a total amount of \$109,389.

Respectfully Submitted on 29 May 2014.

Keith Hardt, P.E.
Electric Utilities Director



**AUTHORIZE – PURCHASE OF A REPLACEMENT BREAKER FOR EASTERN
SUBSTATION (\$42,000)**

Keith Hardt, Electric Utilities Director provided a summary in the agenda packet which reads as follows: *On 28 May 2014 the main circuit breaker protecting Eastern Substation failed. The cause of the failure is unknown at this time. The resulting damage to the unit due to the magnitude of the failure renders this breaker unrepairable. Additionally, this breaker has failed and been repaired three other times in the past which causes staff to be suspect of its service life if repairs were possible and the ability for another unit from the same manufacturer to perform as required. The previous failures were June 2010, August 2010, and June 2013. This breaker was placed in service in 2007. To date we have expended over \$30,000 in repair costs. The original purchase price of the breaker was \$22,000. We have received a price quote of \$33,275 from WESCO Raleigh for an ABB 38 kV circuit breaker. (Delivery time is 12 to 16 weeks ARO). The failed breaker is manufactured by Square D/Schneider Electric. We would prefer to utilize an ABB breaker due to the past poor performance of the Square D breaker. Additionally, an ABB unit will provide compatibility with all of the other 38 kV breakers currently in service on the electric system. We have another vendor working to obtain a refurbished breaker that should be less than the cost of a new unit and a shorter deliver time. Due to agenda preparation time constraints additional details are not available. I hope to have details to present at the City Council meeting. The additional cost listed in this request above the base cost of the breaker includes \$6,000 for the installation of a concrete pad and \$2,725 for additional miscellaneous installation materials and engineering for additional relay settings. We have opened a claim with our insurance carrier to cover some or all of these expenses. We have also provided notice to the manufacturer's representative that we expect financial restitution for the past poor performance of this breaker. I request that the City Council authorize the City Manager to approve a purchase order not to exceed \$33,275, approve the additional expenditures of \$8,725 for the installation, and approve a budget ordinance amendment in the amount of \$42,000 for the replacement of the main 38 kV circuit breaker at Eastern Substation. (end)*

City Manager, Brian Allgood explained that the breaker can't be repaired again. Staff members have been looking for a rebuilt unit, but have not located one and are asking to purchase a new breaker.

Councilman Mercer expressed concern with a rebuilt breaker unless there was considerable cost savings and warranty.

By motion of Councilman Beeman, seconded by Councilman Mercer, Council approved a purchase order not to exceed \$33,275, approved an additional expenditure of \$8,725 for installation, and approved a budget ordinance amendment in the amount of \$42,000 for the replacement of the main 38 kV circuit breaker at Eastern Substation.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

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

Section 1. That the Estimated Revenues in the Electric Fund be increased for the purchase of a replacement breaker for the eastern substation in the following account:

35-90-3991-9910	Fund Balance Appropriated	\$42,000
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Section 2. That the substation department of the Electric Fund appropriations budget be increased in the following account:

35-90-8370-7400	Capital Outlay	\$42,000
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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 June, 2014.

ATTEST:

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

**s/Mac Hodges
Mayor**

DISCUSSION – 1 JULY 2014 NCEMPA WHOLESALE REDUCTION

City Manager, Brian Allgood explained that effective for all NCEMPA billings after 1 July 2014 the sales tax on electricity that has been included in our payments to NCEMPA will be reduced so as not to reflect a 3.22% sales tax. This will produce a reduction in the estimated expenses for wholesale electricity purchases by \$895,630 for fiscal year 2014-15. This estimated expenditure reduction was included in the fiscal year 2014-15 budget approved by City Council. At their meeting last week the Washington Utilities Electric Advisory Board recommended to the City Council that the retail rates for electricity purchased by customers of the City's electric system be adjusted to reflect this reduction in wholesale electricity purchase. Staff recommends not approving the suggestion by the WEUAB. If Council approves the suggestion by WEUAB then the recently adopted FY14-15 budget will have to be revised to back out \$895,630 of electrical projects or tap into Fund Balance, which is not recommended. Staff again requests that Council leaves the rates as they are.

Councilman Mercer provided an example using the different rates.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council accepted staff's recommendation and did not approve the suggestion by WEUAB. Voting for the motion: Pitt, Brooks & Mercer; against: Beeman. Motion carried 3-1.

DISCUSSION – PEAK GENERATION PROGRAM

Discussion was held regarding costs analysis and peak generation. During the May 12, 2014 regular meeting of the Washington City Council information was requested on the cost benefit of the City's peak generation program. Tables for City owned and Customer owned generators with data on expenses and savings were presented to Council. Currently, staff includes the option of a peaking generator when submitting proposals for economic development clients. Mr. Allgood noted staff is looking for direction from the City Council on the continuation of these proposals for economic development projects. Keith Hardt explained that peak shaving generation rate proposals are presented as an enticement for economic development packages.

Customer Owned Peak Shaving Generation									
	A	B	C = (A - B)	D	E = (A - D)	F	G = (D - F)	H = (B - F)	I = (H - E)
	Customer			City (from NCEMPA)				City	
	Base Charge (w/o Gen)	Actual Charge (w/Gen)	Savings (w/ Gen)	Base Cost (w/o Gen)	Gross Margin (w/o Gen)	Actual Cost (w/ Gen)	Gross Savings (w/ Gen)	Gross Margin (w/ Gen)	Net Margin Increase (w/ Gen)
1	\$87,359	\$77,406	\$9,954	\$79,850	\$7,509	\$42,439	\$37,411	\$34,967	\$27,457
2	\$89,665	\$87,340	\$2,325	\$116,416	-\$26,750	\$76,255	\$40,161	\$11,085	\$37,836
3	\$45,542	\$38,565	\$6,977	\$47,801	-\$2,259	\$29,066	\$18,735	\$9,498	\$11,758
4 *	\$182,869	\$118,422	\$64,447	\$243,053	-\$60,184	\$161,388	\$81,666	-\$42,966 *	\$17,219 *
5 *	\$278,743	\$194,071	\$84,672	\$358,396	-\$79,653	\$230,864	\$127,532	-\$36,793 *	\$42,860 *
6	\$438,095	\$330,132	\$107,963	\$489,539	-\$51,444	\$272,896	\$216,644	\$57,236	\$108,681
7	\$163,094	\$123,166	\$39,927	\$179,258	-\$16,164	\$98,548	\$80,710	\$24,619	\$40,783
8	\$158,617	\$125,337	\$33,280	\$176,348	-\$17,731	\$98,305	\$78,043	\$27,032	\$44,762
9	\$293,938	\$216,148	\$77,790	\$317,929	-\$23,991	\$170,637	\$147,292	\$45,510	\$69,501
10	\$682,634	\$518,363	\$164,272	\$772,168	-\$89,533	\$422,866	\$349,302	\$95,497	\$185,030
Total	\$2,420,556	\$1,828,949	\$591,607	\$2,780,758	-\$360,202	\$1,603,264	\$1,177,494	\$225,685	\$585,888

* These customers have a negative (loss in) gross margin due to high demand, low energy usage and low load factor. The use of customer owned peak generation decreases the loss in the City's net margin for these customers.

City Owned Peak Shaving Generation					
FY 2013-14 Estimated Expense					
\$210,000	Generation Fuel				
\$49,172	Force Account Labor Associated with Generation				
\$120,218	Generation O&M Materials and Contracts				
\$379,390	Generation Expense Total				
(Annual Expenses, Credits and Savings)					
	Generator Expenses	Future Capital Expenses *	Gross NCEMPA Savings	Customer Credit **	Net Savings
1	\$69,175	\$6,917	\$209,689	\$101,930	\$31,667
2	\$17,489	\$1,749	\$53,016	\$21,909	\$11,868
3	\$119,763	\$11,976	\$363,039	\$150,028	\$81,272
4	\$12,634	\$1,263	\$38,298	\$6,306	\$18,094
5	\$20,831	\$2,083	\$63,144	\$26,095	\$14,136
6	\$43,697	\$4,370	\$132,460	\$54,740	\$29,653
7	\$27,409	\$2,741	\$83,084	\$34,335	\$18,600
8	\$18,273	\$1,827	\$55,390	\$22,890	\$12,400
9	\$15,819	\$1,582	\$47,952	\$9,090	\$21,461
10	\$8,144	\$814	\$24,688	\$4,680	\$11,049
11	\$3,237	\$324	\$9,812	\$4,055	\$2,197
12	\$2,036	\$204	\$6,172	\$2,551	\$1,382
13	\$1,723	\$172	\$5,222	\$0	\$3,327
14	\$3,498	\$350	\$10,603	\$4,382	\$2,374
15	\$5,482	\$548	\$16,617	\$3,150	\$7,437
16	\$1,096	\$110	\$3,323	\$0	\$2,117
17	\$1,827	\$183	\$5,539	\$1,050	\$2,479
18	\$2,558	\$256	\$7,755	\$0	\$4,941
19	\$1,410	\$141	\$4,273	\$0	\$2,722
20	\$2,193	\$219	\$6,647	\$0	\$4,235
21	\$1,096	\$110	\$3,323	\$0	\$2,117
Total	\$379,390	\$37,939	\$1,150,046	\$447,189	\$285,528

* Future Capital Expenses are estimated as 10% of the Generator Expenses.

** Some customers do not receive a credit due to being an electric fund account or lack of interest in participating in the program.

Councilman Mercer commented on the spreadsheets presented by Mr. Hardt and questioned the FY 13-14 estimated expenses for the City owned peak shaving generation program. Mr. Hardt explained that some of the expenses mentioned are capital expenses. Councilman Mercer asked how staff determined the gross power agency savings. Mr. Hardt explained that based on the annual operations of the generators, which are metered, we know exactly how many kilowatts they produce, allowing this to be translated directly to our wholesale power costs. The above spreadsheet represents actual savings. Discussion continued regarding cost vs. savings of the peak shaving generation program. Councilman Brooks inquired where we are gaining money and/or losing money? He also inquired if the program was canceled, would that help us or hurt us? Mr. Hardt explained that if the City purchases the generator and provides a credit to the customer, then the City still saves money, but we take the risk. If the customer buys the generator, then we have a rate schedule the customer would follow to reduce their usage, the customer takes the risk and is responsible for the maintenance of the generator. Mr. Allgood noted we currently have an economic package in the works now and asked for direction from Council regarding this program. Council members requested a specific costs analysis that shows what the entire peak shaving program costs the city, versus what we save inclusive of the reduction in our wholesale

bill. Brian Allgood explained that our consulting firm will provide a report that shows cost vs. savings data inclusive of the entire peak shaving program.

DISCUSSION – SPEED HUMPS

City Manager, Brian Allgood reviewed a memo submitted by the Public Works Director which notes the following: At the April 14, 2014 Council meeting, Council directed staff to research purchasing portable speed humps similar to what is installed at Vidant Hospital in Greenville. We also spoke with a representative of the City of Greenville's Traffic Services Division in reference to their speed 'cushions' that they have installed in downtown Greenville. Photographs of both devices in place are attached. Both types of devices, while portable, are not necessarily moved easily as they are installed in such a fashion as not to be moved by vehicular traffic. The speed humps are approximately 2" tall and run approximately \$1,500 for materials to install on a 24-foot wide road and approximately \$1,950 on a 32-foot wide road. The speed cushions are approximately 3" tall and run \$2,000 - \$3,000 depending on the roadway width.

Amongst other guidelines, the City of Greenville requires that these devices should be placed at least 400 feet apart, the stopping sight distance approaching the devices should be greater than or equal to 200 feet, they should be at least 220 feet from the any intersection, they should be as close to property lines as possible, they should be placed under street lights for greater nighttime visibility whenever possible and should have a minimum of 10 feet of separation from driveways. Three other very important criteria are that a petition requesting the devices must be received from a minimum of 75 percent of the households and/or business within the area of influence. The area of influence will be determined by City staff and will include streets that have a potential of being used as detours to avoid these devices. Secondly, all adjacent property owners of the specific installation site must approve of the installation. Finally, the roadway shall not be the primary emergency vehicle route.

Mr. Allgood asked if Council would like staff to develop a plan similar to other municipalities and bring that policy back to Council at another time. Councilman Mercer expressed concern with some of the criteria in Greenville's plan. Mayor Hodges asked Stacy Drakeford, Police & Fire Services Director for his thoughts on speed humps. Director Drakeford explained that his staff is performing more proactively in certain areas and he would request to continue using their current strategies as they have seen some improvement. Councilman Mercer asked Director Drakeford if Council would give him another 60-90 days to continue with his efforts and at the same time, Council would ask the City Manager to pursue developing a draft plan with more finite costs. Then in 90 days if Director Drakeford's approach is not working, then staff would already have a plan in the works.

Mr. Allgood expressed that selective enforcement can normally achieve the desired solution, although there may be times when alternative approaches are warranted. Council, by consensus, agreed to table this item for 90 days.

ACCEPT/AUTHORIZE/APPROVE – TECHNICAL ASSISTANCE GRANT FROM THE NC DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, DIVISION OF WATER INFRASTRUCTURE AND AUTHORIZE THE MANAGER TO EXECUTE ENGINEERING AGREEMENT AND APPROVE CORRESPONDING PO (\$35,000)

City Manager, Brian Allgood reviewed the topic by explaining during the April 14, 2014 Council meeting, Council passed a resolution authorizing the Mayor to apply for a Technical Assistance Grant (TAG) with the NC Department of Natural Resources (NCDENR), Division of Water Infrastructure, subsequently, we were successful in securing this grant. A formal award letter is expected from NCDENR any day. This grant will be used to further study inflow and infiltration (III) issues in sewer sub-basin 11 (13th and Bridge) helping us to better identify the worst areas of III. This data will then be used to rehabilitate the sewer collection system in this area as funding becomes available.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council accepted a Technical Assistance Grant with the NC Department of Environment and Natural Resources, Division of Water Infrastructure, authorized the Manager to execute the engineering agreement amendment and approved the corresponding purchase order.

This is Amendment No.1, consisting of 3 pages, to the Short Form Agreement between Owner and Engineer for Professional Services dated March 28, 2013.

**AMENDMENT TO OWNER-ENGINEER AGREEMENT
Amendment No. 1**

1. Background Data:

- a. Effective Date of Owner-Engineer Agreement: March 28, 2013
- b. Owner: City of Washington
- c. Engineer: Rivers & Associates, Inc.
- d. Project: Field Flow Monitoring in Sub-Basin #11

2. Description of Modifications:

- a. Modify the Project Description, in title and Appendix 2, to include the following:

Title:
Field Flow Monitoring, Smoke Testing and Phase I SSES Report Preparation in Sub-Basin #11.

Appendix 2, add the following sentence:

This work will also identify and prioritize locations for which Phase II Sanitary Sewer Evaluation Survey closed circuit television (CCTV) inspection and/or subsequent rehabilitation should be performed and to provide preliminary opinions of probable project costs for CCTV and/or rehabilitation.

- b. The Scope of Services currently authorized to be performed by Engineer in accordance with the Agreement and previous amendments, if any, is modified as follows:

Appendix 3 is modified to include Tasks 2, 3 & 4 as follows:

2. Smoke Testing of Sub-Basin #11 Sewer System

- a. Provide a minimum of one (1) one member from its engineering staff to manage and record the results of smoke testing with the Owner's staff.
- b. Furnish non-toxic, non-staining smoke bombs and blower machine for use in the introduction of smoke into sanitary sewer system via manholes.

- c. Record occurrences of visible smoke escaping from system indicative of potential inflow source
- d. Provide a listing of inflow locations that can be repaired by Owner's staff.
- e. Provide a listing of inflow locations identified on private property requiring private investment.
- f. Provide a listing of potential inflow sources requiring additional investigation.
- g. Provide a listing of potential inflow sources requiring contractor repair.

3. Physical Manhole Inspection

- a. Inspection of manholes will be limited to those accessed as required during the course of conducting smoke testing activities.
- b. Observe and record condition of manholes inspected.
- c. Incorporate Owner performed Manhole Inspection Reports into the final report.

4. Report Preparation of Sub-Basin #11 Sewer System

- d. Prepare schematic drawing(s) of individual pipelines subject to "excessive" infiltration.
- e. Prepare a preliminary opinion of probable project costs for recommended rehabilitation and/or SSES-Ph 2 as appropriate.
- f. Prepare draft report summarizing findings, conclusions, recommendations and preliminary cost opinions.
- g. Present draft report, review with Owner's staff and receive input.
- h. Prepare final report and present to Owner's governing board.
- i. Furnish ten (10) copies of the final report to the Owner.

- c. The responsibilities of Owner outline in Appendix 4 are modified as follows:

1. Provide personnel from its staff to assist in performance of the work (minimum of two to assist with overnight individual pipe flow monitoring, and minimum of three to assist with daytime smoke testing).

6. Provide a minimum of two (2) public works vehicles for transport of the Engineer's and Owner's personnel and equipment during smoke testing and individual pipe flow monitoring.

Add the additional responsibilities:

9. Provide previous two (2) years, and current, flow monitoring reports from the Washington WWTP to the Engineer for his use and reliance in determination of appropriate time periods for testing and monitoring activities

10. Provide water in sufficient volumes, and five (5) gallon containers for mixing, for dye flood testing.

11. Provide fuel for smoke machine.

12. Provide personnel that can be available on a continual basis once the work has begun. The field work must be performed daily on a continuous basis in order to complete the Project on time. This requirement may be suspended if an emergency arises with either the Engineer or the Owner, but must be resumed as soon as practical.

- d. For the Additional Services or the modifications to services set forth above, Owner shall pay Engineer the following additional or modified compensation under Article 7.01.1.A:

1. A Lump Sum amount of \$35,000.

- e. The schedule for rendering services is modified as follows:

Final Report shall be submitted to Owner 120 days following written authorization to proceed.

- f. Other portions of the Agreement (including previous amendments, if any) are modified as follows:

None at this time.

5. Agreement Summary (Reference only)	
a. Original Agreement amount:	\$ 5,500
b. Net change for prior amendments:	\$ 0
c. This amendment amount:	\$ 35,000
d. Adjusted Agreement amount:	\$ 40,500

The foregoing Agreement Summary is for reference only and does not alter the terms of the Agreement.

Owner and Engineer hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is _____.

OWNER:
City of Washington

ENGINEER:
Rivers and Associates, Inc.

By: Brian Allgood
Title: CITY MGR
Date Signed: 6/10/14

By: Gregory J. Chynoweth
Title: Vice President
Date Signed: 5-27-14

**ADOPT/AUTHORIZE – STATE AIRPORT AID AGREEMENT AND AUTHORIZE
THE CITY MANAGER TO EXECUTE THE AGREEMENT FOR LIGHTING
REHABILITATION PROJECT**

City Manager, Brian Allgood explained that Council was previously awarded this grant and adopted the grant project ordinance during the April meeting. Tonight's request is to adopt a grant

resolution and to authorize the execution of the State Airport Aid grant for the lighting rehabilitation project. A pre-audit certificate will be added to the agreement.

By motion of Councilman Beeman, seconded by Councilman Mercer, Council adopted a grant resolution and authorized the City Manager to execute the State Airport Aid grant for the lighting rehabilitation project.

RESOLUTION

A motion was made by Larry Beeman, Councilman and seconded by Doug Mercer, Councilman for the adoption of the following resolution, and upon being put to a vote was duly accepted:

WHEREAS, a Grant in the amount of \$36,842 has been approved by the Department based on total estimated cost of \$40,936; and

WHEREAS, an amount equal to or greater than 10 percent of the total estimated project cost has been appropriated by the Sponsor for this Project.

NOW THEREFORE, BE AND IT IS RESOLVED THAT THE CITY MANAGER of the Sponsor be and he hereby is authorized and empowered to enter into a Grant Agreement with the Department, thereby binding the Sponsor to the fulfillment of its obligation incurred under this Grant Agreement or any mutually agreed upon modification thereof.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

GRANT AGREEMENT

STATE AID TO AIRPORTS
BETWEEN
THE N. C. DEPARTMENT OF TRANSPORTATION,
AN AGENCY OF THE STATE OF NORTH CAROLINA
AND
CITY OF WASHINGTON

AIRPORT: WARREN FIELD

PROJECT # 36244.51.10.1

This Agreement made and entered into this the 24th day of June, 2014, by and between the NORTH CAROLINA DEPARTMENT OF TRANSPORTATION (hereinafter referred to as "Department") and the **CITY OF WASHINGTON**, the public agency owning **WARREN FIELD** (hereinafter referred to as "Sponsor").

WITNESSETH

WHEREAS, Chapter 63 of the North Carolina General Statutes authorizes the Department, subject to limitations and conditions stated therein, to provide State Aid in the forms of loans and grants to cities, counties, and public airport authorities of North Carolina for the purpose of planning, acquiring, and improving municipal, county, and other publicly-owned or publicly controlled airport facilities, and to authorize related programs of aviation safety, education, promotion and long-range planning; and

WHEREAS, the Sponsor has made a formal application dated **MARCH 21, 2014** to the Department for State Financial Aid for **WARREN FIELD**; and

WHEREAS, a grant in the amount of **\$36,842** not to exceed **90 percent** of the non-federal share of the final, eligible project costs has been approved subject to the conditions and limitations herein; and

WHEREAS, the Grant of State Airport Aid funds will be used for the following approved Project (if a federal aid project, this scope shall also include any modifications thereto by the Federal Aviation Administration):

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

PROJECT DESCRIPTION:

RUNWAY 5-23 LIGHTING REHABILITATION
(design/bid)

- 1) That the Sponsor shall promptly undertake the Project and complete all work on the Project prior to the 1st day of JULY 2018, unless a written extension of time is granted by the Department.
- 2) Work performed under this Agreement shall conform to the approved project description. Any amendments to, or modification of, the scope and terms of this Agreement shall be in the form of a Modified Agreement mutually executed by the Sponsor and the Department, except that an extension of time may be granted by the Department by written notice to the Sponsor.
- 3) Debarment and Suspension: The Grantee agrees to comply, and assures the compliance by each of its third party contractors and sub recipients at any tier, with the provisions of Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note, and U.S. DOT regulations on Debarment and Suspension at 49 C.F.R. Part 29.
- 4) The Sponsor certifies that it has adhered to all applicable laws, regulations, and procedures in the application for and Sponsor's approval of the Grant.
- 5) For a material breach of this Agreement or the Sponsor's Assurances, the Sponsor shall be liable to the Department for the return of all grant monies received.
- 6) The Sponsor agrees to adhere to the standards and procedures contained in the State Aid to Airports Program Guidance Handbook (third edition, dated January 1997), unless the Department issues a written waiver.
- 7) The Sponsor agrees to comply with the "Sponsor's Assurances" contained as a part of this Agreement.
- 8) N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this grant agreement, you attest, for your entire organization and its employees or agents that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

**PRE-AUDIT CERTIFICATE
CITY OF WASHINGTON**

This Agreement has been pre-audited pursuant to N.C.G.S. § 159-28 in the manner required by the Local Government Budget and Fiscal Control Act.

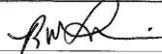

Matt Rauschenbach, Chief Financial Officer
City of Washington

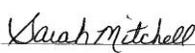
DOA FORM (12/10)

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

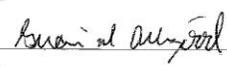
NCDOT SEAL

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION:

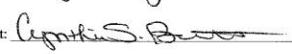
BY: 
Deputy Secretary for Transit

ATTEST: 

SPONSOR:

Signed: 

Title: City Manager

Attest: 



STATE OF NORTH CAROLINA, COUNTY OF Beaufort
 I, Renatha B. Johnson, a Notary Public in and for the County and State aforesaid, do hereby certify that Brian M. Allgood personally came before me this day and acknowledged that he is City Manager of the City of Washington (Sponsor)
 (hereinafter referred to as "Sponsor" and by authority duly given and as an act of said Sponsor, the foregoing instrument was signed by him, attested by Cynthia S. Bennett, City Clerk of the Sponsor,
 (Name and Title)

And the Seal of the Sponsor affixed hereto.

WITNESS my hand and Notarial Seal, this the 9 day of June 2014.


Notary Public (Signature)

My Commission expires: 12/11/2014

DOA FORM (12/10)



RESOLUTION

A motion was made by Garry Beeman, Councilman and seconded by
(Name and Title)
Doug Mercer, Councilman for the adoption of the following resolution, and
(Name and Title)
upon being put to a vote was duly accepted:

WHEREAS, a Grant in the amount of \$36,842 has been approved by the Department based on total estimated cost of \$40,936; and

WHEREAS, an amount equal to or greater than 10 percent of the total estimated project cost has been appropriated by the Sponsor for this Project.

NOW THEREFORE, BE AND IT IS RESOLVED THAT THE City Manager
(Title)

of the Sponsor be and he hereby is authorized and empowered to enter into a Grant Agreement with the Department, thereby binding the Sponsor to the fulfillment of its obligation incurred under this Grant Agreement or any mutually agreed upon modification thereof.

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

is a true and correct copy of an excerpt from the minutes of the
City of Washington, City Council of a meeting
(Sponsor)
duly and regularly held on the 9th day of June, 2014.

This, the 9th day of June, 2014.



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

SECTION A: SPONSOR'S ASSURANCES: GENERAL CONDITIONS

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

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

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

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

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

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

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

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

SECTION B: SPONSOR'S ASSURANCES: PROJECT ADMINISTRATION

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

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

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

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

Planning Projects

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

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Construction Projects

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Additional information shall be provided as requested.

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

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

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

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

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

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

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

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

SECTION D: SPONSOR'S ASSURANCES: REAL PROPERTY ACQUISITION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revised 1/2/13

RATIFY – “SUBORDINATION AGREEMENT” TO BLUE GOOSE, LLC

City Manager, Brian Allgood noted that Blue Goose, LLC originally had a loan/deed of trust with National Warehouse Leasing, LLC that it is now refinancing with Vantage South Bank. The original loan was for \$601,630 and the refinance is for \$525,000. The attorney for Blue Goose, LLC reports that no cash is being taken out under the refinancing. The City was in a second position for the original loan and this subordination agreement maintains that position with the refinanced loan.

By motion of Councilman Pitt, seconded by Councilman Mercer, Council ratified the “Subordination Agreement” by and between the City of Washington to and for the benefit of Blue Goose, LLC.

(Space Above for Recorder's Use)

Prepared By: Christian E. Porter, Attorney
Return to: Colombo, Kitchin, Dunn, Hall & Porter, L.L.P.
1698 E. Arlington Blvd., Greenville, NC 27838

NORTH CAROLINA
BEAUFORT COUNTY

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made this 21st day of May, 2014, by and between CITY OF WASHINGTON, a North Carolina municipal corporation located in Beaufort County, North Carolina (the “Lender”) to and for the benefit of BLUE GOOSE, LLC, a North Carolina limited liability company (the “Grantor”).

WITNESSETH:

WHEREAS, the Grantor did execute a deed of trust dated March 22, 2013, to Franz F. Holscher, as Trustee, for the City of Washington, Beneficiary, which is recorded in Book 1812, Page 355, Beaufort County Registry (the “Lender’s Deed of Trust”), which is secured pursuant to the terms of said deed of trust by that certain lot or parcel of land, lying and being in Beaufort County, North Carolina and being more particularly described on **Exhibit A** attached hereto and incorporated herein by reference.

WHEREAS, Lender is the owner of the note or other indebtedness secured by the Lender’s Deed of Trust; and

WHEREAS, the Grantor had executed a deed of trust in favor of Vantage South Bank, its successors or assigns, securing a promissory note in the original principal amount of \$525,000.00 executed by Blue Goose, LLC, which is payable with interest and upon the terms and conditions described therein to be secured by the real property described above (the “First Lien Deed of Trust”);

Subordination Agreement
Page 2

WHEREAS, Vantage South Bank is willing to make such loan provided the deed of trust to secure the same is a lien or charge upon the above-described property prior and superior to the lien or charge of the Lender’s Deed of Trust, and provided that Lender will specifically and unconditionally subordinate the lien or charge of Lender’s Deed of Trust above described to the lien or charge of the First Lien Deed of Trust.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, receipt of which is hereby acknowledged, and in order to induce Vantage South Bank to make the loan above referred to, it is agreed as follows:

1. **Subordination of Lender’s Deed of Trust.** The First Lien Deed of Trust securing the note in favor of Vantage South Bank, referred to above and any renewals or extensions of such deed of trust and the note secured thereby shall be and remain at all times a lien or charge on the property described above, prior and superior to the lien or charge of the Lender’s Deed of Trust dated March 22, 2013, and recorded in Book 1812, at Page 355 of the Beaufort County Registry. The Lender acknowledges that it hereby intentionally waives, relinquishes and subordinates the priority and superiority of the lien or charge of the Lender’s Deed of Trust to the First Lien Deed of Trust as to the land specifically described above, and none other.

2. **Binding effect.** This agreement shall inure to the benefit of, and be binding upon the legal representatives, heirs, devisees, successors, and assigns of the parties.

IN WITNESS WHEREOF, the Lender has caused its duly authorized officers to execute this instrument and attached its seal, this the day and year first above written.



LENDER
CITY OF WASHINGTON

By: Jay Mc Donald Hedger
Mayor

[Signature]
City Clerk

Subordination Agreement
Page 3

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, Reatha B. Johnson, a Notary Public of the State and County aforesaid, certify that Cynthia S. Bennett personally appeared before me this day and acknowledged that she is City Clerk of the CITY OF WASHINGTON, a North Carolina municipal corporation, and as the act of the corporation, the foregoing instrument was signed in its name by Jay Mc Donald Hedger, its Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

Witness my hand and official seal, this the 21 day of May, 2014.

Reatha B. Johnson
NOTARY PUBLIC

My Commission Expires: 12/11/2014
#114733



Subordination Agreement
Page 4

PRE-AUDIT CERTIFICATE

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

CITY OF WASHINGTON
 (SEAL)
MATT RAUSCHENBACH,
Chief Financial Officer

Subordination Agreement
Page 5

EXHIBIT A

FIRST PARCEL:

Being all of Lot Number 7A containing 4.072 acres as shown on that map entitled "Beaufort County Industrial Park" by Mayo & Associates, P.A. dated January 5, 2005 and revised through 5th revision dated March 19, 2005 recorded in Plat Cabinet G, Slides 51-8, 51-9, and 51-10, Beaufort County Registry. Reference being made to said map and the same being incorporated herein for a more complete and adequate description.

SECOND PARCEL:

Being Lot No. 7B containing 1.50 acres as the same is shown on map entitled "Beaufort County Industrial Park" dated January 5, 2005, revised through fifth revision dated March 19, 2005, prepared by Mayo & Associates, P.A., of record in Plat Cabinet G, Slides 51-8, 51-9 and 51-10, Beaufort County Registry, to which map is incorporated herein by reference for a more complete and detailed description.

The "First Parcel" and "Second Parcel" described above are also further described as being all of Lot No. 7 containing 5.572 acres as shown on that map entitled "Beaufort Industrial Park - Combination & Revision of Lots 7A & 7B", by Baldwin Design Consultants, P.A., dated September 19, 2013, recorded in Plat Cabinet I, Slide 7-8, Beaufort County Registry, to which map is incorporated herein by reference for a more complete and detailed description.

DISCUSSION – BUSINESS REVIEW COMMITTEE

City Manager, Brian Allgood explained that during the FY 2014/15 budget workshops Council determined that a business review committee would be established to study particular areas of the City's services and present recommendations to Council throughout the year during Committee of the Whole meetings. Two Council members, the City Manager, respective department staff, and finance staff will participate on the committee. Some areas identified for review are as follows and are meant as a starting point for the process of reviewing all fees.

- *Recreation programs - Council Liaison Richard Brooks*
- *Senior programs - Council Liaison Richard Brooks*
- *Aquatic center - Council Liaison Richard Brooks*
- *Water front docks - Council Liaison Mac Hodges*
- *Brown Library - Council Liaison Bobby Roberson*
- *Inspection/code enforcement*
- *Airport - Council Liaison Doug Mercer*
- *Storm Water*
- *Cemetery*

Two Council members will need to be selected and prioritization and/or addition of the areas to be reviewed should be completed. Councilman Beeman and Councilman Brooks will represent the City Council at the Parks and Recreation business review committee meeting (highlighted in yellow). Any member of Council may attend the meetings as long they do not engage as an elected official.

NEW BUSINESS

DISCUSSION – 331 WEST 7TH STREET – GIFT OF PROPERTY

City Manager, Brian Allgood summarized the topic for Council by noting that in 2012, the City Code Official determined that 331 West 7th Street had not been properly maintained, subsequently failing to meet minimum standards. The Code Official issued an order to require the owner to demolish and remove the building or structure. The owner of the property failed to respond to the Code Official to bring the structure into compliance. Therefore, City Council adopted an Ordinance condemning the structure as unsafe and directed that the structure be vacated and closed. One bid was received for the demolition of the structure by St. Clair Trucking in the amount of \$20,000. The cost of the demolition exceeded the total tax value of the structure and property. The decision was made to not accept the bid to demolish the structure at that time but to direct that the structure be vacated, closed and secured.

Land Value	\$5,040
Building Value	\$2,657

Total Value \$7,697

The City continues to enforce the nuisance ordinance on the property and the City contractor continues to maintain the property. The property has a total of \$800+ of nuisance fines against the owner. The property is owned by the Daniel Dorsey Heirs in-care-of Ms. Dorothy Dorsey. Ms. Dorsey has stated that they do not have the resources to repair the structure or to pay the fines levied against the property. Ms. Dorsey wishes to gift the property to the City of Washington in exchange for the release of the fines. The lot is listed as a "substandard lot of record" but is a buildable lot. Currently there are taxes of \$84.28 for 2012 and \$84.28 for 2013 that are still unpaid.

Mr. Allgood said the question is does the Council want to accept the gift of property or does it wish for the property to remain as is? Councilmembers voiced concern regarding accepting the property.

Councilman Mercer suggested that the City not accept the gift of the property, but proceed with the demolition of the structure and place a lien on the property.

Councilman Brooks expressed concern with placing a lien on the property as this would place a burden on Ms. Dorsey.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council instructed staff to proceed with the proper procedure to demolish the house, according to our ordinances and place a lien on the property for the demolition costs.

AWARD/APPROVE – CONTRACT FOR SUMMIT AVENUE WATER LINE PROJECT TO KBS CONSTRUCTION CO., LLC AND APPROVE CORRESPONDING PURCHASE ORDER (\$71,570)

City Manager, Brian Allgood explained that on Tuesday, May 27, 2014, we received bids for this project. As noted on the attached bid tabulation sheet, KBS Construction Co., LLC, was the low bidder. This project was funded in FY 13/14 at \$179,000. Barring any unforeseen change orders, it should finish well under the budgeted amount.

By motion of Councilman Pitt, seconded by Councilman Brooks Council awarded the contract for the Summit Avenue water line project to KBS Construction Co., LLC, of Fremont, NC and approved the corresponding purchase order.

Owner:	City of Washington								
Project:	Summit Avenue Water Line								
Location:	City of Washington Municipal Building Public Works Office								
Bids Opened:	5:00 PM, May 27, 2014								
Firm	James L. Cayton Utilities Inc			KBS Construction Co., LLC		Hendrix Barnhill			
Address	PO Box 3198 New Bern, NC 28564 29341			208 Bath Road Fremont, NC 27830 71024		1819 Progress Road Greenville, NC 27835			
License No.									
Item No.	Description	Unit	Est. Quantity	Unit	Total	Unit	Total	Unit	Total
1	Mobilization	LS	1	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00	\$ 1,250.00	\$ 1,250.00
2	6" DI Water Main	LF	80	\$ 29.00	\$ 2,320.00	\$ 50.00	\$ 4,000.00	\$ 35.00	\$ 2,800.00
3	6" C900 PVC Water Main	LF	1120	\$ 14.00	\$ 15,680.00	\$ 16.00	\$ 17,920.00	\$ 21.00	\$ 23,520.00
4	6" Gate Valve & Box	EA	3	\$ 900.00	\$ 2,700.00	\$ 700.00	\$ 2,100.00	\$ 1,100.00	\$ 3,300.00
5	8" x 6" Tapping Sleeve and Valve	EA	1	\$ 1,600.00	\$ 1,600.00	\$ 2,500.00	\$ 2,500.00	\$ 1,475.00	\$ 1,475.00
6	6" x 2" Tapping Sleeve and Valve	EA	1	\$ 2,400.00	\$ 2,400.00	\$ 2,650.00	\$ 2,650.00	\$ 3,615.00	\$ 3,615.00
7	12" Sanitary Sewer DIP (12-14)	EA	1	\$ 1,200.00	\$ 1,200.00	\$ 1,500.00	\$ 1,500.00	\$ 1,250.00	\$ 1,250.00
8	Water Service Installation	EA	16	\$ 750.00	\$ 12,000.00	\$ 475.00	\$ 7,600.00	\$ 1,050.00	\$ 16,800.00
9	Fire Hydrant Assembly	EA	1	\$ 4,200.00	\$ 4,200.00	\$ 3,600.00	\$ 3,600.00	\$ 4,500.00	\$ 4,500.00
10	DI Fittings 45 Deg Bends	EA	4	\$ 250.00	\$ 1,000.00	\$ 150.00	\$ 600.00	\$ 300.00	\$ 1,200.00
11	Pavement Repair	SF	4020	\$ 13.62	\$ 54,752.40	\$ 5.00	\$ 20,100.00	\$ 8.00	\$ 32,160.00
12	6" DI Sewer Pipe	LF	20	\$ 50.00	\$ 1,000.00	\$ 75.00	\$ 1,500.00	\$ 115.00	\$ 2,300.00
13	Plug/Cap Existing Water Main	EA	3	\$ 200.00	\$ 600.00	\$ 1,000.00	\$ 3,000.00	\$ 525.00	\$ 1,575.00
14	Erosion Control	LS	1	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 450.00	\$ 450.00
15	Clean-Up and Seeding	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,250.00	\$ 1,250.00
Total					\$ 102,452.40		\$ 71,570.00		\$ 97,445.00

AWARD/APPROVE – CONTRACT FOR PAVING PROJECT TO S.T. WOOTEN CORPORATION AND APPROVE CORRESPONDING PURCHASE ORDER (\$205,626)

City Manager, Brian Allgood noted that bids for the resurfacing project were received on Thursday, May 22, 2014. As noted on the attached bid tabulation sheet, S.T. Wooten Corporation was the low bidder. This project will include the resurfacing of Avon Avenue from John Small Avenue to Highland Drive, Hackney Avenue from W. 5th Street to W. 10th Street, Sparrow Drive from Gladden Street to its dead end, Boston Avenue from Washington Street to W. 9th Street and Anderson Place from Washington Street to its dead end. Lawson Road from N. Market Street to Dimock Road will also be milled and resurfaced. As funds from both this FY (13/14) and next FY (14/15) will be utilized for this project, a purchase order will not be issued until after July 1, 2014.

RESOLUTION AUTHORIZING THE ADVERTISEMENT OF
AN OFFER TO LEASE CERTAIN PROPERTY

WHEREAS, the City Council of the City of Washington ("City") desires to lease certain surplus real property of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council that:

1. The following described real property, having an address of Linnie Perry Road, has been declared to be surplus to the needs of the City:

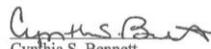
That certain tract or parcel of land lying and being in the City of Washington, Beaufort County, North Carolina, more particularly described as follows:

IT BEING a parcel containing 0.08 acres as shown on survey map entitled "Survey for U. S. Cellular Corporation" prepared by Gary S. Miller & Associates, P.A., dated September 11, 2012 and revised May 23, 2014, to which survey map is herein made for a more complete and adequate description.

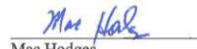
2. The City Council has received an offer to lease the property described above, with renewal options exceeding ten (10) years for the initial sum of one-thousand-two hundred dollars (\$1200.00). Said offer, including additional terms, is available for public inspection in the office of the Purchasing Agent, 203 Grimes Road, Washington, NC 27889.
3. Any person desiring to submit an upset bid shall submit an upset bid within ten (10) days of the date the notice provided for herein is published. Any such upset bid shall raise the offer by not less than ten percent (10%) of the first one thousand dollars (\$1,000.00) and five percent (5%) of the remainder of said offer or any subsequent upset bid. Any person making an upset bid and any subsequent upset bid must deposit with the Purchasing Agent a sum equal to five percent (5%) of the upset bid or any subsequent upset bid.
4. The City Council proposes to accept said offer, subject to the amendments stated herein, unless a qualifying upset bid shall be made.
5. The Purchasing Agent shall cause a notice of such offer, subject to the amendments stated herein, to be published in accordance with North Carolina General Statute § 160A-269.
6. If a qualifying upset bid is received, the Purchasing Agent is directed to re-advertise the offer at the increased upset bid amount and to continue with this process until a ten (10) day period has passed without receipt of a subsequent qualifying upset bid.

Adopted this 9th day of June, 2014.

ATTEST:


Cynthia S. Bennett,
City Clerk




Mac Hodges
Mayor

APPROVE – AIRPORT T-HANGAR AND RAMP TIE DOWN LEASES

Mr. Alligood explained that the City of Washington's Warren Field Airport Advisory Board recently revised the leases used at Warren Field for T -Hangars and Ramp Tie Downs and now recommends that the City Council adopt these leases for use with all new and renewed terms. This was part of the efforts of the Advisory Board to make the leases more concise and "user friendly". The attached recommended leases have been reviewed by the City Attorney. Rental amounts will be reviewed over the next year as part of the ongoing fee study.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council approved the revised "T -Hangar Lease" and "Ramp Tie Down Lease" for use at Warren Field Airport.

ANY OTHER ITEMS FROM CITY MANAGER:

UPDATE – VIDANT HEALTH COMMUNITY BENEFIT GRANTS PROGRAM

City Manager, Brian Alligood explained that the City had applied for grant funds from Vidant Health Community Benefit Grants Program to assist in implementing the Paramedic program. The first year request was for \$22,000 and the second year request was for \$28,000. We received notice that we were not funded through this program. The program has \$100,000 in available funding and received requests for \$250,000 in funding. It was the belief of the committee that the City was in a better position to have alternative funding methods than some of the other applicants. Mr. Alligood spoke with Pam Shadle of Vidant - Beaufort Hospital. Ms. Shadle noted the decision not to fund the City's request was made by the local board. Discussion has been held with a member from Vidant-Greenville regarding possible funding for this program. Mr. Alligood asked Council if they still wanted to pursue the Paramedic level of care.

Councilmembers expressed that we need to move forward with the Paramedic program.

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

DISCUSSION – WATER STREET & EAST MAIN STREET PARKING SPACES

Councilman Mercer requested that the parking spaces in the 100 block of Water Street need to be marked. Mr. Alligood noted that he and the Public Works Director had looked at this topic a few days ago, the places will be marked and the corners will be marked as well to designate no parking near the corner.

Councilman Mercer also noted that when proceeding down East Main Street toward Hudnell Street, the section of road is not divided. He continued by asking staff to review the possibility of marking the lanes as right turn only and straight through.

DISCUSSION – GIRLS SOFTBALL TOURNAMENT

Councilman Beeman extended an invitation for anyone interested to attend the District 6 Girls Softball Tournament at the Susie Gray Sports Complex from June 23-June 27th.

CLOSED SESSION – UNDER NCGS § 143-318.11 (A)(4) ECONOMIC DEVELOPMENT

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to enter into closed session under NCGS §143-318.11 (A)(4) Economic Development at 8:24pm.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to come out of closed session at 9:15pm.

ADJOURN

By motion of Councilman Pitt, seconded by Councilman Beeman, Council adjourned the meeting at 9:15pm until June 23, 2014 at 5:30pm in the Council Chambers at the Municipal Building.

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