



City of  
**Washington**  
NORTH CAROLINA  
Council Agenda  
AUGUST 12, 2013  
5:30 PM

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from July 1, and July 29, 2013 **(page 4)**

Approval/Amendments to Agenda

I. Consent Agenda:

- A. Adopt – Budget Ordinance Amendment – Relocation City Manager (\$3,175) **(page 36)**
- B. Approve – Budget Ordinance Amendment – Airport Vision 100 Grant **(page 38)**
- C. Approve – Purchase Orders >\$20,000 **(page 40)**

II. Comments from the Public:

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

- A. None –

IV. Public Hearing – Other:

- A. Continuation of Close out – of FY05 CDBG Housing Development Program (Keys Landing)
- B. Adopt/Authorize – Resolution to amend the CDBG Jumpstart Washington Community Development Block Grant **and** Authorize the Mayor to execute the amended agreement **(page 50)**

V. Scheduled Public Appearances:

- A. Robert Sollinger – Pamlico Internet Access – Privilege License

VI. Correspondence and Special Reports:

- A. Memo – Electric Fund Budget Transfer **(page 70)**
- B. Report – Load Management Device Installation **(page 71)**



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- VII. Reports from Boards, Commissions and Committees:
- A. Human Relations Council **(page 72)**
  - B. Washington Harbor District Alliance **(page 74)**
  - C. Financial Reports **(emailed as available)**
- VIII. Appointments:
- A. Appointment – Board of Commissioners of the North Carolina Eastern Municipal Power Agency **(page 75)**
  - B. Appointments – Various Boards, Commissions, and Committees **(page 77)**
- IX. Old Business:
- A. Approve – Budget Ordinance Amendment to add administrative charges to the Blue Goose CDBG Grant **(page 92)**
  - B. Authorize – City Manager to execute an agreement with the Partnership for the Sounds - Coastal Warning Display Tower **(page 103)**
- X. New Business:
- A. Approve – Street closure of Stewart Parkway for the Ride Without Limits Cycling Event, October 5-6, 2013 **(page 108)**
  - B. Approve – Abandonment of Water and Sewer Easement **(page 110)**
  - C. Approve – Budget Ordinance Amendment to fund the operations of the Washington Harbor District Alliance (WHDA) **(page 112)**
  - D. Accept/Authorize – Offer to Purchase Building located at 234 Springs Road by idX Corporation **and** Authorize City Manager to execute the purchase bid offer (\$800,000) **(page 114)**
  - E. Authorize – City Manager to execute a Legally Binding Commitment with Metropolitan Housing and Community Development Company, Inc. **(page 124)**
- XI. Any Other Items From City Manager:
- A. None –



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- XII. Any Other Business from the Mayor or Other Members of Council
  - A. Discuss – Kugler Field
  - B. Discuss – Geographic Information System (GIS)
- XIII. Closed Session – Under NCGS § 143-318.11(a)(1) Disclosure of confidential information and 143-318.10(e) the public records act
- XIV. Adjourn – Until Monday, August 26, 2013 at 5:30 pm, in the Council Chambers at the Municipal Building.

**CITY COUNCIL MINUTES  
WASHINGTON, NORTH CAROLINA**

**July 1, 2013**

The Washington City Council met in a regular session on Monday, July 1, 2013 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Edward Moultrie, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Mayor Pro tem Roberson was absent and excused from the meeting.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Stacy Drakeford, Fire & Police Services Director; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Utilities Director; John Rodman, Community and Cultural Resources Director; Kristi Roberson, Parks and Recreation Manager; Susan Hodges, Human Resource Director; Gloria Moore, Library Director; Lynn Lewis, Tourism Director; David Carraway, IT Department and Mona Moore, Washington Daily News.

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

**APPROVAL OF MINUTES**

Councilman Mercer provided the correct spelling of Overholt (not Overhault) on page 8 of the minutes.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council approved the minutes of June 10, 2013 as amended.

**APPROVAL/AMENDMENTS TO AGENDA**

The following items were presented as amendments to the agenda:

- Move from Consent Item A: Solar Project 1 to Old Business Item A
- Move from Consent Item B: Solar Project 2 to Old Business Item B
- Move from Consent Item F: Purchase Orders >\$20,000 to Memo Item VIB.1
- Add: Old Business Item C – Stormwater Capital Project Amendment
- Add: Old Business item D – School Resource Officer Agreement Modification
- Add: Mayor and other members of City Council – Discussion of Intersection of Highland Drive and 12<sup>th</sup> Street
- Discussion: Replacement pages – changes from staff

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

**CONSENT AGENDA:**

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

- A. **Move to Old Business: Item A** – Budget Ordinance Amendment – Solar Project 1
- B. **Move To Old Business: Item B** – Budget Ordinance Amendment – Solar Project 2

C. Adopt – Budget Ordinance Amendment – Senior Center Part Time Salaries

**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 \$6,653 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That the following account numbers be increased in the amounts indicated to appropriate funds for part time salaries at the Senior Center:

10-40-6123-0300	PT Salaries	\$6,180
10-40-6123-0500	FICA	473

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 1st day of July, 2013.

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

D. Adopt – Budget Ordinance Amendment – Public Works Supervisor II Reclassification

**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 \$1,274 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That the following account numbers be increased in the amounts indicated to appropriate funds for the reclassification of the Public Works Supervisor II position:

10-40-6130-0200	Salaries	\$ 826
10-40-6130-0500	FICA	86
10-40-6130-0500	Retirement	80
10-00-4260-0200	Salaries	207
10-00-4260-0500	FICA	39
10-00-4260-0500	Retirement	36
	Total	\$1,274

Section 3. That the Estimated Revenues in the Airport Fund be increased in the amount of \$282 in the account Fund Balance Appropriated, account number 37-90-3991-9910.

Section 4. That the following account numbers be increased in the amounts indicated to appropriate funds for the reclassification of the Public Works Supervisor II position:

37-90-4530-0200	Salaries	\$ 207
37-90-4530-0500	FICA	39
37-90-4530-0700	Retirement	<u>36</u>
	Total	\$ 282

Section 5. That the Estimated Revenues in the Cemetery Fund be increased in the amount of \$992 in the account Fund Balance Appropriated, account number 39-90-3991-9910.

Section 6. That the following account numbers be increased in the amounts indicated to appropriate funds for the reclassification of the Public Works Supervisor II position:

39-90-4540-0200	Salaries	\$ 826
39-90-4540-0500	FICA	86
39-90-4540-0700	Retirement	<u>80</u>
	Total	\$ 992

Section 7. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 8. This ordinance shall become effective upon its adoption.

Adopted this the 1<sup>st</sup> day of July, 2013.

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

s/**N. Archie Jennings, III**  
**Mayor**

E. Declare Surplus/Authorize – the Sale of Mobile Home through Sealed Bids acquired with the Brann/property purchase

<u>Vehicle Number</u>	<u>Make/Model Description</u>	<u>Serial Number</u>	<u>Odometer Reading</u>
N/A	1973 Conner Mobile Home	4024M3DWN1B2781	N/A

F. Moved To Memo VIB.1: – Purchase Orders >\$20,000

**SCHEDULED PUBLIC APPEARANCES:**

**Mr. Carter Leary** requested underground electrical services and provided explanation as to why he was making this request (service line drop to meter). Mr. Leary provided photographs of his concerns. He is requesting the wiring from the City and will trench the wiring in himself. He said he has done this in the past using plumbing pipe under his driveway. Mayor Jennings suggested that Mr. Leary had done the correct thing in bringing this matter to the Council attention.

(Letter to Mr. Leary from Alston Tankard, Electric System Engineer 3-7-2012)  
 I met with you on March 6, 2012 to discuss the possibility of converting your residential electrical service from overhead to underground. During our discussion I noted three areas where Washington Electric Utilities (WEU) requirements and the requirements of the National Electrical Safety Code (NESC) would be in violation. These conditions would have to be resolved in order to proceed with the change of service:

1. The clearance between the existing electric meter base and natural gas meter does not meet the WEU clearance requirement six feet.
  2. The new underground service conductor shall be installed to a minimum 36” depth per NESC and WEU requirements. In addition, suitable backfill material shall be provided if you elect to trench and backfill the excavation.
  3. The current conduit under the concrete driveway is not schedule 40 PVC electrical conduit as required by NESC and WEU. The existing conduit under the driveway is not electrical conduit and does not meet the temperature rating of the utility supply conductors.
- Once these conditions are satisfied the conversion of your overhead service to underground can proceed. (end)

Mayor Jennings instructed City Manager, Brian M. Allgood and staff to work on this issue. Councilman Mercer stated there is a definite problem with the pole/wire coming down to the house. Councilman Mercer hopes this problem can be worked out within a short period of time either by replacing the wire from the pole down to the meter or allowing Mr. Leary to run it underground.

**Reverend David Moore** stated he was approaching City Council regarding the CDBG Block Grant he received through the City of Washington. There was a three (3) year delay on when he could actually acquire the land and everything was ready to go by 2008. Reverend Moore stated they are having difficulties with financing – the contract stated they would build five (5) houses for low to moderate income families. The land was purchased, infrastructure was put in and he is requesting Council pay/waive the water and sewer tap fees for those five structures.

Reverend Moore explained how the process previously worked but now with the economic downturn, banks stopped lending especially to non-profits. The process is now, build one house and sell it before building another. Department of Commerce has placed a deadline/window on us so that we have to get it done quickly or the City will have to pay back the funding. Reverend Moore noted he is now in the position to start construction and needs the City’s help on this matter. Metropolitan’s track record is spotless and has never been derelict in duty (this being their six CDBG grant in the City of Washington). Reverend Moore would like to get this project completed so the City of Washington will not have to take care of anything he is responsible for. Reverend Moore stated once the five houses are completed he will come back with phase two of the project.

Councilman Mercer has applauded and commended Reverend Moore and Metropolitan several times for removing substandard housing in the City. However, this grant has been a snafu from day one and further noted that Holland Consulting Planners messed up. The City acquired the properties and put in the infrastructure (in order to put in the infrastructure as required, the City had to put in an additional \$50,000/\$60,000 above what was outlined in the grant). Reverend Moore approached the City about six months ago, noting he needed some assistance in clearing the land to be able to proceed with construction and the City invested another \$10,000/\$12,000 into clearing that property. Now there is a request to forgive some \$11,000 worth of water/sewer taps and building fees with the indication that the City will recoup that money in a three/four year period of time. This would be true if Reverend Moore would build the houses in the next three/four years.

Councilman Mercer shared the difficulties he is having with this issue. The Department of Community Assistance contacted the City notifying them that funding for the project had been de-

obligated and the City was responsible for the repayment of a \$250,000 grant. Former City Manager, Josh Kay went to Raleigh and negotiated a repayment plan for the City at the rate of \$25,000 a year for the next ten years and he feels this has been budgeted.

Mayor Jennings expressed that Reverend Moore's statements are solid, especially Metropolitan's partnership with the City. John Rodman, Community/Cultural Resources Director provided clarity on this item by stating it is the 12<sup>th</sup> hour (the time is up) and this is why we are having the public hearing tonight in order to close out the FY05 grant. Mr. Reed Whitesell with Holland Consulting Planners shared by conversation with John, that even though the grant is closed out, if Reverend Moore builds these houses, then those repayments will be reduced by each house that he builds. If he builds all the houses, the repayment could be forgiven. Mr. Rodman stated this is not written anywhere and he has no proof of that fact but it is his understanding through conversations with Mr. Whitesell. Mayor Jennings stated we need to get this clarification in writing. Mayor Jennings clarified the dollar amount per house for tap fees and permits is \$3,220 and the total would be \$16,100.

Council paused for the public hearing. Councilman Moultrie requested to revisit the discussion of tap fees and take a vote on this tonight. Mayor Jennings stated this would be continued concurrently.

**COMMENTS FROM THE PUBLIC: NONE**

**PUBLIC HEARING ON ZONING: NONE**

**Public Hearing (other): ADOPT – ANNEXATION ORDINANCE TO EXTEND CITY OF WASHINGTON CORPORATE LIMITS FOR A CONTIGUOUS ANNEXATION (WIMCO PROPERTY LOCATED AT 1724-1730 CAROLINA AVE).**

Mayor Jennings opened the public hearing. John Rodman Community/Cultural Resources Director provided the following background information on the WIMCO annexation. At the June 10, 2013 City Council meeting, Council adopted a resolution calling for a public hearing on the request for an annexation of the Wimco property containing 2.16 acres.

Councilman Brooks inquired if this was the three lots combined and Mr. Rodman stated it was two lots.

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

By motion of Councilman Mercer, seconded by Councilman Pitt, Council adopted the annexation ordinance to extend the City of Washington corporate limits for the contiguous annexation of the Wimco property located at 1724-1730 Carolina Ave. and covering 2.16 acres.

**AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF WASHINGTON, NORTH CAROLINA**

**WHEREAS**, the Washington City Council has been petitioned under G.S. 160A-31 to annex the area described below; and

**WHEREAS**, the Washington City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

**WHEREAS**, the City Clerk has certified the sufficiency of the petition and a public hearing on the question on of this annexation was held at the City Council Chambers on the 2nd floor of the municipal building located at 102 East 2nd Street at 6:00 p.m. on Monday, July 1, 2013, after due notice by the Washington Daily News on June 21<sup>st</sup>, 2013;

**WHEREAS**, the Washington City Council finds that the area described herein meets the standards of G.S. 160A-31;

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

Section 1. By the virtue of the authority granted by G.S. 160A-31, the following described territory is hereby annexed and made part of the City of Washington as of July 1, 2013:

Being all of that tract of land noted on that survey "Extension of Corporate Limits" by Bartlett Surveying, P.A. dated April 2013 and being located in Washington Township, Beaufort County North Carolina and being more particularly described as follows;

Beginning at a point on the western right-of-way line of Carolina Avenue (US HWY 17), said point being the northeastern corner of the property conveyed to Junice D. Grimes III and Samuel G. Grimes in Deed Book 1504, Page 366 (PIN:5676-56-7365), thence leaving said right-of-way line S70°31'55"W a distance of 194.46' to an existing railroad iron on the eastern line of the property conveyed to June W. Whitaker in Deed Book 1352, Page 623 (PIN:5676-57-3013), thence N18°47'29"W a distance of 300.12' to an existing railroad iron, thence N18°49'58"W a distance of 147.73' to a point at the center of an existing canal, thence N53°25'50E a distance of 41.64' to a point, thence N47°38'12"E a distance of 102.85' to a point, thence N51°56'18"E a distance of 63.85' to a point on the western right-of-way line of Carolina Avenue (US Hwy 17), thence along said right-of-way line S18°49'51"E a distance of 220.43' to an existing iron pipe, thence S18°49'51"E a distance of 300.04' to the point of beginning, containing 2.16 (+/-) acres, and consisting of the property conveyed to Kevin D. Rawls and Donald R. Bundy in Deed Book 1369, Page 607 (PIN:5676-56-6954), and the property conveyed to Chester W. Leggett and Susie G. Leggett in Deed Book 525, Page 487 (PIN:5676-56-7731), see also Estate File 95E, Page 1.

Together with and subject to covenants, easements, and restrictions of record. Said property contains 2.16 acres more or less.

Section 2. Upon and after July 1, 2013, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Washington and shall be entitled to the same privileges and benefits as other parts of the City of Washington. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10.

Section 3. The Mayor of the City of Washington shall cause to be recorded in the office of the Register of Deeds of Beaufort County, and in the office of the Secretary of the State in Raleigh, North Carolina, an accurate map of the annexed property, described in Section 1 above, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G.S. 163-288.1.

Adopted this 1<sup>st</sup> day of July, 2013  
s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**CLOSE OUT – FY05 CDBG HOUSING DEVELOPMENT PROGRAM (KEYS LANDING)**

Mayor Jennings opened the public hearing. Mr. Rodman stated this is the public hearing for the FY05 Keys Landing CDBG grant. Mr. Rodman explained the original deadline has passed and the Division of Community Assistance has recommended that this grant be closed out and money returned.

Councilman Mercer inquired if the close out is a formality in light of the fact that the project has been defunded and we have been requested to refund the monies, Mr. Rodman responded ‘yes’. Mayor Jennings stated we are satisfying the requirement to hold a public hearing but we don’t necessarily have to take action immediately following. Council and staff referred to Mr. Holscher and he suggested the form prepared by the grant administrator indicates no action requested.

Mayor Jennings opened the floor for public comments.

Reverend Moore shared the City definitely doesn’t want to close out the grant.

Mr. Casey Cox addressed Council, noting his address is 221 Alderson Road in Smallwood and that his house is directly adjacent or behind the Keys Landing property. He agrees with closing out the grant. Mr. Cox noted he has numerous reasons why he disagrees with the project but feels with all the requested extensions, the City should close out this project.

By motion of Councilman Brooks, seconded by Councilman Mercer, Council agreed to continue the public hearing for Close-Out of FY05 CDBG Housing Development Program – Keys Landing until the next regular scheduled meeting.

**MEMO – RELOCATION OF CITY EOC:**

In consideration of the City’s current location of the Emergency Operations Center at Fire Station 2; I would recommend, due to limited space and other logistical reasons; that during the need for staff to operate from a central location we designate City Hall as the Emergency Operations Center. From a logistics standpoint, City Hall already has the working space of the core decision makers during emergency situations including network operations and meeting room areas. This building is structurally secure, has back-up power, an essentially this change of location would not create costs. In fact, this change would create some savings by removing additional phone lines from Station 2 designated for use during emergencies.

In reference to moving radio communications from the Police Department if needed due to flooding or power loss; that operation could still be re-located to Station 2, as it would be part of the Police and Fire operations responding within that location.

**MEMO – SMALL BUSINESS AND ENTREPRENEURIAL ASSISTANCE (SBEA) GRANT PROGRAM**

The Division of Community Investment and Assistance approved the 2011 Community Development Block Grant (CDBG) for Small Business and Entrepreneurial Assistance (SBEA) funds in

the amount of \$200,000. The primary purpose of the SBEA program is to provide funding to local governments to help jumpstart the growth of existing small businesses by expanding their businesses and creating new jobs. Five (5) local businesses that are participating are: Park Boat Company, Hospital Pharmacy, East Carolina Imports, FRE Plumbing, and Pamlico Fencing.

The grant project is authorized to provide CDBG funds to these local businesses for construction/rehab, machinery and equipment, and working capital. By providing capital resources to the existing business the City of Washington will help increase employment opportunities by creating 8 new jobs.

Funding eligibility is contingent upon the creation or retention of permanent full-time jobs. Each new job created or retained is eligible to receive up to \$25,000 in grant funds. The City of Washington was therefore awarded \$200,000 in Small Business and Entrepreneurial Assistance funds. Before these funds can be released the conditions must be met.

1. No funds may be obligated or expended in any activity until the recipient provides the Division of Community Investment with a copy of the legally binding commitment(s) between the City of Washington and Taylor's Hospital Pharmacy, East Carolina Import Services, FRE Plumbing, Pamlico Fence Company, and Park Boat Company.
2. No funds may be obligated or expended in any activity until the recipient provides a detailed work plan on how goals will be achieved and measured satisfactorily to the Division of Community Investment.
3. No funds may be obligated or expended in any activity until the recipient provides the Division of Community Investment with a certified list of the names, employment start dates and employment status of each employee of the participating businesses.
4. The Division of Community Investment requires that the recipient provide a copy of an executed Uniform Commercial Code (UCC) lien on any equipment purchased with funds from this grant with the recipient being designated as the "secured party".
5. No funds may be obligated or expended in any activity until the City of Washington receives a signed Promissory Note from each of the participating businesses.

Each participating business has agreed to retain or create, fill and maintain their indicated full time jobs by January 16, 2015. The employers must retain the job(s) for a period of six months at 35 hours a week.

**MOVED FROM CONSENT AGENDA: PURCHASE ORDERS >\$20,000**

Councilman Mercer requested the purchase order moved from the Consent Agenda be discussed at this time. He reminded Council they were presented with two purchase orders last month – one for \$37,000 for the purchase of a truck for Park Boat Company and the other for approximately \$22,000 for supplies and plumbing equipment for FRE Plumbing. Councilman Mercer expressed his concerns and spoke in opposition of the grant (purchase order of the utility truck for Park Boat Company).

Councilman Mercer asked Mr. Holscher if we have all needed documentation required for the City to spend these funds. Mr. Holscher stated this is a difficult question but can say since the last meeting he has drafted promissory notes for each of the five businesses to sign, which have been delivered to the grant administrator. As each truck or piece of equipment is purchased, he is supposed to

receive identifying information which he will place on a UCC to be filed with the Secretary of State. As far as the truck title, the title is required to be in the City’s name initially and he suggested that the City transfer the title to the businesses name and the City be shown as a secured party on the title. Also, the City should hold the physical title until there is compliance. Mayor Jennings asked if the City will comply with the grant by the way it’s design and Mr. Holscher stated in his opinion ‘yes’.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council approved by purchase orders >\$20,000. Motion carried 3-1 with Councilman Mercer opposing.

\*Requisition #12999, \$32,656.22, to Lee Chevrolet for CDBG Job Creation grant, account 57-60-4930-4500.

\*Requisition # 50583, \$21,875, to Spartan Tool for CDBG Job Creation grant, account 57-60-4930-4500.

JUMPSTART WASHINGTON CDBG SBEA PROJECT  
STATUS REPORT

COMPANY	CDBG	MATCH	TOTAL	USES	CHANGE	NEW JOBS	RETAIN
TAYLOE PHARMACY	\$43,750	\$111,000	\$154,750	JOB TRAINING	MEDS	2	
EASTERN IMPORTS	\$21,875	\$9,000	\$30,875	CAR LIFTS, EQUIP,REHAB	?	1	
PAMLICO FENCE	\$21,875	\$25,000	\$46,875	SKID STEER MACHINE	SAME	1	
F.R.E. PLUMBING	\$21,875	\$2,000	\$23,875	TRAILER, JETTER, EQUIP	SAME	1	
PARK BOAT	\$65,625	\$25,000	\$90,625	TRUCK,TRACTOR	SAME	2	1
	<b>\$175,000</b>	<b>\$172,000</b>	<b>\$347,000</b>				
PLANNING	\$5,000		\$5,000				
ADMIN	\$20,000		\$20,000				
<b>TOTALS</b>	<b>\$200,000</b>	<b>\$172,000</b>	<b>\$372,000</b>				

**MEMO – LOCATION – COASTAL WARNING DISPLAY TOWER**

The U.S. Weather Bureau once used Coastal Warning Display towers to fly signal flags to warn mariners of wind shifts or approaching storms. Dozens of these towers were built after 1898, when President McKinley ordered the Weather Bureau to implement a hurricane warning system for ships. The towers were officially known as coastal warning display towers (CWD). Use of the forecast flags faded after 1925, as radio stations took over the role of disseminating local weather forecasts. The storm warning system and the CWD towers are obsolete today; the National Weather Service deactivated its Coastal Warning System in 1989. Although the program has been formally discontinued, the Coast Guard and other stations may continue to display warning signals without the direct assistance of the National Weather Service. It is believed that only five towers are still in use today, with two of those being in North Carolina.

The city of Southport restored its tower as a memorial to Jessie Taylor, the woman who flew the signal flags from the tower from 1900, when it was built, until she died in 1962. The tower now flies the Stars and Stripes. It stands in front of the Fort Johnston Officers Quarters, a historic building dating from about 1800.

In September 2005, the North Carolina Maritime Museum’s branch at Manteo, just inside the Outer Banks, acquired Manteo’s 1904 CWD tower and reinstalled it on the town waterfront. By November 1, the museum had fully restored the tower, reinstalling and reactivating the original lights. Forecast flags are displayed daily, and storm warning flags are flown whenever they are appropriate.

Mr. Jim Miller owns the residence and property at 720 East Main Street and a Coastal Warning Display tower has been located on the property since the 1940's. The tower has not been in use in a number of years and Mr. Miller has donated the tower to the City of Washington; to be removed and restored and placed at a separate location.

The City Building Inspections Office had a Structural Engineer look at the existing tower to make sure that its structural integrity would not be compromised if the tower was taken down, removed and once again installed. He stated that the tower would remain structurally sound. The height of the tower is approximately fifty feet. The engineer also gave the City an approximate cost to have the tower painted and once again installed at a separate location. That cost estimate was \$14,200. That cost does not include any purchase of weather flags or signal lights that were no longer with the tower.

A possible site for the new tower location has been selected. There have been discussions with the NC Partnership for the Sounds and the NC Estuarium concerning their property being used as a permanent site for the tower.

Unused funds from a Main Street Energy Fund were used to install a Sprout Kiosk on property outside of the NC Estuarium. The Sprout Kiosk is a 30' tall device, resting on a 5x5 structurally engineered concrete slab. It was designed to convey environmental and weather data to the Estuarium and to be used as an educational device. The kiosk has been out of service for nearly a year and the company that designed and built the Sprout has gone out of business. The Estuarium wishes to replace the Sprout with the Coastal Weather Display Tower. The weather tower will be a great addition to the Estuarium's educational programs and to downtown Washington's Maritime History.

Councilman Mercer requested discussion concerning the Coastal Warning and Display Tower. The City agreed to accept the ownership of the tower and spend some monies on taken it down and refurbishing it. Councilman Mercer feels the funds that are not adequate to affect that relocation and if the funds are not adequate who will pay for it? Mr. Rauschenbach stated to the best of his knowledge the funds are adequate.

#### **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 R/V 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, 2013 – August 14, 2014.

#### **MEMO – GENERAL FUND BUDGET TRANSFER BETWEEN THE EDC OPERATIONS AND THE MISCELLANEOUS & PARKS AND GROUNDS MAINTENANCE DEPARTMENTS**

**(\$32,460)**

The Budget Officer transferred \$32,460 of funding between the EDC Operations and the Miscellaneous & Parks and Grounds Maintenance departments of the General Fund to provide

additional funds needed to power wash, repair gutters, fascia, and paint exterior wood of the Beaufort County Art Council building and power wash and paint the interior and exterior of the Bobby Andrews Recreation Center.

NCGS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes.

From: 10-00-4650-4500 EDC Operations \$32,460  
 To: 10-00-4400-1501 Repair/Maintenance \$10,000  
 10-40-6130-1500 Repair/Maintenance \$22,460

**MEMO – GENERAL FUND BUDGET TRANSFER BETWEEN THE EDC OPERATIONS AND MISCELLANEOUS DEPARTMENTS OF THE GENERAL FUND (\$1,000)**

The Budget Officer transferred \$1,000 of funding between the EDC Operations and Miscellaneous departments of the General Fund to provide additional funds needed to install hand rails on the handicap ramp at the Beaufort County Arts Council Building.

NCGS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes.

From: 10-00-4650-4500 EDC Operations \$1,000  
 To: 10-00-4400-1501 Repair/Maintenance \$1,000

**MEMO – GENERAL FUND BUDGET TRANSFER BETWEEN THE EDC OPERATIONS AND THE MISCELLANEOUS & PARKS AND GROUNDS MAINTENANCE (\$1,400)**

The Budget Officer transferred \$1,400 of funding between the EDC Operations and Parks and Grounds Maintenance departments of the General Fund to provide additional funds needed to power wash, and paint interior and exterior of the Bobby Andrews Recreation Center.

NCGS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes.

From: 10-00-4650-4500 EDC Operations \$1,400  
 To: 10-40-6130-1500 Repair/Maintenance \$1,400

**MEMO – GENERAL FUND BUDGET TRANSFER BETWEEN THE MAYOR AND CITY MANAGER DEPARTMENTS (\$55)**

The Budget Officer transferred \$55 of funding between the Mayor and City Manager departments of the General Fund to provide additional funds needed for City Clerk's travel.

NCGS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes.

From: 10-00-4111-1400 Employee Development \$55  
 To: 10-40-4120-1400 Employee Development \$55

**MEMO – ELECTRIC FUND BUDGET TRANSFER BETWEEN THE LOAD MANAGEMENT AND SUBSTATION DEPARTMENTS OF THE ELECTRIC FUND (\$7,500)**

The Budget Officer transferred \$7,500 of funding between the Load Management and Substation departments of the Electric Fund to provide additional funds needed to replace the reclosers that failed at the eastern sub breaker.

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

From: 35-90-8375-5600	\$4,000	To: 35-90-8370-1603	\$4,000
From: 35-90-8375-4500	\$3,500	To: 35-90-8370-1603	\$3,500

**REPORTING – REALLOCATION OF FUNDING – GENERAL FUND, WATER FUND, SEWER FUND, STORM WATER FUND, ELECTRIC FUND, AND AIRPORT FUND**

The following reallocations of funding between divisions within the General Fund, Water Fund, Sewer Fund, Storm Water Fund, Electric Fund, and Airport Fund have been approved by the Interim City Manager in order to cover overspent departments with inter-departmental funds, thus avoiding additional appropriations:

**General Fund:**

- Increased City Council Department by \$300
- Increased Mayor’s Department by \$200
- Increased City Manager’s Department by \$14, 650
- Increased Human Resources Department by \$1,500
- Increased Legal Services Department by \$9,000
- Increased Municipal Building Department by \$6,500
- Increased Equipment Services Department by \$5,000
- Increased Recreation Administration Department by \$1,550
- Increased Events & Facilities Department by \$10,580
- Increased Aquatic Center Department by \$24,500
- Increased Outside Agency Department by \$200
- Decreased Miscellaneous Department by \$33,680
- Decreased Customer Service Department by \$40,300

**Sewer Fund:**

- Increase Public Works Director Department by \$1,500
- Decrease Miscellaneous Department by \$1,500

**Electric Fund:**

- Increase Debt Service Department by \$28,950
- Increase Electric Director Department by \$8,150
- Decrease Power Line Construction Department by \$37,100

**REPORTING – BAD DEBT WRITE-OFFS**

The following accounts have been written off in accordance with the City of Washington’s Policy for Write-off of Uncollectible Accounts Receivable.

<u>Category</u>	<u>Category Description</u>	<u>Criteria for Write-off</u>	<u>Total Write-off</u>
2	Assessments	>10 years old	32,325.06
27	Miscellaneous G/G	>5 years old	4,896.40
44	Electric Property Damage	>5 years old	1,238.13
55	Solid Waste Fees	>5 years old	50.00
58	Miscellan. Storm Water Fund	>5 years old	50.00
65	Hydrant Usage	>5 years old	146.83
31	Lot Mowing	>5 years old	5,195.00
33	Building Demolition	>5 years old	12,387.50
Utility	Utilities	>5 years old	79,829.74
EMS	EMS Charges	>5 years old	355,340.09
<b>Total</b>			<b>\$491,458.75</b>

Lot mowing, demolition, and assessment liens that were previously placed against properties remain in place with the hopes that if the property is ever sold, the City will collect proceeds from the sale to satisfy the debt.

\*Adoption of Policy for Write-off of Uncollectible Accounts Receivable – July 18, 2011

Councilman Mercer expressed concern with the write-off of bad debt in EMS charges and Utilities. If he recalls correctly, we wrote off well over a million dollars in EMS funds last year.

Also, if we are writing off \$79,000 worth of utilities billing do we have a program that states if you are in debt to the City that we will not give you utilities at another location. Mr. Rauschenbach stated you will not receive services until you pay the delinquent debt.

**HUMAN RELATIONS COUNCIL**  
(Report approved as submitted)

**FINANCIAL REPORTS (EMAILED AS AVAILABLE)**

**APPOINTMENTS – VARIOUS BOARDS COMMISSIONS, AND COMMITTEES:**

**Animal Control Appeal Board –**

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council appointed Ty Carter to the Animal Control Appeal Board to fill the expired term of Doug Mercer, term to expire June 30, 2016.

**Washington Electric Utilities Advisory Commission –**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council appointed Jeremiah Jackson as the At-Large member of the Washington Electric Utilities Advisory Commission – to fill the expired term of Walter Zerniak, III, term to expire June 30, 2016.

Mayor Jennings inquired if Mr. Jackson was aware that this group has been charged with owning, executing, and holding accountable all parties regarding the load management program. Councilman Pitt acknowledged that Mr. Jackson was aware and is willing to be on the board.

**Mayor’s Certificate of Appointment to the Washington Housing Authority –**

Appointments continued until August 12, 2013 and Mayor Jennings noted he will follow through on those appointments.

**MOVED FROM CONSENT AGENDA ITEM A: ADOPT BUDGET ORDINANCE AMENDMENT – SOLAR PROJECT 1:**

Councilman Mercer expressed the difficulties he was having with Solar Project 1. Monies were charged in the Electric Director’s account for salaries that was not budgeted and we had a budget of approximately \$300,000 in that area for Solar Project 1. We only spent about \$190,000 and feels this project needed to be cleaned up. Also, he understands that we are billing man power and equipment at cost plus. Mr. Hardt, Electric Director, provided clarification on these matters. Mr. Hardt explained we have an interconnect agreement with the first project in that they will pay all cost plus all overheads associated with any installation. Mr. Hardt explained the way the overheads work regarding the man power (40% - fringes, insurance, retirement) and material cost of (15% - storage handling, cost of issuing a purchase order) also, there is a 3% on sale taxes but there is no overhead cost on equipment.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council adopted a Budget Ordinance Amendment to balance the revenue and expenditures for Solar Project 1.

**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 amount of \$40,271 in the account Solar Project 1, account number 35-90-3500-3640.

Section 2. That following account numbers in the Electric Director portion of the Electric Fund appropriations budget be increased or decreased by the amounts indicated:

35-90-7220-0440	Solar Project 1	(118,195)
35-90-7220-0207	Salaries – Solar Project	37,021
35-90-7220-0500	FICA	2,901
35-90-7220-0600	Group Insurance	3,590
35-90-7220-0700	Retirement	2,556
35-90-7220-0705	Employer 457 Contribution	675
	Total	(71,452)

Section 3. That the Estimated Revenues in the Electric Fund be decreased in the amount of \$111,723 in the account Fund Balance Appropriated, account number 35-90-3991-9910.

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

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

Adopted this the 1st day of July, 2013.

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

**s/N. Archie Jennings, III  
Mayor**

**MOVED FROM CONSENT AGENDA ITEM B: ADOPT BUDGET ORDINANCE AMENDMENT  
– SOLAR PROJECT 2:**

Councilman Mercer stated there was a request last month for \$240,000 and he inquired of Mr. Rauschenbach how much money we have spent to date. Mr. Rauschenbach said we actually have spent no money but have encumbered \$157,000 of purchase orders and this request is for a budget ordinance amendment for over \$200,000. Councilman Mercer suggested having a budget ordinance amendment for \$160,000 to cover the encumbered \$157,000.

Councilman Mercer, further asked if we have a contract for Solar Project 2 and what it calls for in terms of our allocating cost back to the project? Mr. Hardt explained there was a timing issue. The project developer indicated that interconnect agreement would have been signed which was a day or two following the City Council meeting. What we were trying to do was to get the budget ordinance amendments in place to be able to place orders for long lead time for equipment. At the time we make those purchases (should we make those) they would have reimbursed us for the full cost. They have had a delay with the Utility Commission with the approval on this project so the interconnect agreement has not been signed. We encumbered those purchase orders assuming the interconnect agreement was coming. We have not expended any funds in that project and we still have valid quotes if we want to close that out. Either way, we will need a budget ordinance amendment.

By motion of Councilman Moultrie, seconded by Council Brooks, Council adopted a Budget Ordinance Amendment to provide unspent funding from the prior year to the current year.

**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 amount of \$163,225 in the account Fund Balanced Appropriated, account number 35-90-3991-9910.

Section 2. That following account numbers in the Electric Director portion of the Electric Fund appropriations budget be increased or decreased by the amounts indicated:

35-90-7220-0450	Solar Project 2	\$163,225
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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 1<sup>st</sup> day of July, 2013.

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

**s/N. Archie Jennings, III  
Mayor**

Recess: 6:40 – 6:50 pm.

**STORMWATER CAPITAL PROJECT AMENDMENT:**

Mayor Jennings explained this discussion revolves around Iron Creek Subdivision. Councilman Mercer stated he had requested staff to look at the engineering and if it will need a Project Ordinance Amendment to allocate the funds (\$5,000) for that then he would like to move we do so.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adopted a Project Ordinance Amendment to allocate funding for engineering at Iron Creek Subdivision in the amount of \$5,000.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2012-2013**

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

Section 1. That following account numbers in the RZEDB Storm Water Capital Project fund appropriations budget be increased or decreased by the amounts indicated to provide additional engineering funds:

58-90-5710-0405	Engineering	5,000
58-90-5710-4500	Construction	(5,000)

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. This ordinance shall become effective upon its adoption.

Adopted this the 1<sup>st</sup> day of July, 2013.

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**SCHOOL RESOURCE OFFICER AGREEMENT MODIFICATION:**

Councilman Mercer expressed his concerns over this item and noted he is not satisfied with the 5% increase. Dr. Phipps indicated that he had no knowledge that the cost of the Resource Officer contract would potentially go up this year. Councilman Mercer spoke with (previous City Manager) Josh Kay regarding this matter and Mr. Kay indicated he had conversations with Dr. Phipps following last year’s budget discussions and told him to anticipate an increase in this year’s budget. During the meeting with Dr. Phipps it was suggested that the City would like to work along with the schools they don’t know how much money they will received from the State. Councilman Mercer suggested a 5% increase is very little for the City to recoup their money.

Mayor Jennings noted a point of clarification, Dr. Phipps did not say he did not have any indication that there would be an increase but his point was no indication as to how much that increase would be. Mayor Jennings clarified the benefit of the meeting and to share with everyone there was a built in 5% increase for this year. Also, Mayor Jennings clarified with school board members and Dr. Phipps that while this will keep pace with our increasing cost it will not catch us up on fourteen (14) years of unaddressed increases. Their (school board) intent going forward is to catch up that cost in

future budgets. Councilman Mercer commented that during this discussion and for further clarification, Dr. Phipps indicated that if there was going to be a continued increase in cost that he might look to see if there was someone else who could provide the service. Mayor Jennings stated this was one option but what he took away from the meeting that potentially over a two year period there would be a narrowing of the gap. Also, one of the solutions they anticipated might be another source for Resource Officers or there might be additional state funding that would offset that as well. There were a lot of options but the general commitment and understanding was that we were the ongoing provider.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council accepted the School Board offer for a 5% increase this year and to be revisited in years going forward.

**ADOPT – DECLARATION OF OFFICIAL INTENT TO REIMBURSE FOR FY 2013/14  
INSTALLMENT PURCHASE EXPENDITURES:**

Councilman Mercer requested from Mr. Rauschenbach at mid-year to re-evaluate how much money we need to borrow.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adopted a Declaration of Official Intent to Reimburse for Fiscal Year 2013/2014 installment purchase expenditures as outlined.

**DECLARATION OF OFFICIAL INTENT TO REIMBURSE**

This declaration (the “Declaration”) is made pursuant to the requirements of the United States Treasury Regulations Section 1.150-2 and is intended to constitute a Declaration of Official Intent to Reimburse under such Treasury Regulations Section.

The undersigned is authorized to declare the official intent of the City of Washington, North Carolina (the “Issuer”) with respect to the matters contained herein.

1. **Expenditures to be Incurred.** The issuer anticipates incurring expenditures (the “Expenditures” for budgeted installment purchases (the “Projects”).
2. **Plan of Finance.** The issuer intends to finance the costs of the Projects with the proceeds of debt to be issued by the Issuer (the “Borrowing”), the interest on which is to be excluded from gross income for Federal income tax purposes.
3. **Maximum Principal Amount of Debt to be Issued.** The maximum principal amount of the Borrowing to be incurred by the Issuer to finance the Project is \$1,129,000.
4. **Declaration of Official Intent to Reimburse.** The Issuer hereby declares its official intent to reimburse itself with the proceeds of the Borrowing for any of the Expenditures incurred by it prior to the issuance of the Borrowing.

Adopted this the 1<sup>st</sup> day of July, 2013

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**ADOPT – BUDGET ORDINANCE AMENDMENT TO ESTABLISH THE WATER FRONT  
DOCKS AS AN ENTERPRISE FUND:**

Councilman Mercer was not aware of a Maritime Committee being formed/appointed by Council. Mayor Jennings said that the Maritime Committee is part of the Harbor District Alliance and

requested Ms. Beth Byrd to step forward. Washington Harbor District Alliance Director, Beth Byrd, commented on the Maritime Committee. Ms. Byrd stated the committee has been established for approximately two years and that Fred Watkins is chair of this committee. They have been working diligently to improve the water front area of downtown Washington. The committee meets regularly and one of their goals was to assist Mr. Rodman with the boater/bathroom facilities. Ms. Byrd requested Council to officially/formally recognize the Maritime committee as they have worked behind the scenes and provided information that was asked of staff. The Maritime committee would like to recommend the management of the waterfront docks be endorsed by Council and put into works with Mrs. Roberson and Mr. Rodman's approval. Mayor Jennings inquired "what does officially recognize – what does that mean"? Ms. Byrd stated they would like to be an established board like the Airport/Historic Preservation Commission/etc.

Councilman Mercer inquired if the full board of the Washington Harbor District Alliance had approved the recommendation from Maritime committee, Ms. Byrd said 'no'. Mayor Jennings asked Mr. Rodman if having this asset in an enterprise fund would be helpful. Mr. Rodman stated yes, in some ways and other ways it will not change what is already there. It would help separate some of the waterfront docks and some of the management communities and feels this is what the Harbor District is looking for. There would be separate items in the budget where you can keep cost and some revenues but it is already in a separate line item. Mayor Jennings mentioned very few enterprise funds turn a profit and extra scrutiny comes along with it. Mayor Jennings inquired about the Maritime committee operating as an advisory board and Mr. Rodman expressed he works well with an advisory board and he now has four (4) boards. In his opinion a board would better serve him.

Mr. Fred Watkins shared the make-up of the Maritime committee and noting they started this because of the proposal City Council approved May 29, 2012 which was a business plan. Mr. Watkins voiced he sees this as breaking even and maybe making money for the City if it is run properly. The proposal that was put together did state there would be an informal advisory group which would consist of a certain make-up of people and shared the group thought process. What this group is saying is "if this was to have a separate enterprise fund" then the manager would have to look at this item when preparing the budget. Discussion followed.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council agreed to table this discussion until the August 12, 2013 meeting with more information being provided by staff. Motion carried 3-1, with Councilman Moultrie opposing.

**PULLED DUE TO DUPLICATION – ADOPT BUDGET ORDINANCE AMENDMENT TO FUND THE ANIMAL CONTROL OFFICER CHARGE FROM BEAUFORT COUNTY**

**ADOPT – ORDINANCE TO AMEND CHAPTER 2, ADMINISTRATION, BY REPLACING ARTICLE XXII., WARREN FIELD AIRPORT, IN ITS ENTIRETY:**

By motion of Councilman Mercer, seconded by Councilman Pitt, Council adopted an Ordinance Amending Chapter 2, Administration of the Warren Field Airport.

**AN ORDINANCE TO AMEND CHAPTER 2, ADMINISTRATION, BY REPLACING ARTICLE XXII., WARREN FIELD AIRPORT, IN ITS ENTIRETY**

**WHEREAS**, it is deemed desirable and in the public interest to establish an advisory board to advise the City of Washington and the Washington City Council in matters involving the Warren Field Airport.  
**BE IT ORDAINED**, by the City Council of the City of Washington, North Carolina as follows:

SECTION 1. That Chapter 2, Administration, Article XXII., Warren Field Airport, of the Washington City Code is hereby repealed in its entirety.

SECTION 2. That Chapter 2, Administration, Article XXII., Warren Field Airport, of the Washington City Code is hereby replaced in its entirety as follows.

**ARTICLE XXII. WARREN FIELD AIRPORT**  
**DIVISION 1. GENERALLY**

**Sec. 2-571. Rules and regulations.**

The rules and regulations of the Warren Field Airport, as adopted and amended from time to time by the City Council, are adopted and incorporated herein by reference as if fully set forth.

**Sec. 2-572--2-585. Reserved.**

**DIVISION 2. ADVISORY BOARD**

**Sec. 2-586. Purpose, establishment.**

For proper management of the Warren Field Airport, an advisory board to the Washington City Council designated and known as the Warren Field Airport Advisory Board (“Board”) is hereby created and established.

**Sec. 2-587. Composition.**

(a) *Membership, appointment, qualifications and term.* The Board shall be composed of five (5) members appointed by the City Council. Three (3) members shall be residents of the City. Of the initial appointments, two (2) shall expire on June 30, 2015 and three (3) shall expire on June 30, 2016. Thereafter, members shall be appointed by the City Council to serve for three (3) year staggered terms. Members shall be eligible for appointment, be appointed, serve, attend meetings of the Board, and be subject to removal in accordance with the provisions of section 2-531. Members of the Board shall be citizens of recognized ability and good judgment as well as standing, who, in the opinion of the City Council, can and will perform their official duties to the best interest of the City, the Warren Field Airport, and the users thereof. In addition, members should be actively engaged in an aeronautical business or aeronautical activities or have recognized aeronautical experience and qualifications.

(b) *Attendance, vacancies, and compensation.* In accordance with section 2-531, any member who has three (3) unexcused absences in a twelve-month period may be replaced at the discretion of the City Council. Vacancies occurring for other than expiration of term shall be filled as they occur through appointment by the City Council for the remainder of the unexpired term. Members shall serve without compensation.

**Sec. 2-588. Organization, meetings, rules and procedure, and records.**

(a) *Organization.* Within thirty (30) days of its initial appointment, the Board shall meet and elect one of its members Chairman and create as well as fill such other offices as the Board may determine are desirable. The Chairman shall serve for one (1) year unless his term as a Board member

shall expire in less than a year; in which event, his term as Chairman shall expire with his term and his replacement shall be elected by the Board consistent herewith. A former Chairman may be eligible for re-election as Chairman in the discretion of the Board. The City Manager or his designee shall be an ex officio member of the Board at all times, attend all meetings of the Board, and provide information to the Board that is necessary and pertinent to the Board's performance of its functions.

(b) *Meetings.* The Board shall establish a schedule of regular meetings that shall occur at least quarterly and cause a current copy of that schedule, showing the designated time and place of regular meetings, to be kept on file with the City Clerk. Any other meeting of the Board may be scheduled in conformity with the legal requirements applicable to meetings of public bodies. Board meetings shall be open to the public and may include a period for general public comment in the discretion of the Board.

(c) *Procedure.* In accordance with section 2-532, the Board shall adopt the Second Edition (1998) of Suggested Rules of Procedure for Small Local Government Boards, by Fleming Bell, II, published by the School of Government, University of North Carolina at Chapel Hill, with modifications included in the document to be its parliamentary procedural rules governing its meetings.

(d) *Records.* The Board shall keep full and accurate minutes of all official meetings, including minutes and a general account of any closed sessions, and shall otherwise conform with the legal requirements applicable to meetings of public bodies.

**Sec. 2-589. Functions.**

(a) The Board shall act as an advisory board to the City Council as well as City Manager or his designee and perform the following functions.

- (1) Review and make recommendations to the City Council concerning the Warren Field Airport Rules and Regulations as well as any proposed amendments thereto.
- (2) Review and recommend to the City Council programs and policies for the Warren Field Airport.
- (3) Make recommendations to the City Council concerning the facilities of the Warren Field Airport, including possible improvements thereto.
- (4) Review and make recommendations to the City Manager concerning the annual budget of the Warren Field Airport.
- (5) Review and make recommendations to the City Council concerning the airport layout plan.
- (6) Generally advise the City Council concerning Warren Field Airport matters, including public concerns and perspectives regarding Warren Field Airport matters.
- (7) Perform such projects and duties as may be requested by the City Council.

(b) All board recommendations shall be documented and forwarded to the City Council for its review and consideration. The Board shall strive to reach a consensus concerning issues and matters it takes under consideration; however, in the event a consensus cannot be achieved on a specific issue, both the majority and minority opinions will be considered and reported to the City Council. Board recommendations are non-binding on either the City Council or City staff.

**Sec. 2-590. Liability.**

Neither the Board nor any member of the Board shall incur any financial liability in the name of the City.

SECTION 3. All prior ordinances or parts thereof in conflict with the provisions of this ordinance are repealed.

SECTION 4. This ordinance shall become effective September 1, 2013.

Adopted this the 1<sup>st</sup> day of July, 2013

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**ADOPT – FINAL BUDGET ORDINANCE AND PROJECT/GRANT ORDINANCE  
AMENDMENTS FOR FY 12/13:**

In order to true up the financial records for the fiscal year, funding needs to be reallocated among the various funds, departments, and line items in order to keep certain cost centers from being overspent at year end.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council adopted – final Budget Ordinance and Project/Grant Ordinance Amendments for FY 12/13.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE AND CAPITAL  
PROJECT/GRANT ORDINANCES OF THE CITY OF WASHINGTON, NC  
FOR THE FISCAL YEAR 2012-2013**

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

**General Fund**

Section 1. That the following revenues and expenses be increased in the amounts shown in the General Fund to cover payment to Beaufort County for EDC operations and Animal Control Officer:

10-00-4650-4500	EDC Operations	\$34,860
10-10-4310-4500	Contract Services	26,312
10-10-3434-3302	State Reimbursement for Medicaid	61,172

**Library Trust Fund**

Section 2. That the following revenues and expenses be increased in the amounts shown in the Library Trust Fund to cover anticipated revenues and expenses for the remainder of FY 12/13:

11-40-3831-0000	Interest Earned	\$200
11-40-6300-9200	Adm. Charges to General Fund	200

**Cemetery Trust Fund**

Section 3. That the following revenues and expenses be increased in the amounts shown in the Cemetery Trust Fund to cover anticipated revenues and expenses for the remainder of FY 12/13:

12-30-3831-0000	Interest Earned	\$300
12-30-6400-9205	Adm. Charges to Cemetery Fund	300

**Solid Waste Fund**

Section 4. That the following revenues and expenses be increased or decreased in the amounts shown in the Solid Waste Fund to cover anticipated revenues and expenses for the remainder of FY 12/13:

38-90-4020-8300	Principal Installment Payments	\$24,100
38-90-4710-1705	Vehicle Fuel	9,300
38-90-9990-9900	Contingency	(1,064)
38-90-3471-4100	Residential Garbage Fees	15,000
38-90-3471-4101	Tipping Fees	4,000
38-90-3471-4105	Dumpster Rental Fees	8,000
38-90-3991-0000	Fund Balance Appropriated	5,336

**Old Health Department Capital Project Fund**

Section 5. That the following expenses be increased or decreased in the amounts shown in the Old Health Department Capital Project Fund to cover additional legal fees incurred in FY 12/13:

69-60-4930-0405	Legal Fees	\$2,870
69-60-4930-7100	Acquisition	(2,870)

Section 6. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 7. This ordinance shall become effective upon its adoption.

Adopted this the 1<sup>st</sup> day of July, 2013.

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**DISCUSSION – COFFEE WITH COUNCIL:**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council scheduled Coffee with Council for July 30<sup>th</sup> at 8:00 am at Grub Brothers restaurant on Main Street(location was later changed to Down on Main).

**DISCUSSION – JOINT MEETING WITH CITY COUNCIL AND BEAUFORT COUNTY COMMISSIONERS:**

Mayor Jennings explained this meeting has been scheduled for Monday, July 29, 2013 at 5:00 pm in the Beaufort County Administrative Building meeting room. The joint meeting with the

Commissioners will be at 5:30 and City Council will meet at 5:00 pm for the Committee of the Whole discussion. There will not be a July 22, 2013 Committee of the Whole but Council will reconvene on Monday, July 29, 2013 which will be the 2<sup>nd</sup> meeting in July.

**DISCUSSION – INTERSECTION OF HIGHLAND DRIVE & 12<sup>TH</sup>/15<sup>TH</sup> STREET**

Councilman Mercer discussed the right turn lane that basically allows the traffic to turn on 15<sup>th</sup> street and he had been contacted by several individuals asking why it can't be turned into a right turn lane.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council authorized making a request to the Department of Transportation to evaluate converting the land to right turn only lane at the intersection of Highland Drive & 12<sup>th</sup>; Council directed Allen Lewis, Public Works Director to make this request.

**CLOSED SESSION – UNDER § NCGS 143-318.11(a)(3) ATTORNEY CLIENT PRIVILEGE AND 143-318.11(a)(4) ECONOMIC DEVELOPMENT**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to enter closed session under § NCGS 143-318.11(a)(3) Attorney Client Privilege and 143-318.11(a)(4) Economic Development at 7:30 PM.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council agreed to come out of Closed Session at 8:15 pm.

**ADOPT/DECLARE – DECLARE BUILDING & LAND ON 234 SPRINGS ROAD SURPLUS AND ADOPT RESOLUTION AUTHORIZING SALE BY SEALED BID:**

idX Corporation acquired Impressions Marketing on May 1, 2013 and is interested in acquiring the facility and tract three of the property. Current appraisals were included in the agenda packet.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council declared the building and tract three of the property located at 234 Springs Road surplus and adopted a resolution authorizing sale by sealed bid.

**RESOLUTION AUTHORIZING SEALED BID SALE AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-268**

**WHEREAS**, the City of Washington owns a 392,736 square foot building on a 28.557 acre tract located at 234 Springs Road, Washington, NC; and

**WHEREAS**, North Carolina General Statute § 160A-268 permits the City to sell real property by advertisement and sealed bid;

**THEREFORE, THE CITY COUNCIL OF WASHINGTON RESOLVES THAT:**

1. The City Council hereby authorizes the sale of the following described tract of land by sealed bid:  
Legal Description: Deed book 979, page 738  
]
2. The city will accept sealed bids for the property until 2:00 P.M., Friday, August 2, 2013. Bids shall be delivered to the office of the Purchasing Agent, 203 Grimes Road, Washington, NC

27889.

3. At 2:00 P.M., Friday, August 2, 2013, all bids received shall be opened in public and the amount of each bid recorded. The record of bids shall be reported to the City Council at their regular meeting on Monday, August 12, 2013.
4. The City Council will determine the highest responsible bidder for the property and will award the bid by its regular meeting on August 12, 2013. Bids will remain open and subject to acceptance until the City Council awards the bid.
5. To be responsible a bid must be accompanied by a bid deposit of five percent (5%) of the amount of the bid. A bid deposit may take the form of cash, a cashier's check, a certified check, or a surety bond. The deposit of the bidder to whom the award is made will be held until sale of the property is closed; if that bidder refuses at any time to close the sale, the deposit will be forfeited to the city. The deposits of other bidders will be returned at the time the City Council awards the property to the highest responsible bidder.
6. In addition, to be responsible, a bidder must be current on payment of all property taxes owed to the city.
7. The city reserves the right to withdraw the property from sale at any time and the right to reject all bids.

Adopted July 1, 2013.

This resolution is effective upon its adoption this 1<sup>st</sup> day of July, 2013.

The motion to adopt this resolution was made by Councilman Mercer, seconded by Councilman Moultrie and passed by a vote of 4 to 0.

s/Cynthia S. Bennett, CMC  
City Clerk

s/N. Archie Jennings, III  
Mayor

**ACKNOWLEDGEMENT:**

Mayor Jennings offered thanks to Matt Rauschenbach, Cynthia Bennett and Reatha Johnson for their efforts during the time that Josh Kay left and Brian Allgood began employment as City Manager. They did a great job. Mayor Jennings noted he will make a formal announcement at the next regular meeting.

**ADJOURN – UNTIL MONDAY, JULY 29, 2013 JOINT MEETING AT 5:00 PM IN THE  
BEAUFORT COUNTY COMMISSIONER'S MEETING ROOM**

By motion of Councilman Moultrie, seconded by Councilman Mercer, Council adjourned the meeting at 8:20 pm until Monday, July 29, 2013 at 5:00 pm in the Beaufort County Commissioner's Meeting Room.

**(Subject to the Approval of the City Council)**

Cynthia S. Bennett, CMC  
City Clerk

**CITY COUNCIL MINUTES  
WASHINGTON, NORTH CAROLINA**

**July 29, 2013**

The Washington City Council met in a continued session on Monday, July 29, 2013 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman;; William Pitt, Councilman; Richard Brooks, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Councilman Edward Moultrie was absent and excused from the meeting.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Stacy Drakeford, Fire & Police Services Director; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Electric Utilities Director; John Rodman, Community/Cultural Resources Director; Kristi Roberson, Parks and Recreation Manager; Susan Hodges, Human Resources Director; Gloria Moore, Library Director; Lynn Lewis, Tourism Director; David Carraway, IT Department and Vail Stewart Rumley, Washington Daily News.

Mayor Jennings called the meeting to order and Mayor Pro tem Roberson delivered the invocation.

**APPROVAL/AMENDMENTS TO AGENDA**

Mayor Jennings added LaVon Drake to the agenda to discuss a music video that will be made in Washington. The additional item will be discussed after the presentation to Jamel Edwards & George Burris, Jr.

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

**PRESENTATION: WASHINGTON 14 U ALL- STARS  
2013 BABE RUTH SOUTHEAST REGIONAL TOURNAMENT CHAMPIONS**



Meghan Horton  
Hailey Harris  
Jordan Pierce  
Meghan Moore

Kaitlyn Ivey  
Sarah Lynch  
Sydney Keech  
Haley Witham

Chaleigh Baynor  
Briley Waters  
Rachel Lang

Coach Brad Horton & League Representative: Greg Dority

Assistant Coaches: Ann Lang & Melissa Nichols

Special thanks to State Title Team Members: Marlee Maston and Destiny Blackledge

**PRESENTATION: ACTS OF BRAVERY: JAMEL EDWARDS & GEORGE BURRIS, JR.  
(QUAIL RIDGE APT. FIRE)**



On July 3, 2013 Washington Fire-Rescue-EMS was dispatched to 1226 Maple St for a kitchen fire. Upon arrival, crews found minimal fire but extensive damage to the kitchen of the noted address. The occupant of the residence stated that two men entered the kitchen and threw corn meal on the fire. This suppressed the fire and prevented it from spreading to the entire apartment. The quick actions of George Burris Jr. and Jamel Edwards not only minimized the damage to the apartment, but also saved the entire complex from damage. Without the quick thinking and the bravery, exhibited by these men, many would have been displaced that evening.

**LAVON DRAKE – MUSIC VIDEO**

Ms. LaVon Drake explained she was approached by Allen Clarke Photography of Nashville, Tennessee, to let her know that the group will be in Washington from September 26 – September 30, 2013 to shoot a music video. They chose Washington because it is a beautiful waterfront community. The artist that will be videoed is Jocelien Dance Whitehead, who is from Greenville, NC and is 14 years old. She has been signed with 50/50 music group, which is part of Universal Music Group. She is recorded by Bar Lowe Studios of Nashville, TN (Nathan and Cary Barlowe). Lavon Drake and Allen Futrell will be on the video team and act as the local liaison for the project. Council supported Ms. Drake in this endeavor and offered their support.

**MEMO: AIRPORT TERMINAL DESIGN**

The terminal design subcommittee met on two occasions with the architect and engineer for this project and the schematics are the result of these meetings. Prior to moving forward with the design, including drawings and specifications for receiving bids, staff needs Council's approval of the overall design at this point. With approval, the design process will continue with final bid documents being done by mid-October and bid opening around Thanksgiving of this year.

As a reminder, the proposed budget on this project was \$1,125,200, with \$325,200 coming from insurance proceeds as a result of the terminal being destroyed by a "gustnado" on July 1, 2012, \$500,000 in grant proceeds from the NC Division of Aviation and \$300,000 in Vision 100 funds. Vision 100 funds are the funds that we receive annually from the NC Division of Aviation, \$150,000 annually. Obviously, there are two years of Vision 100 funds proposed to be used in this project. The estimated cost of the project is \$112,185 for design, survey, bidding, etc., \$962,000 for building construction, \$96,200 contingency (10%), \$55,000 for furnishings, \$19,800 rental of modular building for temporary terminal, construction administration of

\$35,000, construction observation of \$35,000 and \$15,000 for special inspections/QA testing, etc. Total estimated is \$1,330,185, \$204,985 more than budgeted. “We believe the estimate is too high,” City Manager Brian Alligood told the Council, adding that a competitive bidding market may whittle the actual cost down closer to the budgeted amount. Current cost estimates are \$200 per square foot for heated space and \$75 per square foot for porches. Mayor Pro tem Roberson suggested one option of not finishing out the second floor immediately, but make the area intended for general use and meeting rooms another phase of construction. Councilman Mercer commended staff as well as the subcommittee members (Hill, Alligood and Nash) for their work on the design of this structure.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council voted to approve the airport design as presented and authorized staff to move forward with preparing the bid package.



LANDSIDE PERSPECTIVE



AIRSIDE PERSPECTIVE

#### **MEMO: UPDATE ON LIGHTHOUSE RESTROOMS AND BOATER FACILITIES**

John Rodman, Community/Cultural Resources provided an update on the restroom/boater facilities. The City of Washington has proposed to construct a structure that would contain public restroom facilities, boater's bathrooms and laundry facilities. Currently there are no permanent public restrooms located along the western end of the downtown waterfront promenade. The proposed structure would accommodate the public, especially small children and adults who may be walking and viewing the waterfront along Stewart Parkway. In addition, the City's docking facilities are being used more frequently and with more dock space being planned this would only complicate the problems of inadequate public facilities. While the City marina does have pump-out facilities; convenient, attractive and comfortable facilities would certainly help the problem of overboard dumping. Following the adoption of the City of Washington's Waterfront Visualization & Reinvestment Strategy, the Citizens for Revitalization Committee proposed a list of priorities for an implementation strategy of the new plan. One the priorities was the development of restroom & dockmaster facilities for the western end of Stewart Parkway. This area would be known as the "Maritime Quarter". Maritime activity is a core component of Washington's downtown. Following community input, a series of improvements for restroom facilities were shown as a part of the vision for the western end of the waterfront and the maritime quarter. The building is shown as a two story structure with the

ground floor dedicated to boater, visitor and community info as well as a new restroom area. The upper level of the building will provide office space and a harbor observation area. The building is designed architecturally to reflect the historic Pamlico Lighthouse. The Division of Water Quality suggested the proposed location (already impervious surface and previous public meeting outcomes chose this location).

The Lighthouse restroom sub-committee has completed work on final specifications and materials for the project. Mosley Group has completed work on a set of sealed drawings in order to begin the process of the project. Site layout services, including surveying, grading and site plans have been completed. Documents are in the process of being completed in order to offer an “Invitation to Bid”. The committee hopes the bidding process and the selection of a contractor will be completed and ready for approval by Council at their September meeting.

The following slides represent the progress being made in order to complete the Lighthouse Restroom Project.



Original design created by Land Design in 2010



Final design prepared by Mosley Design in 2013



Original Pamlico Point Lighthouse established in 1891.



Lighthouse Restrooms and Boaters Facility, hope to establish in 2013.

**Lighthouse Restrooms & Boaters Facilities**



Elevation drawings – "A" faces the river (south) "B" faces Stewart Parkway (north)



**Lighthouse Restrooms & Boaters Facilities  
Projected Tasks & Schedule**

- ✓ Complete Preliminary Design
- ✓ Site Preparations and Survey
- ✓ Core Borings
- ✓ Variance Request
- ✓ Historic Preservation Approval
- ✓ Complete Final Design
- Complete Bid Documents
- Advertise for Bids
- Receive Bids
- Council to Award Bid
- Start Construction
- Complete Project

**Lighthouse Restrooms & Boaters Facilities  
Budget**

	Approp. Amount	Costs to Date	
*Planning and Design:	\$ 40,000	\$ 18,750	
Construction:	\$245,000	N/A	
Contingency:	\$ 15,000	N/A	
Total	\$300,000	\$ 18,750	
*Planning and Design:	\$ 40,000		
Site Design:		\$ 6,825	
Building Design:		\$ 9,200	
Site Work:		\$ 2,500	
Permits:		\$ (225)	(Inkind)
Total	\$ 40,000	\$ 18,750	

**MEMO: WATERFRONT DOCK MANAGEMENT**

Brian Allgood, City Manager explained that a request during a previous council meeting prompted John Rodman to discuss the options for management of the waterfront docks. Currently, the Parks and Recreation Department manages/provides oversight for the docks.

Mr. Rodman explained that he knows we all want the same result and want to be heading in the same direction in regards to the waterfront and the docks. He continued by presenting several management options, ranging from a new ad hoc waterfront advisory committee serving under the dockmaster to Washington Harbor District Alliance’s existing maritime committee; management by the Public Works Department to leasing the docks out to a for-profit party, thereby putting a commercial enterprise on public land.

Mayor Jennings noted that “the word marina gets used a lot. Right now, we’ve got docks and you know how much ground we had to cover to get the docks born. He continued by saying, we could argue about the state of the business, whether we want to be in the marina business. I think the best recommendation and organization, as a whole, in my personal opinion, is we don’t

need another committee. We need someone already on the playing field.” Mayor Jennings suggested that Mr. Rodman and Mr. Alligood get together to develop the best recommendation in consideration of the whole organization and then present that recommendation to Council.

Councilman Mercer commended Mr. Rodman for his efforts and noted this is a good starting point. Councilman Brooks inquired if the Parks and Recreation Advisory Board were doing the job as they are supposed to and Mr. Rodman noted that the board needed to be reformulated to have greater expertise on dock management. Discussion was held on how other communities operate their docks and marinas.

Representing WHDA, President Chris Furlough recommended that WHDA’s maritime committee be looked to for management, as its members are dedicated to implementing the Reinvestment Strategy for downtown Washington. The maritime committee has worked very diligently and very well with John Rodman to make that happen. The committee’s success and enthusiasm for the plan shows their goal to represent the city and make the boat docks the best that they can be.

#### **MEMO: DOWNTOWN FERAL CAT UPDATE**

City Manager, Brian Alligood reviewed the email from Nancy O’Neill regarding the status of the downtown cats. The goal was to reduce the number of cats from 21 to 16. The group estimates approximately 17 cats. Mayor Jennings asked the City Manager to get a firm number of cats from the group and not an estimate.

(begin)Three feeding locations have not changed and remain on public property. However, when it rains we do our best to find alternative temporary locations until things dry out. One feeding location behind Washington Jeweler has been moved to a location immediately outside of where the cats live (in an abandoned building) in order to keep the 5 cats less visible to the public.

Feeding times are mostly after business hours unless a volunteer has a conflict. We try to stay within the 6PM to 8PM block of time. It had also come to my attention that food may be left for the night when volunteers are not able to return to pick it up. We will address this.

Currently there are a total of 12 cats in 3 feeding locations (3 in one, 4 & 5 in the others). Total Number in the fourth feeding location behind Hotel Louise is difficult to determine as that group consists of some of the most feral and are often not seen. Our best guess is 5 cats in that location.

As was mentioned in my previous email, we are involved in a City wide low cost spay/neuter program. The need is great & we are having a high rate of success working with area residents to address this need. (end)

#### **MEMO: FIBER INSTALL ATION UPDATE**

Brian Alligood explained the memo from staff and stated the original fiber project was \$65,000. Part of the budget for IT last year included the replacement of the utility server. They were able to replace that server under the virtualization program, so we didn’t actually have to go out and purchase a new server. Essentially, this freed up the additional \$45,000, which allowed

the expansion of scope of the project and allowed communications connectivity to the Civic Center, Peterson Building, Communication Center, Warehouse (including Electric Meter Shop, Transmission & Distribution), and WFD Station # 2. Staff starting hanging fiber today and will keep meticulous records on costs and updates will be provided to Council. Mr. Alligood reviewed the RFP for the project and the specifics of said project. Councilman Mercer reviewed the minutes from the April 15<sup>th</sup> Council meeting regarding the bid award for this project. He continued by stating staff should've come back before Council prior to spending the \$45,000 that was budgeted for the server. Mr. Alligood agreed that staff should have presented the expansion of the scope of the project to Council. This is budgeted money and was moved from one line item to another. In-house charges need to be recorded as well.

(remainder of memo) If you recall this became an issue during Hurricane Irene when communications were lost at WFD Station # 2 Emergency Operations Center due to a switch gear associated with the generator at City Hall. [Then] manager Josh Kay instructed staff to look for solutions to correct this issue which would eliminate its reoccurrence. Those solutions were a) fiber and b) upgrading the current canopy wireless. Due to the age of the canopy and cost associated with needed upgrades made fiber a more favorable solution.

As of this memo, the Electric Department has started making preparations to the city poles along the route and should be in a position to start running fiber within the next 10 to 14 days (weather permitting). Also, as of this memo, purchase orders have been issued for needed equipment and hardware. At this time, no other invoices or charges have been sent to the IT Department for this project. (end)

The purchase orders which have been issued are as follows:

PO # 50220 – Fiber Boxes -	04/08/2013	\$10,867.15
PO # 50444 – Fiber Cable (144 & 12 Strand) -	05/20/2013	\$51,119.37
PO # 50505 – Needed Pole Hardware & Supplies -	05/29/2013	\$ 7,913.00
PO # 50702 – Network Supplies needed for fiber run to Peterson Building, Civic Center, Warehouse, Wastewater –	06/25/2013	<u>\$ 8,340.21</u>
		\$78,239.73
GL # 10-00-4132-7400 – Capital Outlay FY 2012-13		\$112,093.40

**MEMO & DISCUSSION: AMR METERS**

Mr. Alligood provided an updated on AMR meters. All residential and commercial water meters less than 1" have been replaced. There will be a purchase order on the August 12, 2013 agenda for the purchase of 248 - 1" water meters for all commercial establishments with 1" services and a handful of residential services. Hopefully by the end of this FY, we will have replaced all meters 1.5" and smaller. This will leave approximately 125 - 2" or larger water meters to replace to complete the AMR meter change out program. The additional 125+/- meters are estimated cost approximately \$300,000- \$325,000. Larger meters are considerably expensive than smaller ones. As a reminder, in FY 09/10, we instituted a meter change out program which was originally proposed to replace approximately 500 residential meters per year. In FY 11/12,

Council suggested accelerating this program and we began replacing approximately 2000 meters per year. As noted above, due to his accelerated schedule, all residential and commercial meter service less than 1” now have AMR meters and all 1.5” meters and smaller meters should be replaced by the end of this FY. There are approximately 110- 2” meters currently in service. Approximate price to replace this is \$2,100 each. There are approximately 15 -3” meters currently in service. Approximate price to replace this is \$3,200 each. There are 4 - 4” meters currently in service. Approximate price to replace this is 3,500 each. Finally, there is one 6” and one 8” water meter with replacement prices being approximately \$5,500 and \$8,200 respectively. These figures represent just under \$307,000 at today’s prices, thus the approximate \$300,000- \$325,000 given in the above paragraph.

Councilman Mercer stated staff needs to include the replacement of all remaining non-AMR meters in next year’s budget.

#### **KUGLER FIELD**

Mayor Jennings reviewed a meeting that he and the City Manager had with the Beaufort County Board of Education regarding Kugler Field. Council will need to formally make a preference regarding the ownership of Kugler Field, this will take place at the August 12<sup>th</sup> City Council meeting. Mayor Jennings will then forward a letter to the Board of Education noting the Council’s preference.

#### **REMINDER: COFFEE WITH COUNCIL**

Coffee with Council will be held at 8:00am on Tuesday, July 30<sup>th</sup> at Down on Main.

#### **ADJOURN**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting until Monday, August 12, 2013 at 5:30pm in the Council Chambers at the Municipal Building.

**(subject to approval of City Council)**

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



## REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Jennings & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** August 12, 2013  
**Subject:** City Manager Relocation Budget Ordinance Amendment  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

### RECOMMENDATION:

I move that City Council adopt a Budget Ordinance Amendment to provide funds for the City Manager's relocation.

### BACKGROUND AND FINDINGS:

The City Manager's employment agreement provided for reimbursement of relocation expenses.

### PREVIOUS LEGISLATIVE ACTION

### FISCAL IMPACT

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

### SUPPORTING DOCUMENTS

Budget Ordinance Amendment

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation  
8/10/13 Date

**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 account number 10-00-4120-1702, Moving Expense, City Manager Department portion of the General Fund appropriations budget be increased in the amount of \$3,175 to provide funds for reimbursement of City Manager's moving expenses.

Section 2. That account number 10-00-3990-9910, Fund Balance Appropriated, General Fund revenue appropriations budget be increased in the amount of \$3,175.

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 12<sup>th</sup> day of August, 2013.

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Jennings & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** August 12, 2013  
**Subject:** Airport Vision 100 Grant Budget Ordinance Amendment  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

**RECOMMENDATION:**

I move that City Council approve a Budget Ordinance Amendment to balance the appropriations for the Vision 100 Grants and the State Aid to Airports Program Grants with the State.

**BACKGROUND AND FINDINGS:**

These grants have been reconciled to match approved grant amounts with the State.

**PREVIOUS LEGISLATIVE ACTION**

2012-2013 adopted budget and amended budget.

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

**SUPPORTING DOCUMENTS**

Budget Ordinance Amendment

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation  
8/12/13 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE AND CAPITAL  
PROJECT ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2012-2013**

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

Section 1. That the estimated revenues and expenses in the Airport Fund be increased or decreased in the amounts indicated to balance the appropriations for Vision 100 Grants with the State.

37-90-4530-4513	Vision 100 Grant 36237.38.9.1	(3,139)
37-90-4530-4515	Vision 100 Grant 36237.38.10.1	(273)
37-90-4530-4521	Vision 100 Grant 36244.51.8.1	(312,295)
37-90-4530-4522	Vision 100 Grant 36244.51.8.2	349,474
37-90-3453-0005	Grant Funds 36244.51.8.1	(281,996)
37-90-3490-0007	Grant Funds 36237.38.9.1	(3,255)
37-90-3490-0008	Grant Funds 36244.51.8.2	314,527
37-90-3490-0009	Grant Funds 36237.38.10.1	(244)
37-90-3991-9910	Fund Balance Appropriated	4,735

Section 2. That the estimated expenses in the Airport Terminal Capital Project Fund be increased or decreased in the amounts indicated to balance the appropriations for State Aid to Airports Program Grants with the State.

66-90-3490-0002	State Aid – NPE 2012	(100,967)
66-90-3490-0002	State Aid – NPE 2012	244
66-90-3352-0000	City Contribution	(244)
66-90-3490-0004	State Aid – 36237.38.12.1	100,967

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 12<sup>th</sup> day of August, 2013.

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**



## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Jennings & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** August 12, 2013  
**Subject:** Purchase Orders > \$20,000 Approval  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

### **RECOMMENDATION:**

I move that City Council approve the attached purchase orders.

### **BACKGROUND AND FINDINGS:**

Requisition #13241, \$65,600, to Converge Technologies, Inc., for load management switches, account 35-90-8375-7401.

Requisition #13286, \$62,175, to Miller Supply Co., for AMR water meters, account 30-90-7250-7000.

Requisition #13312, \$25,000, to SONDY'S ELECTRICAL, for energy efficient lighting in the library, account 10-40-6110-7405.

Requisition #13356, \$28,000, to Baker's Waste Equipment, for solid waste containers, account 38-90-4710-7000.

Requisition #13362, \$31,620, to Westinghouse Electric Supply, for a recloser, account 35-90-8370-7401.

Requisition #13361, \$20,645, to Westinghouse Electric Supply, for a recloser, account 35-90-8370-7401.

Requisition #13371, \$33,908.80, to Kubota Tractor Corp., for a tractor for the cemetery, account 39-90-4740-7401.

Requisition #13409, \$23,200, to Capital Ford Inc., for a crew cab pickup to replace vehicle #651, account 35-90-8370-7401.

### **PREVIOUS LEGISLATIVE ACTION**

2013-2014 adopted budget and amended budget.

Agenda Date: August 12, 2013

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

**SUPPORTING DOCUMENTS**

Requisitions

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Agenda Date: August 12, 2013

City Attorney Review: \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)

Finance Dept Review: \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)

City Manager Review: SWA Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation  
8/6/13 Date

# Requisition Form

City Of Washington  
P.O BOX 1988  
WASHINGTON, NC 27889

Requisition #:13286  
PO #: Not Assigned  
User Name: Frankie Buck

Date: 07/10/2013  
Approved By:  
Approved Code: Awaiting Final Approval  
Total Amount: \$62,175.00

MILLER SUPPLY CO., INC.  
PO BOX 1745  
LAURINBURG, NC 28353

Ship To:  
CITY OF WASHINGTON WAREHOUSE (PW)  
203 GRIMES ROAD  
WASHINGTON, NC 27889

Vendor Instructions:SHIP TO ATTEN: FRANKIE BUCK

Quantity	Description	Job Number	Unit Price	Extended
248	1" C700 AMR WATERMETERS WITH INLINE CONNECTORS AND 100 W ITRON ERT'S		\$250.00	\$62,000.00
50	BULLET LOCKS		\$1.75	\$87.50
50	BULLET LOCK PINS		\$1.75	\$87.50
			<b>Sub Total</b>	<b>\$62,175.00</b>
			<b>Total Tax</b>	<b>\$0.00</b>
			<b>Total</b>	<b>\$62,175.00</b>

Account Number	Account Description	Amount	
30-90-7250-5600	MATERIALS	\$175.00	
30-90-7250-7000	NONCAPITALIZED PURCHASES	\$62,000.00	
		<b>Total</b>	<b>\$62,175.00</b>

## Approval List

Dept Level Approval: \_\_\_\_\_  
Department Head: \_\_\_\_\_  
PO Level Approval: \_\_\_\_\_  
Purchase Order Prep: \_\_\_\_\_

**Requisition Form**

City Of Washington  
P.O BOX 1988  
WASHINGTON, NC 27889

Requisition #:13241  
PO #: Not Assigned  
User Name: Ed Pruden

Date: 07/03/2013  
Approved By:  
Approved Code: Awaiting Final Approval  
Total Amount: \$65,600.00

COMVERGE TECHNOLOGIES INC  
120 EAGLE ROCK AVE., STE. 19C  
EAST HANOVER, NJ 07936

Ship To:  
CITY OF WASHINGTON WAREHOUSE (ELEC  
203 GRIMES ROAD  
WASHINGTON, NC 27889

Vendor Instructions: ELECTRIC DEPT, ED PRUDEN 252-975-9365  
QUOTE # 070113-C001-DQP

Quantity	Description	Job Number	Unit Price	Extended
1000	DCU-62053-22-04-JB, DIGITAL CONTROL UNIT, SA-205 FORMAT, PER SPECIFICATION QUOTE NUMBER 070113-C-001-DQP		\$65.00	\$65,000.00
1	SHIPPING		\$600.00	\$600.00
<b>Sub Total</b>				<b>\$65,600.00</b>
<b>Total Tax</b>				<b>\$0.00</b>
<b>Total</b>				<b>\$65,600.00</b>

Account Number	Account Description	Amount
35-90-8375-7401	INSTALLMENT NOTE PURCHASES	\$65,600.00
<b>Total</b>		<b>\$65,600.00</b>

**Approval List**

Dept Level Approval:	_____
Department Head:	_____
PO Level Approval:	_____
Purchase Order Prep:	_____

# Requisition Form

City Of Washington  
P.O BOX 1988  
WASHINGTON, NC 27889

Requisition #: 13312  
PO #: Not Assigned  
User Name: Mike Whaley

Date: 07/15/2013

Approved By:  
Approved Code: Awaiting Final Approval  
Total Amount: \$25,000.00

SONDYS ELECTRICAL  
106 ARROWHEAD TRAIL  
WASHINGTON, NC 27889

Ship To:  
CITY OF WASHINGTON WAREHOUSE  
203 GRIMES ROAD  
WASHINGTON, NC 27889

Vendor Instructions: Library, Mike Whaley, 252-975-9308. Attn: Joel Sondys

Quantity	Description	Job Number	Unit Price	Extended
1	Labor and material to replace lighting in the Library with LED and CFL lights per estimate #197 dated 1/17/2013. Please supply proof of workmen's comp and insurance with the City of Washington named as the additionally insured to Gloria Moore before work begins.		\$25,000.00	\$25,000.00
<b>Sub Total</b>				<b>\$25,000.00</b>
<b>Total Tax</b>				<b>\$0.00</b>
<b>Total</b>				<b>\$25,000.00</b>

Account Number	Account Description	Amount
10-40-6110-7405	INSTALLMENT PURCHASES FY 13/14	\$25,000.00
<b>Total</b>		<b>\$25,000.00</b>

## Approval List

Dept Level Approval: \_\_\_\_\_  
Department Head: \_\_\_\_\_  
PO Level Approval: \_\_\_\_\_  
Purchase Order Prep: \_\_\_\_\_

# Requisition Form

City Of Washington

P.O BOX 1988

WASHINGTON, NC 27889

Requisition #:13356

PO #: Not Assigned

User Name: Terry Boyd

Date: 07/24/2013

Approved By:

Approved Code: Awaiting Final Approval

Total Amount: \$28,000.00

Ship To:

CITY OF WASHINGTON CITY HALL (PW)

102 EAST SECOND ST.

WASHINGTON, NC 27889

BAKER'S WASTE EQUIPMENT, INC.  
223 BAKER STREET  
MORGANTON, NC 28655

Vendor Instructions: Terry G. Boyd  
Public Works  
252 975-9302

DO NOT MAIL - Give to Terry

Quantity	Description	Job Number	Unit Price	Extended
16	FL8NBF Front Loader 8yd Notch Back/Front - BWE with Black Plastic Side Door		\$741.00	\$11,856.00
24	FL4NB Front Loader 4yd Notch Back - BWE		\$510.00	\$12,240.00
NOTE: Two items above are standard front load containers: 10 ga bottoms, 12 ga. sides Plastic sliding doors (8 yds only) Single wall plastic lids				
80	FO-Lid 36 x 41 black		\$21.00	\$1,680.00
1	Shipping - Estimated		\$2,224.00	\$2,224.00
<b>Sub Total</b>				<b>\$28,000.00</b>
<b>Total Tax</b>				<b>\$0.00</b>
<b>Total</b>				<b>\$28,000.00</b>

Account Number	Account Description	Amount
38-90-4710-7000	NONCAPITALIZED PURCHASES	\$28,000.00
<b>Total</b>		<b>\$28,000.00</b>

## Approval List

Dept Level Approval: \_\_\_\_\_  
Department Head: \_\_\_\_\_  
PO Level Approval: \_\_\_\_\_  
Purchase Order Prep: \_\_\_\_\_

# Requisition Form

City Of Washington

P.O BOX 1988

WASHINGTON, NC 27889

Requisition #:13362  
PO #: Not Assigned  
User Name: Ed Pruden

Date: 07/25/2013

Approved By:  
Approved Code: Awaiting Final Approval  
Total Amount: \$31,620.00

WESTINGHOUSE ELECTRIC SUPPLY  
LOCKBOX #771751  
CHICAGO, IL 60677

Ship To:  
CITY OF WASHINGTON WAREHOUSE (ELI  
203 GRIMES ROAD  
WASHINGTON, NC 27889

Vendor Instructions: ELECTRIC DEPT, ED PRUDEN 252-975-9365  
QUOTE DATED 7/24/2013

Quantity	Description	Job Number	Unit Price	Extended
1	R3722HD7323F441E02, ABB OVR RECLOSER, 38 kV, 1200 A, 170 kV BIL, POLE MOUNTING FRAME TO ACCOMIDATE 3 SINGLE BUSHING PTs @ 125kV BIL ASSEMBLED, 40' CONTROL CABLE, 40' 5-PIN PT CABLE, 120/240 VAC CONTROL POWER, COMM TYPE 4 CARD, NEMA 4 HOLE PADS, OTHER OPTION PER QUOTE		\$20,685.00	\$20,685.00
3	E9629A74G14, HCEP VOY-20G, 19920/34500GY, PT RATIO 166:1, SHIPPED TO ABB AND INSTALLED ON POLE MOUNT OVR FRAME		\$3,645.00	\$10,935.00
<b>Sub Total</b>				<b>\$31,620.00</b>
<b>Total Tax</b>				<b>\$0.00</b>
<b>Total</b>				<b>\$31,620.00</b>

Account Number	Account Description	Amount
35-90-8370-7401	INSTALLMENT NOTE PURCHASES	\$31,620.00
<b>Total</b>		<b>\$31,620.00</b>

## Approval List

Dept Level Approval: \_\_\_\_\_  
Department Head: \_\_\_\_\_  
PO Level Approval: \_\_\_\_\_  
Purchase Order Prep: \_\_\_\_\_

# Requisition Form

City Of Washington

P.O BOX 1988

WASHINGTON, NC 27889

Requisition #:13361

PO #: Not Assigned

User Name: Ed Pruden

Date: 07/25/2013

Approved By:

Approved Code: Awaiting Final Approval

Total Amount: \$20,645.00

Ship To:

CITY OF WASHINGTON WAREHOUSE (EL)

203 GRIMES ROAD

WASHINGTON, NC 27889

WESTINGHOUSE ELECTRIC SUPPLY  
3025 STONYBROOK DRIVE  
RALEIGH, NC 27604

Vendor Instructions: ELECTRIC DEPT, ED PRUDEN 252-975-9365  
QUOTE DATED 7/24/2013

Quantity	Description	Job Number	Unit Price	Extended
1	R3722VAN353F441E01, ABB OVR RECLOSER, 38 kV, 1200 A, 170 kV BIL, 125 VDC CONTROL POWER, COMM TYPE 4, NEMA 4 HOLE PADS, SUBSTATION MOUNTING FRAME, OTHER ACCESSORIES PER QUOTE		\$20,645.00	\$20,645.00
<b>Sub Total</b>				<b>\$20,645.00</b>
<b>Total Tax</b>				<b>\$0.00</b>
<b>Total</b>				<b>\$20,645.00</b>

Account Number	Account Description	Amount
35-90-8370-7401	INSTALLMENT NOTE PURCHASES	\$20,645.00
<b>Total</b>		<b>\$20,645.00</b>

## Approval List

Dept Level Approval: \_\_\_\_\_

Department Head: \_\_\_\_\_

PO Level Approval: \_\_\_\_\_

Purchase Order Prep: \_\_\_\_\_

# Requisition Form

City Of Washington  
P.O BOX 1988  
WASHINGTON, NC 27889

Requisition #: 13371  
PO #: Not Assigned  
User Name: Mike Whaley

Date: 07/26/2013  
Approved By:  
Approved Code: Awaiting Final Approval  
Total Amount: \$33,908.80

KUBOTA TRACTOR CORPORATION  
3401 DEL AMO BLVD  
TORRANCE, CA 90503

Ship To:  
CITY OF WASHINGTON WAREHOUSE  
203 GRIMES ROAD  
WASHINGTON, NC 27889

Vendor Instructions: Cemetary, Mike Whaley, 252-975-9308. Attn: Cynthia Bennett

Quantity	Description	Job Number	Unit Price	Extended
1	Model B26TLB Loader/Landscape Tractor with all options as quoted on 7/17/2013 on quote number 081209-KBA. This is a purchase through NJPA Contract NJPA2013-556. Equipment to be shipped to Mitchell Tractor, Washington, NC for delivery to the City of Washington. City of Washington NJPA number is 73502.		\$33,908.80	\$33,908.80
<b>Sub Total</b>				<b>\$33,908.80</b>
<b>Total Tax</b>				<b>\$0.00</b>
<b>Total</b>				<b>\$33,908.80</b>

Account Number	Account Description	Amount
39-90-4740-7401	INSTALLMENT PURCHASES	\$33,908.80
<b>Total</b>		<b>\$33,908.80</b>

## Approval List

Dept Level Approval: \_\_\_\_\_  
Department Head: \_\_\_\_\_  
PO Level Approval: \_\_\_\_\_  
Purchase Order Prep: \_\_\_\_\_

# Requisition Form

City Of Washington  
P.O BOX 1988  
WASHINGTON, NC 27889

Requisition #: 13409  
PO #: Not Assigned  
User Name: Mike Whaley

Date: 08/06/2013  
Approved By:  
Approved Code: Awaiting Final Approval  
Total Amount: \$23,200.00  
Ship To:  
CITY OF WASHINGTON WAREHOUSE  
203 GRIMES ROAD  
WASHINGTON, NC 27889

CAPITAL FORD, INC.  
4900 CAPITAL BLVD.  
RALEIGH, NC 27616

**Vendor Instructions:** Electric Department, Mike Whaley, 252-975-9308. Attn: Tom Lowe Replaces vehicle #651.

Quantity	Description	Job Number	Unit Price	Extended
1	Ford F150/W1C/XL/502A Crew Cab Pick Up from State Contract #070G, Item #21. Color: White, B) Color interior: blue or gray vinyl, C) freight included, D) Title to: City of Washington, PO Box 1988, Washington, NC 27889.		\$23,200.00	\$23,200.00
<b>Sub Total</b>				<b>\$23,200.00</b>
<b>Total Tax</b>				<b>\$0.00</b>
<b>Total</b>				<b>\$23,200.00</b>

Account Number	Account Description	Amount
35-90-8370-7401	INSTALLMENT NOTE PURCHASES	\$23,200.00
<b>Total</b>		<b>\$23,200.00</b>

### Approval List

Dept Level Approval: _____
Department Head: _____
PO Level Approval: _____
Purchase Order Prep: _____



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Jennings & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** August 12, 2013  
**Subject:** Public Hearing & Adopt Resolution: Jumpstart Washington Community Development Block Grant (CDBG) Project Company Match Reduction

**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

### RECOMMENDATION:

I move that City Council adopt a resolution to amend the CDBG Jumpstart grant and authorize the Mayor to execute the amended agreement.

### BACKGROUND AND FINDINGS:

Pursuant to a 12.5% reduction in CDBG project funding from the North Carolina Department of Commerce, Division of Community Investment and Assistance, the City is reducing the amount of funding to each project Company with the attached CDBG Program Amendment. With this Amendment the City is also proposing that the Company match amounts be equitably reduced by 12.5% across the board.

The attached CDBG Program Amendment documents illustrate these changes in detail.

### PREVIOUS LEGISLATIVE ACTION

2013-2014 adopted budget and amended budget.

### FISCAL IMPACT

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

### SUPPORTING DOCUMENTS

- Resolution
- Amended Grant Agreement
- Transmittal Letter

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** But Concur 8/6/13 Date 8/6/13  Recommend Denial  No Recommendation

**CITY OF WASHINGTON FY 11 COMMUNITY DEVELOPMENT PROGRAM  
JUMPSTART WASHINGTON SBEA GRANT # 11-C-2340**

**AMENDMENT RESOLUTION**

This Resolution authorizes an amendment to the City of Washington FY 11 Community Development Program.

Be It Resolved by the City Council of City of Washington, North Carolina, That

WHEREAS, the City is participating in the Community Development Block Grant Program under the Housing and Community Development Act of 1974, as amended, administered by the North Carolina Department of Commerce; and

WHEREAS, the City desires to amend the approved project activities and certifies that a public hearing, in accordance with the North Carolina CDBG Program Regulations, was conducted on Monday, August 12, 2013, at 6:00 PM to discuss the proposed amendment; and

WHEREAS, the City certifies that regulations relating to environmental review conditions have been followed. Environmental Review Documents have been reviewed to determine any changes to the original finding of no significant impact on the environment and no adverse impacts were discovered and the original FONSI is still valid; and

THEREFORE, BE IT RESOLVED, that the City Council of City of Washington, North Carolina, hereby authorizes an amendment to the FY 11 Community Development Program. The Mayor is directed to act on behalf of the City in executing amendment documentation as the Chief Elected Official under the provisions of the North Carolina Community Development Block Grant Program Regulations (4 NCAC 19L).

Adopted this 12th day of August, 2013.

\_\_\_\_\_  
Archie Jennings, Mayor

ATTEST:

\_\_\_\_\_  
Cynthia S. Bennett, City Clerk, CMC/NCCMC

## APPLICATION SUMMARY for SMALL BUSINESS & ENTREPRENEURIAL ASSISTANCE PROGRAM

<b>1. Applicant's name</b>		City of Washington	<b>2. Date</b>	
a. Mailing Address		102 East Second Street	<input type="checkbox"/> Original, dated: 04/30/2012  <input checked="" type="checkbox"/> Amendment, dated: 08/12/2013	
b. City and Zip Code		Washington, 27889		
c. County		Beaufort		
d. Contact Person		John Rodman, Planning Director		
e. Telephone Number		252-975-9300		
f. Fax Number		252-974-6461		
g. e-mail address		jrodman@washingtonnc.gov		
h. DUNS Number		0699769		
<b>3. Preparer's Name</b>		Billie Hansen	<b>c. Telephone Number</b>	
a. Firm's Name		The Wooten Company	828-322-5533	
b. Mailing Address		1430 B Old Lenoir Road	<b>f. Fax Number</b>	
c. City and Zip Code		Hickory, 28601		
d. e-mail address		bhansen@thewootencompany.com		
<b>4. Developer's Name</b>		N/A	<b>c. Telephone Number</b>	
a. Mailing Address			<b>a. Fax Number</b>	
b. City and Zip Code				
<b>5. Development Name</b>		N/A		
a. Street Address				
b. City and Zip Code				
c. Ownership Entity				
<b>6. Program Category</b>	<b>7. Project Number</b>	<b>8. Project Name</b>		<b>9. CDBG Funds Requested</b>
C	1	Jumpstart Washington		\$200,000
<b>10. Certification by the Chief Elected Official</b>				
a) I certify that to the best of my knowledge and belief:				
(1) Data in this application is true and correct,				
(2) Opportunities have been provided for citizen participation and access to information concerning the proposed activities,				
(3) This document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached certifications and state standards if the assistance is approved.				
b) I acknowledge that, if funded, this application is part of the Grant Agreement.				
c) Typed Name of Chief Elected Official		Archie Jennings		
d) Typed Title		Mayor		
e) Signature				
f) Typed Date		August 12, 2013		
<b>For CI Use Only</b> Date Received:			Application Number:	

## 2011 CDBG-SBEA Application Summary Form

<b>Date of Submittal</b>	4/30/12 (Original) 8/13/13 (Amendment Request)
<b>Project Name</b>	Jumpstart Washington
<b>Grant Amount Requested</b>	\$200,000
<b># Jobs to be Created</b>	Seven (7)
<b># Jobs to be Retained</b>	One (1)
<b>Date of Amendment Public Hearing</b>	August 12, 2013

<b>Name of Local Government Applicant</b>	City of Washington
Local Government Contact	John Rodman, Planning Director
Address (street/PO box)	102 East Second Street, PO Box 1988
Address (city, NC, zip)	Washington, NC 27889-1988
Phone	252-975-9300
Email	jrodman@washingtonnc.gov
County	Beaufort
Specify if Tier 1 or 21st CC	One

<b>Business Name</b>	Tayloe Drug Company, Inc., dba Tayloe's Hospital Pharmacy
Product or Service	Pharmacy
DUNS #	006997639
NAICS Code	446110
# Full-time Employees	32
Years in business (within local government jurisdiction applying for grant)	123 years
# Jobs to be Created	2
# Jobs to be Retained	0
Amt. of Company Match	\$97,125
Grant Activity	Working Capital

<b>Business Name</b>	East Carolina Import Services, Inc.
Product or Service	Automotive Repair and Service
DUNS #	037161403
NAICS Code	81111
# Full-time Employees	3
Years in business (within local government jurisdiction applying for grant)	30
# Jobs to be Created	1
# Jobs to be Retained	0
Company Match	\$7,875
Grant Activity	Machinery/Equipment

**Copy this page to add additional businesses, as needed.**

<b>Business Name</b>	F.R.E. Plumbing
Product or Service	Plumbing Contractor
DUNS #	95-609-0153
NAICS Code	238220
# Full-time Employees	1
Years in business (within local government jurisdiction applying for grant)	19
# Jobs to be Created	1
# Jobs to be Retained	0
Company Match	\$1,750
Grant Activity	Machinery/Equipment

**Copy this page to add additional businesses, as needed.**

<b>Business Name</b>	Pamlico Fence Company
Product or Service	Fence Contractor
DUNS #	831941844
NAICS Code	238990
# Full-time Employees	5
Years in business (within local government jurisdiction applying for grant)	9
# Jobs to be Created	1
# Jobs to be Retained	0
Company Match	\$21,875
Grant Activity	Machinery/Equipment

**Copy this page to add additional businesses, as needed.**

<b>Business Name</b>	Park Boat Company
Product or Service	Marine Sales and Service
DUNS #	024849739
NAICS Code	441222
# Full-time Employees	13
Years in business (within local government jurisdiction applying for grant)	5
# Jobs to be Created	2
# Jobs to be Retained	1
Company Match	\$21,875
Grant Activity	Machinery/Equipment

**Copy this page to add additional businesses, as needed.**

**CDBG-SBEA PROJECT DESCRIPTION FORM**

The City of Washington seeks to amend this project due to a reduction in CDBG funding and activity changes to better serve the project companies. The project will be amended in the following manner:

**Amendment Activities Description Table**

<b>Program Activity</b>	<b>Existing Activities</b>	<b>Proposed Activities</b>
<b>C-1 Project: Jumpstart Washington</b>		
Administration	No Change	No Change
Planning	No Change	No Change
Machinery/Equipment Purchases	Machinery/Equipment Purchases	Increase Budget for Machinery/Equipment
Rehab/Commercial	Rehab/Commercial	Equipment Purchases
Working Capital	Job Training	Medical Purchases

<b>Program Activity</b>	<b>Existing CDBG Budget</b>	<b>Proposed CDBG Budget</b>
<b>C-1 Project: Jumpstart Washington</b>		
Administration	\$20,000	\$20,000
Planning	\$5,000	\$5,000
Machinery/Equipment	\$115,000	\$131,250
Rehab/Commercial	\$10,000	\$0
Working Capital	\$50,000	\$43,750
<b>Total</b>	<b>\$200,000</b>	<b>\$200,000</b>

Eastern Carolina Imports desires to change their activity from commercial rehab and increase their machinery and equipment purchases. The working capital budget of \$50,000 would be reduced to \$43,750 for Tayloe Pharmacy, in an effort to share the CDBG funding equitably between all five original project companies. Since the CDBG budget was reduced from \$238,000 to \$200,000, a 12.5% decrease, the City proposes reducing the company's commitments by 12.5% as well. For a detailed breakdown of funding and activities, please see accompanying project Source and Uses forms.

**CDBG-SBEA PROJECT BUDGET for C-1 ACTIVITIES**

1. Name of Applicant: City of Washington

2. Project Name:

Jumpstart Washington

3. Original Application \_\_\_\_\_ Amendment  X

4. CDBG Grant Amount Requested	\$200,000
5. Program Income	\$ 0
6. Subtotal: CDBG Resources	\$200,000
7. Other Funds	\$150,500
8. Total Project Resources	\$ <b>350,500</b>

9. Activity	10. CDBG Costs	11. Other Costs	12. Total Costs
a. Acquisition			
b. Disposition			
c. Public Facilities and improvements			
(1) Senior and handicapped centers			
(2) Parks, playgrounds and recreation			
(3) Neighborhood facilities			
(4) Solid Waste disposal facilities			
(5) Fire protection facilities and equipment			
(6) Parking facilities			
(7) Public utilities, other than water/sewer			
(8) Water improvements			
(9) Sewer improvements			
(10) Street improvements			
(11) Flood and drainage improvements			
(12) Pedestrian improvements			

(13) Other public facilities			
d. Clearance activities			
e. Public services			
f. Relocation assistance			
g. Construction, rehabilitation, preservation			
(1) Construction/rehab of commercial and industrial buildings			
(2) Rehab of privately owned dwellings			
(3) Rehab of publicly owned dwellings			
(4) Code enforcement			
(5) Historic preservation			
h. Development financing			
(1) Working capital ( <i>Attach detailed explanation of the purpose of this request.</i> )	43,750	97,125	140,875
(2) Machinery and equipment ( <i>Liens are required on all machinery and equipment purchased with SBEA Funds.</i> )	131,250	53,375	184,625
i. Removal of architectural barriers			
j. Microenterprise loan activities	Not an eligible use of CDBG SBEA funds.		
k. Microenterprise technical assistance	Not an eligible use of CDBG SBEA funds.		
l. Other ( <i>Specify use below and attach a detailed description to this budget.</i> )			
m. SUBTOTAL			
n. Planning ( <i>Line item must be at least \$5,000 but not exceed \$8,500.</i> )	5,000		5,000
o. Administration ( <i>Line item should be 15% of total CDBG request minus planning line amount.</i> )	20,000		20,000
p. Total	200,000	150,500	350,500



b.	Public Facilities							
(1)	Water							
(2)	Sewer							
(3)	Other							
c.	Construction/Rehabilitation							
d.	Working Capital (specify)	<b>140,875</b>						
(1)	Tayloe Pharmacy		<b>43,750</b>	<b>97,125</b>				
(2)								
e.	Machinery/Equipment	<b>184,625</b>	<b>131,250</b>					
(1)	East Carolina Imports				<b>7,875</b>			
(2)	Pamlico Fence					<b>21,875</b>		
(3)	FRE Plumbing						<b>1,750</b>	
(4)	Park Boat Company		<b>21,875</b>					
(1)								
(2)								
h.	Planning	<b>5,000</b>	<b>5,000</b>					
i.	Administration	<b>20,000</b>	<b>20,000</b>					
j.	<b>Total</b>	<b>350,500</b>	<b>200,000</b>	<b>97,125</b>	<b>7,875</b>	<b>21,875</b>	<b>1,750</b>	
							<b>21,875</b>	

**Sources and Uses of Funds**

	<b>CDBG</b>	<b>Local Gov</b>	<b>Business 1</b>	<b>Business 2</b>	<b>Business 3</b>	<b>Business 4</b>	<b>Business 5</b>	<b>Total</b>
<b>Sources</b>			Tayloe's Pharmacy	East Carolina Imports	Pamlico Fence	F.R.E Plumbing	Park Boat Company	
<b>Uses</b>								
Administration	20,000							20,000
Planning	5,000							5,000
Acquisition								
Architectural Barriers								
Clearance Activities								
Code Enforcement								
Disposition								
Fire Protection								
Flood & Drainage								
Historic Preservation								
Machinery & Equipment	131,250			7,875	21,875	1,750	21,875	184,625
Neighborhood Facilities								
Other Activities								
Other Public Facilities								
Parking Facilities								
Parks & Playgrounds								
Pedestrian Improvements								
Public Services								
Public Utilities								
Rehabilitation, Commercial								
Rehabilitation, Private								
Rehabilitation, Public								
Relocation Assistance								
Senior Handicapped Centers								
Sewer Improvements								
Solid Waste Facilities								
Street Improvements								
Water Improvements								
Working Capital	43,750		97,125					140,875
<b>TOTAL USES</b>	<b>200,000</b>		<b>97,125</b>	<b>7,875</b>	<b>21,875</b>	<b>1,750</b>	<b>21,875</b>	<b>350,500</b>

CDBG-SBEA (November 2011)

*Month 1 begins as of the date of CI Director's signature on the Grant Agreement and Funding Approval.*

List CDBG and non-CDBG activities to be implemented and put an "X" in the columns for the beginning and ending months and connect with a straight line. CDBG Activities should correspond to those on the Budget Form. Add other activities as needed in the order they occur.

Activities	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
1. Grant Agreement/ Funding Approval	X	X																												
2. Environmental Review	X	X	X	X																										
3. Clearing conditions					X	X																								
4. Kick Off Meeting							X																							
5. Working Capital															X															
6. Machinery/Equip.															X	--	--	--	--	--	--	--	--	--	X					
7. Alliance of Bright Ideas								X	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	X				
8. Job Verification											X	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	X
9. Grant Closeout																													X	X
10.																														
11.																														
12.																														
13.																														
14. Closeout of Grant																														

**VIII. National Objective Part A Benefit:**

Name of Applicant:  
City of Washington

**Low and Moderate Income for Economic Development**

	Total No. of Persons Benefiting 2.	No. of Low & Moderate Income Persons Benefiting 3.	% of Low & Moderate Income Persons Benefiting 4.	CDBG Cost 5.	CDBG Funds to Benefit Low & Moderate Income Persons 6.
<b>I. Activity</b>					
a. Acquisition					
b. Disposition					
c. Public facilities and improvements					
(1) Senior and handicapped centers					
(2) Parks, playgrounds and recreation facilities					
(3) Neighborhood facilities					
(4) Solid waste disposal facilities					
(5) Fire protection and equipment					
(6) Parking facilities					
(7) Public utilities other than water and sewer					
(8) [Reserved]					
(9) Street improvements					
(10) Flood and drainage improvements					
(11) Pedestrian improvements					
(12) Other public facilities					
(13) Public sewer improvements					
(14) Public water improvements					
d. Clearance activities					
e. Public services					
f. Relocation assistance					
g. Construction, rehabilitation and preservation activities					
(1) Construction or rehabilitation of commercial & industrial buildings					
(2) Rehabilitation of privately owned dwellings					
(3) Rehabilitation of publicly owned dwellings					
(4) Code enforcement					
(5) Historic preservation					
h. Development financing					
(1) Working capital	2	2	100	43,750	43,750
(2) Machinery and equipment	5	3	60	131,250	87,938
i. Removal of architectural barriers					
j. Other activities					
k. TOTAL	7	5	71	175,000	124,250

### HUD IDIS: Accomplishments and Beneficiaries

<b>Applicant/Grantee:</b>	City of Washington	<b>Check (X) C-1:</b>	X
<b>Project Name:</b>	Jumpstart Washington	<b>Check (X) E-1:</b>	
<b>Grant Number:</b>	11-C-2340	<b>Check (X) L-1:</b>	
<b>Activity Name, Number and Code:</b> <i>Select from Dropdown list below</i>			
<b>Machinery/Equipment - 1052 - 16</b>			

	<b>Check Box</b>		
<b>Units</b>		<b>Budgeted Amount \$</b>	\$131,250.00
<b>Households</b>		<b>Actual Expended \$</b>	\$0.00
<b>Persons</b>	X		

*Complete a separate form for each activity*      Sheet \_\_\_\_\_ of \_\_\_\_\_

<b>General Information</b>	<b>Proposed</b> <i>(For Entire Grant)</i>	<b>Actual</b>
Total Jobs	<b>6 (5 new, 1 retained)</b>	<b>2</b>
Micro Enterprise		
Linear Feet		
Square Feet		
Properties		
Households Benefiting		
Rental Units		
One to One Replacement		
Displacements		
594 accessible units		
Elderly		
Female-Head of Household		
<b>Census Data</b> ( <a href="http://www.census.gov/">http://www.census.gov/</a> ) or ( <a href="http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml">http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml</a> )	<b>Proposed</b> <i>(For Entire Grant)</i>	<b>Actual</b>
County Code	13	13
Census Tract	930300	930300
Block Groups	1	1
Block Groups		
Census Tract	930040	930040
Block Groups	4	4
Block Groups		
<b>Income Levels</b>	<b>Proposed</b> <i>(For Entire Grant)</i>	<b>Actual</b>
<b>Please Select One:</b> Households <input checked="" type="checkbox"/> Persons		
Extremely/Very Low (<30%)	0	1
Low (30-50%)		
Moderate (51-80%)	4	
Non-Low/Moderate (Above Moderate Income > 80%)	2 (1 new, 1 retained)	2 (1 new, 1 retained)
<b>Total</b>	<b>6</b>	<b>3</b>

**HUD IDIS: Accomplishments and Beneficiaries**

<b>Race Code</b>			<b>Proposed</b>		<b>Actual</b>	
<b>Please Select One:</b> Households <input checked="" type="checkbox"/> Persons			<i>(For Entire Grant)</i>			
<b>Owner</b>			<b>Total</b>	<b>Hispanic</b>	<b>Total</b>	<b>Hispanic</b>
11	White		6		3	
12	Black/African American					
13	Asian					
14	American Indian/Alaskan Native					
15	Native Hawaiian/Other Pacific Islander					
16	American Indian/Alaskan Native & White					
17	Asian & White					
18	Black/African American & White					
19	Amer. Indian/Alaskan Native & Black/African Amer.					
20	Other Multi-Racial					
<b>Race Code</b>			<b>Proposed</b>		<b>Actual</b>	
<b>Please Select One:</b> Households <input type="checkbox"/> Persons			<i>(For Entire Grant)</i>			
<b>Renter</b>			<b>Total</b>	<b>Hispanic</b>	<b>Total</b>	<b>Hispanic</b>
11	White					
12	Black/African American					
13	Asian					
14	American Indian/Alaskan Native					
15	Native Hawaiian/Other Pacific Islander					
16	American Indian/Alaskan Native & White					
17	Asian & White					
18	Black/African American & White					
19	Amer. Indian/Alaskan Native & Black/African Amer.					
20	Other Multi-Racial					
<b>Survey Data</b>						
Percent of low and moderate income in service area						
Total number of low and moderate income in service area						
Total number of low and moderate income universe						

**Activity Narrative** (If you are designating the number of households, how many households are in each unit and how many persons per household.):

### HUD IDIS: Accomplishments and Beneficiaries

<b>Applicant/Grantee:</b>	City of Washington	<b>Check (X) C-1:</b>	X
<b>Project Name:</b>	Jumpstart Washington	<b>Check (X) E-1:</b>	
<b>Grant Number:</b>	11-C-2340	<b>Check (X) L-1:</b>	
<b>Activity Name, Number and Code:</b> <i>Select from Dropdown list below</i>			
<b>Working Capital - 1050 - 7</b>			

	<b>Check Box</b>		
<b>Units</b>			<b>Budgeted Amount \$</b>
<b>Households</b>			\$43,750.00
<b>Persons</b>	X		<b>Actual Expended \$</b>
			\$0.00

Complete a separate form for each activity Sheet 1 of 1

General Information	Proposed <i>(For Entire Grant)</i>	Actual
Total Jobs	2	2
Micro Enterprise		
Linear Feet		
Square Feet		
Properties		
Households Benefiting		
Rental Units		
One to One Replacement		
Displacements		
594 accessible units		
Elderly		
Female-Head of Household	1	1
Census Data <small>(<a href="http://www.census.gov/">http://www.census.gov/</a>) or <small>(<a href="http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml">http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml</a>)</small></small>	Proposed <i>(For Entire Grant)</i>	Actual
County Code	13	13
Census Tract	930400	930400
Block Groups	2	2
Block Groups		
Census Tract		
Block Groups		
Block Groups		
Income Levels	Proposed <i>(For Entire Grant)</i>	Actual
<b>Please Select One:</b> <b>Households</b> <b>Persons</b>		
Extremely/Very Low (<30%)	1	1
Low (30-50%)		
Moderate (51-80%)	1	1
Non-Low/Moderate (Above Moderate Income > 80%)		
<b>Total</b>	<b>2</b>	<b>2</b>

**HUD IDIS: Accomplishments and Beneficiaries**

<b>Race Code</b>	<b>Proposed</b>		<b>Actual</b>	
<b>Please Select One:</b> <b>Households</b> <b>X Persons</b>	<i>(For Entire Grant)</i>			
<b>Owner</b>	<b>Total</b>	<b>Hispanic</b>	<b>Total</b>	<b>Hispanic</b>
11 White	2		2	
12 Black/African American				
13 Asian				
14 American Indian/Alaskan Native				
15 Native Hawaiian/Other Pacific Islander				
16 American Indian/Alaskan Native & White				
17 Asian & White				
18 Black/African American & White				
19 Amer. Indian/Alaskan Native & Black/African Amer.				
20 Other Multi-Racial				

<b>Race Code</b>	<b>Proposed</b>		<b>Actual</b>	
<b>Please Select One:</b> <b>Households</b> <b>Persons</b>	<i>(For Entire Grant)</i>			
<b>Renter</b>	<b>Total</b>	<b>Hispanic</b>	<b>Total</b>	<b>Hispanic</b>
11 White				
12 Black/African American				
13 Asian				
14 American Indian/Alaskan Native				
15 Native Hawaiian/Other Pacific Islander				
16 American Indian/Alaskan Native & White				
17 Asian & White				
18 Black/African American & White				
19 Amer. Indian/Alaskan Native & Black/African Amer.				
20 Other Multi-Racial				

<b>Survey Data</b>		
Percent of low and moderate income in service area		
Total number of low and moderate income in service area		
Total number of low and moderate income universe		

**Activity Narrative** (If you are designating the number of households, how many households are in each unit and how many persons per household.):

**Mayor**  
Archie Jennings

**City Manager**  
Brian M. Alligood



**Washington City Council**

Richard Brooks  
Doug Mercer  
Edward Moultrie  
William Pitt  
Bobby Roberson

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August 13, 2013

Mr. Richard Self, Director  
Department of Commerce  
Division of Community Investment and Assistance  
4313 Mail Service Center  
Raleigh, North Carolina 27699-4313

RE: Project Amendment  
CDBG # 11-C-2340

Dear Mr. Self:

The City of Washington proposes to amend the above referenced grant to assist the City with project implementation and closeout. The amendment seeks to revise the project budget and grant activities.

The amendment proposes the following changes:

- Adjust the project budget to eliminate commercial rehab for Eastern Carolina Imports and increase equipment and machinery purchases.
- Decrease the working capital budget and increase the equipment and machinery budget.

The changes are necessary due to a reduction in the original CDBG funding amount which required a change in activities for the five project companies involved in the project. The changes outlined above are explained in detail on the enclosed project forms. These changes will not affect the overall outcome of the project objectives to retain one job and create seven new jobs.

The City assures the Division of Community Investment and Assistance that regulations relating to citizen participation and environmental review have been followed. A Public Hearing was held on Monday, August 12, 2013 at 6:00 PM to discuss the proposed amendment. An Environmental Review for categorically excluded, not subject to 24 CFR 58.5 was previously conducted for machinery and equipment purchases and therefore does not need to be amended. The certified copy of the minutes of the public hearing will be forwarded to DCA as soon as the City Council approves them at their September meeting.

Mr. Richard Self  
August 13, 2013  
Page 2

Should you have any questions concerning the proposed amendment, do not hesitate to call Brian Alligood at (252) 975-9319 or Billie Hansen, Project Manager, at (828) 322-5533. We look forward to your response to this proposed amendment.

Sincerely,

Archie Jennings, Mayor

Enclosures

c: Brian Alligood, City Manager  
Matt Rauschenbach, Finance Director  
John Rodman, Planning Director  
Billie Hansen, The Wooten Company

**Mayor**  
Archie Jennings

**City Manager**  
Brian M. Alligood



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

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**To: Mayor Jennings & Members of the City Council**  
**From: Matt Rauschenbach, C.F.O.**  
**Date: August 12, 2013**  
**Subject: Electric Fund Budget Transfer**

The following reallocations of funding between divisions in the Electric Fund were approved by the City Manager in order to cover additional principal payments on an installment note that occurred as a result of unspent escrow funds being applied to the outstanding loan. This inter-departmental transfer does not increase the overall appropriations budget for any fund.

**Electric Fund:**

- Increase Debt Service Department by \$5,000
- Decrease Miscellaneous Non-Departmental by \$5,000

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

Load Management Device Installation Report

Project Start Date : October 2010

	June 2013	Project to Date	Projected Annual Savings
Total Load Management Device Installations	79	2,067	
Total Accounts Added with Load Management	49	1,566	
<b>Appliance Control Installations</b>			
Air Conditioner / Heat Pump	49	1,584	\$77,591
Auxiliary Heat Strip	22	793	\$82,171
Electric Furnace	2	253	\$34,954
Water Heater	39	1,264	\$107,956
			<u>\$302,672</u>
<b>Total Encumbrances to Date</b>			
Load Management Devices		\$65,600	
Contractor Installations		\$220,000	
Total Project Encumbrances		\$285,600	
<b>Total Expenses to Date</b>			
Load Management Device Purchases		\$65,600	
Contractor Installation Expenses	\$6,265	\$212,725	
Total Project Expenses		\$278,325	
Average Cost per Load Management Device Installed		\$135	
Average Installed Cost per Controlled Appliance		\$71	
Load Management Devices Remaining in Stock	433		



## HUMAN RELATIONS COUNCIL

*102 East 2nd Street*

*Washington, NC 27589*

*Phone: 252-975-1280*

*Fax: 252-974-6461*

### **Human Relations Council (HRC) Report for the month of July Monday August 12, 2013 City Council Meeting**

#### **MISSION STATEMENT**

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

**SCHEDULED PUBLIC APPEARANCES:** Criminal Justice Program Administrator, Kimberly Grimes provided updates on the Football Camp and the scheduled event planned for “National Night Out”. Ms. Grimes voiced there were 241 applications received for the Saturday morning Football Camp. Also, “National Night Out” has been scheduled for Tuesday, August 6, 2013 at Beebe Memorial Park from 6:00 – 8:00 pm. Police and Fire Services are continuing their meet & greet program within the communities.

#### **ELECTIONS:**

By motion of Board member Howard, the Board nominated Board member Hughes to serve as chairperson of the Human Relations Council for a term of one (1) year with eligibility for reelection. Board member Hughes accepted the appointment of chairperson.

By motion of Board member Hughes, the Board nominated Board member St. Clair to serve as vice-chair of the Human Relations Council for a term of one (1) year with eligibility for reelection. Board member St. Clair accepted the appointment of vice-chair.

**Discussion** – Draft of proposed panel for the Ed Peed pedestal/marker. Several suggested changes were recommended and all Board members concurred with the suggested changes as recommended.

**Discussion** – Board Howard provided an update on conversation held with Mr. Recko regarding the Fair Housing event. Mr. Recko agreed with changing the Fair Housing Forum venue to one of the public housing community centers. He felt this way the housing forum will have better participation. Mr. Recko plans to attend one of the Human Relations Council meetings to discuss how we might share information with some of the more active public housing community groups.

**COMMENTS:**

**Chair Hughes tasked the board with the following:**

- New look at everything
- Review of By-laws and City Code (by-laws need to be in compliance with the City Code)
- Review Mission Statement
- Review – frequency of meeting dates (do we need to meet monthly – code & by-laws states that we meet as necessary)
- Need to look at other projects

**Reminders and announcements were received at this time.**

## North Carolina Main Street Statistical Summary: FY12-13

<b>WASHINGTON</b>															
	Façades Redone	Bldg. Renovs.	New Jobs	Jobs Lost	Net Job Gain	New Business	Business Closed	Net Business Gain	Business Expansion	\$ Value of New Investment PUBLIC	\$ Value of New Investment PRIVATE	\$ Value of New Investment TOTAL	Number Public Improvement Projects	Number New Construction Projects	Volunteer Hours
<b>Current Figures</b>	10	4	50	16	34	10	7	3	2	24,600	1,244,497	1,269,097	0	0	2,981
<b>Previous Cumulative</b>	123	33	393	120	273	126	41	85	15	\$3,317,601	\$8,859,461	\$12,177,062	8	1	5,294
<b>NEW CUMULATIVE</b>	133	37	443	136	307	136	48	88	17	\$3,342,201	10,103,958	13,446,159	8	1	8,275

### PROGRAM HIGHLIGHTS

Created new Shop, Dine Play Campaign for Downtown with \$12,000 Budget.  
 Helped initiate new "Joint Meeting of the Boards" with all key stakeholders/agencies involved in downtown.  
 Instituted "Coffee with Council" in August 2012 and repeated in January 2013  
 Joined N.C. Festivals Association and National Main Street Center  
 Instituted monthly lunches with key management for area; Chamber of Commerce Director, TDA Director, City Manager, County Manager, President of Community Collage, County EDC Director, Superintendent of Beaufort County Schools.  
 Hosted key stakeholder viewing of Roger Brooks's webinar "20 Ingredients of an Outstanding Downtown".  
 Gained more media attention with local channels, UNC's NC Now and NC Weekend reports.  
 Hosted Spring Main Street Managers Meeting  
 Continued with established events and added two new events; Taste the Good Life to promote Washington as a dining destination and Harmony on the Harbor concert series on Sundays in Festival Park.  
 Raised \$45,400 in sponsor donations



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Jennings & Members of the City Council  
**From:** Keith Hardt, P.E., Electric Director  
**Date:** July 3, 2013  
**Subject:** Appointments to the Board of Commissioners of the North Carolina Eastern Municipal Power Agency  
**Applicant Presentation:** N/A  
**Staff Presentation:** Keith Hardt, P.E., Electric Director

**RECOMMENDATION:**

I move that City Manager Brian Alligood be appointed as Second Alternate Commissioner to the North Carolina Eastern Municipal Power Agency Board of Commissioners

**BACKGROUND AND FINDINGS**

None

**PREVIOUS LEGISLATIVE ACTION**

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** 8/12/13 Date Concur bud Recommend Denial \_\_\_\_\_ No Recommendation \_\_\_\_\_

OATH

I, Brian Alligood, do solemnly swear that I will support and maintain the Constitution and laws of the United States, and the Constitution and laws of North Carolina, not inconsistent therewith, and that I will faithfully and impartially execute and discharge the duties of my office as second alternate commissioner of North Carolina Eastern Municipal Power Agency, so help me God.

---

Second Alternate Commissioner

Sworn to and subscribed before me,  
this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

---

Notary Public

My Commission Expires:

(NOTARY SEAL HERE)



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Jennings & Members of the City Council  
**From:** Cynthia S. Bennett, City Clerk  
**Date:** August 12, 2013  
**Subject:** Appointments to Various Boards, Commissions, and Committees  
**Applicant Presentation:** N/A  
**Staff Presentation:** N/A

**RECOMMENDATION:**

See attached motions

**BACKGROUND AND FINDINGS:**

Nominations will be made by the Council liaisons at the August 12, 2013 Council meeting.

**PREVIOUS LEGISLATIVE ACTION:**

N/A

**FISCAL IMPACT :**

Currently Budgeted (Account \_\_\_\_\_) \_\_\_\_\_ Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS:**

Board Applications

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** blu Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation  
8/12/13 Date

**Board of Library Trustees**

I move that the City Council appoint \_\_\_\_\_ to the Board of Library Trustees to fill the expired term of Muriel Brothers, term to expire June 30, 2019.

**Washington Electric Utilities Advisory Commission –**

I move that the City Council appoint/reappoint \_\_\_\_\_ as an At-Large member of the Washington Electric Utilities Advisory Commission - to fill the expired term of **Walter Zerniak, III** term to expire June 30, 2016.

**Mayor's Certificate of Appointment to the Washington Housing Authority**

I hereby appoint/reappoint \_\_\_\_\_ as a member of the Washington Housing Authority to fill the expired term of Yvonne Salem, term to expire June 30, 2018.

I hereby appoint/reappoint \_\_\_\_\_ as a member of the Washington Housing Authority to fill the expired term of Jo Ann Ingersoll, term to expire June 30, 2018.

**Warren Field Airport Advisory Board (Three members must be residents of the City)**

I move that the City Council appoint \_\_\_\_\_ to the Warren Field Airport Advisory Board with a term to expire June 30, 2015.

I move that the City Council appoint \_\_\_\_\_ to the Warren Field Airport Advisory Board with a term to expire June 30, 2015.

I move that the City Council appoint \_\_\_\_\_ to the Warren Field Airport Advisory Board with a term to expire June 30, 2016.

I move that the City Council appoint \_\_\_\_\_ to the Warren Field Airport Advisory Board with a term to expire June 30, 2016.

I move that the City Council appoint \_\_\_\_\_ to the Warren Field Airport Advisory Board with a term to expire June 30, 2016.

Requested Board Washington Electric Utilities Advisory Board

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

NAME Melanie Everett

ADDRESS 224 Village Circle - Washington, North Carolina (27889)

PHONE (WORK) (252) 946-3116 (HOME) (252) 940-9697

E-MAIL ADDRESS melanieeverett55@gmail.com

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

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 57 YEARS

YEARS OF EDUCATION 18 years - attended BCCC & NC State University

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

IF YES, PLEASE INDICATE Washington Housing Authority

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

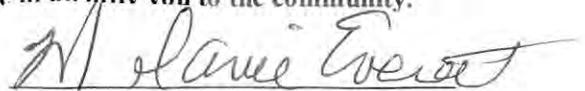
STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT (s) (OPTIONAL): *Use back of sheet if additional space is needed.*

I feel I would be a good asset to the board because of my organizations skills in working with Beaufort County Job Link. I am a North Carolina State Horse Show judge with there being only two in my category. I am very interested in supporting residents concerning gaining knowledge on how to save on their utility bill and explore all options in helping them to succeed. I have been a native of Washington and Beaufort County all my life.

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

7/16/13

Date



Signature

Requested Board Airport Commission

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

NAME Thomas Saccio

ADDRESS 4373 Mauls Point Rd Blounts Creek NC 27814

PHONE (<sup>cell</sup>~~WORK~~) 252 9455199 (HOME) 252 940 0083

E-MAIL ADDRESS TSACCIO @ AOL. Com

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

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 11 YEARS

YEARS OF EDUCATION 12

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

IF YES, PLEASE INDICATE Airport Commission

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? No IF YES, EXPLAIN \_\_\_\_\_

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

I've Served on the board for the last 3 years I have a pilots License along with an Instrument Rating and a Single engine rating. I am extremely interested in the welfare of the airport and have a knowledge of its function.

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

Date July 30, 2013

Signature Thomas Saccio

NOTE: Application will remain on file for six (6) months. Expiration Date: \_\_\_\_\_

Requested Board Airport Advisory Committee

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

NAME Jack Hill

ADDRESS 315 Thomas Place - Washington, NC 27889

PHONE (WORK) \_\_\_\_\_ (HOME) 252-975-6382

E-MAIL ADDRESS flyjj.hill@yahoo.com

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

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

YEARS OF EDUCATION 2 years of college

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

IF YES, PLEASE INDICATE Currently, Aviation Advisory Board

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

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

Active in aviation continuously 65 years and own two airplanes based at Warren Field.

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

7/31/13  
Date

  
Signature

NOTE: Application will remain on file for six (6) months. Expiration Date: \_\_\_\_\_  
August 12, 2013  
Page 81 of 146

Requested Board Airport Advisory Board

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

NAME David Rountree

ADDRESS 400 Fort Hill Dr, Blounts Creek, NC 27814

PHONE (WORK) (None) (HOME) 252-946-4438

E-MAIL ADDRESS jamdr2002@yahoo.com

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

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 8 YEARS

YEARS OF EDUCATION 14 Years: University of Puget Sound, College of Guam, Saddleback College.

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

IF YES, PLEASE INDICATE Airport Advisory Board

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? No IF YES, EXPLAIN \_\_\_\_\_

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

Past three years on current Airport Commission and have worked 33 years for Northwest Airlines (Delta).

Served 4 years in Air Force in combat flight ops.(Rescue)

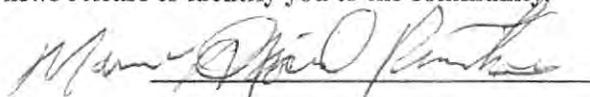
Hope to one day get pilots license.

Member of the Son's of Confederate Veterans.

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

July 30, 2013

Date

  
Signature

NOTE: Application will remain on file for six (6) months. Expiration Date: January 30, 2014

Requested Board Warren Field Airport Advisory Board

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

NAME Gilbert R. Alligood

ADDRESS 108 Albemarle Drive Washington, NC 27889

PHONE (WORK) 919-418-9814 (HOME) 252-833-0837

E-MAIL ADDRESS galligood@att.net

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

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 75 YEARS

YEARS OF EDUCATION 17

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

IF YES, PLEASE INDICATE Was Public Works Director for the City 1973-1984.

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? No IF YES, EXPLAIN \_\_\_\_\_

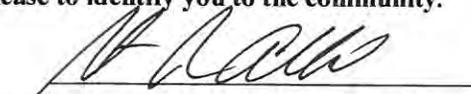
STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT (s) (OPTIONAL): *Use back of sheet if additional space is needed.*

An airport should be used as a commercial and industrial advantage for a community. It should be managed so that it adds to the economic resources of that community. Washington is well positioned geographically to be attractive to numerous commercial enterprises that need air services. Warren Airport (KOCW) should provide those services. I have been a licensed pilot for 53 years and have an airplane hangered at KOCW. I have flown into hundreds of airports internationally and domestically. I have seen what makes some airports successful while others fail. KOCW drastically needs improvements and exposure to air service users to serve the community. I want to assist with those improvements.

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

July 16, 2013

Date

  
Signature

NOTE: Application will remain on file for six (6) months. Expiration Date: \_\_\_\_\_

Requested Board Airport Advisory Board

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

NAME TRESSIE WARD

ADDRESS 212 W. 12<sup>th</sup> ST.

PHONE (WORK) ~~252-945-3478~~ (HOME) 252-945-3478

E-MAIL ADDRESS raymondward@centurylink.net

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

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 20+ YEARS

YEARS OF EDUCATION 12 grade graduate - 2 yrs Community College -

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

IF YES, PLEASE INDICATE \_\_\_\_\_

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

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

I RECEIVED MY PILOTS LICENCE IN 1973 - ISLIP, N.Y. - WITH MY HUSBAND, I HAVE BEEN OWNER OF A PLANE FOR 17 YEARS. WE WERE BASED AT 4 AIRPORTS IN DIFFERENT STATES. I FILLED IN ON AIRPORT RADIO WHEN NECESSARY IN MINN. I WAS ADMISSION OFFICER FOR THE ACADEMY OF AERONAUTICS AT (over)

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

July 18, 2013  
Date

Tressie Ward  
Signature

Requested Board Airport Advisory Board

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

NAME Raymond Ward

ADDRESS 212 W. 12<sup>th</sup> St.

PHONE (WORK) \_\_\_\_\_ (HOME) 252-975-3778

E-MAIL ADDRESS raymondward@centurylink.net

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

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 20<sup>f</sup> YEARS

YEARS OF EDUCATION High School, Navy torpedo school, 1yr. Mn. Univ.

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

IF YES, PLEASE INDICATE airport commission

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? No IF YES, EXPLAIN \_\_\_\_\_

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

private pilot land & sea since 1968, ground instructor, flight instructor, based in 4 different states. Had interest in tomahawk aviation. Ltd. in St. Louis Mo. area. My Co. "Lake Central air" based in Park Rapids, Minn. for aircraft rental & <sup>flight</sup> instruction. Owned my own plane 17yrs.

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

July 18, 2013  
Date

Raymond Ward  
Signature

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

NAME Leesa Payton Jones

ADDRESS 324 East 10th Street Washington NC 27889

PHONE (WORK) 609-444-8974 (HOME) 252-833-0995

E-MAIL ADDRESS Leesawisdom@aol.com

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

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 18 YEARS

YEARS OF EDUCATION 7 (City University of New York, Philadelphia Community College)

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

IF YES, PLEASE INDICATE

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

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

I feel I am qualified for this appointment because I believe that libraries enhance the quality of a community and it's welfare. A well endowed library and the Board that ensures it's viability is an asset to everyone. I believe in the mission of the Library and what it means to Washington. I am producing a documentary about Washington for PBS and 85% of my research was done at the Brown Library. I am an advocate for promoting the vital resource this Library is and will work hard to add to it's mission and function.

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

July 9 2013

Date

Leesa P Jones Signature

Requested Board Washington Housing Authority

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

NAME Crawford A. (Lex) Mann Jr.

ADDRESS 624 West Main St. Washington, NC 27889

PHONE (WORK) 252-943-8476 (c) (HOME) 252-946-3908

E-MAIL ADDRESS mannlex@hotmail.com

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

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 60+ YEARS

YEARS OF EDUCATION graduate UNC-CH

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

IF YES, PLEASE INDICATE \_\_\_\_\_

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? No IF YES, EXPLAIN \_\_\_\_\_

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

*My father was a former WHA board member and chairman for a number of years thus I became aware of the need and progress of public housing in the city*

Past board member of BC Habitat for Humanity

Past board member of Zion Soup Kitchen & Shelter

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

07/17/2013

Date

Crawford A. (Lex) Mann Jr.  
Signature

NOTE: Application will remain on file for six (6) months. Expiration Date: \_\_\_\_\_  
August 12, 2013  
Page 87 of 146

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

NAME Jo-Ann S. Ingersoll

ADDRESS 204 Choptank Drive, Chocowinity NC 27817

PHONE (WORK) n/a (HOME) 252-940-1963

E-MAIL ADDRESS jingersoll4@gmail.com

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

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 10 YEARS

YEARS OF EDUCATION 14 years (Associate's Degree)

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

IF YES, PLEASE INDICATE currently serving on the Washington Housing Authority Board

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? No IF YES, EXPLAIN \_\_\_\_\_

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

Currently serving on this board. Please refer to the attached email that was sent to Mayor Jennings indicating my desire to remain on this board

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

May 5, 2013  
Date

  
Signature

Good Afternoon Mayor Jennings:

My term as a Commissioner on the Washington Housing Board expires June 30, 2013. I would like to officially notify you of my desire to remain on the Board for another term.

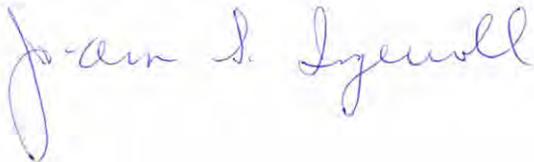
My reasons for this are many. The current Board of Commissioners is a fairly new one with the exception of our resident Commissioner. I have served as Chairperson, Vice-Chairperson, a member of the Executive Committee, and have attended various training sessions. The knowledge I have acquired since joining the WHA in 2006 is a valuable asset to the Board. (I was, also, an employee of MidEast Housing Authority.)

Our effectiveness as a Board is a sum of the Commissioners knowledge and skills. Having a "veteran" Commissioner on the Board, as well as, new Commissioners makes for a Board that has a good philosophy and vision.

My vision for WHA is that we continue to provide safe, affordable housing, and low-income housing to those individuals that are struggling in today's difficult economy. I hope to be able to continue this work.

If you need any additional information from me, please contact me by email or phone (252-944-5105). Thank you for your time.

Jo-Ann S. Ingersoll





# WASHINGTON HOUSING AUTHORITY

P.O. Box 1046 • 809 Pennsylvania Avenue • Washington, NC 27889  
(252) 946-0061 • Fax (252) 975-1279  
www.whamerha.com

April 15, 2013

Mayor Archie Jennings  
City of Washington  
PO Box 1988  
Washington, NC 27889

RE: WHA Board of Commissioners

Dear Mayor Jennings:

Mrs. Jo-Ann Ingersoll's term as Commissioner of the Washington Housing Authority will expire on June 30, 2013.

Mrs. Ingersoll is dedicated to the work of the Washington Housing Authority and her attendance is outstanding. She has indicated a willingness to serve again, if reappointed.

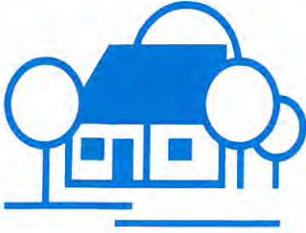
Thank you for your consideration.

Sincerely

Marc A. Recko  
Executive Director

cc: Jo-Ann Ingersoll





# Washington Housing Non-Profit, Inc.

P.O. Box 1046 • 809 Pennsylvania Avenue • Washington, NC 27889  
(252) 946-0061 • Fax (252) 975-1279

April 15, 2013

Mayor Archie Jennings  
City of Washington  
PO Box 1988  
Washington, NC 27889

RE: WHA Board of Commissioners

Dear Mayor Jennings:

Mrs. Yvonne Saleem term as Commissioner of the Washington Housing Authority will expire on June 30, 2013.

Mrs. Saleem is very involved in the community and the work of the Washington Housing Authority. She has indicated a willingness to serve again, if reappointed.

Thank you for your consideration.

Sincerely

Marc A. Recko  
Executive Director

cc: Yvonne Saleem



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Jennings & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** August 12, 2013  
**Subject:** Blue Goose CDBG Grant Budget Ordinance Amendment  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

**RECOMMENDATION:**

I move that City Council approve a Budget Ordinance Amendment to add administrative charges to the Blue Goose CDBG Grant.

**BACKGROUND AND FINDINGS:**

Administrative charges for the Mid East Commission were omitted when the Grant Project Ordinance was initially established.

**PREVIOUS LEGISLATIVE ACTION**

2013-2014 adopted budget and amended budget.

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

**SUPPORTING DOCUMENTS**

Budget Ordinance Amendment  
Administrative Agreements

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** For Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation  
8/6/13 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE AND CAPITAL  
PROJECT ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2012-2013**

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

Section 1. That account number 10-00-4400-9208, Transfer to CDBG Grants, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased in the amount of \$30,000 to provide funds for payment of administration charges and application preparation fees for the Blue Goose CDBG Grant.

Section 2. That account number 10-00-3990-9910, Fund Balance Appropriated, General Fund revenue appropriations budget be increased in the amount of \$30,000 to provide funds for transfer to CDBG Grant.

Section 3. That account number 51-60-3352-0001, Transfer from G/F, CDBG Blue Goose Grant Capital Project Fund revenue appropriation budget line item be increased in the amount of \$30,000.

Section 4. That account number 51-60-4930-0400, Administration, CDBG Blue Goose Grant Capital Project Fund appropriations budget be increased in the amount of \$30,000 to provide funds for the administration contract and application preparation fees to Mid-East.

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

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

Adopted this the 12<sup>th</sup> day of August, 2013.

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**MAYOR**

**ATTEST:**

---

**CITY CLERK**

ADMINISTRATIVE AGREEMENT  
BETWEEN  
THE CITY OF WASHINGTON AND  
MID-EAST COMMISSION  
FOR THE OAK RIDGE METAL WORKS  
COMMUNITY DEVELOPMENT BLOCK GRANT-  
BUILDING REUSE PROJECT

This Agreement, entered into on this the 21<sup>st</sup> day of May, 2013, by and between the City of Washington (hereinafter called the "Local Government"), and Mid-East Commission (hereinafter called the "Commission") and WITNESSETH THAT:

WHEREAS, the Commission is empowered to provide planning assistance by the N.C. General Statutes and by resolution passed by the Planning Agency on April 27, 1972. Technical assistance shall consist of the provision of services as described in Attachment A to this Agreement; and

WHEREAS, the Local Government has requested the Commission to provide such technical planning assistance to the Local Government; and

WHEREAS, the Commission desires to cooperate with the Local Government in every way possible to the end that the proposed activities are carried out in an efficient and professional manner.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Personnel.** That during the period of this Contract, the Commission will furnish the necessary trained personnel to the Local Government.
2. **Travel/Printing.** The Local Government will pay for expenses related to conferences, conventions, seminars, Government requests or approved travel related to the Local Government's grant program, or if it is beneficial to both parties, the costs will be shared on an agreed-upon ratio.  
The Local Government will also pay for expenses related to printing of report(s), mailings to advisory boards, and other costs not related to normal travel and staffing costs associated with personnel furnished by the Commission.
3. **Compensation.** The Local Government agrees to pay the Commission a lump sum amount of \$25,000 (twenty five thousand dollars) to administer the grant as outlined in the Scope of Services attached to this Contract. This amount will be billed beginning on or about June 1, 2013 until the termination of the grant. The Commission will be compensated \$5,000.00 for obtaining release of funds, which is part of the maximum contract amount.

It is expressly understood and agreed that the total compensation shall not exceed the maximum sum specified without prior approval of both agencies.

4. **Termination/Modifications.** The Local Government may terminate this Contract by giving the Commission a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written approval of the other.
5. **Time of Performance.** The Commission shall ensure that all services required herein shall be completed and all required reports, maps, and documents submitted during the period beginning on or about May 21<sup>st</sup>, 2013 and ending at grant closeout which is estimated to be around May, 2016.
6. **Conflict of Interest, Interest of Members, Officers, or Employees of the Commission, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Commission or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with program assisted under this Agreement. Immediate family members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Commission shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.
7. **Nondiscrimination Clause.** No person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.
8. **Age Discrimination Act of 1975, as amended.** No qualified person shall, on the basis of age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.
9. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.
10. **Access to Records and Record Retainage.** All official project records and documents must be maintained during the operation of this project and for a period of three years following close-out, in compliance with 15 NCAC 13L Rule .0911, Recordkeeping. The NC Department of Commerce, US Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the Commission which are pertinent to the execution of this Agreement, for the purpose of making audits, examinations, excerpts, and transcriptions in compliance with 15 NCAC 13L Rule .0911, Recordkeeping.

11. **Liquidated Damages Clause.** If the project fails to be carried out within the time frame outlined in the administrative proposal due to activities attributed to the Planning Agency, the Local Government may assess the Commission a sum in the amount of \$100 per month for any subsequent months until completion.
12. **Termination of Agreement for Cause.** If, through any cause, the Commission shall fail to fulfill, in a timely and proper manner, its obligations under this Agreement, or violate any of the covenants, conditions, or stipulations of this Agreement, the Local Government shall thereupon have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared under this Agreement shall, at the option of the Local Government, become its property, and the Commission shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials in direct proportion to the extent of services actually completed.
13. **Assignability** These parties hereby agree that they may not assign their obligations under this Agreement without written permission of the other party. The Council shall not assign any interest in this Contract, and shall not transfer any interest in the same whether by assignment or substitution, without the prior written consent of the Town, or unless specifically contained in the Scope of Work attached hereto.
14. **Grantee Assurances.** In the performance of this Agreement, the Commission shall comply with all applicable federal rules and procedures outlined on the attached pages as E.O. 11246 Clause and the Section 3 Clause (Attachments B and C).

IN WITNESS WHEREOF, the Commission and the Local Government have executed this Agreement as of the date first above written.

LOCAL GOVERNMENT:

By: \_\_\_\_\_

Arcelle Jennings, Mayor  
City of Washington



COMMISSION:

By: Timothy M. Baynes  
Timothy M. Baynes, Executive Director  
Mid-East Commission

WITNESS

Janet E. Dodge, Jr.

Pre-audit Statement

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

By: \_\_\_\_\_

Local Government Finance Officer

ATTACHMENT A  
SCOPE OF SERVICES  
CITY OF WASHINGTON  
GRANT MANAGEMENT ASSISTANCE  
OAK RIDGE METAL WORKS CDBG-BR PROJECT  
WORK PROGRAM/BUDGET  
May 21, 2013 – May 21, 2016

The following work program and budget are presented as descriptive of the work and dollar amounts called for in the Agreement concerning grant administration activities by the Mid-East Commission for the City of Washington.

Kevin Richards, or designee, will be responsible for administering this project.

Work Program

Professional services necessary to administer all aspects of the project will include but not be limited to the following:

- Administration and coordination of all activities involved in the Oak Ridge Metal Works CDBG BR Project.
- Set-up and maintenance of all building reuse project files and records in accordance with program and audit guidelines.
- Preparation and submission of reimbursement requests.
- Develop forms to meet State CDBG requirements to document CDBG activities from start to finish.
- Coordination of the building reuse program with federal, state and local officials.
- All items related to Davis Bacon requirements.
- Coordination of all fiscal and legal activities relating to the building reuse program.
- Preparation and submission of all financial reports.
- Conducting project close-out and representing the City of Washington at audits and monitoring visits. This does not assume, however, responsibility for payment of fees levied by auditors or accountants.

The City of Washington will be responsible for the following:

- Adequate office space including utilities.
- Direct payment of CDBG funds for legal and audit services and general administrative costs.
- All administrative costs not specifically identified as MEC responsibilities.

Time of Performance

The Mid-East Commission will complete all activities involved in administration of this project in an approximately 36-month period beginning on or about May 21, 2013 and ending on or about May 21, 2016.

Budget

The Mid-East Commission will provide administrative services for a lump sum fee of \$25,000.

Assurances

Assurances are attached as a part of the Agreement.

Amendments

This scope of services and budget may be amended as desired by mutual consent of the Local Government and Mid-East Commission.

## ATTACHMENT B - ASSURANCES OF COMPLIANCE

### Executive Order 11246

During the performance of this Contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to the following: recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin.
3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, notice advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies involved as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
7. The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

## ATTACHMENT C

### Section 3 Clause

"Section 3" Compliance in the Provision of Training, Employment, and Business Opportunities.

- a. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.
- b. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability, which would prevent them from complying with these requirements.
- c. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment and training.
- d. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where it has notice of knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- e. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors or assigns to those sanctions specified by the grant or loan agreement of contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

## LOBBYING CLAUSE

### Required by Section 1352, Title 31, US Code

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

This is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, US Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

May 20, 2013

This agreement between the Mid-East Commission and the City of Washington is for the preparation of a Community Development Block Grant- Building Reuse grant application for the City of Washington- Oak Ridge Metal Works project.

The Mid-East Commission agrees to prepare and submit the required pre-application, attend the required pre-application conference and prepare and submit the full application to the Commerce Finance Center.

The City of Washington hereby agrees to pay the Mid-East Commission \$5,000.00 for the completion of the previously mentioned items.

  
\_\_\_\_\_  
City of Washington Representative

05/20/13  
Date



**REQUEST FOR CITY COUNCIL ACTION**

**To:** Mayor Jennings & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** August 12, 2013  
**Subject:** Coastal Warning Tower Agreement  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

**RECOMMENDATION:**

I move that City Council authorize the City Manager to execute an agreement with the Partnership for the Sounds to locate the Coastal Warning Tower at the Estuarium.

**BACKGROUND AND FINDINGS:**

A coastal warning tower was recently renovated and has been relocated at the Estuarium.

**PREVIOUS LEGISLATIVE ACTION**

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

**SUPPORTING DOCUMENTS**

Agreement

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** SWD Concur August 12, 2013 8/6/13 Date Recommended Denial \_\_\_\_\_ No Recommendation

## AGREEMENT CONCERNING COASTAL WARNING DISPLAY TOWER

**WHEREAS**, through a motion duly adopted by the Washington City Council on April 15, 2013, the City of Washington ("City") accepted the donation of a Coastal Weather Display Tower ("Tower") from Jim Miller and his family.

**WHEREAS**, said Tower has been located in Washington since before 1900 after President McKinley ordered the Weather Bureau to build a series of coastal weather display towers to "supply the needs of the more important ports not having regular Weather Bureau offices" and implement a hurricane warning system for ships in 1898.

**WHEREAS**, said Tower was used to display storm warnings with flags during the day and colored lanterns at night until the National Weather Service discontinued the use of the towers on February 15, 1989.

**WHEREAS**, it is believed that as few as five towers are still in use today, with two of them being located in North Carolina.

**WHEREAS**, the City has caused the Tower to be taken down, dismantled, refurbished, and painted and desires to reinstall the Tower at an appropriate location in Washington on the Pamlico River waterfront.

**WHEREAS**, the Partnership for the Sounds, Inc. ("PFS") has graciously agreed to allow the City to locate the Tower on property over which the City granted PFS a non-exclusive easement. Said easement is depicted and designated as Easement Area as shown on that certain survey of Waters Surveying, Inc. dated January 12, 2010 recorded in Plat Cabinet H, Slide 64-4.

**NOW THEREFORE**, in consideration of the foregoing and for and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, PFS and the City hereby agree as follows.

1. The parties hereto expressly recognize and acknowledge that the Tower is owned by the City, nothing herein shall be interpreted in any way as affecting or impairing said ownership interest, the Tower shall not be considered a fixture, and the City shall retain ownership of the Tower at all times and until as well as after the termination of this Agreement.
2. PFS shall allow the City to reinstall the Tower in a location agreed to by mutual consent of the parties in the above referenced Easement Area.
3. The City shall be solely responsible for reinstalling and maintaining the Tower at its sole cost and expense and may display such items from the Tower as are in keeping with the Tower's historical use.

4. Upon reasonable notice and not less than forty-five (45) days, the City may from time to time temporarily and/or permanently remove the Tower at its sole cost as well as expense and shall restore the area disturbed to its original condition.

5. Upon permanent removal of the Tower, this Agreement shall terminate.

6. When utilizing the above referenced easement, PFS shall exercise care so as to not disturb, damage or diminish the appearance of the Tower.

7. Should the Tower be damaged due to the negligence of PFS, PFS will be solely responsible for any care, repair, or restoration that is necessary to return the Tower to its condition prior to such damage, which care, repair, or restoration shall be accomplished at the City's direction.

8. The City fully acknowledges that PFS has no legal or operational connection to the Tower. Should the Tower damage other property from any cause other than due to the negligence of PFS, or should any individual be harmed on or by the Tower in any way (including through intentional misuse) that is not due to the direct negligence of PFS, the City will bear sole and complete liability for any resulting compensatory actions to the extent said liability or said actions are not covered and satisfied by any insurance applicable thereto. Notwithstanding anything in the foregoing to the contrary, the City may, in its sole discretion, deny and defend itself against any such liability and/or actions.

9. The City shall be responsible for any care, repair, or restoration of the Tower that is necessary for any reason, including normal wear and tear, other than that which is necessary due to the negligence of PFS.

**IN WITNESS WHEREOF**, after due authority given, PFS has caused this Agreement to be signed in its name by its Executive Director, and the City has caused this Agreement to be signed in its name by its Manager and attested by its Clerk.

#### **PRE-AUDIT CERTIFICATE**

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

**CITY OF WASHINGTON**

---

**MATT RAUSCHENBACH,**  
Chief Financial Officer

**CITY OF WASHINGTON**

ATTEST:

\_\_\_\_\_  
**CYNTHIA S. BENNETT**, City Clerk

By: \_\_\_\_\_  
**BRIAN M. ALLIGOOD**, City Manager

**PARTNERSHIP FOR THE SOUNDS, INC.**

By:

\_\_\_\_\_  
**LINDA L. RUSSELL**, Assistant  
Secretary

\_\_\_\_\_  
**JACKIE P. WOOLARD**, Executive Director

COUNTY OF BEAUFORT  
STATE OF NORTH CAROLINA

I, \_\_\_\_\_, a Notary Public of the State and County aforesaid, certify that Cynthia S. Bennett personally appeared before me this day and acknowledged that she is City Clerk of the City Of Washington, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Brian M. Alligood, its Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: \_\_\_\_\_.

STATE OF NORTH CAROLINA  
COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public of the State and County aforesaid, certify that Linda L. Russell personally appeared before me this day and acknowledged that she is Assistant Secretary of Partnership for the Sounds, Inc., a North Carolina corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Jackie P. Woolard, its Executive Director, sealed with its corporate seal and attested by herself as its Assistant Secretary.

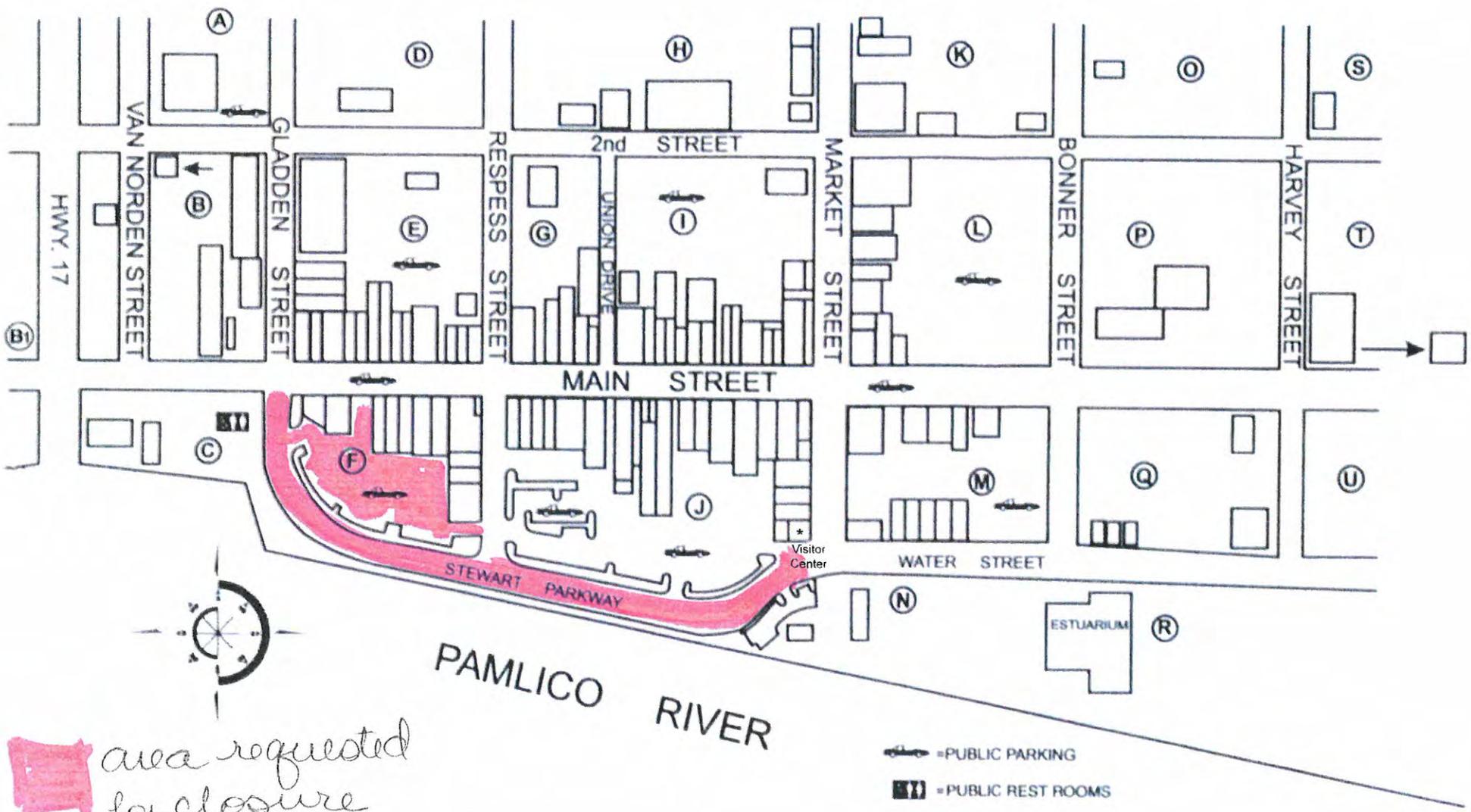
WITNESS my hand and official seal, this the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: \_\_\_\_\_.



# HISTORIC DOWNTOWN ~ WASHINGTON ~ NORTH CAROLINA



*area requested for closure*

*\* Access to parking will be available from Respass + Market*

August 12, 2013  
 Page 109 of 146  
 Circled letters indicate merchant locations. Merchant listing on reverse.



# REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council  
 From: Allen Lewis, Public Works Director *Allen Lewis*  
 Date: 07-30-13  
 Subject: Water and Sewer Easement Abandonment.  
 Applicant Presentation: N/A  
 Staff Presentation: Allen Lewis

**RECOMMENDATION:**

I move that Council abandon the water and sewer easement as shown on the attached map by Hood Richardson, P.A.

**BACKGROUND AND FINDINGS:**

Mr. Richard Gerard, who owns the property on either side of the easement that is proposed to be abandoned, is proposing a building expansion at his place of business at 1218 John Small Avenue. His proposed expansion necessitates the abandonment of this easement. The existing utility include in this easement include a dead- end gravity sewer line with no service connections to it that will be abandoned as well as a water line that can also be abandoned. There is no foreseeable need for this line or easement in the future.

**PREVIOUS LEGISLATIVE ACTION**

N/A

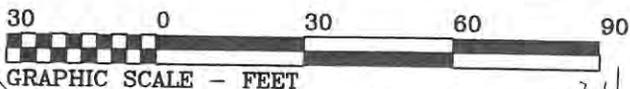
**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**

Attached easement abandonment map.

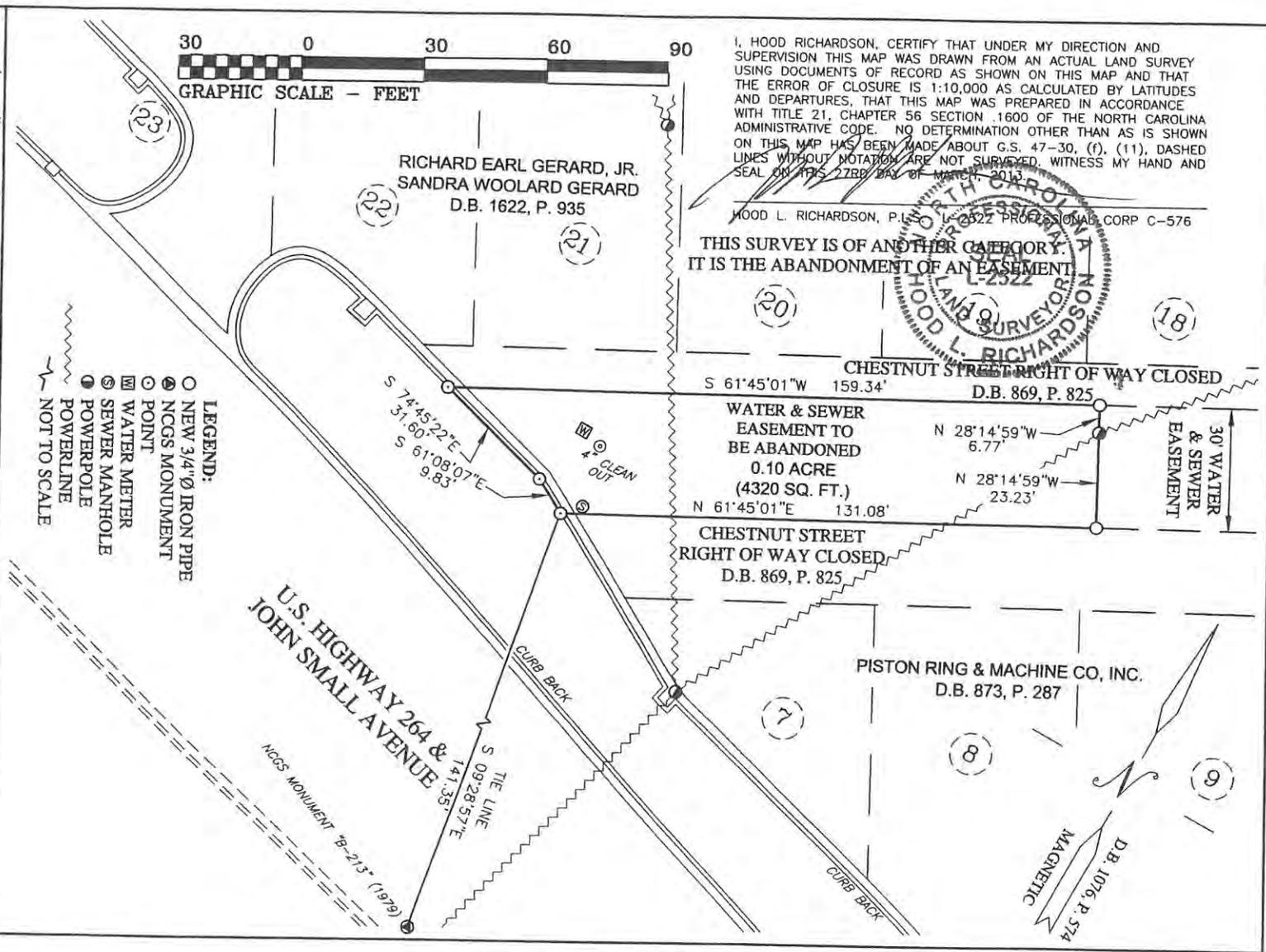
City Attorney Review: \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
 Finance Dept Review: \_\_\_\_\_ Date By: August 12, 2013 (if applicable)  
 City Manager Review: *2/12/13* Date *2/12/13* Concurred  Recommend Denial \_\_\_\_\_ No Recommendation \_\_\_\_\_



I, HOOD RICHARDSON, CERTIFY THAT UNDER MY DIRECTION AND SUPERVISION THIS MAP WAS DRAWN FROM AN ACTUAL LAND SURVEY USING DOCUMENTS OF RECORD AS SHOWN ON THIS MAP AND THAT THE ERROR OF CLOSURE IS 1:10,000 AS CALCULATED BY LATITUDES AND DEPARTURES, THAT THIS MAP WAS PREPARED IN ACCORDANCE WITH TITLE 21, CHAPTER 56 SECTION 1600 OF THE NORTH CAROLINA ADMINISTRATIVE CODE. NO DETERMINATION OTHER THAN AS IS SHOWN ON THIS MAP HAS BEEN MADE ABOUT G.S. 47-30, (f), (11), DASHED LINES WITHOUT NOTATION ARE NOT SURVEYED. WITNESS MY HAND AND SEAL ON THIS 27th DAY OF MARCH, 2013.

HOOD L. RICHARDSON, P.L.S. L-2522 PROFESSIONAL CORP C-576

THIS SURVEY IS OF ANOTHER CATEGORY.  
IT IS THE ABANDONMENT OF AN EASEMENT.



- LEGEND:**
- NEW 3/4" Ø IRON PIPE
  - NCCS MONUMENT
  - POINT
  - ⊗ WATER METER
  - ⊕ SEWER MANHOLE
  - ⊖ POWERPOLE
  - ⚡ POWERLINE
  - NOT TO SCALE

**SURVEY FOR:**  
THE ABANDONMENT OF A 30' EASEMENT  
IN THE ABANDONED RIGHT OF WAY OF  
CHESTNUT STREET AT US HIGHWAY 264  
CITY OF WASHINGTON  
NORTH CAROLINA  
BEAUFORT COUNTY

SCALE: 1" = 30'  
SURVEYED BY: HOOD RICHARDSON, P.A.  
ENGINEERS-GEOLOGISTS-PLANNERS  
110 WEST 2ND STREET  
WASHINGTON, N.C. 27889  
PHONE: (252) 975-3472  
SURVEY DATE: JANUARY 4, 2013



## REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Jennings & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** August 12, 2013  
**Subject:** WHDA Funding  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

### RECOMMENDATION:

I move that City Council approve a Budget Ordinance Amendment to fund the operations of the WHDA.

### BACKGROUND AND FINDINGS:

\$66,000 was in the Manager's recommended budget but was inadvertently omitted in the approved budget.

### PREVIOUS LEGISLATIVE ACTION

2013-2014 budget discussions

### FISCAL IMPACT

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

### SUPPORTING DOCUMENTS

Budget Ordinance Amendment

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** Sub Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation  
8/6/13 Date

**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 for the WHDA funding that was omitted in the approved budget:

10-00-3910-9910	Fund Balance Appropriated	\$66,000
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Section 2. That the General Fund appropriations budget be increased in the following account:

10-00-4650-4520	Harbor District Alliance	\$66,000
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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 12<sup>th</sup> day of August, 2013.

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Jennings & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** August 12, 2013  
**Subject:** idX Offer to Purchase Building  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

### RECOMMENDATION:

I move that City Council accept the offer to purchase the building at 234 Springs Road by idX Corporation and authorize the City Manager to execute the purchase bid offer.

### BACKGROUND AND FINDINGS:

idX Corporation offered to purchase the building at 234 Springs Road for \$800,000 by sealed bid that was advertised. A \$40,000 deposit was sent with the offer. No other offers were received. They are only interested in purchasing tract three of the property. The building and this tract of land recently appraised for \$3,650,000. idX is considering investing \$2 million in tooling and equipment and creating an additional 150 jobs over a three year period. idX will be applying for \$3,020,000 in grants for the expansion and job creation. The difference between the sales price and appraisal can be used for the \$300,000 match required by the granting agency. idX is weighing expanding this facility versus one in Virginia or Indiana. Annual rent for this facility is \$392,736.

idX's appraisal of the building was \$2.7 million. Their inspector estimated that the building needs about \$2.1 million of basic repairs. Major issue is the sections of the roof that will need to be replaced in a few years and asbestos and mold in the offices.

### PREVIOUS LEGISLATIVE ACTION

### FISCAL IMPACT

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

### SUPPORTING DOCUMENTS

- Offer to Purchase
- BCED Letter of Intent for Expansion
- Appraisal(available in City Clerk's Office)
- Property Map

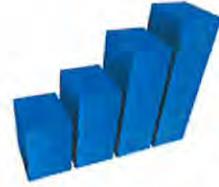
**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** Concur 8/16/13 Date \_\_\_\_\_ August 12, 2013 Recommendation \_\_\_\_\_ Denial \_\_\_\_\_ No Recommendation \_\_\_\_\_  
Page 114 of 146

# BEAUFORT COUNTY

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## ECONOMIC DEVELOPMENT

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June 24, 2013

Mr. Terry Schultz  
Chief Executive Officer  
idX Corporation  
3451 Rider Trail South  
St. Louis, MO 63045

Dear Terry:

Beaufort County Economic Development (BCED), the City of Washington (COW) and the NC Department of Commerce (NCDOC) in a combined effort are pleased to work with idX Corporation (idX) in your efforts to expand your company's manufacturing facility in Washington, NC. This Letter of Intent sets forth the efforts that BCED and its partners will undertake on behalf of idX and the commitment for investments and job creation in expanding its manufacturing facility in Washington, NC. Further, we understand that idX is considering other locations, such as Columbia, Maryland and Clarksville, Indiana.

It is our understanding that the proposed project represents a potential total investment of \$2 million in tooling and equipment and a total of 150 jobs to be created over a three-year period.

Please understand that the programs and incentives listed in this letter apply to Beaufort County. Businesses located outside of Beaufort County do not qualify for and will not receive the same level of incentives or program benefits. Beaufort County has a Tier 2 status, as determined by the State of North Carolina.

BCED is pleased to offer the following assistance in support of your efforts to locate this project in our County. A brief summary of the funding programs and how the funds may be used are included in Attachment A:

1. BCED and the NCDOC will use our collective best efforts for idX in qualifying for Investment Tax Credits and Job Creation Tax Credits under North Carolina's Article 3J, as amended, is based on anticipated machinery and equipment investments by idX of \$2.0 million and the creation of 150 jobs over a three year period. The amount of credit available is calculated at a Tier 1 level. \$12,500 is available for each job created and 7% of any new process equipment purchased during a company's fiscal year, and is taken as a credit against the company's North Carolina tax liability limited at 50% per year.
2. BCED and the NCDOC will work with idX to secure training services through Beaufort County Community College, estimated at \$1,200-\$1,400 per job and based on eligible activities and availability of funds.

3. BCED will work with the NCDOC to secure a One North Carolina Fund grant in the amount of \$300,000 to support the location of the project in Washington, NC. This grant will include commitments by the company for job creation and investment and clawbacks if the project does not move forward as planned.
4. BCED and COW will assist and support idX in its priority to access funds from the Building Reuse and Restoration Program through the North Carolina Rural Center in the amount up to \$480,000 (note: the amount is the maximum award, cannot exceed 50% of the total Reuse and Restoration project amount, and is in the form of a forgivable loan).
5. BCED and the NCDOC, in collaboration with the Division of Employment Services, will use our collective best efforts to secure recruitment, screening services, and Job Link Training Assistance on behalf of idX.
6. BCED and COW will provide (to the greatest extent possible) assistance to facilitate the permitting for this project and provide assistance in the area of grant writing for other available funds/grants that can be acquired to support this project.

To proceed with our efforts to expedite support for this project, the following stipulation shall apply:

idX Corporation will agree to provide in a timely manner any and all information required to secure commitments as identified above.

#### Non-Disclosure/Confidentiality

Pending finalization of the project contemplated under this Letter of Intent, information not previously disclosed to the public or in the public domain, which shall have been furnished to or obtained by either party from the other party, shall not be disclosed to any person other than in confidence to either party's employees, legal counsel, financial advisers, or accountants with a need to know basis. Also, such information shall not be used for any purpose other than is contemplated herein.

#### Limit on Assistance

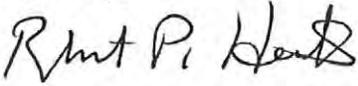
As referred to in this Letter of Intent and in meetings between the parties to this agreement before and after the date of this Letter of Intent, BCED and its partners will assist the company in attempting to bring this project to successful conclusion. Such assistance will include a number of matters relating to financing of, incentives for and permits needed by this project. The company understands and agrees that such assistance will be in the nature of encouraging various entities as to the attributes of the project. The company acknowledges that neither the NCDOC, BCED nor their employees or representatives, have any authority or ability to direct other entities (e.g. banks, Department of Environment and Natural Resources, incentives sources, etc.) to approve any applications or requests from the company.

#### Intent to Contract

BCED and its partners are extremely excited about this project and we feel strongly that this community is uniquely positioned to offer all of the amenities needed and the quality-of-life to ensure your project's long-term success.

Please do not hesitate to contact us if we can provide additional assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert P. Heuts". The signature is written in a cursive style with a large, stylized initial "R".

Robert P. Heuts  
Director  
**Beaufort County Economic Development**

## Attachment A

### Incentives Summary

<b>Incentive</b>	<b>150 Jobs (Tier 2)</b>	
One NC Fund	\$ 300,000	
Building Reuse & Restoration (Estimated 50% of Building Repairs)	480,000	
<b><i>Total Grants/Loans</i></b>	<b><i>780,000</i></b>	
Training Services	225,000	
ESC Recruitment & Screening Services	TBD	
3J Tax Credits		
Jobs Creation	1,875,000	
Machinery & Equipment	140,000	
<b><i>Total Tax Credits &amp; Services</i></b>	<b><i>2,240,000</i></b>	
<b>Grand Total</b>	<b>\$3,020,000</b>	



July 29, 2013

Mike Whaley  
Purchasing Agent  
203 Grimes Rd.  
Washington, NC 27889

RE: Purchase Bid for 234 Springs Road, Washington, North Carolina

Dear Mr. Whaley:

This letter represents a bid by idX Impressions, LLC, a Delaware limited liability company (“idX”) to purchase the property located at 234 Springs Road, Washington, North Carolina and all improvements located thereon, together with all appurtenant interests and property rights (the “Property”) from the City of Washington, a body politic and corporate under Chapter 160A of the North Carolina General Statutes (the “City”). This bid is being submitted in response to the City Council’s resolution to sell the Property through a sealed bid process.

We genuinely appreciate the opportunity to bid for the acquisition of the Property. If we are awarded the opportunity to purchase the Property, we will proceed to prepare and finalize a definitive purchase and sale agreement (“Purchase Agreement”) with you as soon as possible.

Under this bid, idX proposes to purchase the Property on the following basis:

1. **Purchase Price.** idX would pay the City a purchase price in the amount of Eight Hundred Thousand Dollars (\$800,000), subject to customary prorations and adjustments, by wire transfer at the Closing.
2. **Deposit.** Simultaneously with the submission of this bid, idX is depositing the sum of Forty Thousand Dollars (\$40,000) (the “Deposit”) with the City. By accepting the Deposit, the City agrees to hold the Deposit in escrow and either (i) immediately return the Deposit in full to idX, in the event the City does not award idX the opportunity to purchase the Property; or (ii) apply the Deposit against the Purchase Price at Closing or otherwise dispose of the Deposit as provided in the Purchase Agreement, in the event the parties enter into a Purchase Agreement; or (iii) return the Deposit in full to idX immediately upon idX’s written request, in the event the City awards idX the opportunity to purchase the Property and the parties do not enter into a Purchase Agreement within thirty (30) days after such award.
3. **Closing.** The “Closing” shall take place at a title company to be mutually agreed upon by the parties (“Title Company”) fifteen (15) business days following the earlier of (i) the expiration of the Due Diligence Period, or (ii) the satisfaction or waiver of the Contingencies (as defined in Paragraph 5 below), or such other date as mutually agreed in writing by idX and the City.
4. **Due Diligence.** idX shall have ninety (90) days after the execution of the Purchase Agreement to complete any and all due diligence idX requires regarding idX’s purchase of the Property,

including without limitation, satisfaction of the Contingencies set forth in Paragraph 5 below (collectively, the “**Due Diligence Period**”). In the event idX notifies the City in writing prior to the expiration of the Due Diligence Period that it elects not to purchase the Property (for any reason or for no reason), the Purchase Agreement shall be deemed terminated, the City shall return the Deposit in full to idX, and neither party shall have any further obligation under the Purchase Agreement. To assist idX in performing its due diligence, the City shall provide true and correct copies of all information in the City’s possession or control regarding the Property, including, but not limited to, surveys, title reports, environmental reports, blueprints, contracts, easements, licenses, permits and approvals, to idX within ten (10) days after the full execution of the Purchase Agreement.

5. **Contingencies.** idX’s obligation to consummate this transaction shall be conditioned upon the satisfaction, in idX’s sole and absolute discretion, of all of the following conditions on or before the expiration of the Due Diligence Period: (a) receipt of the Title Commitment (as defined in Paragraph 7 below) and an ALTA survey for the Property acceptable to idX and its lender; (b) idX obtaining financing in an amount and on such terms and conditions as may be satisfactory to idX; (c) idX’s satisfaction with the physical, environmental and overall condition of the Property; and (d) idX’s determination that its intended development is feasible taking into account any and all factors and considerations deemed appropriate by idX, including, without limitation, the receipt of public incentives in amounts acceptable to idX.

6. **Transaction and Closing Fees.** The City shall convey fee title interest in the Property to idX by special warranty deed subject only to the Permitted Exceptions (as defined in Paragraph 7). Any escrow fees charged by the Title Company shall be paid equally by idX and the City. The City shall be responsible to pay for all expenses in connection with the payment of any liens on the Property and recording costs to release any such liens, the City’s attorneys’ fees, the charges for the owner’s title insurance coverage, and such other expenses provided to be paid by the City herein. idX shall be responsible to pay for the recording fee for the special warranty deed, idX’s attorneys’ fees, idX’s tests and inspections, idX’s survey, and such other expenses provided to be paid by idX herein. All other expenses in connection with this transaction shall be paid pursuant to local custom.

7. **Title Insurance.** idX shall obtain a title insurance commitment from the Title Company (the “**Title Commitment**”) for the Property and idX shall have until the expiration of the Due Diligence Period to object to any Schedule B exceptions contained in such Title Commitment. All Schedule B items accepted by idX shall be deemed “**Permitted Exceptions**”. Among other things, the Title Commitment shall be for the usual ALTA Form B (2006) owner’s title policy and shall show title to the Property to be free and clear of all liens, encroachments and encumbrances (except for those being paid out of the proceeds of Closing). idX and the City shall mutually agree upon easements on the Property for existing and future utilities.

8. **Default; Remedies.** In the event idX waives its conditions precedent under the Purchase Agreement, but thereafter defaults under the Purchase Agreement and fails to close on the purchase of the Property, other than due to the City’s fault, the City shall have the right to retain the Deposit as liquidated damages as the City’s sole and exclusive remedy at law or equity. In the event the City defaults under the Purchase Agreement and fails to close on the sale of the Property, idX shall have all remedies available to it under law or equity, including the right to the return of the Deposit and to sue the City for damages and/or specific performance.

9. **Assignment.** idX and its successors and assigns shall have the right to assign any interest under the Purchase Agreement without the consent of the City.

Except as set forth in Paragraph 2 regarding the Deposit, this letter is not intended to create a binding obligation on the part of either party with respect to the purchase and sale of the Property, but is merely for the purposes of setting forth our intentions and providing the basis for the preparation and execution of the Purchase Agreement. The Purchase Agreement will contain an indemnification of idX by the City with respect to the soil and groundwater contamination at the Property which is believed to have originated from the operations of a previous occupant of the Property. The Purchase Agreement will also contain such usual and customary covenants, representations and warranties as are typical in transactions such as the purchase and sale of the Property. Until the execution and delivery of the Purchase Agreement, either party may abandon negotiations at any time, by written notice sent to the other party by certified mail or overnight courier, at which time the City shall return the Deposit in full to idX.

If the City authorizes the acceptance of this bid and the Deposit, please have an authorized representative of the City sign a copy of this letter in the space provided below and return it to us. If this bid is not accepted, please return the Deposit to us immediately.

Again, thank you for allowing us to submit this bid to you.

Sincerely,

  
Fritz Baumgartner, CFO

Agreed and accepted this \_\_\_\_ day of August, 2013.

City of Washington

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Appraisals:****Shackleford & Associates:**

6/14/2013

**Building & tract three**3,650,000 Blend of sales comparison and lease income approaches  
\$1.29/square foot market rent**Land:**

Tract four- 1.06 acres	60,000
Tract one- 7.6968 acres	335,000
Tract 2- 1.811 acres	103,000

**Prior Appraisals:**

Area Appraisal Associates	3,200,000	9/28/05	\$2.16/square foot market rent
Area Appraisal Associates	3,142,000	11/17/06	\$2.10/square foot market rent
Dec Appraisal Service	3,100,000	2/20/07	

**Property tax value** 2,896,062**Current rent/year** 392,736 \$1/square foot**Building improvements** 769,566 2011/2012

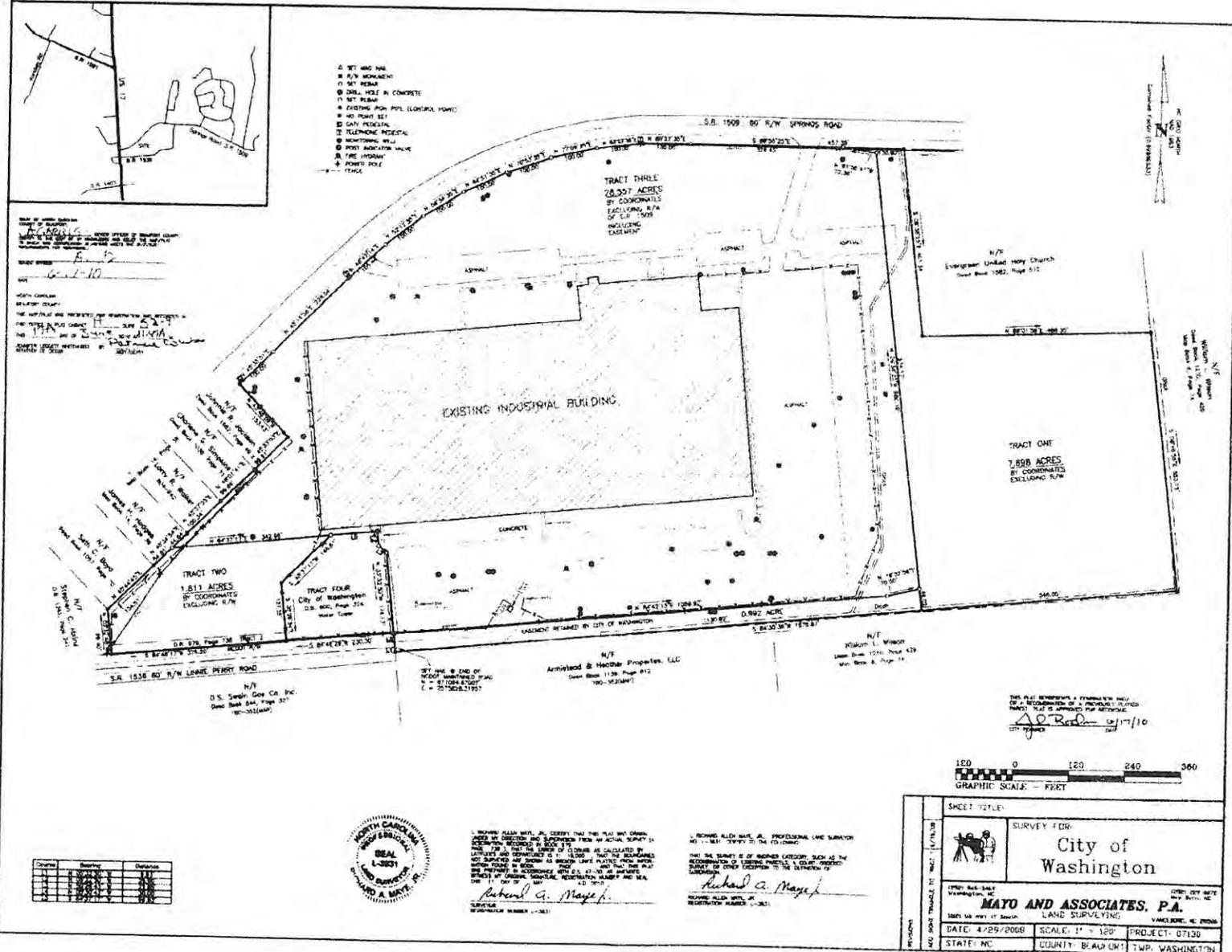
Supplemental rent/yr. 176,731

Supplemental rent total 883,655

Supplemental rent/month 14,727.58

**Lighting Retrofit Grant** 282,979

Annual energy savings 171,129 34% reduction



Course	Bearing	Distance
1	N 89° 58' 00" W	100.00
2	S 89° 58' 00" E	100.00
3	N 00° 00' 00" E	100.00
4	S 00° 00' 00" W	100.00
5	N 89° 58' 00" W	100.00
6	S 89° 58' 00" E	100.00
7	N 00° 00' 00" E	100.00
8	S 00° 00' 00" W	100.00

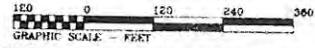


I, RICHARD ALLEN MAYO, JR., CERTIFY THAT THIS PLAT WAS DRAWN AND CHECKED BY ME AND SUPERVISED FROM AN ACTUAL SURVEY IN ACCORDANCE WITH THE REQUIREMENTS OF THE SURVEYING ACT OF 1971 AND THE REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING. I HAVE NOT BEEN CONVICTED OF ANY CRIME THAT WOULD DISQUALIFY ME FROM EXERCISING THE FUNCTIONS OF A SURVEYOR. I HAVE NOT BEEN CONVICTED OF ANY CRIME THAT WOULD DISQUALIFY ME FROM EXERCISING THE FUNCTIONS OF A SURVEYOR. I HAVE NOT BEEN CONVICTED OF ANY CRIME THAT WOULD DISQUALIFY ME FROM EXERCISING THE FUNCTIONS OF A SURVEYOR.

*Richard A. Mayo, Jr.*  
 SURVEYOR  
 REGISTRATION NUMBER: 1-3021

I, RICHARD ALLEN MAYO, JR., PROFESSIONAL LAND SURVEYOR NO. 1-3021, CERTIFY TO THE FOLLOWING:  
 THAT THE SURVEY IS OF HIGHER CATEGORY, SUCH AS THE SURVEY OF EXISTING FACILITIES, AS SET FORTH IN THE SURVEYING ACT OF 1971 AND THE REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING. I HAVE NOT BEEN CONVICTED OF ANY CRIME THAT WOULD DISQUALIFY ME FROM EXERCISING THE FUNCTIONS OF A SURVEYOR. I HAVE NOT BEEN CONVICTED OF ANY CRIME THAT WOULD DISQUALIFY ME FROM EXERCISING THE FUNCTIONS OF A SURVEYOR.

*Richard A. Mayo, Jr.*  
 SURVEYOR  
 REGISTRATION NUMBER: 1-3021



SHEET TITLE:	
SURVEY FOR: <b>City of Washington</b>	
DATE: 4/29/2008	SCALE: 1" = 120'
STATE: NC	COUNTY: BEAUFORT
PROJECT: 07120	
TWP: WASHINGTON	

PC-H 5-52-9



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Jennings & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** August 12, 2013  
**Subject:** Metropolitan Housing Legally Binding Commitment  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

**RECOMMENDATION:**

I move that City Council authorize the City Manager to execute a legally binding commitment with Metropolitan Housing and Community Development Company, Inc.

**BACKGROUND AND FINDINGS:**

The Department of Commerce and Community Assistance closed CDBG grant 05-C-1490 because none of the five homes were constructed and sold to qualifying individuals. The City contributed \$90,000 to the project and the grant was for an additional \$250,000. All of the funds were expended and we are required to repay \$250,000 at the rate of \$25,000 per year for ten years beginning July 1, 2013. The repayment will be reduced \$50,000 for each home that is built and occupied but prior repayments are not eligible to be returned to the City. The City currently has a promissory note for the original contribution of \$60,000. The City Manager will be discussing this agreement with Reverend Moore and developing a plan to have the homes built and occupied.

**PREVIOUS LEGISLATIVE ACTION**

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

**SUPPORTING DOCUMENTS**

Amendment to Legally Binding Commitment

**City Attorney Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**Finance Dept Review:** \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)  
**City Manager Review:** Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation  
8/12/13 Date August 12, 2013  
Page 124 of 146

**Amendment to Legally Binding Commitment  
City of Washington and  
Metropolitan Housing and Community Development Corporation, Inc.  
FY2005 CDBG Housing Development Program**

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This Amendment to Legally Binding Commitment for the City of Washington FY05 CDBG Housing Development Program (hereinafter referred to as the "Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the City of Washington (hereinafter referred to as the "City") and Metropolitan Housing and Community Development Corporation, Inc. (hereinafter referred to as "METROPOLITAN").

**RECITALS**

**WHEREAS**, the City received an FY05 Community Development Block Grant-Housing Development (hereinafter referred to as "Grant") in the amount of \$250,000.00 from the North Carolina Department of Commerce, Division of Community Assistance (hereinafter referred to as "DCA"). The purpose of the Grant is to provide funds for land acquisition; the construction of infrastructure that will be maintained by the City; and the development, construction, conveyance, and occupancy of five (5) stick built homes specifically for, to, and by low to moderate income individuals/households (hereinafter referred to as "LMI") within the time period allowed by the Grant and/or DCA, which Grant is incorporated herein by reference as if fully set forth.

**WHEREAS**, METROPOLITAN is a nonprofit organization that promotes asset building strategies for LMI in the City and Beaufort County, and will perform its obligations under this Agreement consistent with the terms, conditions, and considerations contained herein, said Grant, the FY05 Grant Project Application (hereinafter referred to as "Grant Application"), the Grant Agreement, Funding Approval and any and all subsequent amendments thereto, extensions thereto, and/or other relevant conditions imposed by DCA, all of which are incorporated herein by reference as is if fully set forth (collectively may be referred to as "Grant Documents").

**WHEREAS**, the release of Grant funds by DCA was contingent upon, among other things, a legally binding commitment between the City and METROPOLITAN that obligates both parties to fulfill the terms of the Grant and, more particularly, defines METROPOLITAN's specific commitment to utilize Grant funds to acquire, develop, construct and convey said homes to LMI.

**WHEREAS**, the parties hereto previously entered into Legally Binding Commitments dated January 31, 2007 and March 15, 2011, a Promissory Note dated March 11, 2011 (hereinafter referred to as "Original Promissory Note") and a Deed of Trust dated April 27, 2011 (hereinafter referred to as "Original Deed of Trust").

**WHEREAS**, said March 15, 2011 Legally Binding Commitment required METROPOLITAN to, among other things, reimburse the City for any amount of Grant funds that DCA requires the City to repay to DCA.

**WHEREAS**, by correspondence dated May 6, 2013, DCA closed said Grant, made a finding that "... the City had failed to document that it has achieved an eligible CDBG National Objective ...", and directed the City to repay Community Assistance (DCA) \$250,000.00 by May 30, 2013. Said letter is attached hereto as Exhibit A and incorporated herein by reference as if fully set forth.

**WHEREAS**, by correspondence dated June 4, 2013, DCA approved "the City's submitted plan to repay the CDBG Program over a ten year period with equal annual payments of \$25,000.00 beginning July 1, 2013." Said letter is attached hereto as Exhibit B and incorporated herein by reference as if fully set forth.

**WHEREAS**, the City has made said first annual payment of \$25,000.00 to DCA.

**WHEREAS**, by later correspondence from Richard B. Self, DCA indicated that "the outstanding debt for the City of Washington will be decreased by \$50,000.00 for each unit constructed and occupied by a Low-to-Moderate Income individual family. Any funds already reimbursed to DCA will not be eligible for return to the City as a result of the potential reductions in the future."

**WHEREAS**, in conjunction with said Grant, the City loaned METROPOLITAN \$60,000.00, expended \$10,000.00 for the benefit of METROPOLITAN for additional infrastructure, and expended \$20,000.00 for the benefit of METROPOLITAN for lot clearing. The aforementioned amounts total \$90,000.00 and shall hereafter be referred to as "Loan".

**WHEREAS**, said Original Promissory Note and Original Deed of Trust require METROPOLITAN to repay said \$60,000.00 loan if METROPOLITAN does not satisfy certain obligations in said March 15, 2011 Legally Binding Commitment or the Grant Documents.

**WHEREAS**, upon execution of this Agreement and a related, new Promissory Note as well as a new Deed of Trust, this Agreement shall be a novation of and replace, in their entirety, said Legally Binding Commitments referenced above dated January 31, 2007 and March 15, 2011 and said Legally Binding Commitments shall be void, cancelled and of no further legal affect.

**NOW, THEREFORE**, in consideration of and in exchange for the mutual promises set forth herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the City and METROPOLITAN mutually agree as follows.

#### **PART A – ACTIVITIES AND PERIOD OF PERFORMANCE**

Section 1 METROPOLITAN will perform the following.

1. Complete construction, conveyance and occupancy of five (5) affordable housing units for, to, and by LMI consistent with and as described in the Grant Documents no later than June 30, 2022 or such later time as may be decided by mutual agreement.
2. Qualify and counsel potential homebuyers to purchase completed units.
3. Market and coordinate the sale of the properties to LMI households.
4. Address all questions regarding the Grant and Grant Documents to the City-appointed Grant contact, not DCA.
5. Fulfill all of its and the City's obligations under the Grant and Grant Documents that are either directly or indirectly dependent upon METROPOLITAN for fulfillment. Such obligations include, but are not limited to, complying with all applicable certifications and requirements, including but not limited to those certifications and requirements required by the North Carolina Department of Commerce and DCA. As may be more specifically provided for in the Grant Documents, METROPOLITAN shall, among other things, comply with the procurement standards set forth in 4 N.C. Administrative Code 19L. 0908.

6. Simultaneously with the execution hereof, METROPOLITAN shall make payment to the City in the amount of \$25,000.00, which amount represents reimbursement to the City for the City's first annual payment referenced above.
7. Pay to the City any subsequent annual payment (hereinafter referred to as "Annual Payment(s)") required of the City by DCA.
8. For every \$25,000.00 Annual Payment the City has been required, or is required, to make to DCA, METROPOLITAN shall pay to the City the additional amount of \$9,000.00, which \$9,000.00 amount(s) shall be a partial repayment(s) on said above described Loan. Simultaneously with the execution hereof, METROPOLITAN shall pay to the City \$9,000.00, which amount shall be a partial repayment on said Loan.
9. Simultaneously with the execution hereof, METROPOLITAN shall execute and deliver to the City a new Promissory Note and a new Deed of Trust, in a form satisfactory to the City in the City's sole discretion, secured, singularly or collectively, by all properties acquired in conjunction with this Agreement and the Grant, including Grant funds. Said new Promissory Note and new Deed of Trust shall be in the amount of \$340,000.00, which amount consists of \$250,000.00 in Grant funds previously expended and the \$90,000.00 Loan (collectively may be referred to as "Indebtedness"). As more specifically provided for in the new Promissory Note, said Indebtedness will be reduced by any amount paid by METROPOLITAN to the City pursuant to this Agreement. Said Indebtedness shall also be reduced by the same amount of any reduction by DCA to the above referenced outstanding debt owed by the City to DCA. For any \$25,000.00 Annual Payment that DCA does not require the City to make, said Indebtedness shall also be reduced by \$9,000.00.

Section 2 The City will perform the following:

1. Maintain the infrastructure constructed for the five-unit housing development.
2. Provide METROPOLITAN with copies of relevant DCA correspondence regarding the project including, but not limited to, policy interpretation or changes, reporting requirements, etc.
3. Upon execution hereof and receipt of said \$25,000.00 and \$9,000.00 payments from METROPOLITAN, the City shall mark the previous, above referenced, Original Promissory Note dated March 15, 2011 "SATISFIED IN FULL" and deliver the same to METROPOLITAN.
4. Upon execution hereof and receipt of said \$25,000.00 and \$9,000.00 payments from METROPOLITAN, the City shall cancel the previous, above referenced Original Deed of Trust of record within a reasonable time.

#### **PART B – TERM OF AGREEMENT**

This Agreement shall commence on the day first above written and continue until the above referenced Indebtedness is paid or otherwise satisfied.

#### **PART C – MISCELLANEOUS/SPECIAL CONDITIONS**

1. The City and DCA, or their respective duly authorized representatives, shall have the right to request status reports from METROPOLITAN regarding the progress of programmed activities funded through the Grant.
2. METROPOLITAN shall keep and maintain all books, records, and other documentation that are its responsibility, under its control, and directly related to its receipt and disbursement of Grant funds and its fulfillment of this Agreement as well as the Grant.

3. This Agreement constitutes a legally enforceable contract and shall be governed by and construed in accordance with the laws of the State of North Carolina.
4. Liabilities and Loss: The City assumes no liability with respect to accidents, bodily injury, illness, breach of contract, or any other damages or loss, or with respect to any claims arising out of any activities undertaken by METROPOLITAN under this Agreement, whether with respect to persons or property of METROPOLITAN, or third parties. METROPOLITAN agrees to obtain insurance or otherwise protect itself or others as it may deem desirable. Further, METROPOLITAN agrees to indemnify, defend and save harmless the City and its officers, agents and employees from any and all claims and losses arising from this Agreement, including but not limited to those claims and losses accruing or resulting to any and all subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by METROPOLITAN or its agents in the performance of this Agreement.
5. METROPOLITAN shall at all times comply with all laws, ordinances, and regulations of federal, state, and local governments which may in any manner affect or be related to the performance of this Agreement.
6. METROPOLITAN may not assign any interest in this Agreement, nor transfer any interest in the same, without the written consent of the City.
7. METROPOLITAN represents that it has, or will secure at its own expense, all personnel required to monitor, carry out, and perform the scope of services of this Agreement and the Grant Documents. Such employees shall not be employees of the City. Such personnel shall be fully qualified and shall be authorized under state and local law to perform the required services.
8. In carrying out the terms and conditions of this Agreement, METROPOLITAN is an independent party from the City and is not an agent or employee of the City. Nothing in this Agreement shall create or be construed as creating a partnership, joint venture, or employee relationship between the City and METROPOLITAN.
9. This Agreement may be executed in one or more counterparts, each of which, when executed, shall be deemed an original, and all such counterparts, together, shall constitute one and the same Agreement which shall be sufficiently evidenced by one of such original counterparts.
10. Said new Promissory Note and new Deed of Trust shall, among other things, secure METROPOLITAN's performance of its obligations arising from the Grant, the Grant Documents, and this Agreement. METROPOLITAN may make application to the City for a release(s) from said new Promissory Note and new Deed of Trust. Said application for a release must include, among other things, such evidence and documentation as the City may, in its sole discretion, require in order to verify that METROPOLITAN has a LMI qualified purchaser(s) who has(have) secured qualified financing for the housing unit or units to be released. Upon conveyance of a housing unit by METROPOLITAN and the City's receipt of confirmation from DCA that said conveyance is a qualifying conveyance to a LMI under the Grant Documents as well as the City's receipt of confirmation from DCA that the City's above referenced outstanding debt with DCA has been reduced, the principal amount of said Indebtedness shall be reduced as provided for hereinabove.

#### **PART D – NON-PERFORMANCE BY METROPOLITAN**

Among other possible remedies and recourses of action, the City may pursue collection of the above referenced new Promissory Note as well as new Deed of Trust through foreclosure of the same upon METROPOLITAN's failure to perform any obligation required by or arising from this Agreement, the Grant, or the Grant Documents.

## PART E – COMMUNITY DEVELOPMENT BLOCK GRANT PROVISIONS

### 1. CONFLICT OF INTEREST: MEMBERS, OFFICERS, OR EMPLOYEES OF THE LOCAL GOVERNING BODY OR OTHER PUBLIC OFFICIALS:

No member, officer, or employee of the City, no members of the governing body of the locality or localities who exercise any functions or responsibilities with respect to the CDBG-HD program during his tenure and for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The City and METROPOLITAN shall incorporate, or cause to be incorporated, in all contracts arising herefrom a provision prohibiting such conflict of interest consistent with the purpose of this section.

### 2. NON-DISCRIMINATION

No person in the United States shall, on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the performance of this Agreement.

No qualified personnel shall, on the basis of age or handicap, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under the performance of this Agreement.

### 3. EXECUTIVE ORDER 11246 CLAUSE

- (i) METROPOLITAN and the City will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. METROPOLITAN and the City will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment; upgrading, demotion, or transfer; recruitment and advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeships. METROPOLITAN and the City agree to post, in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.
- (ii) METROPOLITAN and the City will, in all solicitations or advertisements for employees placed by or on behalf of METROPOLITAN or the City, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (iii) METROPOLITAN and the City will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers representative of METROPOLITAN and the City commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- (iv) METROPOLITAN and the City will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (v) METROPOLITAN and the City will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (vi) In the event METROPOLITAN or the City fails to comply with the non-discrimination clauses of this Agreement or with any of such rules, regulations, or orders, this Agreement may be canceled, terminated or suspended in whole or in part and METROPOLITAN or the City may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rules, regulations, or order of the Secretary of Labor, or as otherwise provided by law.
- (vii) METROPOLITAN and the City will include the provisions of this and the preceding Paragraphs (i) through (vi) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965 so that such provisions will be binding upon each subcontractor or vendor. METROPOLITAN and the City will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance. Provided, however, that in the event METROPOLITAN or the City become involved in, or are threatened with litigation by a subcontractor or vendor as a result of such direction by the contracting agency, METROPOLITAN or the City may request the United States to enter into such litigation to protect the interests of the United States.

**4. SECTION 3 COMPLIANCE IN THE PROVISION OF EMPLOYMENT AND BUSINESS OPPORTUNITIES**

- (i) The work to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
- (ii) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- (iii) METROPOLITAN and the City will send to each labor organization or representative of workers with which it has a collective bargaining agreement or other Contractor or understanding if any, a notice

advising said labor organization or workers' representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

- (iv) METROPOLITAN and the City will include these Section 3 clauses in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR 135. Neither METROPOLITAN nor the City will subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- (v) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135 and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be conditions of the federal financial assistance provided for in conjunction with the project and shall be binding upon the applicant or recipients for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors, and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR 135.

**5. NON-DISCRIMINATION CLAUSE CONCERNING HANDICAP AND AGE**

METROPOLITAN/the City will not discriminate on the basis of age under the Age Discrimination in Employment Act of 1975, as amended (42 U.S.C 6101 et seq.), or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C 794), or as otherwise prohibited by state or federal law.

**6. ACCESS TO RECORDS AND RECORD RETAINAGE CLAUSE**

In general, all official project records and documents must be maintained during the operation of this project and for five (5) years following close out in compliance with 15 NCAC13.1 Rule 0922, Record Keeping.

The Department of Commerce, the North Carolina Department of Treasurer, the Controller, the Attorney General of North Carolina, the United States Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the administering agency which are pertinent to the execution of this Agreement for the purpose of making audits, examinations, excerpts, and transcripts.

**7. LOBBYING CLAUSE**

- (i) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal

loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- (ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person by the undersigned for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Federal contract, grants, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLC, "Disclosure Form to Report Lobbying" in accordance with its instructions.

This is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, and U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

**IN WITNESS THEREOF**, the City and METROPOLITAN have executed this Agreement through duly authorized representatives, all as of the date written above.

*(Signatures On Following Page)*

**PRE-AUDIT CERTIFICATE**

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

\_\_\_\_\_  
Matt Rauschenbach, Chief Financial Officer  
City of Washington

**METROPOLITAN HOUSING AND COMMUNITY  
DEVELOPMENT CORPORATION, INC.**

**CITY OF WASHINGTON**

By: \_\_\_\_\_ (SEAL)

By: \_\_\_\_\_ (SEAL)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**NORTH CAROLINA  
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid, hereby certifies that \_\_\_\_\_ personally appeared before me this day, and being duly sworn by me, acknowledged that he/she is \_\_\_\_\_ of **METROPOLITAN Housing and Community Development Corporation, Inc.**, and that by authority duly given and as the act of METROPOLITAN Housing and Community Development Corporation, Inc. the foregoing instrument was signed by him/her.

Witness my hand and notary seal this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**NORTH CAROLINA  
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid, hereby certifies that \_\_\_\_\_ personally appeared before me this day, and being duly sworn by me acknowledged that he is \_\_\_\_\_ of the **City of Washington**, and that by authority duly given and as the act of the City the foregoing instrument was signed by him.

Witness my hand and notary seal this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

EXHIBIT A



North Carolina  
Department of Commerce  
Community Assistance  
Community Development & Planning Division

Pat McCrory, Governor

Sharon Alford Decker, Secretary  
Richard B. Self, Director

May 6, 2013

The Honorable Archie N. Jennings, Mayor  
City of Washington  
Post Office Box 1988  
Washington, North Carolina 27889-1988

Subject: Closeout of Grant  
CDBG Number: 05-C-1490

Dear Mayor Jennings:

We affirmed in our letter dated January 9, 2013, the subject Community Development Block Grant (CDBG) had a firm, amended closeout deadline of March 11, 2013. That extended deadline has passed and the original project closeout deadline of November 10, 2009, is now more than 4 years past due. We are unable to extend this project any further.

Therefore, Community Assistance (CA) is closing this grant. The city has failed to document that it has achieved an eligible CDBG National Objective, therefore the money expended on the project is required be repaid to the CDBG program. The City of Washington must repay Community Assistance \$250,000.00 by May 30, 2013. On June 1, 2013 all funds for open grants will be frozen until payment is received. Checks should be made payable to the Department of Commerce, Division of Community Assistance.

*Thrive NC*  
100 East Six Forks Road, Suite 200 • 4313 Mail Service Center • Raleigh, North Carolina 27699-4313  
Tel: (919) 571-4900 • Fax: (919) 571-4951  
[www.nccommerce.com](http://www.nccommerce.com)

The Honorable John A. Hinton, Mayor  
May 6, 2013  
Page 2

If you have questions regarding this matter please call Mr. Charlie Thompson Jr., Chief, Grants Management Section at (919) 571-4965.

Sincerely,



Richard B. Self  
Director

Enclosure

cc: Mr. Josh Kay, City Manager  
Mr. John Rodman, Planning Director  
Mr. Reed Whitesell, Grant Administrator  
Ms. Toni Moore, CA Budget Officer

EXHIBIT B



North Carolina  
Department of Commerce  
Community Assistance  
Community Development & Planning Division

Pat McCrory, Governor

Sharon Allred Decker, Secretary  
Richard B. Self, Director

June 4, 2013

The Honorable Archie Jennings, Mayor  
City of Washington  
Post Office Box 1988  
Washington, North Carolina 27889-1988

Subject: Closeout of Grant and Repayment of Grant Funds  
CDBG Number: 05-C-1490

Dear Mayor Jennings:

The Division of Community Assistance (CA) is in receipt of the city's letter requesting an installment plan for repaying the \$250,000 of Community Development Block Grant (CDBG) funds for the above-referenced grant.

The Division of Community Assistance approves the city's submitted plan to repay the CDBG Program over a ten year period with equal annual payments of \$25,000 beginning July 1, 2013. If the repayment is not received by the date of the 1<sup>st</sup> of each month beginning with July 1, 2013, CDBG funds for all of the city's open CDBG awards will be frozen.

Please contact Ms. Joyce Smith, Grants Management Representative at (919) 571-4900 or email [jsmith@nccommerce.com](mailto:jsmith@nccommerce.com) for questions or grant assistance.

Sincerely,

Handwritten signature of Richard B. Self in cursive.

Richard B. Self  
Director

RBS/JBS/TW

Mr. Joshua L. Kay, City Manager  
Mr. Franz Holscher, City Attorney  
Mr. John Rodman, Community & Cultural Services Director  
Mr. J. Reed Whitesoll, Holland Consulting Planners  
Ms. Toni Moore, Finance, DCA

**Thrive NC**  
100 East Six Forks Road, Suite 200 • 4313 Mail Service Center • Raleigh, North Carolina 27699-4313  
Tel: (919) 571-4900 • Fax: (919) 571-4951  
[www.nccommerce.com](http://www.nccommerce.com)



North Carolina  
Department of Commerce  
Community Assistance  
Community Development & Planning Division

RECEIVED JUL 30 2013

Pat McCrory, Governor

Sharon Allred Decker, Secretary  
Richard B. Self, Director

Brian M. Alligood, City Manager  
City of Washington  
PO Box 1988  
Washington, NC 27889

Dear Mr. Alligood:

In accordance with the correspondence from Ms. Vickie Miller the number of units was decreased from twelve units to five units. Five units places a grant value of \$50,000 per unit. Based on this, the outstanding debt for the City of Washington will be decreased by \$50,000 for each unit constructed and occupied by a Low-to-Moderate Income individual family. Any funds already reimbursed to DCA will not be eligible for return to the City as a result of the potential reductions in the future.

I am glad we were able to work out a satisfactory arrangement going forward. If additional information is needed please feel free to contact me.

Sincerely

A handwritten signature in cursive script that reads "Richard B. Self".

Richard B. Self, Director

cc: Charlie Thompson, Section Chief  
Toni Moore, Business Officer

**Thrive NC**

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## PROMISSORY NOTE

**FOR VALUE RECEIVED**, the undersigned (“Borrower”) promises to pay to the City of Washington or order (the “Holder”) the principal sum of \$340,000.00, together with interest after default, all as described below.

The Borrower acknowledges that the Holder has advanced the dollar amount indicated above pursuant to the Legally Binding Commitment by and among the Borrower and the Holder (the “Agreement”) that is attached hereto as Exhibit “1” and incorporated herein by reference as if fully set forth. As more specifically provided for therein, said Agreement requires the Borrower to, among other things, construct and convey five (5) affordable housing units to low to moderate income individuals/households (“LMI”) as well as to fulfill all of Borrower’s and Holder’s obligations under the related Grant Documents (as that term is defined in the Agreement) that are either directly or indirectly dependent upon Borrower for fulfillment. The terms of said Grant Documents also are incorporated herein by reference as if fully set forth. In the event that all or a portion of the required number of affordable housing units are not constructed and conveyed to LMI within a time period that will avoid the Division of the Community Assistance (DCA) requiring the Holder to make one or more of nine Annual Payments (as that term is defined in the Agreement) of \$25,000.00 on or before July 1<sup>st</sup> of each year beginning in 2014 as more specifically provided for in the Agreement, all or a portion of the amount indicated above shall be subject to repayment to the Holder or its designee. The Borrower hereby agrees to pay to the Holder, in accordance with the Agreement, \$34,000.00 for every \$25,000.00 Annual Payment required of the Holder by DCA. All such amounts due thereunder and hereunder shall be due upon demand by the Holder. If not paid within thirty (30) days following demand hereunder, the unpaid principal of this Promissory Note (“Note”), and all other sums due under this Note or any instrument securing this Note, shall bear interest at the rate of 10 % per annum after demand until paid.

Upon default, the Holder may employ an attorney to enforce the Holder’s rights and remedies, and the Borrower, maker, principal, surety, guarantor, and endorsers of this Note hereby agree to pay the Holder reasonable attorney’s fees not exceeding a sum equal to 15% of the outstanding balance owing on the Note, plus all other reasonable expenses incurred by the Holder in exercising any of the Holder’s rights and remedies upon default. The rights and remedies of the Holder as described in this Note and any instrument securing this Note shall be cumulative and may be pursued singularly, successively, or together against the Borrower, the property described in any such security instrument, or any other funds, property, or security held by the Holder for payment or security, in the sole discretion of the Holder. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time.

All parties to this Note, including the Borrower and any sureties, endorsers, or guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest, and all other sums due under this Note or the Agreement and any instrument securing this Note or the Agreement notwithstanding any change or changes by way of release, surrender, exchange, modification, or substitution of any security for this Note, or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

Holder shall not, by any act, delay, omission, or otherwise, be deemed to have waived any of its rights under this Note or the Agreement. No waiver by the Holder of any of its rights under this Note or the Agreement shall be valid unless in writing, and then only to the extent therein set forth. Waiver by the Holder of any right or remedy under the terms of this Note or the Agreement on any one occasion shall not be construed as a bar to the Holder exercising any right or remedy on any future occasion. This Note may not be amended, changed, or altered except in writing executed by the Holder and the Borrower.

This Note evidences a debt payable by the Borrower and is given for monies that may become owed under the Agreement and will be secured by a Deed of Trust of even date herewith, which Deed of Trust shall be a lien upon the property therein described.

This Note is to be governed and construed in accordance with the laws of the State of North Carolina, excluding its conflict of laws provisions.

**IN WITNESS WHEREOF**, the undersigned has caused these presents to be executed under seal, pursuant to authority duly given, the day and year first above written.

Dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

**METROPOLITAN HOUSING AND  
COMMUNITY DEVELOPMENT  
CORPORATION, INC.**

By: \_\_\_\_\_ (SEAL)

Printed Name

Title

Date

**NORTH CAROLINA  
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid, hereby certifies that \_\_\_\_\_ personally appeared before me this day, and being duly sworn by me, acknowledged that he/she is \_\_\_\_\_ of **Metropolitan Housing And Community Development Corporation, Inc.**, and that by authority duly given and as the act of Metropolitan Housing And Community Development Corporation, Inc. the foregoing instrument was signed by him.

Witness my hand and notary seal this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**STATE OF NORTH CAROLINA  
COUNTY OF BEAUFORT**

**NORTH CAROLINA DEED OF TRUST**

SATISFACTION: The debt secured by the within Deed of Trust together with the note(s) secured thereby has been satisfied in full. This the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
Signed: \_\_\_\_\_  
\_\_\_\_\_

PREPARED BY AND RETURN TO:  
RODMAN, HOLSCHER, PECK & EDWARDS, P. A.  
Attorneys at Law  
320 North Market Street  
Post Office Box 1747  
Washington, NC 27889  
Telephone: (252) 946-3122

Property Address: \_\_\_\_\_

THIS DEED OF TRUST, made this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between Metropolitan Housing and Community Development Corporation, Inc. and having an address of 102 West 4<sup>th</sup> Street, Washington, North Carolina 27889 ("Grantor"); Franz F. Holscher having an address of PO Box 1747, Washington, North Carolina 27889 ("Trustee"); and the City of Washington having an address of PO Box 1988, Washington, North Carolina 27889 ("Beneficiary"). The designation Grantor, Trustee, and Beneficiary as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

**WITNESSETH:**

**WHEREAS**, the Beneficiary has advanced to, or for the benefit of, the Grantor the sum of Three Hundred Forty Thousand and 00/100 DOLLARS (\$3400,000.00) (the "Loan") as evidenced by a Promissory Note ("Note") from the Grantor to the Beneficiary dated \_\_\_\_\_, 2013 and an Amendment to Legally Binding Commitment ("Agreement") between Grantor and Beneficiary dated \_\_\_\_\_, 2013, the terms of which Note and Agreement are incorporated herein by reference as if fully set forth, which sum together with any amounts advanced to protect the security of this Deed of Trust shall be the total amount secured.

**WHEREAS**, it has been agreed that the loan shall be secured by the conveyance of the land described in this Deed of Trust.

**NOW, THEREFORE**, as security for said indebtedness, advances and other sums extended by Beneficiary pursuant to this Deed of Trust and cost of collection (including attorneys fees as provided in the Note) and other valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the Grantor has bargained, sold, given and conveyed and does by these presents, bargain, sell, give, grant, and convey to said Trustee, his heirs, or successors, and assigns, the parcel(s) of land situated in the City of Washington and Washington Township, Beaufort County, North Carolina, (the "Premises"), together with all heating, plumbing, and lighting fixtures and equipment now or hereafter attached to or used in connection with the Premises, and more particularly described as follows.

See attached Exhibit A

TO HAVE AND TO HOLD said Premises, with all privileges and appurtenances thereunto belonging to said Trustee, his heirs, successors, and assigns forever, upon the trusts, terms and conditions and for the uses herein set forth.

If the Grantor shall pay the Note secured hereby in accordance with its terms, together with interest thereon, and any renewals or extensions thereof in whole or in part, and all other sums secured hereby and shall comply with all of the covenants, terms and conditions of this Deed of Trust, then this conveyance shall be null and void and may be canceled of record at the request and the expense of the Grantor.

If, however, there shall be any default (a) in the payment of any sums coming due under the Note, this Deed of Trust or any other instrument securing the Note and such default is not cured within ten (10) days from the due date, or (b) if there shall be any default in any of the terms, covenants or conditions of the Note secured hereby or any failure or neglect to comply to the satisfaction of the Beneficiary, in its sole discretion, with the covenants, terms or conditions contained in this Deed of Trust or any other instrument securing the Note and such default is not cured within the time period established by written notice to cure said default, or if no time period is provided for then within fifteen (15) days after written notice, then and in any of such events, without further notice, the Note shall, at the option of and upon demand of the Beneficiary, at once become due and payable and it shall be lawful for and the duty of the Trustee, upon request of the Beneficiary, to sell the land herein conveyed at public auction for cash, after having first giving such notice of hearing as to commencement of foreclosure proceedings and obtained such findings or leave of court as may then be required by law and giving such notice of and advertising the time and place of such sale in such manner as may then be provided by law, and upon such sale and any resales and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as the Trustee is empowered. The Trustee shall be authorized to retain an attorney to represent him in such proceedings.

The proceeds of the Sale shall, after the Trustee retains the Trustee's commission, together with reasonable attorneys fees incurred by the Trustee in such proceedings, be applied to the costs of sale, including, but not limited to, costs of collection, taxes, assessments, costs of recording, service fees and incidental expenditures, the amount due on the Note hereby secured and advancements and other sums expended by the Beneficiary according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures. The Trustee's commission shall be five percent (5%) of the gross proceeds of the sale. In the event foreclosure is commenced, but not completed, the Grantor shall pay all expenses incurred by Trustee, including reasonable attorneys fees, and a partial commission computed on five percent (5%) of the outstanding indebtedness, in accordance with the following schedule, to wit: one-fourth (1/4) thereof before the Trustee issues a notice of hearing on the right to foreclosure; one-half (1/2) thereof after issuance of said notice, three-fourths (3/4) thereof after such hearing; and the full commission after the initial sale.

The Grantor does hereby covenant and agree with the Trustee and Beneficiary as follows.

1. **INSURANCE.** Grantor shall keep the Premises and all improvements on said land, now or hereafter erected, constantly insured for the benefit of the Beneficiary against loss by fire, windstorm and such other casualties and contingencies, in such manner and in such companies and for such amounts, not less than that amount necessary to pay the sum secured by this Deed of Trust, and as may be satisfactory to the Beneficiary. Grantor shall also insure all improvements on the Premises, whether now in existence or subsequently erected, against loss by flood as may be required by the Beneficiary. Grantor shall purchase such insurance, pay all premiums therefore, and shall deliver to Beneficiary such policies along with evidence of premium payment as long as the Note secured hereby remains unpaid. If Grantor fails to purchase such insurance, pay premiums therefore or deliver said policies along with evidence of payment of premiums thereon, then Beneficiary, at his option, may purchase such insurance. Such amounts paid by Beneficiary shall be added to the principal of the Note secured by this Deed of Trust, and shall be due and payable upon demand of Beneficiary. All proceeds from any insurance so maintained shall at the option of Beneficiary be applied to the debt secured hereby and if payable in installments, applied in the inverse order of maturity of such installments or to the repair or reconstruction of any improvements located upon the Property.

2. **TAXES, ASSESSMENTS, CHARGES.** Grantor shall pay all taxes, assessments and charges as may be lawfully levied against said Premises before the same shall become past due. In the event that Grantor fails to so pay all taxes, assessments, and charges as herein required, then the Beneficiary at its option, may pay the same and the amount so paid shall be added to the principal of the Note secured by this Deed of Trust and shall be due and payable upon demand of Beneficiary.

3. **ASSIGNMENTS OF RENTS AND PROFITS.** Grantor assigns to Beneficiary, in the event of default, all rents and profits from the land and any improvements thereon, and authorizes Beneficiary to enter upon and take

possession of such land and improvements, to rent same, at any reasonable rate of rent determined by Beneficiary, and, after deducting from any such rents the cost of reletting and collection, to apply the remainder to the debt secured hereby.

4. **PARTIAL RELEASE.** Grantor shall not be entitled to the partial release of any of the above described property unless a specific provision providing therefore is included in this Deed of Trust. In the event a partial release provision is included in this Deed of Trust, Grantor must strictly comply with the terms thereof. Notwithstanding anything herein contained, Grantor shall not be entitled to any release of property unless Grantor is not in default and is in full compliance with all of the terms and provisions of the Note, this Deed of Trust, and any other instrument that may be securing said Note.

5. **WASTE.** Grantor covenants that he will keep the Premises herein conveyed in as good order, repair and condition as they are now, reasonable wear and tear excepted, and will comply with all governmental requirements respecting the Premises or their use, and that he will not commit or permit any waste.

6. **CONDEMNATION.** In the event that any or all of the Premises shall be condemned and taken under the power of eminent domain, Grantor shall give immediate written notice to Beneficiary and Beneficiary shall have the right to receive and collect all damages awarded by reason of such taking, and the right to such damages hereby is assigned to Beneficiary who shall have the discretion to apply the amount so received, or any part thereof, to the indebtedness due hereunder and if payable in installments, applied in the inverse order of maturity of such installments, or to any alteration, repair or restoration of the Premises by Grantor.

7. **WARRANTIES.** Grantor covenants with Trustee and Beneficiary that he is seized of the Premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that he will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions, if any, hereinafter stated on Exhibit B.

8. **SUBSTITUTION OF TRUSTEE.** Grantor and Trustee covenant and agree to and with Beneficiary that in case the said Trustee, or any successor trustee, shall die, become incapable of acting, renounce this trust, or for any reason the holder of the Note desires to replace said Trustee, then the holder may appoint, in writing, a trustee to take the place of the Trustee; and, upon the probate and registration of the same, the trustee thus appointed shall succeed to all rights, powers and duties of the Trustee.

9. **SALE OF PREMISES.** Grantor agrees that, if the Premises or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise alienated by Grantor, whether voluntarily or involuntarily or by operation of law without the prior written consent of Beneficiary, Beneficiary, at its own option, may declare the Note secured hereby and all other obligations hereunder to be forthwith due and payable. Any change in the legal or equitable title of the Premises or in the beneficial ownership of the Premises, including the sale, conveyance or disposition of a majority interest in the Grantor if a corporation or partnership, whether or not of record and whether or not for consideration, shall be deemed to be the transfer of an interest in the Premises.

10. **ADVANCEMENTS.** If Grantor shall fail to perform any of the covenants or obligations contained herein or in any other instrument given as additional security for the Note secured hereby, the Beneficiary may, but without obligation to do so, make advances to perform such covenants or obligations, and all such sums so advanced shall be added to the principal sum, shall bear interest at the rate provided in the Note secured hereby for sums due after default and shall be due from Grantor on demand of the Beneficiary. No advancement or anything contained in this paragraph shall constitute a waiver by Beneficiary or prevent such failure to perform from constituting an event of default.

11. **INDEMNITY.** If any suit or proceeding be brought against the Trustee or Beneficiary or if any suit or proceeding be brought which may affect the value or title of the Premises, Grantor shall defend, indemnify and hold harmless and on demand reimburse Trustee or Beneficiary from any loss, cost, damage or expense and any sums expended by Trustee or Beneficiary shall bear interest as provided in the Note secured hereby for sums due after default and shall be due and payable on demand.

12. **WAIVERS.** Grantor waives all rights to require marshaling of assets by the Trustee or Beneficiary. No delay or omission of the Trustee or Beneficiary in the exercise of any right, power or remedy arising under the Note or this Deed of Trust shall be deemed a waiver of any default or acquiescence therein or shall impair or waive the exercise of such right, power or remedy by Trustee or Beneficiary at any other time.

13. CIVIL ACTIONS. In the event that the Trustee is named as a party in any civil action as Trustee in this Deed of Trust, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action, and the reasonable attorney's fees of the Trustee in such action shall be paid by the Beneficiary and added to the principal of the Note secured by this Deed of Trust, and shall be due and payable by Grantor upon demand of the Beneficiary, and bear interest at the rate provided in the Note for sums due after default.

14. PRIOR LIENS. Default under the terms of any instrument secured by a lien to which this Deed of Trust is subordinate shall constitute default hereunder.

15. SUBORDINATION. Any subordination of this lien to additional liens or encumbrances shall be only upon the written consent of the Beneficiary.

16. RIGHT TO INSPECT. To assure and protect its right in this Deed of Trust and the Premises, the Beneficiary shall have the right of access to and inspection of the Premises at reasonable times and with reasonable notice to the Grantor.

17. NOTICES. Any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or mailing it by first class mail to the respective addresses stated herein or any address a party hereto designates by notice to the other.

18. HAZARDOUS MATERIALS. Borrower warrants that:

- (i) the Property shall be kept free of Hazardous Materials,
- (ii) Borrower shall not permit the installation, generation, transportation or release of Hazardous Materials in or on the Property.
- (iii) Borrower shall at all times comply with all applicable Environmental Laws affecting the Property and shall keep the Property free and clear of any liens imposed pursuant to any Environmental Laws.
- (iv) Borrower shall immediately give Lender oral and written notices in the event that Borrower knows of a violation of these warrants or receives any notice from any governmental agency or other party with regard to Hazardous Materials affecting the Property,

Borrower hereby agrees to indemnify Lender and hold Lender harmless from any losses, liabilities, damages, injuries (including but not limited to attorney's fees) and claims incurred or suffered by or asserted against Lender, as a direct or indirect result of any warranty or representation made by Borrower in this paragraph (Hazardous Materials) being false or untrue in any material respect.

For purposes of this Deed of Trust, "Hazardous Material" means petroleum products, any flammable explosives, radioactive materials, asbestos or any material containing asbestos, and/or any hazardous, toxic or dangerous waste, defined as such in the Environmental Laws.

For purposes of this Deed of Trust, "Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, any "Superfund" or "Superlien" law, or any other federal, state or local law relating to standards of conduct concerning any petroleum products, any flammable explosives, radioactive materials, asbestos or any material containing asbestos, and/or hazardous, toxic or dangerous waste.

16. GOVERNING LAW. This Deed of Trust is to be governed and construed in accordance with the laws of the State of North Carolina.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

**METROPOLITAN HOUSING AND COMMUNITY  
DEVELOPMENT CORPORATION, INC.**

By: \_\_\_\_\_ (SEAL)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

**NORTH CAROLINA  
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid, hereby certifies that \_\_\_\_\_ personally appeared before me this day, and being duly sworn by me, acknowledged that he/she is \_\_\_\_\_ of **Metropolitan Housing and Community Development Corporation, Inc.**, and that by authority duly given and as the act of Metropolitan Housing and Community Development Corporation, Inc. the foregoing instrument was signed by him/her.

Witness my hand and notary seal this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

## **EXHIBIT A**

Lying and being in the City of Washington, Beaufort County, North Carolina, more particularly described as follows:

BEING ALL OF Parcel 1 containing 9.885 acres as shown on that certain survey of Rivers & Associates, Inc. entitled "Boundary Survey Alice G. Bailey Heirs Tract Owner: City of Washington" recorded in the Beaufort County Registry in Plat Cabinet H, Slide 70-3. Reference is made to said survey and the same is incorporated herein for a more complete and adequate description.

Lying and being in Washington Township, Beaufort County, North Carolina, more particularly described as follows:

BEING ALL OF Parcel 2 containing 2.225 acres as shown on that certain survey of Rivers & Associates, Inc. entitled "Boundary Survey Alice G. Bailey Heirs Tract Owner: City of Washington" recorded in the Beaufort County Registry in Plat Cabinet H, Slide 70-3. Reference is made to said survey and the same is incorporated herein for a more complete and adequate description.

Exhibit B  
EXCEPTIONS