

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from June 9 & June 23, 2014 **(page 4)**

Approval/Amendments to Agenda

Presentation: Heather Deck – Riverkeeper Cup Clean-up Challenge

I. Consent Agenda:

- A. Declare Surplus/Authorize – Electronic Auction of Vehicles through GovDeals (Vehicle # 614) 2000 Ford Explorer and (Vehicle # 483) 2000 International Garbage Truck **(page 38)**
- B. Adopt – Budget Ordinance Amendment - NC Cardinal Grant (\$22,345) **(page 39)**
- C. Authorize – Police & Fire Services to apply for Wal-Mart Grant (\$1,500) **(page 45)**
- D. Approve – Classification Change **(page 46)**
- E. Approve – Airport Fuel Budget Amendment **(page 47)**
- F. Approve – Purchase Orders >\$20,000 **(page 49)**

II. Comments from the Public:

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

- A. None –

IV. Public Hearing – Other:

- A. None –

V. Scheduled Public Appearances:

- A. Susan Francis – 1300 North Bonner Street - Flooding

VI. Correspondence and Special Reports:

- A. Memo – Conterra Memorandum of Understanding **(page 53)**



City of
Washington
NORTH CAROLINA
Council Agenda
JULY 14, 2014
5:30 PM

- B. Memo – Residential Grant Program (**page 55**)
- C. Memo – Wayfinding Program (**page 56**)
- D. Memo – Reporting of Reallocation of Funding for FY 2013/2014 (**page 63**)
- E. Memo – Reporting of Bad Debt Write-Offs (**page 65**)
- VII. Reports from Boards, Commissions and Committees:
 - A. None –
- VIII. Appointments:
 - A. None –
- IX. Old Business:
 - A. Adopt – Budget Ordinance Amendment in the Sewer Fund (\$35,000) (**page 66**)
 - B. Authorize – Manager to Execute an Option and Ground Lease with USCOC of Greater North Carolina, LLC, for a Portion of the Land Associated with the Water Tower on Linnie Perry Road (**page 68**)
 - C. Adopt – Budget Ordinance Amendment – Keys Landing CDBG Grant Claw Back (**page 85**)
 - D. Adopt – Resolution Authorizing Advertisement of Offer to Purchase Certain Real Property located at 126 North Market (“Old City Hall”) (\$20,100) (**page 87**)
- X. New Business:
 - A. Adopt – Notice of Limitations of Use and Restrictions and Letter of Commitment (Lighthouse Restrooms) (**page 92**)
 - B. Adopt – Declaration of Official Intent to Reimburse for FY 2014-2015 installment purchases (**page 100**)
 - C. Authorize – City Manager to work with the Town of Washington Park and the County of Beaufort on a joint letter to the NC Wildlife Commission for a “No Wake Zone” Designation (**page 103**)



City of
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JULY 14, 2014
5:30 PM

- D. Authorize – City Manager to execute the UNC School of Government Development Finance Initiative Agreement **(page 106)**

- XI. Any Other Items From City Manager:
 - A. None –

- XII. Any Other Business From the Mayor or Other Members of Council
 - A. Discussion – Format of Second Meeting of the Month

 - B. Discussion – Revised- Council Operating/Approval Policy **(112)**

- XIII. Closed Session – Under NCGS § 143-318.11(a)(1) Disclosure of confidential information and 143-318.10(e) the public records act, and NCGS § 143-318.11(a)(6) personnel

- XIV. Adjourn – Until Monday, July 28, 2014 at 5:30 pm, in the Council Chambers.

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

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

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

APPROVAL OF MINUTES:

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

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



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



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

TEAM STATS:

- First Place in conference with 8-0 record and outscoring the opposition 74-0.
- Eastern Regional champions.
- State Runner up Class 2A.
- Team overall record 22-3.
- Most wins in Washington High School Soccer history.
- Team outscored the opposition 176-9.
- Team scored the most goals in the state and allowed the least amount of goals in Class 2A.
- Team won 21 consecutive games (tied for 7th all-time in North Carolina).
- Senior Christian Heggie finished the number one scorer in North Carolina with 55 goals (tied for 22nd all-time in North Carolina). A school record for boys and girls.
- Junior goalie Emily Alligood recorded 19 Shutouts (tied for 4th all-time in North Carolina)

APPROVAL/AMENDMENTS TO AGENDA:

Mayor Hodges reviewed the requested amendments to the agenda:

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

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

CONSENT AGENDA:

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

- A. Declare Surplus/Authorize – Electronic Auction of Vehicle through GovDeals (Vehicle Number 166) 2004 Pontiac Grand Prix
- B. Accept/Adopt – Annual Grant from Mid-East Commission Area Agency on Aging and Adopt Budget Ordinance Amendment (\$15,000)
(copy attached)
- C. Adopt – Budget Ordinance Amendment Tornado Expense (\$129,986)
(copy attached)

COMMENTS FROM THE PUBLIC: NONE

PUBLIC HEARING ON ZONING: NONE

PUBLIC HEARING – OTHER: NONE

SCHEDULED PUBLIC APPEARANCES:**LEESA JONES & WANDA McLEAN – NATIONAL UNDERGROUND RAILROAD**

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

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

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

BETH BYRD – GET DOWN DOWNTOWN! CONCERT AUGUST 2ND

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

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

Ms. Byrd asked Council to support the plan for concert-goers to go back to their seats to consume beer and wine in Festival Park. Last year, the beer garden at Downtown Motown proved to be inadequate in size for the concert goers to consume their beverage. Also, there were complaints that it was very difficult to see the stage clearly from the beer garden. Festival Park will be taped off to form a boundary and there will be signs posted that will clearly indicate where drinking will be permitted. WHDA will meet all City requirements and will pay the Washington Police Department for monitoring patrons.

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

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

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

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

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

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

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

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

SCOTT VONCANNON – RETAIL STRATEGIES INC.

Mr. Scott VonCannon explained that Retail Strategies, Inc. has been working with the City of Washington a little over a 1 ½ years. Their job is to partner with the City in order to identify opportunity to grow the retail base in Washington. A retail market analysis identified potential needs and/or gaps. They are in the process of retail recruitment and marketing Washington to potential retailers.

CORRESPONDENCE AND SPECIAL REPORTS:

MEMO – CONTRACTS FOR WATER TREATMENT CHEMICALS

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

Contract awarded as follows:

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

BID TABULATION

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

Item	Chemical	Cemill/Salt	Marlon Salt	GEO Chemical	Amirochem	Coam South	Waterguard	Stedins Water	Chemtrics Chem.	Jones Chemical	Tanner
1	Potassium Permanganate				2.19/lb.	2.60/lb.		2.525/lb.			
2	Sodium Chloride	108.19/ton									
3	Liquid Chlorine-Ton Cylinders									600.00/ton	
4	Hydrofluosulfic Acid				498/lb.		30/lb.				
5	Anhydrous Ammonia				58/lb.						83/lb.
6	Liquid Aluminum Sulfate			434.80/ton	334.18/ton				529.00/ton		
7	Sodium Hexametaphosphate				2.31/lb.	1.05/lb.	1.04/lb.	1.4825/lb.			
8	Sodium Bisulfite				2.24/gal		8.08/gal				
9	Sodium Hypochlorite				1.18/gal		1.06/gal				

Recommendation: I recommend we purchase items 1 and 6 from Amirochem, item 2 from Marlon Salt, items 4, 8 and 9 from Waterguard, item 5 from Tanner, item 7 from Coam South and item 3 from Jones Chemical.

Signed: Mike Whaley

BID TABULATION

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

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

Recommendation: See page 1.

Signed: Mike Whaley

MEMO – CONTRACTS FOR PETROLEUM PRODUCTS

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

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

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

Bid for:
Opened: Petroleum Products
2:50 PM, Thursday
May 22, 2014

<u>Item</u>	<u>Petroleum Product</u>	<u>Red Flag</u>	<u>Grand Total</u>	<u>Pitt Country Mart</u>	<u>Petroleum Traders</u>	<u>Palmer, Oil & Tire</u>	<u>F. Ray Moore</u>
1	87 Octane, Ethanol free (Transport)	no quote	no quote	\$3.2175	\$3.2340	no quote	
2	87 Octane, Ethanol free (Tankwagon)			\$3.4435			\$1,326.4
3	Diesel 40 Octane/w Additive (Tankwagon)			\$3.1642			\$3,188.2
4	Diesel (Transport)			\$3.0223	\$3.0253		
5	Kerosene 1-K Grade (Tankwagon)			\$4.4190			

Recommendation: Pitt Country Mart for tankwagon gas, diesel transport, kerosene and for gasoline hydrogen F. Ray Moore for tankwagon diesel

Signed: Michael Whaley

MEMO – ECU RESEARCH VESSEL RIGGS DOCKAGE

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

MEMO – GENERAL FUND BUDGET TRANSFER

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

From: 10-40-6170-9016
 To: 10-40-6124-7000

WHDA \$4,000
 Non-Capitalized Purchases \$4,000

REPORT – MAY LOAD MANAGEMENT

Load Management Device Installation Report

Project Start Date : October 2010

	May 2014	Project to Date
Total Load Management Device Installations	32	2,725
Total Accounts Added with Load Management	29	1,986
Appliance Control Installations		
Air Conditioner / Heat Pump	20	2,073
Auxiliary Heat Strip	11	1,056
Electric Furnace	0	276
Water Heater	11	1,623
Total Encumbrances to Date		
Load Management Devices		\$ 130,600
Contractor Installations		\$ 280,000
Total Project Encumbrances		\$ 410,600
Total Expenses to Date		
Load Management Device Purchases		\$ 130,600
Contractor Installation Expenses	\$ 1,400	\$ 274,250
Total Project Expenses		\$ 404,750
Average Cost per Load Management Device Installed		\$ 145.86
Average Installed Cost per Controlled Appliance		\$ 80.45
Load Management Devices Remaining In Stock	725	

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:
HUMAN RELATIONS COUNCIL

SCHEDULED PUBLIC APPEARANCES: NONE

OLD BUSINESS:

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

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

NEW BUSINESS:

Discussion: Criminal Justice Outreach Manager, Kimberly Grimes provided updates on "National Night Out" and NFL Football weekend. NFL Football weekend has been scheduled for June 20-21, 2014 and National Night Out has been scheduled for Tuesday, August 5, 2014. Councilman Mercer informed Board members of "First Responder Appreciation Day' scheduled for Saturday, June 28 from 11 am - 4 pm. Board member Lodge voiced a complaint from citizens referencing West 7th Street. The resident is

afraid to call the Police Department but feels there are questionable activities going on in the neighborhood. City Manager, Brian Alligood requested Lt. Chrismon and WPD check into the complaint and provide updates.

OTHER BUSINESS:

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

OPEN DISCUSSION:

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

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

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

APPOINTMENTS – TO VARIOUS BOARDS, COMMISSIONS, AND COMMITTEES

A. Planning Board-

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

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

B. Enlarged Planning Board -

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

C. Board of Adjustment -

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

D. Enlarged Board of Adjustment -

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

E. Board of Library Trustees -

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

F. Recreation Advisory Committee –

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

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

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

G. Historic Preservation Commission –

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

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

H. Washington Tourism Development Authority -

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

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

I. Human Relations Council –

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

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

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

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

J. Animal Control Appeals Board –

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

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

K. Washington Electric Utilities Advisory Commission –

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

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

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

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

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

OLD BUSINESS:

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

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

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

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

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

(copy attached)

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

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

PREVIOUS LEGISLATIVE ACTION

Planning Board - Recommendation - April 2014

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

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

Councilmembers continued their discussions regarding this amendment.

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

(copy attached)

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

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

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

(copy attached)

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

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

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

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

Bidder	Bid Bond or Check	Part I Conduit and Vault System Units	Days to Complete	Part II Conductor Installation	Days to Complete	Total
Y&D Electric	Bid Bond	\$145,250	40	\$29,800	20	\$175,050
Lee Electrical Construction, Inc.				No Bid		
C.W. Wright Construction Company	Bid Bond	\$96,990	30	\$73,200	10	\$170,190
Bayport Construction	Bid Bond	\$91,000	30	NO BID **		\$91,000 ***
PKR Crepations, Inc.				No Bid		
Underground Solutions				No Bid		

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

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

Respectfully Submitted on 27 May 2014

Brian Alligood, P.E.
 Director, Utilities Division



27 May 2014

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

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

City Manager, Brian Alligood explained that the breaker can't be repaired again. Staff members have been looking for a rebuilt unit, but have not located one and are asking to purchase a new breaker. Councilman Mercer expressed concern with a rebuilt breaker unless there was considerable cost savings and warranty.

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

(copy attached)

DISCUSSION – 1 JULY 2014 NCEMPA WHOLESALE REDUCTION

City Manager, Brian Alligood explained that effective for all NCEMPA billings after 1 July 2014 the sales tax on electricity that has been included in our payments to NCEMPA will be reduced so as not to reflect a 3.22% sales tax. This will produce a reduction in the estimated expenses for wholesale electricity purchases by \$895,630 for fiscal year 2014-15. This estimated expenditure reduction was included in the fiscal year 2014-15 budget approved by City Council. At their meeting last week the Washington Utilities Electric Advisory Board recommended to the City Council that the retail rates for electricity purchased by customers of the City's electric system be adjusted to reflect this reduction in

wholesale electricity purchase. Staff recommends not approving the suggestion by the WEUAB. If Council approves the suggestion by WEUAB then the recently adopted FY14-15 budget will have to be revised to back out \$895,630 of electrical projects or tap into Fund Balance, which is not recommended. Staff again requests that Council leaves the rates as they are.

Councilman Mercer provided an example using the different rates.

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

DISCUSSION – PEAK GENERATION PROGRAM

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

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

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

City Owned Peak Shaving Generation					
FY 2013-14 Estimated Expenses					
	\$210,000	Generation Fuel			
	\$49,171	Force Account Labor Associated with Generation			
	\$120,118	Generation O&M Materials and Contracts			
	\$379,350	Generation Expense Total			
(Annual Expenses, Credits and Savings)					
	Generator Expenses	Future Capital Expenses **	Gross NCEMPA Savings	Customer Credit **	Net Savings
1	\$69,175	\$6,917	\$209,689	\$101,930	\$31,867
2	\$13,485	\$1,749	\$53,016	\$21,509	\$23,868
3	\$119,763	\$11,976	\$369,039	\$150,028	\$81,272
4	\$12,694	\$1,269	\$38,298	\$6,306	\$18,094
5	\$20,691	\$2,069	\$66,144	\$26,095	\$14,136
6	\$49,697	\$4,970	\$132,460	\$64,740	\$29,658
7	\$17,409	\$1,741	\$61,084	\$34,335	\$18,600
8	\$18,273	\$1,827	\$55,390	\$22,890	\$12,406
9	\$15,819	\$1,582	\$47,952	\$9,090	\$21,461
10	\$8,144	\$814	\$24,688	\$4,680	\$11,049
11	\$3,237	\$324	\$8,811	\$4,055	\$2,197
12	\$2,036	\$204	\$6,171	\$2,531	\$1,381
13	\$1,713	\$171	\$5,212	\$0	\$3,327
14	\$3,498	\$350	\$10,605	\$4,382	\$2,474
15	\$5,482	\$548	\$16,617	\$3,130	\$7,837
16	\$1,096	\$110	\$3,313	\$0	\$2,117
17	\$1,827	\$183	\$5,539	\$1,050	\$2,479
18	\$2,558	\$256	\$7,755	\$0	\$4,941
19	\$1,410	\$141	\$4,273	\$0	\$2,722
20	\$2,193	\$219	\$6,847	\$0	\$4,235
21	\$1,096	\$110	\$3,313	\$0	\$2,117
Total	\$379,390	\$37,939	\$1,150,046	\$447,189	\$285,528

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

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

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

DISCUSSION – SPEED HUMPS

City Manager, Brian Allgood reviewed a memo submitted by the Public Works Director which notes the following: At the April 14, 2014 Council meeting, Council directed staff to research purchasing portable speed humps similar to what is installed at Vidant Hospital in Greenville. We also

spoke with a representative of the City of Greenville's Traffic Services Division in reference to their speed 'cushions' that they have installed in downtown Greenville. Photographs of both devices in place are attached. Both types of devices, while portable, are not necessarily moved easily as they are installed in such a fashion as not to be moved by vehicular traffic. The speed humps are approximately 2" tall and run approximately \$1,500 for materials to install on a 24-foot wide road and approximately \$1,950 on a 32-foot wide road. The speed cushions are approximately 3" tall and run \$2,000 - \$3,000 depending on the roadway width.

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

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

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

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

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

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

(copy attached)

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

City Manager, Brian Alligood explained that Council was previously awarded this grant and adopted the grant project ordinance during the April meeting. Tonight's request is to adopt a grant resolution and to authorize the execution of the State Airport Aid grant for the lighting rehabilitation project. A pre-audit certificate will be added to the agreement.

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

(copy attached)

RATIFY – “SUBORDINATION AGREEMENT” TO BLUE GOOSE, LLC

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

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

(copy attached)

DISCUSSION – BUSINESS REVIEW COMMITTEE

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

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

➤ Cemetery

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

NEW BUSINESS

DISCUSSION – 331 WEST 7TH STREET – GIFT OF PROPERTY

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

Land Value	\$5,040
Building Value	\$2,657
Total Value	\$7,697

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

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

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

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

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

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

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

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

CITY OF WASHINGTON
Bid Tabulation Sheet

Owner: City of Washington
Project: Summit Avenue Water Line

Location: City of Washington Municipal Building
Public Works Office

Bids Opened: 5:00 PM, May 27, 2014

Firm	James L. Clayton Utilities Inc	KBS Construction Co., LLC	Hendrix Barnhill
Address	PO Box 3198 New Bern, NC 28564	208 Bath Road Fremont, NC 27830	1819 Progress Road Greenville, NC 27835
License No.	29341	71024	

Item No.	Description	Unit	Est. Quantity	Unit	Total	Unit	Total	Unit	Total
1	Mobilization	LS	1	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00	1,250.00	\$ 1,250.00
2	6" DI Water Main	LF	80	\$ 29.00	\$ 2,320.00	\$ 50.00	\$ 4,000.00	\$ 35.00	\$ 2,800.00
3	6" CS90 PVC Water Main	LF	1120	\$ 14.00	\$ 15,680.00	\$ 16.00	\$ 17,920.00	\$ 21.00	\$ 23,520.00
4	6" Gate Valve & Box	EA	3	\$ 900.00	\$ 2,700.00	\$ 700.00	\$ 2,100.00	\$ 1,100.00	\$ 3,300.00
5	8" x 6" Tapping Sleeve and Valve	EA	1	\$ 1,600.00	\$ 1,600.00	\$ 2,500.00	\$ 2,500.00	\$ 1,475.00	\$ 1,475.00
6	6" x 2" Tapping Sleeve and Valve	EA	1	\$ 2,400.00	\$ 2,400.00	\$ 2,650.00	\$ 2,650.00	\$ 3,615.00	\$ 3,615.00
7	12" Sanitary Sewer DIP (12-14)	EA	1	\$ 1,200.00	\$ 1,200.00	\$ 1,500.00	\$ 1,500.00	\$ 1,250.00	\$ 1,250.00
8	Water Service Installation	EA	16	\$ 750.00	\$ 12,000.00	\$ 475.00	\$ 7,600.00	\$ 1,050.00	\$ 16,800.00
9	Fire Hydrant Assembly	EA	1	\$ 4,200.00	\$ 4,200.00	\$ 3,600.00	\$ 3,600.00	\$ 4,500.00	\$ 4,500.00
10	DI Fittings 45 Deg Elbows	EA	4	\$ 250.00	\$ 1,000.00	\$ 150.00	\$ 600.00	\$ 300.00	\$ 1,200.00
11	Pavement Repair	SF	4020	\$ 13.62	\$ 54,752.40	\$ 5.90	\$ 20,100.00	\$ 8.00	\$ 32,160.00
12	6" DI Sewer Pipe	LF	20	\$ 50.00	\$ 1,000.00	\$ 75.00	\$ 1,500.00	\$ 115.00	\$ 2,300.00
13	Plug/Cap Existing Water Main	EA	3	\$ 200.00	\$ 600.00	\$ 1,000.00	\$ 3,000.00	\$ 525.00	\$ 1,575.00
14	Erosion Control	LS	1	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 450.00	\$ 450.00
15	Clean-Up and Sealing	LS	1	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,250.00	\$ 1,250.00
Total					\$ 102,452.40		\$ 71,570.00		\$ 97,445.00

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

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

By motion of Councilman Beeman, seconded by Councilman Mercer, Council awarded a paving contract to S. T. Wooten Corporation and approved the corresponding purchase order.

CITY OF WASHINGTON, N.C. 2014-2015 STREET IMPROVEMENTS AND RESURFACING BID TABULATION SHEET		S. T. Wooten Corporation		Rose Brothers Paving Co., Inc.		Barnhill Contracting Company		Garris Grading & Paving, Inc.	
		ADDENDUM RECEIVED		ADDENDUM RECEIVED		ADDENDUM RECEIVED		ADDENDUM RECEIVED	
		5% BID BOND		5% BID BOND		5% BID BOND		5% BID BOND	
EST. QTY.	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1718	RESURFACING 1" BCSO TYPE 99.5A (TONS)	\$ 104.00	\$ 118,778.00	\$ 95.00	\$ 183,305.00	\$ 108.00	\$ 187,371.00	\$ 112.70	\$ 193,731.30
22	ADJUST MANHOLES	\$ 375.00	\$ 8,250.00	\$ 450.00	\$ 8,900.00	\$ 250.00	\$ 5,500.00	\$ 75.00	\$ 1,850.00
12	ADJUST VALVE BOXES	\$ 375.00	\$ 4,500.00	\$ 300.00	\$ 3,600.00	\$ 250.00	\$ 3,000.00	\$ 35.00	\$ 420.00
2200	MILLING BITUMINOUS PAVEMENT 1" (YDS)	\$ 2.80	\$ 6,160.00	\$ 6.50	\$ 12,160.00	\$ 3.50	\$ 7,700.00	\$ 4.00	\$ 8,800.00
1	PAVEMENT MARKING (LS)	\$ 7,940.00	\$ 7,940.00	\$ 18,200.00	\$ 18,200.00	\$ 11,200.00	\$ 11,200.00	\$ 11,320.00	\$ 11,320.00
TOTAL BID FOR STREET RESURFACING			\$ 205,628.00		\$ 208,105.00		\$ 214,771.00		\$ 215,921.30

DECLARE/ADOPT – PORTION OF LAND ASSOCIATED WITH THE WATER TOWER ON LINNIE PERRY ROAD SURPLUS AND ADOPT RESOLUTION AUTHORIZING LEASE BY UPSET BID

The City Manager explained that US Cellular is interested in leasing space on land associated with the above mentioned water tower for the installation of a cellular tower. The lease will be for an initial term of five years with automatic extensions for up to five additional terms of five years each at an annual rate of \$1,200 in year one with a 4% adjustment in subsequent years. The lease renewal options exceed 10 years and result in the City being statutorily required to go through the following process to enter into this lease:

- Council adopts a resolution authorizing lease (06/09/14 Council agenda)
- Advertisement for bids published at least 10 days before bid opening (run ad 06/12/14)
- Upset bids received (06/23/14), 5% deposit of NPV of lease submitted with bid
- Award to highest responsible bidder or reject all bids (07/14/14 Council meeting)
- Authorize City Manager to execute lease agreement (7/14/14 Council meeting)

Councilman Mercer inquired if this request obligates the City to let US Cellular co-locate on the Linnie Perry Road water tower and Mr. Alligood stated that it does not obligate the City. The request is to lease land that is associated with the water tower.

By motion of Councilman Beeman, seconded by Councilman Brooks, Council declared a portion of the land associated with the water tower located off of Linnie Perry Road in Washington, NC surplus and adopted a resolution authorizing the lease by upset bid.

Shadle of Vidant - Beaufort Hospital. Ms. Shadle noted the decision not to fund the City's request was made by the local board. Discussion has been held with a member from Vidant-Greenville regarding possible funding for this program. Mr. Alligood asked Council if they still wanted to pursue the Paramedic level of care.

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

ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:
DISCUSSION – WATER STREET & EAST MAIN STREET PARKING SPACES

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

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

DISCUSSION – GIRLS SOFTBALL TOURNAMENT

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

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

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

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

ADJOURN

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

(Subject to the Approval of the City Council)

Cynthia S. Bennett, CMC
City Clerk

The Washington City Council met in a regular session on Monday, June 23, 2014 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, 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 Larry Beeman was absent.

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

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

APPROVAL/AMENDMENTS TO AGENDA:

Mayor Hodges requested amending the agenda to include adding the following items:

- **Adopt:** Budget Ordinance Amendment and Grant Project Amendment to true up budget funding in preparation of the fiscal year closeout
- **Adopt:** Budget Ordinance Amendment in the Cemetery Fund – \$6,373
- **Memo:** Phone System Emergency Operations
- **Update:** School of Government
- **Discussion** – Careless and Reckless driving – Flood Areas

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

**ADOPT: RESOLUTION AUTHORIZING ADVERTISEMENT OF OFFER TO
PURCHASE – 126 NORTH MARKET STREET**

City Manager, Brian Alligood explained that an offer to purchase the property located at 126 North Market Street (Old City Hall) was received on June 13, 2014 in the amount of \$20,100. Mr. Alligood stated the resolution placed in front of Council for consideration would accept Mr. Cummings offer and start the upset bid process.

Councilman Mercer stated he did not have a problem with starting the upset bid process, but noted his concerns regarding the number of conditions/restrictions that were previously placed on the sale of this property. Mr. Alligood stated the restrictive covenants that were originally placed on the property have been cleared, noting the only thing on the building now is the historic district guidelines. Mayor Pro tem Roberson agreed with Councilman Mercer noting

there should be performance standards for people developing property. Individuals should have an estimated time line and work toward the time line for completion of the project. Mr. Alligood explained and voiced his concerns regarding the difficulties with the previous restrictions that put the City at risk. Mr. Alligood noted that Council can place whatever restriction they would like and then inquire if Mr. Cummings would still like to hold that offer. City Attorney, Franz Holscher stated he agreed with Mr. Alligood in that covenants establishing time frames even though well intended, become problematic in the real world application in the event the buyer has to have financing for renovations. This will become a lien against the property and the City would then, if it chooses to, enforce the covenants and retake the property subject to that mortgage. Mayor Pro tem Roberson agreed but felt like you can include a paragraph that would exempt the provision on the mortgage if it constitutes a lien against the property. Mr. Alligood requested direction as to what type of restrictions Council would like on that piece of property? Mayor Pro tem Roberson suggested highlighting the verbiage on the last agreement that the Attorney and Manager has issues with and Council can review and come up with some other alternatives. Councilman Mercer requested an email be forwarded to Council providing a copy of the old agreement. Discussion continued.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council agreed to table this item until Monday, July 14, 2014.

(Begin letter) received from Mr. William J. Cummings

Dear Mr. Alligood,

Please accept this letter as an offer to negotiate the purchase of the Old City Hall located on North Market St. Washington, North Carolina, either personally or by an entity I would form for that purpose. My intent would be to pay the sum of \$20,100, contingent upon usual and customary rights of inspection and review of covenants that would be contained in a formal contract. My intent is to provide a Historic Rehabilitation of the Property and, in the process, create an Adaptive Reuse to Retail/Office/Hospitality.

I would appreciate it if you take the necessary steps required to process this offer to City Council. It is my intent that this Letter of Intent be deemed or constitutes a legally binding obligation but is merely an offer to negotiate. This letter of Intent is only a list and summary of proposed points that may or may not become part of any final agreements between us. It is not based on any binding agreement. It is not intended to impose any obligation whatsoever on either party, including without limitation an obligation to bargain in any way other than at arms length. I do not intend to be bound by any agreement until a formal written Contract is agreed upon and signed, and neither I nor the City may reasonably rely on any promises inconsistent with this paragraph. This paragraph supersedes all other conflicting language. (end of letter)

DISCUSSION: GRANT UPDATES

Mayor Hodges requested comments from Council regarding the Grant Updates.

Grant Executive Summary
as of 5/31/2014

Active Fund	Grant Description	Dates			Financials				Deliverable			Compliance Reporting Status	Notes	
		Award	Expiration	Completion	Budget	Actual	Budget	Actual	Metric	Total	Achieved			Bal.
50	CDBG Affordable Housing	04/09/10	10/31/14	10/31/14	227,700	185,719	227,700	185,719	LMI homes	10	5	5	04/30/14	Applicant promotion & qualification
51	Blue Goose	03/01/13	01/01/15	02/01/15	350,000	347,256	350,000	323,224	Jobs (60% LMI)	15	16	0		Job creation targets met, facility renovations continue
52	Comprehensive Bicycle Plan	05/26/11	12/31/13	06/30/14	35,000	30,430	35,000	32,288						DGT reviewing 3rd draft
53	IMX/Impressions NC One Grant	09/20/13	09/30/16		300,000	-	300,000	-	Jobs/investment	160		160	01/31/14	Submit 25% reimbursement
57	CDBG for Job Creation	07/06/12	01/16/15	07/06/14	200,000	195,539	200,000	196,921	Jobs(7 new/L ret.)	8	6	2	04/30/14	Most equip procurad, admin ED activity will continue through fall
61	Pedestrian Plan Grant	05/20/13	09/30/13	12/31/14	10,000	10,000	10,000	-						Steering committee & public input in progress, complete by 6/30
65	Econ. Development- Spinrite	01/07/12	01/07/15	01/07/15	90,000	90,398	90,000	67,500	Jobs	90	76	14		84% of job target met and 75% reimbursed
66	Airport Terminal Grant	04/04/13	07/01/15	03/31/15	1,255,902	425,019	1,255,902	215,727						Construction begun
67	Facade Grant Program	07/01/13	06/30/14	06/30/14	20,090	20,127	20,090	20,090						Complete
69	Way Finding				150,000	150,000	150,000	2,100						Design development in progress
71	Airport Lighting Rehab				361,111	36,111	361,111	-						Grant project ordinance in June
76	EDA Water Projects	09/11/13	03/11/17	02/28/17	1,428,262	706,133	1,428,262	28,448						Eng. bid awarded, topo surveys begun, award const. Dec 2014
77	EDA Sewer Grants	09/11/13	03/11/17	02/28/17	1,423,894	703,574	1,423,894	108,237						Eng. bid awarded, topo surveys begun, award const. Dec 2014
78	Light House RR & Boatler Facility	01/17/12	01/17/15	06/30/14	344,397	344,397	344,397	178,469						Construction begun, on schedule to complete June 2014
	CDBG Keyville rd.	2005	6/4/2013	06/30/16	320,000	320,000	320,000	320,000					04/30/14	Construct 3 homes w/qualified individuals by 6/30/14

Applications	Pre-App	Selected	Final App	Grant	Match	Total	
CDBG Infrastructure, basin 11 13th & Bridge				1,100,000	50,000	200,000	Not selected 1st or 2nd round, submit for 2015
Public Access- Peoples Pier	2/2/14			120,000	30,000	200,000	Application submitted
Public Access- Haverin Garden	5/30/14	6/20/14	9/15/14	190,000	20,000	200,000	May memo to Council
Vidant- EMS Paramedic Level				22,000		22,000	Not awarded, pursuing through corporate
FEMA- Fire vehicle, turnout w/dry, vehicle exhaust				399,000	21,000	420,000	Did not make it through peer review
TAG- Sanitary sewer study				35,000	0	35,000	Tentatively awarded
Historic Preservation Grant				14,000	-0,000	18,000	Tentatively awarded, inventory/walking tour info development
NC Cardinal			7/1/14	22,345	0	22,345	Grant awarded, complete by 6/30/15
Police Bulker Proof Vests							

DISCUSSION: PROJECT UPDATES

Mayor Hodges requested comments from Council regarding the Project Updates. Councilman Mercer voiced there is a mathematical error on the People Pier. Council did not have any other comments or concerns at this time.

Capital Project Status FY 2013/2014

6/27/2014

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
General Fund:								
IT	10-00-4132-7400	Virtualization Migration	30,000	0	0	30,000	On Hold - to create plan for future	
		PSG Channel Equipment	75,000	0	0	75,000	On Hold - to create plan for future	
		SSG Data Smartnet	9,148	0	0	9,148	Recurring cost of support	1
		Wrestinghouse Electric	2,066	4,964	0	(2,898)	Hardware associated with fiber	1
		SSG Fiber- Peterson Bldg.	9,340	1,192	0	7,148	Complete	1
		Fiber Project	24,113	49,961	1,206	(26,654)	Phase 1 complete	2
		Total IT	148,667	55,717	1,206	31,744		
		Actual	148,667	55,717	1,206	31,744		
Municipal Building	10-00-4800-7400	City Hall Chiller	87,270	87,270	0	0	Complete	
		Actual	87,270	87,270	0	0		
Police	10-10-4316-7400	Police vehicles	88,200	88,070	0	8,891	Complete	
		Vehicle equipment	8,255	4,431	0	3,606	Complete	2
		Total Police	93,095	84,500	0	8,395		
		Actual	93,095	84,500	0	8,395		
Fire	10-10-4360-7400	Fire Utility Vehicle	27,904	27,904	0	0	Complete	
		Thermal Imaging Camera	10,700	0	8,105	1,895	On order	
		Total Fire	37,804	27,904	8,105	1,895		
		Actual	37,804	27,904	8,105	1,895		
Inspection	10-10-4950-7400	Inspection vehicle	19,995	19,995	0	1	Complete	
		Actual	19,995	19,995	0	1		
Street Maintenance	10-20-4510-7400	Air Compressor	21,200	20,428	0	772	Complete	
		Actual	21,200	20,428	0	772		
Library	10-40-6110-7400	Library lighting	25,100	24,981	0	119	Complete	
		Actual	25,100	24,981	0	119		
Recreation Admin.	10-40-6120-7400	Peterson Building Roof	38,420	38,420	0	0	Complete	
		Peterson Building r/VAC	10,000	9,570	0	30	Complete	
		Total Recreation Admin.	48,420	48,390	0	30		
		Actual	48,420	48,390	0	30		
Senior Center	10-40-6123-7400	Sr. Center Entrance & Ramp	34,000	33,800	0	200	Complete	
		Actual	34,000	33,800	0	200		
Civic Center	10-40-6125-7400	Concrete drive	1,300	1,233	0	67	Complete	
		Actual	1,300	1,233	0	67		
Aquatic Center	10-40-6126-7400	Phase 1 Decking Unit Replace	16,200	16,200	0	0	Complete	
		Actual	16,200	16,200	0	0		
Rec. Maintenance	10-40-6130-7400	Boatwalk Replacement	26,177	26,177	0	0	Complete	
		Todd Maxwell Restrooms	58,289	0	52,980	369	In progress, complete by 8/15/14	

Capital Project Status FY 2013/2014

7/7/2014

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
		Total Rec. Maintenance	88,476	28,177	57,930	369		
		Actual	88,476	28,177	57,930	369		
		Total General Fund	617,628	446,996	67,241	103,791		
		Actual	617,628	446,996	67,241	103,791		
Water:								
Water Meter Svc.	30-90-7250-7000	AMR Meters	100,000	89,276	10,000	724	In Progress	2nd round of meters on order, complete 6/30/14
Water Meter Svc.	30-90-7250-7400	AMR Meters	235	0	0	235	Completed	Completion by 6/30/14
Water Treatment	30-90-8100-7400	Maint. & Repair of Camera	25,000	21,276	0	3,724	Completed	
Water Maintenance	30-90-8140-7400	Repair Truck #414	50,000	0	59,755	245	Completed	
Water Construction	30-90-8180-7400	E Summit Ave. W.L.	179,000	9,893	6,250	164,957	In Progress	Design in process, complete project October 1
		Total Water Fund	384,235	120,345	76,105	168,884		
		Actual	384,235	120,345	76,105	168,884		
Sewer:								
Wastewater Treatment	32-90-8230-7400	Liquid Feed Const. Admin.	4,454	2,495	0	1,968	Completed	
Wastewater Treatment	32-90-8230-7400	Replace Return Sludge Pump	21,000	20,916	0	84	Completed	
Lift Stations	32-90-8230-7400	Generator for Fountain Pump	90,000	98,992	12,086	40,962	In Progress	Project under construction, complete by 8/30/14
		Total Sewer Fund	115,454	60,364	12,086	48,014		
		Actual	115,454	60,364	12,086	48,014		
Electric:								
Electric Meter Service	38-90-7250-7400	Meters	50,000	33,912	10,831	17,257	In Progress	
		AMR Mobile Collector	20,000	20,000	0	0	Completed	
		Total Electric Meter Svc.	70,000	43,912	10,831	17,257		
		Actual	70,000	43,912	10,831	17,257		
Substation Maint.	35-90-8370-7400	Highland Drive Reolover	30,000	31,620	0	(1,620)	Completed	
		Highland Dr. Breaker Replace	40,000	36,342	0	3,658	Completed	
		RTAC (White Post substation)	6,000	6,040	0	(40)	Completed	
		Distribution relosers	30,000	14,955	0	15,045	In Progress	
		Capacitors	8,000	6,436	0	1,564	Completed	
		Replace Truck #653	25,000	33,896	0	(8,896)	Completed	
		Total Substation	129,000	119,299	0	9,701		
		Actual	129,000	119,299	0	9,701		
Load Management	35-90-8375-7400	Load Management Switches	66,000	65,973	0	27	Completed	
		Actual	66,000	65,973	0	27		
Power Line Construction	35-90-8390-7400	2nd St./5th St. Rebuild Engine	100,000	20,904	8,990	74,106	In Progress	completed by 6/30/14
		High School Feeder relocate	180,000	85,911	3,317	111,772	In Progress	UG bid awarded 6/9/14
		Grimesland Feeder Engineer	90,000	0	30,000	60,000	In Progress	completed by 6/30/14
		HC 32 Feeder Engineering	30,000	2,634	30,000	17,106	In Progress	completed by 6/30/14
		White Post/Starstone Feeder	100,000	0	0	100,000	Delayed until FY 2014-15	
		Equipment Shelter	42,000	46,500	0	(4,500)	Completed	
		Flow Bushing	12,000	10,591	0	1,409	Completed	
		Pumper Trailer	8,000	7,655	0	345	Completed	

Capital Project Status FY 2013/2014

7/7/2014

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
Power Line Construction	35-90-8390-7400	Rope Pulling Machine	25,708	24,368	0	1,340	Completed	2
		Vehicle #551	44,580	45,174	0	(594)	Completed	2
		Tractor Truck #616	235,547	235,541	0	6	Completed	2
		Total Power Line Construct	887,835	458,939	87,307	341,589		
		Actual	887,835	458,939	87,307	341,589		
		Total Electric Fund	1,152,835	685,833	99,138	368,864		
		Actual	1,152,835	685,833	99,138	368,864		
Airport:								
Warren Field Airport	37-90-8380-7400	John Deere Rotary Mower	15,752	15,751	0	1	Complete	
		Total Solid Waste	15,752	15,751	0	1		
		Actual	15,752	15,751	0	1		
Solid Waste:								
Solid Waste Collection	38-90-8710-7400	Repair Truck #458	131,350	379	124,965	5,806	On order	
		Total Solid Waste	131,350	379	124,965	5,806		
		Actual	131,350	379	124,965	5,806		
Cemetery:								
Cemetery Final	39-90-8710-7400	Kubota Tractor	35,000	35,000	0	0	Complete	
		Total Cemetery	35,000	35,000	0	0		
		Actual	35,000	35,000	0	0		
Grand Total:								
		Grand Total	2,432,264	1,364,369	376,535	851,360		
		Actual	2,432,264	1,364,367	376,536	851,360		

Notes:
 1 PO carryforward
 2 Project carryforward

ADOPT: BUDGET ORDINANCE AMENDMENT AND GRANT PROJECT AMENDMENT TO TRUE UP BUDGET FUNDING IN PREPARATION OF THE FISCAL YEAR CLOSEOUT

City Manager, Brian Allgood explained the budget amendments are necessary to provide funds to close out the fiscal year. Mr. Allgood noted Mr. Rauschenbach made the following amendments and stated the reason for the amendments:

1. idX building improvement loan was paid off with the proceeds of the property sale
2. Airport does not have adequate fund balance to cover cost of operation for the year
3. Electric Fund’s purchased power is higher than projected, offset by additional sales
4. Cemetery Fund’s contingency was not adequate to cover additional operating expense
5. Library and Cemetery trust Fund interest earned was higher than budgeted

Councilman Mercer expressed concern regarding Section 6 and Section 7 – Electric Fund to be increased in the amount of \$1,110,025 in order to cover the cost of additional power. Mayor Pro tem Roberson stated he wants to be sure at the end of the year we are consistent with our accruals.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adopted a Budget Ordinance Amendment and Grant Project Amendment to true up budget funding in preparation of the fiscal year closeout.

**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 \$336,378 in the account Sale of Fixed Assets, account number 10-00-3835-8200 to recognize loan payoff proceeds from the idX facility sale.

Section 2. That the following account numbers in the General Fund appropriations budget be increased in the amount indicated for the payoff of the idX building improvement loan:

10-50-4020-8100	Principal payments	\$ 334,067
10-50-4020-8300	Interest payments	<u>2,311</u>
	Total	\$336,378

Section 3. That the Estimated Revenues in the General Fund be increased in the amount of \$125,000 in the account Fund Balance Appropriated, account number 10-00-3991-9910, to provide funds for transfer to the Airport Fund necessary to supplement fund balance required for operations.

Section 4. That the following account number in the Miscellaneous Department of the General Fund appropriations budget be increased in the amount indicated:

10-00-4400-3700	Transfer to Airport Fund	\$ 125,000
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Section 5. That the Estimated Revenues in the Airport Fund be increased or decreased in the following accounts and amounts:

37-90-3397-1000	Transfer from General Fund	\$ 125,000
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37-90-3991-9910 Fund Balance Appropriated (125,000)

Section 6. That the Estimated Revenues in the Electric Fund be increased in the amount of \$1,110,025 in the account Sale of Electricity account number 35-90-3710-5100, to provide funds for June’s purchased power.

Section 7. That the following account numbers in the Purchase Power Department of the Electric Fund appropriations budget be increased in the amounts indicated:

35-90-8320-4800	NCEMPA	\$ 1,100,000
35-90-8320-4801	SEPA	10,000
35-90-8320-5000	NC Green Power	<u>25</u>
	Total	\$ 1,110,025

Section 8. That the Estimated Revenues in the Cemetery Fund be increased in the amount of \$4,220 in the account Fund Balance Appropriated, account number 39-90-3991-9900, to provide funds for operations.

Section 9. That the following account numbers in the Cemetery Fund appropriations budget be increased in the amounts indicated:

39-90-4740-0200	Salaries	\$ 1,000
39-90-4740-0600	Group Insurance	4,100
39-90-4740-5400	Insurance Premium	2,100
39-90-9990-9900	Contingency	<u>(2,980)</u>
	Total	\$ 4,220

Section 10. That the Estimated Revenues in the Library Trust Fund be increased in the amount of \$350 in the account Interest Earned, account number 11-40-3831-0000, to recognize additional interest earnings.

Section 11. That the following account number in the Library Trust Fund appropriations budget be increased in the amount indicated:

11-40-6300-9200	Admin. Charges to General Fund	\$ 350
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Section 12. That the Estimated Revenues in the Cemetery Trust Fund be increased in the amount of \$1,620 in the account Interest Earned, account number 12-30-3831-0000, to recognize additional interest earnings.

Section 13. That the following account number in the Cemetery Trust Fund appropriations budget be increased in the amount indicated:

12-30-6400-9205	Admin. Charges to Cemetery Fund	\$ 1,620
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Section 14. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 15. This ordinance shall become effective upon its adoption.

Adopted this the 23rd day of June, 2014.

ATTEST:

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

**s/Mac Hodges
Mayor**

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

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

Section 1. That the following appropriation accounts in the Waterfront Restroom grant be increased or decreased by the following amounts:

66-90-4530-0400	Professional Services	\$ 36
66-90-4530-0401	Preparation Engineering	270
66-90-4530-9900	Contingency	(306)
	Total	\$ 0

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 23rd day of June, 2014.

ATTEST:

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

**s/Mac Hodges
Mayor**

ADOPT: BUDGET ORDINANCE AMENDMENT IN THE CEMETERY FUND

City Manager, Brian Alligood explained this is a request to do some repair work as a result of the storm event on Friday, June 13, 2014, approximately 16 l.f. of 24” concrete storm drain pipe caved in as well as a large stormwater junction box. Repairing this is beyond the capability of the equipment we have. The amount requested is for removal of the damaged materials and replacement with new materials. We will be providing fill material to reduce the cost by an additional \$1,870.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council adopted a Budget Ordinance Amendment in the cemetery fund for storm drainage repairs at Oakdale cemetery.

**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 \$6,373 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That the following account number in the General Fund appropriations budget be increased in the amount indicated to fund the repair of cemetery damages from the June 13th rain event.

10-00-4400-3900	Transfer to Cemetery Fund	\$6,373
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Section 3. That the Estimated Revenues in the Cemetery Fund be increased in the amount of \$6,373 in the account Transfer from General Fund, account number 39-90-3980-1000.

Section 4. That the following account number in the Cemetery Fund appropriations budget be increased in the amount indicated:

39-90-4540-5600	Materials	\$6,373
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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 23rd day of June, 2014.

ATTEST:

s/Cynthia S. Bennett, CMC
City Clerk

s/Mac Hodges
Mayor

MEMO: PHONE SYSTEM EMERGENCY OPERATIONS

City Manager, Brian Alligood explained that as we continue to evaluate our emergency preparedness and as we test the system, we are finding weaknesses in those systems and are working to fix them. Mr. Alligood explained a couple of events that cascaded down and took out the PRI at City Hall. As we looked at it, we determined this was another point of failure that we needed to correct. We are also looking into if something major was to happen to City Hall and we had to relocate how we would continue operations.

(Begin memo)

The disaster recovery and emergency operations of the City's phone system were recently reviewed and evaluated in preparation of hurricane season. The phone system and server reside at City Hall as well as the PRI that manages incoming call traffic. The evaluation identified a need for redundancy of the system server and PRI at the Communications Center to provide a

backup in case of failure at City Hall as well as provide overflow call capacity by adding a second PRI. During the recent tornado a call overflow condition was experienced and will be alleviated by the installation of a second PRI.

The installed cost of a redundant Cisco server is \$19,063.38 and \$6,916.50 for the PRI hardware and call reporting system. Staff recommends the utilization of \$30,000 budgeted for the PC virtualization project that is on hold pending evaluation of the platform and management of our information systems. (end memo).

By motion of Councilman Mercer, seconded by Councilman Brooks, Council approved the request of transfer of funds in the amount of \$30,000 budgeted for the PC virtualization project to fund the installation of a second PRI at the Communications Center.

UPDATE: SCHOOL OF GOVERNMENT

City Attorney, Franz Holscher explained at the June 9, 2014 meeting Council had a request before them that was presented during scheduled public appearances. Questions arose as to what Council's policy was concerning the definition of a super majority in order to act on requests during scheduled public appearances. Being there were only four (4) Council members present, the motion was made to approve the request and the motion received three (3) affirmative votes and one (1) negative vote. It was noted that three votes should not qualify super majority. Council sought the Attorney's opinion as to whether or not the 3-1 voted constituted a super majority at the time; Mr. Holscher suggested that in his opinion it was. The way it is handle is if there is a procedural question, the procedural question is given to the Mayor and the Mayor makes a ruling on the procedural question ~ that is what happened in that meeting. The Mayor indicated the 3-1 vote satisfied the super majority requirement and the request was approved.

Councilman Mercer requested the Manager and the Attorney get an opinion from the School of Government as to the process, Council's policy and how it was interpreted in the meeting. An email was forwarded to Frayda Bluestein(UNC-SOG) that contained a copy of the Council's policy as written in the previous motion with the background of the minutes from the meeting. Ms. Bluestein's opinion was different from that of Mr. Holscher and she explained that under Council's policy, three (3) votes was not enough to approve the request that was presented at the June 9th meeting. She further noted that the action taken at the meeting was final because the procedural ruling was not appealed to the larger body of the Council. Therefore, the request approved on June 9th is approved. The question becomes whether or not City Council wishes to clarify, amend, revise, or leave the Council policy as it is currently written or given the opinion from the School of Government, whether the Council wishes to review the request made on June 9 and if Council wishes to ratify or rescind that action.

Second question that came up during the June 9th meeting was if the Committee of the Whole is a regular Council meeting. Ms. Bluestein did agree with the Attorney's opinion in that it is a regular meeting.

Councilman Mercer shared the reason why he submitted the language regarding the policy. Councilman Mercer feels the need for a super majority is still a good policy. Council

was having a number of appearances in which there were strong desires by the applicant during the scheduled public appearance to have Council take action on their request. Many times when Council was approach like that, they did not have adequate information to truly evaluate the comments received during a five minute presentation without the background information. If an individual wants to appear before Council with a request then it should be scheduled for either new or old business and then we eliminate this problem.

Mr. Alligood stated that staff was looking for some clarification in the language. Councilman Mercer revised the language to read as super majority defined as four members of the acting Council. Mr. Alligood stated this would make it very clear for staff. Councilman Brooks inquired if it could read 75% of Council members present during the meeting and Mr. Holscher responded (just a suggestion) that maybe the policy could say instead of using percentages that if five (5) members are present it would take four (4) or if four members were present it would take three (3) and could not act at all if there are only three members present. Councilman Mercer reiterated the suggestion of defining as four members and can bring the language back to Council on July 14, 2014 and Mr. Alligood agreed this would give staff the guidance they need.

By consensus, Council agreed to bring the clarification to the language back before Council on July 14, 2014.

Mayor Pro tem Roberson inquired as to the term/definition of “Committee of the Whole” and suggested to change wording. If it is going to be an action meeting and he feels everytime the City Council meets is an action meeting, then the term “Committee of the Whole” needs to be changed. Mayor Hodges agreed with Mayor Pro tem Roberson.

By consensus, Council agreed to the wording change of “Committee of the Whole” to 2nd meeting of the month.

DISCUSSION: CARELESS/RECKLESS DRIVING – FLOODED AREAS

Reading from the City’s website, Councilman Pitt reminded citizens about driving in flooded streets. This issue was raised after a June 13 thunderstorm, which Washington received between five and six inches of rain and flooded streets in Washington. When our citizens are out diving they are actually pushing water into homes and doing damage to landscaping. Washington Police blocked intersections from 3rd Street to 15th Street to keep motorists from driving into deep water. Also, Washington Police can issue a citation up to \$500 for driving on flooded streets or careless/reckless driving. Councilman Pitt voiced careless and reckless driving carries a mandatory court appearance, a possible six-month prison sentence, four points on the ticketed driver’s license and four insurance points.

Members of Council voiced damage can be caused by the wake created by driving through flooded streets and wash away soil in yards and damage shrubbery. Councilman Mercer stated this is a major concern and we understand there is a flooding problem in the City. We have spent a tremendous amount of money in the last five years on drainage problems. When the study was completed, the total cost of the project was between twelve to thirteen million dollars and we have spent between five to six million dollars which has just dented the problem. Mr.

Alligood agreed with Councilman Mercer and voiced we realize there are some issues, as new facilities are paved there are some requirements regarding stormwater in which it be allowed run off. There are some state laws that relate to this as well and even though it helps, it doesn't address the issue of having undersize pipes. Also, Mr. Alligood said our employees work tremendously hard before, during and after the event occurs to keep the drainage system running and they worked all night long and into the morning hours. There was some bad information that did not come from the City which stated our pumping system was not working. We addressed that issue immediately because citizens thought we weren't doing our job. Our staff is doing a great job and we understand the frustration our citizens have.

ADJOURN

By motion of Councilman Pitt, seconded by Councilman Brooks, Council adjourned the meeting at 6:35pm until Monday, July 14, 2014 at 5:30 p.m. in the Council Chambers at the Municipal Building.

(subject to approval of the City Council)

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



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Michael Whaley, Purchasing Agent
Date: June 20, 2014
Subject: Declare Surplus/Authorize Electronic Auction of Vehicles through GovDeals
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council declare surplus and authorize the sale of the following vehicles through electronic auction using GovDeals.

BACKGROUND AND FINDINGS:

The purpose of this Council Action is to declare surplus the following vehicles and authorize the sale of these vehicles through electronic auction using GovDeals.

<u>Vehicle Number</u>	<u>Make/Model</u>	<u>Serial Number</u>	<u>Odometer Reading</u>
614	2000 Ford Explorer	1FMZU62EOY2B44173	152,267
483	2000 International Garbage Truck	1HTSDAAR9YH208006	74,883

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: kw Concur _____ Recommend Denial _____ No Recommendation

2/14/14 Date July 14, 2014
Page 38 of 113



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Gloria Moore, Library Director
Date: July 14, 2014
Subject: NC Cardinal Grant Budget Ordinance Amendment
Applicant Presentation: N/A
Staff Presentation: Gloria Moore

RECOMMENDATION:

I move that City Council adopt a Budget Ordinance Amendment for the NC Cardinal Migration Grant.

BACKGROUND AND FINDINGS:

The Brown Library has been awarded a grant to fund the migration to the State endorsed library cataloging system. There is not a City match.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

Budget Ordinance Amendment
Grant Agreement

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: By: [Signature] Concur _____ Recommend Denial _____ No Recommendation
7/13/14 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2014-2015**

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 \$22,345 in the account Library Grant Planning, account number 10-40-3611-3306.

Section 2. That the following account number in the Brown Library Department portion of the General Fund appropriations budget be increased in the amount indicated to fund the migration to the NC Cardinal library cataloging system:

10-40-6110-0400	Professional Services	\$ 22,345
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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 14th day of July, 2014.

MAYOR

ATTEST:

CITY CLERK

GRANT AGREEMENT
LSTA 2014-2015 NC Cardinal Migration Grant

This is an agreement by and between Brown Library, hereinafter referred to as "the Library," and the State Library of North Carolina, Department of Cultural Resources, hereinafter referred to as the "State Library."

The State Library has agreed to fund this grant with federal Library Services and Technology Act (LSTA) funds in the amount of \$22,345 to be disbursed through North Carolina Accounting System accounting fund 46011495410145. The Catalog of Federal Domestic Assistance (CFDA) number for this grant is 45.310. This agreement is in effect upon signing by all parties, but no earlier than July 1, 2014, and will terminate on June 30, 2015, unless amended by mutual consent.

Institution and/or Library Name: Brown Library

Mailing Address: 122 Van Norden Street

City, State, ZIP: Washington, North Carolina 27889

Project manager name/title: Library Director

Project manager telephone: (252) 975-9356

Project manager email: gmoore@washingtonnc.gov

DUNS Number: 075565051

Federal Employer Identification Number: 566001364

Library fiscal year ending date: June 30

**IN CONSIDERATION OF RECEIVING THE ABOVE REFERENCED GRANT FUNDING,
THE LIBRARY HEREBY AGREES TO:**

1. Accept and administer an LSTA grant from the State Library in the amount of \$22,345 for costs associated with the project represented in the Library's grant application, grant award letter, and any amendments thereto.
2. Abide by all Grant Provisions as certified in this document and the grant application; including any certifications submitted with this grant agreement such as Children's Internet Protection Act (CIPA) Compliance and Certification Regarding Debarment and Suspension; Lobbying; Federal Debt Status; Nondiscrimination.
3. Regularly inform the State Library on the progress of project activities as defined in the grant application.
4. Encumber and expend project funds (grant and matching)
 - only upon or after the effective date of this grant agreement and before its termination;
 - in accordance with the project budget as submitted with the project application, or as modified in the grant award letter, or as amended and approved by the State Library; and
 - in accordance with all applicable local, state and federal laws and regulations.

5. Expend project funds in a manner that ensures free and open competition.
6. Submit grant reimbursement requests with appropriate documentation of eligible project expenditures (grant and matching) as defined in the grant application, at least quarterly, on or before October 15, January 15, and April 15.
7. On or before **April 15, 2015**, request a minimum of seventy-five percent (75%) of the award amount and provide documentation for seventy-five percent (75%) of the required match; provide a list of remaining activities with an estimate of remaining grant and matching expenditures as defined in the grant application.
8. Complete all project expenditures (grant and matching) by **June 30, 2015**, or by the termination date of this agreement as amended by mutual consent.
9. On or before **July 15, 2015**, submit a final request for reimbursement.
10. If eligible, the Library and all subgrantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this Contract, pursuant to N.C.G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.
11. Request prior written approval from the State Library for any equipment with a per unit price above \$5,000. List this equipment on the State Library Annual Equipment Tracking Survey, provided each January, for the remainder of its useful life. If fair market value at the time of surplus or disposal exceeds \$5,000, disposal must be cleared with the State Library.
12. Acknowledge the Institute of Museum and Library Services in all related publications and activities in conjunction with the use of grant funds as follows: "This publication/activity/program/etc. was supported by grant funds from the Institute of Museum and Library Services under the provisions of the federal Library Services and Technology Act as administered by the State Library of North Carolina, a division of the Department of Cultural Resources." Submit a copy of any publications or materials produced under the grant to the State Library.
13. Provide library services resulting from the grant to all members of the community served, in compliance with all Federal statutes relating to non-discrimination on the basis of race, color, national origin, sex, handicap, or age.
14. Request prior written approval from the State Library for any subcontracting or assignment to any subgrantee or assignee. Neither the Library nor any subgrantee or assignee is relieved of the duties and responsibilities of this agreement. Subgrantees and assignees agree to abide by the terms of this agreement and must provide all information necessary for the Library to comply with the terms of this agreement.
15. Only approved, awarded expenditures are allowable; any funds not expended as defined in the grant application will be repurposed by the State Library upon termination of this agreement.
16. Submit a final report to the State Library by **September 30, 2015**, providing a summary of project expenditures, a narrative of project activities, evaluative elements, and an assessment of the goals achieved as defined in the grant application.
17. Certify upon completion of the grant that grant funds were received, used, and expended for the purposes for which they were granted.

18. Maintain adequate financial records to ensure complete reporting, and retain programmatic, financial, and audit records relating to the grant for a minimum of three years from the due date of the final grant report at the end of the Five Year Plan, or until all audit exceptions have been resolved, whichever is longer. Provide access upon request to the Department of Cultural Resources, Office of the State Auditor, Institute of Museum and Library Services and the Comptroller General or their designees, to all records and documents related to the award, including audit work papers in possession of any auditor of the Library.
19. Ensure that grant funds are audited in compliance with state and federal audit requirements for local governments and public authorities, institutions of higher education, and non-profit organizations, and, as applicable, according to the standards of the federal Single Audit Act of 1984 as amended 1996 and 2003, and Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" as supplied by the Executive Office of the President, Office of Management and Budget, Washington, DC.
20. Comply with the requirements of North Carolina General Statute 143C-6-23: "State grant funds: administration; oversight and reporting requirements" and the corresponding rules of North Carolina Administrative Code, Title 9, Subchapter 03M, "Uniform Administration of State Grants," including submission of required financial reports within six months (or nine months for \$500,000 threshold) of the end of the Library's fiscal year(s) in which grant funds are received.
21. The State Auditor and the using agency's internal auditors shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7 and Session Law 2010-194, Section 21 (i.e., the State Auditors and internal auditors may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees or performance).
22. File with the State Library a copy of the Library's **policy addressing conflicts of interest** that may arise involving the Library's management employees and members of its board of directors, commissions, or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the Library's employees or members of its board, commissions, or other governing body, from the Library's disbursing of grant funds and local matching funds and shall include actions to be taken by the Library or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. (N.C.G.S. 143C-6-23(b)). The policy shall be filed before the State Library may disburse the grant funds, unless the Library is covered by the provisions of N.C.G.S. 160A-479.11 and 14-234.
23. File with the State Library the Library's sworn written statement completed by the Library's board of directors or other governing body stating that, pursuant to N.C.G.S. 143C-6-23(c), the Library does not have any **overdue tax debts**, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. The policy shall be filed before the State Library may disburse the grant funds, unless the Library is covered by the provisions of G.S. 160A-479.11 and 14-234.

THE STATE LIBRARY AGREES TO:

1. Award LSTA grant funds to the Library in the amount and under the terms and conditions stated above, subject to the availability of funds.
2. Pay LSTA grant funds upon receipt of reimbursement requests for approved, awarded expenditures submitted quarterly by the Library. Pay by June 30, 2015, all approved requests received on or before April 15, 2015, and by August 31, 2015, all approved requests received by July 15, 2015.

3. Assist the Library as appropriate and necessary with the implementation of this project. Provide monitoring and oversight through a combination of periodic emails, calls, visits, and review of reimbursement requests and reports.
4. Report on this project to the federal funding agency, the Institute of Museum and Library Services, and the North Carolina Office of State Budget and Management in accordance with all applicable federal and state requirements.

THIS AGREEMENT may be amended, if necessary, upon the mutual acceptance of a written amendment to this agreement signed and dated by the Library and the State Library. Such amendment(s) shall state any and/or all change(s) to be made. This agreement may be terminated by mutual consent with 60 days' prior written notice or as otherwise provided by law.

Returning signed agreements signifies accepting the grant award; awards not accepted by September 30, 2014 may be withdrawn.

[Please sign in blue ink.]

x Gloria J. Moore Date _____
 Signature, Library Director
 (Printed Name) _____

x Matt Rauschenbach Date 6/23/10
 Signature, Local Government or Institutional Representative
 (Printed Name / Title) MATT RAUSCHENBACH / CFO

x _____ Date _____
 Signature, Cal Shepard, State Librarian

Return two complete sets of this agreement with **original signatures in blue ink** to:
 LSTA Grant Agreements; Library Development Section, State Library of North Carolina;
 4640 Mail Service Center; Raleigh, NC 27699-4640.



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Stacy Drakeford, Police & Fire Services Director
Date: July 14, 2014
Subject: Authorize Police & Fire Services to apply for Wal-mart Grant
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that the City Council authorize Police & Fire Services to apply for a Wal-mart Grant

BACKGROUND AND FINDINGS:

This grant will fund the Christmas "Shop with a Washington Public Safety Officer" event. This is another initiative of the Washington Police and Fire Services Department to foster better relations with the community's youth. This grant will not exceed \$1,500 and there is no match required.

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: 7/14/14 Date Concur SWK Recommend Denial _____ No Recommendation _____



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Brian Alligood, City Manager
Date: July 14, 2014
Subject: Classification Change
Applicant Presentation:
Staff Presentation:

RECOMMENDATION:

I move that the City Council approve the reclassification of Sr. Administrative Support Specialist (Grade 17) in the Department of Community & Cultural Services/Recreation Division to Recreation Events & Facilities Supervisor (Grade 17) effective July 14, 2014.

BACKGROUND AND FINDINGS:

The coordination of recreation facilities use and special events has been transferred from the Parks & Recreation Manager to the Sr. Administrative Support Specialist within the Division of Parks & Recreation. While this position will continue with some administrative support duties, the majority of time will be spent facilitating and coordinating special events and supervising recreation facilities and staffing for scheduled programming. These duties will replace the management of the waterfront docks due to the creation of a Dock Master position. A position title more reflective of the duties and responsibilities is being recommended. Pay range is recommended to stay at its current level of salary grade 17.

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: 7/14/14 Date Concurred BA July 14, 2014 Recommend Denial _____ No Recommendation _____
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REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: July 14, 2014
Subject: FY 2013-2014 Airport Fuel Budget Ordinance Amendment
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a Budget Ordinance Amendment to provide funding for fuel at the airport.

BACKGROUND AND FINDINGS:

The yearend fuel inventory adjustment resulted in the need for additional appropriation for aviation fuel consumption. Recap of the year's activity:

\$168,709 Sales
 138,971 Cost of sales
 \$ 29,738 Margin (17.6%)

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: Bid Concur _____ Recommend Denial _____ No Recommendation
7/19/14 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 Airport Fund appropriations budget be increased in the following fund account and amount:

37-90-4530-3101	Fuel Purchases	\$ 15,500
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Section 2. That the Airport Fund revenue budget be increased in the following fund account and amount:

37-90-3397-1000	Transfer from General Fund	\$ 15,500
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Section 3. That the General Fund appropriations budget be increased in the following fund account and amount:

10-00-4400-3700	Transfer to Airport Fund	\$ 15,500
-----------------	--------------------------	-----------

Section 4. That the General Fund revenue budget be increased in the following fund account and amount:

10-00-3991-9910	Fund Balance Appropriated	\$ 15,500
-----------------	---------------------------	-----------

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 14th day of July, 2014.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: July 14, 2014
Subject: Purchase Orders > \$20,000 Approval
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council approve the attached purchase order.

BACKGROUND AND FINDINGS:

P.O. #52200, \$37,300, to Atlantic Power Systems for peak shaving generator maintenance, account 35-90-8370-1600.

PREVIOUS LEGISLATIVE ACTION

2014-2015 adopted budget and amended budget.

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

P.O.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: LRD Concur _____ Recommend Denial _____ No Recommendation
7/14/14 Date

Purchase Order

Original

City Of Washington

P.O BOX 1988

WASHINGTON, NC 27889

PO Number: 52200

Issued To: 140

ATLANTIC POWER SYSTEMS OF NC, INC.
3252 SAINT DELIGHT'S CH. RD.

NEW BERN NC 28560

FOB : SHIPPING POINT

Phone: (252) 975-9301

Fax: (252) 946-1965

Date: 07/07/14

Required: 07/07/14

Ship Via: Best Method

Ship To:

CITY OF WASHINGTON WAREHOUSE
203 GRIMES ROAD

WASHINGTON NC 27889

Terms: Net 30

Special Instructions: ED PRUDEN 252-975-9365

Quantity	UOM	Asset	Item Description	Unit Price	Extended
1	EA		PEAK SHAVING GENERATORS PM LEVEL 1 INSPECTION LABOR & MATERIALS	\$6,000.0000	\$6,000.00
1	EA		PEAK SHAVING GENERATOR PM LEVEL 2 INSPECTION LABOR & MATERIALS	\$30,000.0000	\$30,000.00
1	EA		FUEL TANK FOOT BALVE REMOVAL, CLEANING & REINSTALLATION, 11 TANKS	\$1,300.0000	\$1,300.00
				Sub Total	\$37,300.00
				Total Tax	\$0.00
				Total	\$37,300.00

Account Number	Type	Account Description	Amount
35-90-8370-1600	E	MAINT/REPAIR EQUIP	\$37,300.00
Total			\$37,300.00

Finance Officer

Purchasing Agent

THIS INSTRUMENT HAS BEEN PREAUDITED IN THE MANNER REQUIRED BY THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT.

THIS DOCUMENT IS GOVERNED BY THE PROVISIONS OF NCGS, CHAPTER 25 UNIFORM COMMERCIAL CODE ARTICLE 2, SALES.

Received By: _____

July 14, 2014
Page 50 of 113

Date Received: _____

Mayor
Mac Hodges

City Manager
Brian M. Alligood



Washington City Council

Larry Beeman
Richard Brooks
Doug Mercer
William Pitt
Bobby Roberson

MEMORANDUM

To: Brian M. Alligood, City Manager

From: Keith Hardt, P.E., Electric Utilities Director

Ref: Generator Service Contract

Date: 8 July 2014

Included in the City Council agenda for 14 July 2014 is a purchase order to Atlantic Power Systems for Level 1 and Level 2 Preventative Maintenance.

Atlantic Power Systems was selected based on the following factors:

- Of the three eastern North Carolina providers of generator service that have the ability to work on our equipment Atlantic Power Systems has the lowest hourly rate for both generator technicians and switchgear technicians.
- Atlantic Power Systems employs a technician that lives in Washington. This technician is the employee that responds to all of Washington's service calls when available. The backup for the Washington employee lives in New Bern. The closest technicians for the other two providers are located in Wake Forest and Raleigh.
- Atlantic Power Systems has been our maintenance provider for over five years and because of this time servicing our units they have considerable knowledge of the needs and the problem areas that may arise with our units.
- We have utilized the other two providers for recent air quality requirement needs and other maintenance in the past and we are not comfortable with the level of technical expertise with their technicians as compared to those with Atlantic Power Systems.

Cynthia Bennett

From: Keith Hardt
Sent: Tuesday, July 08, 2014 4:36 PM
To: Brian M. Alligood
Cc: Matt Rauschenbach; Cynthia Bennett; Reatha Johnson; Ed Pruden
Subject: Atlantic Power Purchase Order
Attachments: 8 July 2014 - Atlantic Power Systems.pdf

Categories: Important

Please see attached.

Here are the hourly rates for the local providers:

Atlantic Power Systems (New Bern)

Generator Technician: \$85/hour

Switchgear technician: \$110/hour

Gregory Poole (Raleigh)

Generator Technician: \$103/hour

Switchgear technician: \$155/hour

We have not received hourly rates for Power Services (Wake Forest)

Keith Hardt, P.E.

Director, Washington Electric Utilities

City of Washington, North Carolina

(252) 975.9313

o||||o

Mayor
Mac Hodges

City Manager
Brian M. Alligood



Washington City Council
Larry Beeman
Richard Brooks
Doug Mercer
William Pitt
Bobby Roberson

MEMORANDUM

To: Brian M. Alligood, City Manager
From: Keith Hardt, P.E., Electric Utilities Director
Ref: Conterra Memorandum of Understanding
Date: 3 July 2014

At the 14 April 2014 meeting of the Washington City Council requested that an abbreviated agreement be drafted between the City of Washington and Conterra Ultra Broadband, LLC for attachment of fiber optic conductor to City owned electric utility poles.

The agreement signed by Conterra is attached.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into this _____ day of July 2014 ("Effective Date") between Conterra Ultra Broadband, LLC ("Conterra") with principal offices at 2101 Rexford Road, Suite 200E, Charlotte, North Carolina 28211 and the City of Washington ("Washington") with principal offices at 102 East 2nd Street, Washington, North Carolina 27889.

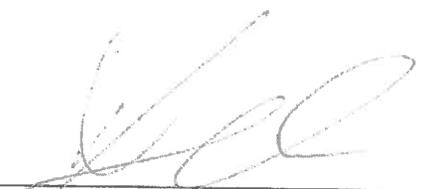
In an effort to record our understanding, Conterra and Washington agree to the following:

1. Conterra desires to occupy, place and maintain attachments on electric utility poles ("Poles") owned and maintained by Washington. Washington agrees to permit Conterra to occupy, place and maintain its attachments on Washington's Poles.
2. Conterra shall at its own expense, install and maintain all attachments in a safe condition suitable to Washington and such that they will not be in conflict with Washington's use of the Pole or by other parties using or having rights to said Poles.
3. Conterra shall comply with all local, state and federal laws and regulations, including but not limited to: National Electric Safety Code, National Electric Code and all OSHA regulations.
4. Conterra will be billed for pole attachments in accordance with current and future pole attachment rates established by the Washington City Council and understands that Washington is developing a pole attachment agreement and that Conterra will be subject to said agreement upon review and signature when it is finalized.

We hereby confirm we are in agreement with the above.

SIGNED this _____ day of July 2014.

Brian M. Alligood, City Manager
City of Washington, North Carolina



Angela Lee, VP, Corporate Counsel and
Secretary
Conterra Ultra Broadband, LLC

MEMO

Date: July 3, 2014

To: Mayor and City Council

From: Jennifer Brennan, Historic Preservation Planner

RE: Residential Grant Program

For several years, the City of Washington has had a successful Façade Improvement Grant Program. Property and Business owners have taken advantage of the funding available to restore windows, paint facades, install new awnings and many other rehabilitation projects. The commercial district is slowly becoming revitalized, with new businesses coming to town and beautification projects being undertaken by community groups. While work on these projects must and will continue, there are other areas of Washington that also need-help.

On May 27th, the Planning Department hosted a community meeting to discuss concerns and issues that are facing residents of the historic district. Residents basically had the floor to discuss issues that were common throughout the district. Time and again, the issue of being able to afford upkeep of historic homes became an issue. The constant needs of wooden houses such as those found in Washington can be daunting. In June 2013, the Preservation Commission was approached by concerned members of the community regarding the number of houses that have fallen into disrepair. As a result, the commission started a subcommittee to reach out to homeowners whose homes require maintenance. Most of the work that was identified included paint, wood repair and some roofing issues. The list of houses that was compiled totaled over forty properties. Upon reaching out to those property owners, it was often the case that while the owners wanted to do work on their homes; it was not economically feasible for them to do so.

In this year's budget, City Council put aside \$20,000 for the Commercial Façade Improvement Grant Program. It is the recommendation of the Preservation Commission that this grant pool be opened up to residential property owners as well. The residential grant program would be managed much the same as the commercial grant program, with the money coming from the same pool. The requirements for the grant would be more stringent than the commercial grant, with residential property grants to be need based. To show proof of economic hardship would be needed in order for a property owner to be eligible for the grant. Additionally, all grant applications would need to be approved by the Preservation Commission prior to a grant award taking place. Eligible work would have to be done on the actual building and could not include installation of a fence or removal of a tree. The goal for the grant is to make the most impact on the residential district.

MEMO

Date: July 3, 2014

To: Mayor and City Council

From: John Rodman, Community & Cultural Services

RE: Wayfinding Program

The word wayfinding has become an integral part of community planning and the creation of places that offer unique and memorable experiences to the public. Wayfinding improves circulation and directs visitor dollars where they have the most impact. Retail environments thrive when visitors can easily find their way there. Districts become popular destinations when a brand-supportive wayfinding system illuminates a clearly marked path for patrons.

The City Council authorized the establishment of a Wayfinding Program. The Wayfinding Steering Committee was assembled in October (2013) to work with staff to develop a wayfinding signage program that included a vision, goals and objectives and information on signage. We expected about 7 or 8 meetings of the committee, roughly monthly in order to accomplish the scheduled items. The checked items are the ones that have been completed as to date:

- ✓ Establish a Steering Committee.
- ✓ Determine goals and objectives.
- ✓ Identify entranceways & gateways.
- ✓ Determine destinations: What places do people need to find?
- ✓ Identify routes: What are the paths that people need to take?
- ✓ Locate Decision Points
- ✓ Develop sign inventory.
- ✓ Determine design concepts.
- 1. Public Participation.**
- 2. Installation - # of signs and locations.**
- 3. Provide costs & draft plan.**

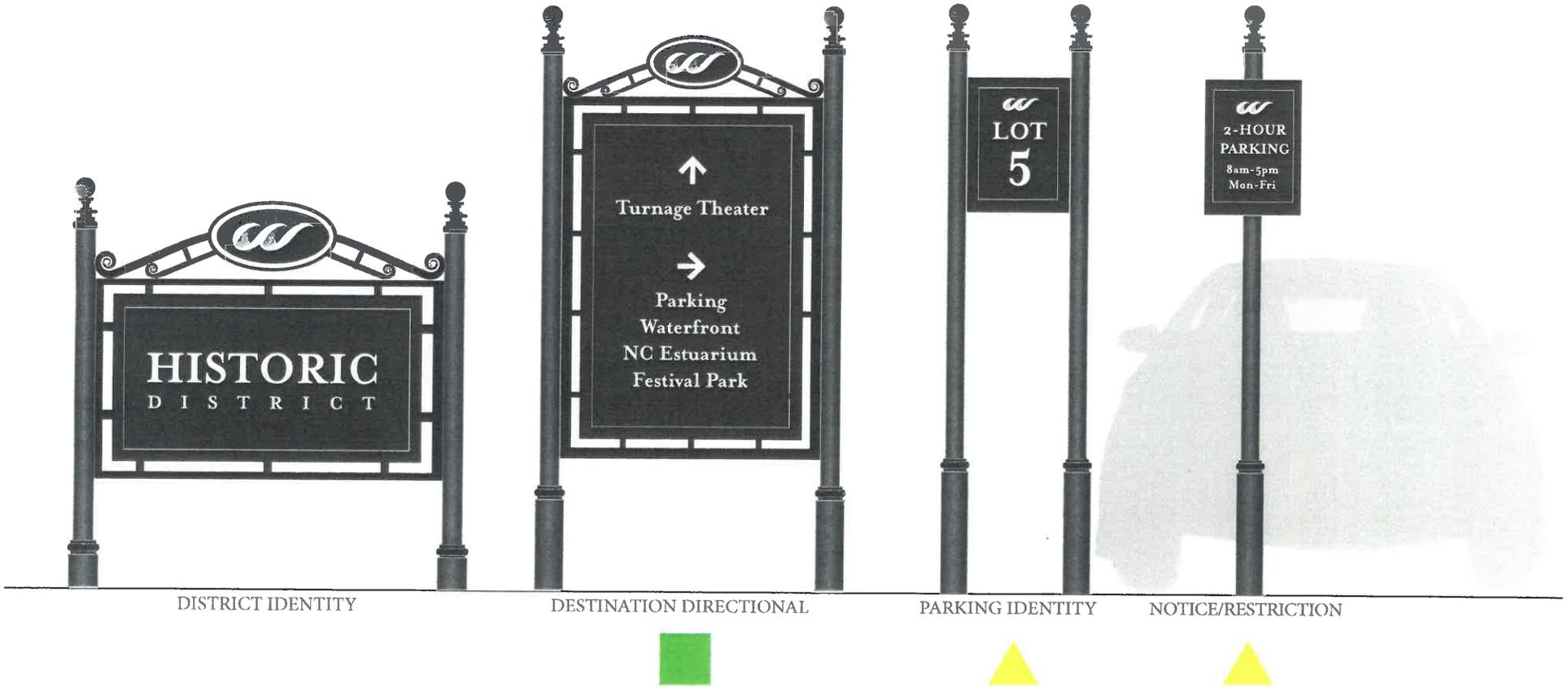
The next scheduled item that needs to be accomplished is the “public participation” portion of the program. Deep Fried Creative Consultants have prepared detailed designs for each of the various sign types to be implemented. They have defined formats, type styles, colors, and material options. Deep Fried Creative has also prepared presentation materials to communicate these sign design concepts and styles to the public-at-large for evaluation and feedback purposes.

The Public Participation workshop is scheduled for **Tuesday, July 22, 2014 at 6:00 pm at the Senior Center** located in the Peterson Building. I encourage all City Council to attend the workshop in order to provide feedback on the design concept that would best represent the City of Washington.

LEGEND

City Limits		Parking	
ETJ			

- Primary Gateway 
- Secondary Gateway 
- Downtown Gateway 
- Waterway Gateway 
- Destination Directional 
- Secondary Destination Directional 
- Destination Identity 
- District Identity 
- Parking Directional 
- Pedestrian Kiosk 

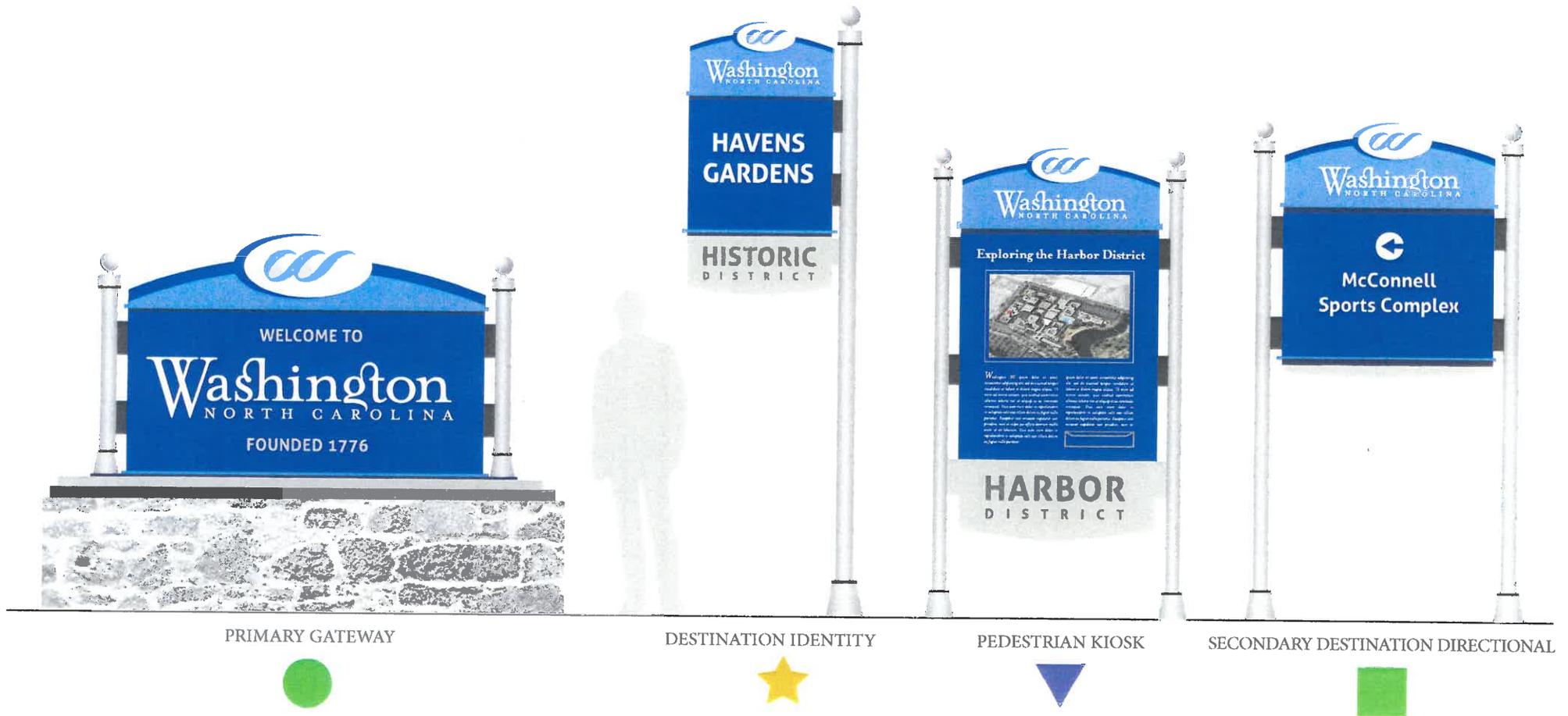


The Destination signage welcomes visitors with a bold and regal display. Contrast is designed for maximum clarity, day or night.

The Auto-Oriented Trailblazer sign is optimized for inbound highways to direct drivers to Primary Destinations. Parking signage is designed to be clear and concise for visitors, all the while remaining inconspicuous for residents.

CITY OF WASHINGTON, NC WAYFINDING SYSTEM

CONCEPT 2

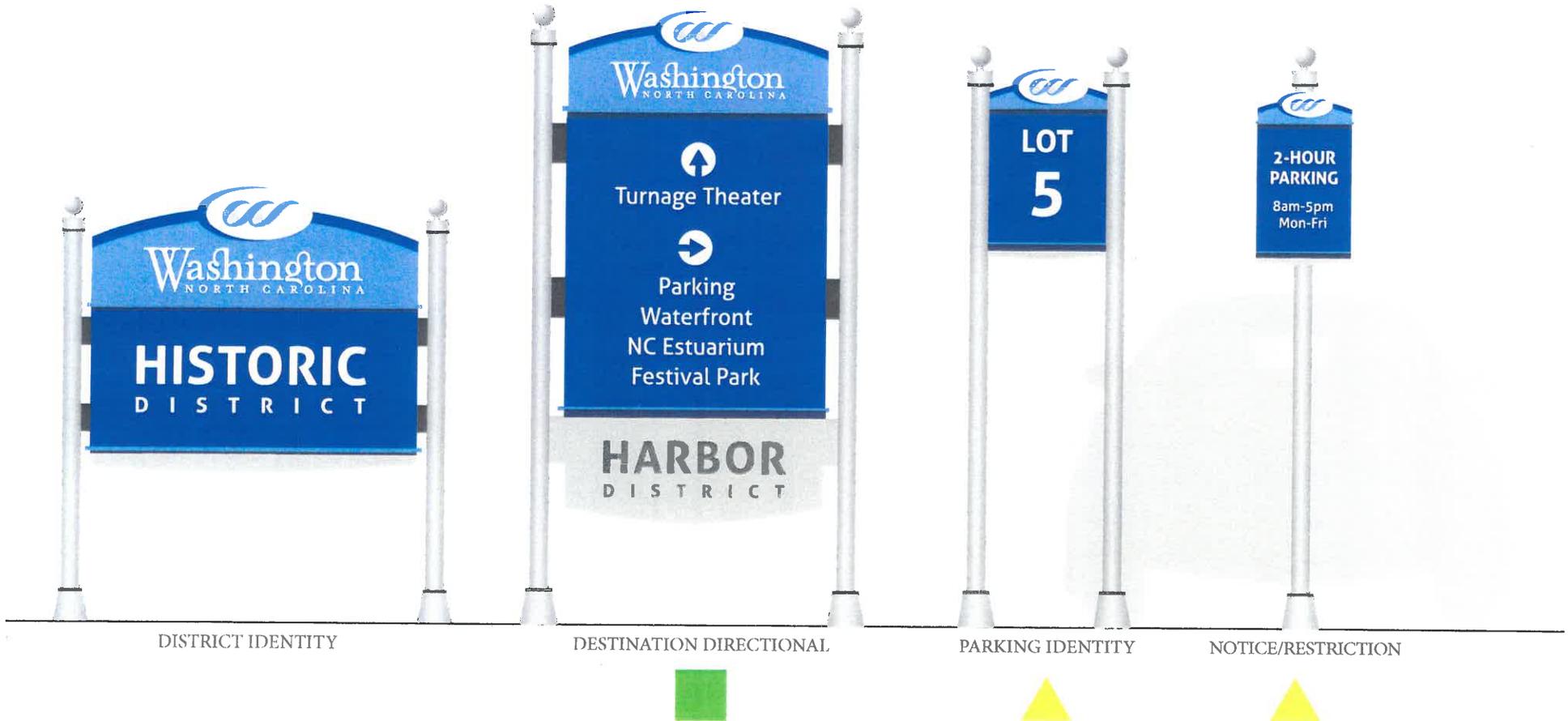


Concept 2 is a more contemporary design, meant to be neat and clear, while remaining modern for years to come. The contrasts enable optimum visibility for day or night with a color scheme consistent with the City of Washington brand. The ballast stone is intended to be sturdy and cost-effective, possibly constructed from a manufactured composite. The Washington branding will remain consistent throughout, and signs will instill the respective district atmosphere.

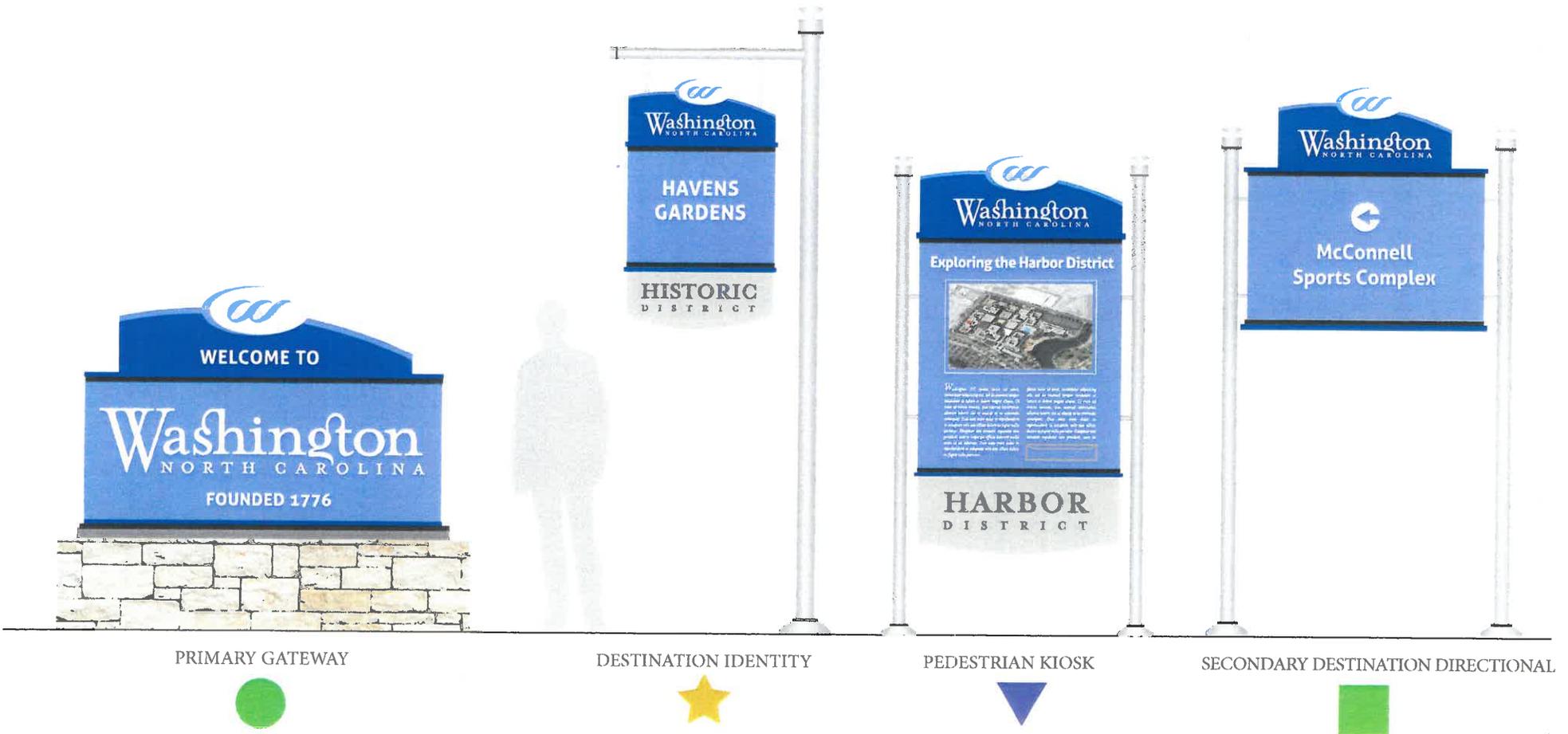
July 14, 2014

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CITY OF WASHINGTON, NC WAYFINDING SYSTEM CONCEPT 2

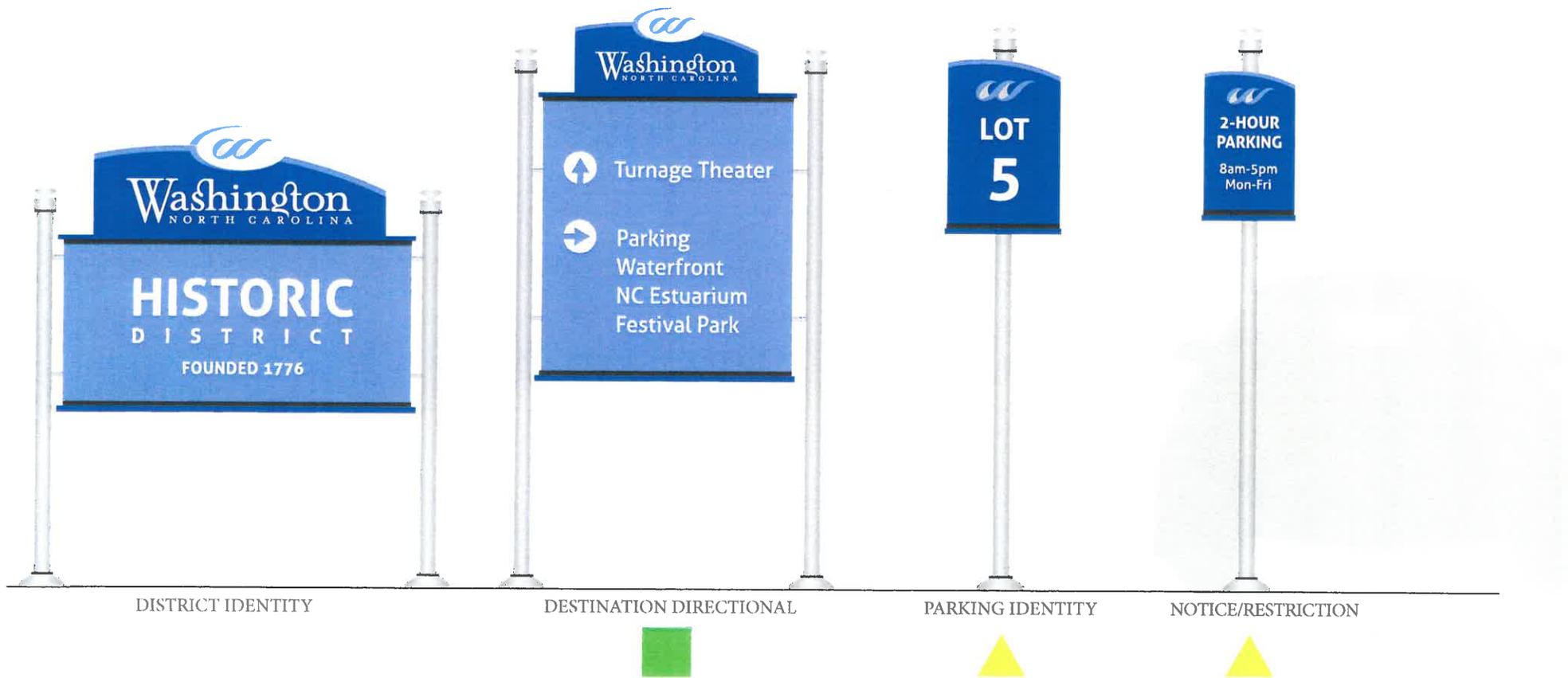


The typeface of Concept 2 is bold and clean to maximize driver visibility while remaining pleasant. Our vision is to create signage that is both modern and opulent. Our goal is to make a prescient design that will be regarded as beautiful and practical for decades, and to anticipate the modernity of Washington's future.



An alternate modern design, this concept features a dynamic asymmetrical shape to add extra character to the design. The concept sustains the sophisticated look and feel, while featuring classic qualities such as the stone base of the Primary Gateway signage, and a perceptively look-ahead with the robust color scheme reflective of the City of Washington brand. This version has a subtle unique sleekness.

CITY OF WASHINGTON, NC WAYFINDING SYSTEM CONCEPT 3



Again, the asymmetrical design is consistent throughout all signage to ensure recognition by newcomers and instill familiarity within the community. Destination and trailblazer signs feature the lighter blue more prominently for maximum legibility, day or night. The typeface is clean and clear for optimum function, and the overall design and shape makes for an appealing form.



MEMORANDUM

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: July 14, 2014
Subject: Reporting of Reallocation of Funding for FY 2013/2014

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

General Fund:

-Increased Mayor's Department	\$ 962
-Increased City Manager's Department	19,735
-Increased Human Resources Department	6,735
-Increased Finance Department	5,663
-Increased Billing Department	5,300
-Increased Customer Service	18,665
-Increased Legal Services Department	10,000
-Increased Equipment Services Department	5,050
-Increased Street Lighting Department	5,000
-Increased Public Works Administration Department	2,190
-Increased Recreation Administration Department	3,100
-Increased Civic Center Department	7,316
-Increased Aquatic Center Department	5,475
-Increased Waterfront Docks Department	5,159
-Increased Outside Agency Department	4,400
-Increased Miscellaneous Department	11,000
-Decreased Police Department	(78,791)
-Decreased Fire Department	(27,400)
-Decreased Senior Programs	(4,400)
-Decreased Economic Development Department	(5,159)
Total	\$ 0

Water Fund:

-Increased Public Works Administration Department	\$ 2,585
-Increased Water Maintenance Department	17,685
-Decreased Water Treatment Department	(20,270)
Total	\$ 0

Sewer Fund:

-Increased Public Works Administration Department	\$ 2,610
-Decreased Contingency Department	<u>(2,610)</u>
Total	\$ 0

Solid Waste Fund:

-Increased Debt Service Department	\$ 155
-Decreased Solid Waste Operations Department	<u>(155)</u>
Total	\$ 0

Cemetery Fund:

-Increased Debt Service Department	\$ 10
-Decreased Cemetery Operations Department	<u>(10)</u>
Total	\$ 0

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



MEMORANDUM

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: July 14, 2014
Subject: Reporting of 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>
27	Miscellaneous G/F	> 5 years old	3,730.68
44	Electric Property Damage	> 5 years old	742.83
Utility	Utilities	>5 years old	71,482.11
EMS	EMS Charges	> 5 years old	<u>376,277.97</u>
	Total		\$ 452,233.59

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.

The EMS write-offs are consistent with past performance. Our collections represent 72% and are consistent with the industry norm. Medicare and Medicaid pay 96% after contractual allowances, insurance 79%, and patients 11%. Our revenue has increased from \$350,000 to \$596,000/year since we began using EMS Management Consultants for our billing and collection in 2010. EMS write-offs will continue to be substantial in the future due to contractual allowances and expected collection rate.

Policy for Write-off of Uncollectible Accounts Receivable was adopted July 18, 2011.



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Allen Lewis, Public Works Director *AL*
Date: 07-03-14
Subject: Adopt Budget Ordinance Amendment in the Sewer Fund (\$35,000).
Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that Council adopt a budget ordinance amendment in the sewer fund for the Technical Assistance Grant with the NC Department of Environment and Natural Resources, Division of Water Infrastructure.

BACKGROUND AND FINDINGS:

At the April 14, 2014 Council meeting, Council passed a resolution authorizing the Mayor to apply for a Technical Assistance Grant (TAG) with the NC Department of Natural Resources (NCDENR), Division of Water Infrastructure. At the June 9, 2014 council meeting, Council accepted the grant, authorized the manager to execute an engineering agreement and approve the corresponding purchase order. As a reminder, this grant will be used to further study inflow and infiltration (I/I) issues in sewer sub-basin 11 (13th and Bridge) helping us to better identify the worst areas of I/I. The attached budget ordinance amendment allows for the increased revenues for the grant proceeds as well as the increased expenditures amount.

PREVIOUS LEGISLATIVE ACTION

April 14, 2014 and June 9, 2014 as noted above.

FISCAL IMPACT

Currently Budgeted (Account) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

See attached Budget Ordinance Amendment.

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: July 14, 2014 (if applicable)
 City Manager Review: *AL* Concur Recommend Denial No Recommendation *7/14/14* Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2014-2015**

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

Section 1. That the Estimated Revenues in the Sewer Fund be increased in the amount of \$35,000 in the account TAG Grant, account number 32-90-3470-0000.

Section 2. That the following account number in the Sewer Fund Wastewater Maintenance department of the Sewer Fund appropriations budget be increased in the amount indicated to fund the evaluation funded by the TAG grant:

32-90-8210-0400	Professional Services	\$ 35,000
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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 14th day of July, 2014.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of City Council
From: Allen Lewis, Public Works Director *Allen Lewis*
Date: July 3, 2014
Subject: Authorize the Manager to Execute an Option and Ground Lease with USCOC of Greater North Carolina, LLC, for a Portion of the Land Associated with the Water Tower on Linnie Perry Road.

Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that City Council authorize the manager to execute the attached Option and Ground Lease with USCOC of Greater North Carolina, LLC, for a portion of the land associated with the water tower located off of Linnie Perry Road.

BACKGROUND AND FINDINGS:

At the June 9, 2014 Council meeting, Council adopted a resolution authorizing a long term lease of this property. An advertisement was run for the upset bid process per NCGS 160A-269. There were no upset bid offers. As a result, it is staff's recommendation to move forward with the execution of this agreement.

PREVIOUS LEGISLATIVE ACTION

06-09-14 – declared property surplus and advertise for upset bids.

FISCAL IMPACT

___ Currently Budgeted ___ Requires additional appropriation X No Fiscal Impact

SUPPORTING DOCUMENTS

Option and Ground Lease.

City Attorney Review: ___ Date By: ___ (if applicable)
Finance Dept Review: ___ Date By: ___ (if applicable)
City Manager Review: *SLD* Concur ___ Recommend Denial ___ No Recommendation
7/14/14 Date

OPTION AND GROUND LEASE

This Option and Ground Lease (“Lease”) is made and entered into by and between the City of Washington, a North Carolina body corporate and politic whose address is Municipal Building, 102 East Second Street, Washington, North Carolina 27889, hereinafter referred to as “Landlord,” and USCOC of Greater North Carolina, LLC, a Delaware limited liability company, having an address at Attention: Real Estate, 8410 West Bryn Mawr Avenue, Chicago, Illinois 60631, hereinafter referred to as “Tenant” (each may be referred to singularly as “Party” and collectively as “Parties”).

WHEREAS, Landlord is the fee owner of property located at Lat 35 34' 44.3" long 77 03' 49.1" with an address of off Linnie Perry Road in the City of Washington, County of Beaufort, State of North Carolina and legally described in Exhibit A attached hereto and incorporated by reference (the "Landlord's Parcel").

WHEREAS, Tenant desires to occupy, and Landlord is willing to provide Tenant such Premises (as hereinafter defined) on the Landlord’s Parcel for Tenant’s use, as set forth in this Lease.

NOW THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the Parties hereto, the receipt and legal sufficiency of which is hereby acknowledged, it is covenanted and agreed as follows.

1. Option to Lease.

- a. Landlord hereby grants to Tenant an option (the “Option”) to lease from Landlord the following described parcel (may be referred to herein as the “Leasehold Parcel” and/or “Premises”):

Approximate dimensions: 60’ x 60’

Approximate square footage: 3,600

Legal descriptions of Landlord’s Parcel and Tenant’s Premises are attached hereto as Exhibit A and a Site Plan of the Leasehold Parcel is attached hereto as Exhibit B.

- b. During the Initial Option Term (as hereinafter defined), any Extended Option Term (as hereinafter defined), the Initial Term (as hereinafter defined), and any Renewal Term (as hereinafter defined) of this Lease, Tenant and its agents, engineers, surveyors and other representatives will have the right to enter upon the Leasehold Parcel to inspect, examine, conduct soil borings, drainage testing, material sampling, and other geological or engineering tests or studies of the Leasehold Parcel (collectively the “Tests”); to apply for and obtain licenses, permits, approvals, or other relief required of or deemed necessary or appropriate at Tenant’s sole discretion for its use of the Premises (as hereinafter defined) and include without limitation applications for zoning variances, zoning ordinances, amendments, special use permits, and construction permits (collectively referred to as “Governmental Approvals”); and otherwise to do those things on or off the Leasehold Parcel that, in the opinion of Tenant, are necessary in Tenant’s sole discretion to determine the physical condition

of the Leasehold Parcel, the environmental history of the Leasehold Parcel, Landlord's title to the Leasehold Parcel, and the feasibility or suitability of the Leasehold Parcel for Tenant's Permitted Use (as hereinafter defined), all at Tenant's sole expense. Upon request of Landlord, Tenant shall provide Landlord with a copy of any document generated by or from said Tests or determinations described above. Tenant shall, at Tenant's sole expense, return the Leasehold Parcel to its original condition if, after the Initial Option Term and any Extended Option Term, Tenant does not exercise its option to lease the Leasehold Parcel.

- c. In consideration of Landlord granting Tenant the Option, Tenant hereby agrees to pay Landlord the sum of one thousand two hundred No 00/100 dollars (\$1,200.00) within fifteen (15) days of full execution of this Lease by Landlord and Tenant. The Option will be for an initial term of six (6) months (the "Initial Option Term") and may be renewed by Tenant, at the election of Tenant, for an additional six (6) months ("Extended Option Term") upon written notification to Landlord and the payment of an additional one thousand two hundred No 00/100 dollars (\$1,200.00) no later than fifteen (15) days prior to the expiration date of the Initial Option Term. Landlord shall provide a complete and accurate IRS form W9 to Tenant for the Payee of the Option sum upon request.
 - d. During the Initial Option Term and during the Extended Option Term, if any, as the case may be, Tenant may exercise the Option by notifying Landlord in writing at any time prior to the expiration of the Initial Option Term and the Extended Option Term, if any, as the case may be. If Tenant exercises the Option, then Landlord shall lease the Leasehold Parcel to the Tenant on, and subject to, the terms and conditions of this Lease.
 - (i) Tenant's exercise of the Option by notifying Landlord in writing at any time prior to the expiration of the Initial Option Term or the Extended Option Term as more specifically provided for herein shall serve as 1) acknowledgement by Tenant that Tenant has inspected and is familiar with the condition of the Premises and 2) agreement by Tenant that Tenant accepts the same in its then current "AS IS" condition. Tenant's subsequent taking possession of the Premises shall be conclusive evidence against Tenant that Tenant has accepted the same "AS IS" and that Landlord is under no duty to repair anything, furnish any services for, or otherwise improve in any way the Premises to accommodate Tenant's use thereof.
2. Grant of Easements. Upon Tenant's exercise of the Option, Landlord hereby grants to Tenant an access and utility easement to the nearest accessible public right-of-way and to the nearest suitable utility company-approved service connection points (may be referred to herein singularly as "Access Easement" and/or "Utility Easement" and collectively as "Easements"; the lands underlying the Easements are collectively referred to herein as the "Easement Parcels," which Easements and Easement Parcels are further described in Exhibits "A" and "B" attached hereto and incorporated herein). Landlord retains the right

to relocate the Easements, upon written notice to Tenant, in order to maximize the use of the surrounding property. The grant of these Easement Parcels only becomes effective upon the Commencement Date of this Lease (as hereinafter defined) and shall terminate upon expiration of this Lease. The Easement Parcels are assignable in conjunction with the Leasehold Parcel and are created only for the purposes set forth herein. The Easements granted herein shall include, but not be limited to,

- a. The right to clear vegetation, cut timber, and move earthen materials upon the Easement Parcels,
 - b. The right to improve an access road within the Access Easement Parcel,
 - c. The right to place utility lines and related infrastructure within the Utility Easement Parcel,
 - d. The right to enter and temporarily rest upon Landlord's adjacent lands, provided that Landlord's adjacent lands are restored to its original condition immediately thereafter, for the purposes of
 - (i) Installing, repairing, replacing and removing the Improvements (as defined below) and any other personal property of Tenant from the Leasehold Parcel and
 - (ii) Improving the Easement Parcels, including the right to bring in and use all necessary tools and machinery, and
 - e. The right of pedestrian and vehicular ingress and egress to and from the Leasehold Parcel at any time over and upon the Access Easement Parcel. The Leasehold Parcel and the Easement Parcels are collectively referred to herein as the "Premises." Subject to the Parties reaching a written agreement concerning the same, Landlord may make such additional direct grants of easement as Tenant may request in order to further the purposes for which Tenant has been granted the easements set forth in this Section 2.
3. Use of the Premises. Tenant shall be entitled to use the Premises to construct, operate, modify as necessary, and maintain thereon a communications antenna tower (including aviation hazard lights when required), an access road, one or more equipment buildings, back-up power devices and a security fence, together with all necessary lines, anchors, connections, devices, legally required signage and equipment for the transmission, reception, encryption, and translation of voice and data signals by means of radio frequency energy and landline carriage (collectively, the "Improvements"). Tenant's use described in this Section 3 is herein referred to as the ("Permitted Use"). Tenant shall have unlimited access to the Premises 24 hours per day, 7 days a week.
- a. Tenant's use of the Premises as more specifically described herein shall at all times comply with and conform to all laws and regulations applicable thereto, including but not limited to Section 40-359 and all other applicable provisions of Chapter 40, Zoning, Article XIV, Telecommunication Towers and Antennas, of the Code of the City of Washington, as may be amended.
4. Initial Term. In the event Tenant, in Tenant's sole discretion, exercises the Option, the initial Lease term will be five (5) years (the "Initial Term"), commencing upon the

Commencement Date (as hereinafter defined) and terminating at midnight on the day on which the fifth (5th) anniversary of the Commencement Date falls.

5. Option to Renew. The Initial Term of this Lease shall automatically extend for up to five (5) additional terms of five (5) years each (each, a "Renewal Term"), upon a continuation of all the same provisions hereof, unless one Party gives the other Party written notice of one Party's intention to terminate this Lease at least sixty (60) days before the expiration of the Initial or any Renewal Term. Notwithstanding the foregoing, there shall be no automatic renewal of the Initial Term or any Renewal Term if Tenant is in default of any material provision hereof at the expiration of any such term.
6. Option to Terminate. Tenant shall have the right to terminate this Lease at any time by giving Landlord written notice of the date of such termination ("Termination Date") and paying Landlord the amount of \$5,000.00 in liquidated damages. The indemnification obligations of each party contained in Section 12 and Tenant's obligations to remove improvements as well as continue to pay rent until the improvements are removed as more specifically provided for in Section 28 shall survive any termination of this Lease.
7. Base Rent. Commencing on the date that Tenant exercises the Option to lease the Premises (the "Commencement Date"), Tenant shall pay Base Rent to Landlord in the amount of one thousand two hundred No 00/100 dollars (\$1,200.00) per month, the first payment of which shall be due on the Commencement Date, and installments thereafter on that same day of each successive calendar month. Landlord shall submit to Tenant a complete and accurate IRS form W9 upon request. Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or maximum two joint payees) who shall receive Rent on behalf of the Landlord. Rent will be prorated for any partial month. Any change to the Payee must be requested in accordance with the Notice provision herein, and a new IRS form W9 must be supplied upon request.
8. Adjusted Rent. On each anniversary of the Commencement Date throughout the duration of the Lease as renewed and extended, the Rent shall be increased by four (4%) percent over the previous year's rent.
9. Utilities. Tenant shall solely and independently be responsible for all costs of providing utilities to the Premises, including the separate metering, billing, and payment of utility services consumed by Tenant's operations.
 - a. The provision of utilities, including water, sewer, and electricity, if any, shall be made available under the then current, customary practices of Landlord regarding utilities and Tenant shall be responsible for all applicable charges, including but not limited to "hook-up" and customary monthly charges for the same. Notwithstanding the foregoing, it is expressly understood by the Parties that Tenant shall be responsible for the installation of, in the manner required by Landlord, and the paying for any additional utilities that may be required.
10. Property Taxes. Tenant shall be responsible for and promptly pay before default any and all real and personal property taxes or special assessments, if any, that may be levied or assessed against the Premises or any improvements or other property situated thereon, it being the mutual intention of the Parties that Landlord shall not be required to pay any taxes on either real or personal property by reason of permitting Tenant to use the

Premises as herein described. Tenant also agrees to indemnify Landlord against any loss or liability resulting from any and all claims or liens in connection with such taxes and assessments.

11. Repairs and Maintenance. Tenant shall be responsible for all repairs and maintenance of the Improvements, including, if applicable, snow removal over its access road, and may at its own expense alter or modify the Improvements to suit its needs consistent with the intended use of the Premises. Landlord will maintain the areas surrounding Tenant's Premises to the same standard as on the remainder of Landlord's surrounding property.

12. Mutual Indemnification.

a. To the extent permitted by law, Tenant agrees to defend, indemnify and save harmless Landlord from and against all claims, losses, costs, expenses, or damages from a third party, arising from

(i) Or in any way related to, connected with, or growing out of this Lease and all of Tenant's activities as well as uses permitted hereunder, including but not limited to the negligence or willful misconduct of Tenant, or its agents, employees, or contractors;

(ii) Any material breach by Tenant of any provision of this Lease; or

(iii) The exacerbation by Tenant of the environmental conditions described in Section 25. This indemnity and hold harmless agreement will include indemnity against all reasonable costs, expenses, and liabilities incurred in or in connection with any such claim, and the defense thereof. Notwithstanding the foregoing, Tenant will have no liability to Landlord to the extent any claims, losses, costs, expenses, or damages arise out of or result from any act, omission, or negligence of Landlord, or of Landlord's agents, employees or contractors.

b. To the extent permitted by law and without waiving any applicable defense of sovereign immunity, Landlord agrees to defend, indemnify and save harmless Tenant from and against all claims, losses, costs, expenses, or damages from a third party, arising from

(i) The negligence or willful misconduct of Landlord or its agents, employees, or contractors; or

(ii) Any material breach by Landlord of any provision of this Lease. This indemnity and hold harmless agreement will include indemnity against all reasonable costs, expenses, and liabilities incurred in or in connection with any such claim, and the defense thereof. Notwithstanding the foregoing, Landlord will have no liability to Tenant to the extent any claims, losses, costs, expenses, or damages arise out of or result from any act, omission, or negligence of Tenant, or of Tenant's, agents, employees or contractors.

13. Insurance.

a. Tenant shall maintain commercial general liability insurance insuring against liability for bodily injury, death or damage to personal property with minimum limits of One

- Million and No/100 Dollars (\$1,000,000) each occurrence and general aggregate. Landlord shall be named as an additional insured on said commercial general liability insurance policy. In addition, Tenant shall maintain worker's compensation in statutory amounts; employer's liability insurance with a limit of One Million and No/100 Dollars (\$1,000,000) for each accident, One Million and No/100 Dollars (\$1,000,000) bodily injury by disease each employee, and One Million and No/100 Dollars (\$1,000,000) bodily injury by disease policy limit; automobile liability insurance insuring against claims for bodily injury or property damage with combined single limits of One Million and No/100 Dollars (\$1,000,000); and all risk property insurance covering all Tenant fixtures, improvements, and personal property for full replacement value. With the exception of said all risk property insurance, Tenant shall provide Landlord with evidence of such insurance in the form of a certificate of insurance within thirty (30) days of the execution hereof and throughout the Initial Term of this Lease and any Renewal Term. Tenant shall provide Landlord with evidence of said all risk property insurance in the form of a certificate of insurance on or before the Commencement Date and throughout the Initial Term of this Lease and any Renewal Term.
- b. Landlord shall maintain general liability insurance insuring against liability for bodily injury, death or damage to personal property with minimum limits of One Million and No/100 Dollars (\$1,000,000) each occurrence and general aggregate. In addition, to the extent required by law, Landlord shall maintain worker's compensation in statutory amounts and employer's liability insurance with a limit of One Million and No/100 Dollars (\$1,000,000) for each accident, One Million and No/100 Dollars (\$1,000,000) bodily injury by disease each employee, and One Million and No/100 Dollars (\$1,000,000) bodily injury by disease policy limit. It is expressly acknowledged by Tenant that Landlord's participation in the North Carolina League of Municipalities IRFFNC or its equivalent and Landlord's self insurance with regard to worker's compensation will satisfy all of Landlord's obligations regarding liability insurance hereunder.
14. **Interference.** Except as specifically permitted hereinafter, neither party shall use, nor shall Landlord permit its tenants to use, any portion of the Premises or Landlord's Parcel in any way which interferes with the operations of the other Party. Such interference shall be deemed a material breach by a Party, and the breaching Party shall have the responsibility to promptly cause any such interference to be eliminated. If said interference cannot be eliminated within twenty-four (24) hours after receipt of notice that such interference is occurring, the breaching Party shall discontinue or cause to be discontinued the operation of any equipment causing the interference until the same can be corrected. In the event any such interference does not cease promptly after the breaching Party's receipt of notice of said interference, the non-breaching Party shall have the right, in addition to any other right that it may have at law or in equity, to seek an injunction to enjoin such interference or to terminate this Lease. Notwithstanding the foregoing, nothing hereinabove shall prohibit or limit, in any way, Landlord's customary use of the water tower located on Landlord's Parcel in conjunction with Landlord's municipal water system enterprise or Landlord's customary use of the sewer lift station located on Landlord's Parcel.

- a. The Parties hereto expressly acknowledge that Landlord currently has installed and operates remote transmitting units ("RTUs") on Landlord's Parcel or in close proximity to Landlord's Parcel and shall continue to operate the same. Notwithstanding anything herein to the contrary, Tenant shall not use any portion of the Premises in any way which interferes with the Landlord's operation of the RTUs. Such interference shall be deemed a material breach by Tenant, and Tenant shall have the responsibility to promptly cause any such interference to be eliminated. If said interference cannot be eliminated within twenty-four (24) hours after receipt of notice that such interference is occurring, Tenant shall discontinue or cause to be discontinued the operation of any equipment causing the interference until the same can be corrected. Tenant shall be responsible, and pay Landlord for, any damages caused by Tenant's interference with Landlord's equipment, including RTUs.
15. Default. Tenant shall be in default of this Lease if Tenant fails to make a payment of rent when due and such failure continues for fifteen (15) days after Landlord notifies Tenant in writing of such failure. If Landlord or Tenant fails to comply with any non-monetary provision of this Lease, the other party shall serve written notice of such failure upon the defaulting party, whereupon a grace period of thirty (30) days shall commence to run during which the defaulting party shall undertake and diligently pursue a cure of such failure at its sole cost and expense. Such grace period shall automatically be extended for an additional thirty (30) days, provided the defaulting party makes a good faith showing that diligent efforts toward a cure are continuing. This Section shall not apply in the case of interference, which instead shall require immediate and effective curative action as more specifically provided for in Section 14 hereof.
16. Compliance with Laws. Tenant shall, at Tenant's cost and expense, comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers, and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to Tenant; Tenant's construction, operation, and maintenance of the improvements contemplated herein; and Tenant's use of the Premises. Further, Tenant shall comply with any and all local, state, federal, or other rules and regulations as well as all applicable environmental rules and regulations, including but not limited to such rules and regulations regulating hazardous or similar substances or conditions, their storage or disposal. Tenant shall not intentionally or knowingly use the Premises for any purpose or in any manner in violation of any law, ordinance, rule, or regulations adopted or imposed by any federal, state, county, municipal body, or other governmental agency. Tenant further agrees to indemnify and hold Landlord harmless for any and all damages of any kind arising from Tenant's failure to comply with the aforementioned rules and regulations, including, but not limited to, the cost of clean-up, restoration fees, mitigation costs, and attorney's fees caused or occasioned by Tenant.
17. Assignment of Lease by Tenant. Tenant's interest(s) under this Lease shall be freely assignable by Tenant in connection with the transfer of Tenant's FCC or similar authorization to operate a commercial mobile radio base station on the Premises, so that the name and identity of the holder of Tenant's interest(s) hereunder can be consistent with the name and identity of the holder of said FCC or similar authorization. Any other

assignment of this Lease by Tenant shall require Landlord's prior written consent, which consent may be withheld or conditioned in Landlord's sole discretion. No assignment shall be effective pursuant to this Section unless Tenant shall notify Landlord in writing setting forth the name, address, and telephone number of such proposed assignee and Landlord provides Tenant with written consent. Further, any such assignment shall be subject to the limitation that the Premises shall be used for the purposes permitted herein and those purposes only.

18. Subleasing. Tenant may sublet or license all or any portion of the Premises to subtenants only upon obtaining Landlord's written consent, which consent may be withheld or conditioned in Landlord's sole discretion. Tenant shall be liable to Landlord and shall indemnify Landlord for any liability, whatsoever, for any damages that might arise due to the acts or omissions of a sublessee or licensee.
19. Right of First Refusal. Intentionally Omitted.
20. Compliance with FCC Radio Frequency Emissions Requirements.
 - a. It shall be the responsibility of Tenant to ensure that Tenant's use, installation, or modification of the Premises, including communications equipment, antenna tower, and related equipment as well as other improvements, does not cause radio frequency exposure levels on the Premises and in the surrounding vicinity (including all of Tenant's communications equipment, Landlord's equipment as well as RTUs, and all other transmitting equipment in the surrounding vicinity) to exceed those levels permitted by the FCC or Chapter 40, Zoning, Article XIV, Telecommunication Towers and Antennas, including but not limited to Section 40-354(c) and Section 40-355(g) of the Code of the City of Washington, as may be amended.
 - b. Tenant agrees that, in the event there is any change to any applicable rules, regulations, and procedures governing exposure to radio frequency radiation which place the Premises and/or surrounding vicinity in non-compliance, Tenant will cooperate with Landlord to bring the Premises and the surrounding vicinity into compliance.
21. Execution of Other Instruments. Landlord agrees to execute, acknowledge, and deliver to Tenant such other instruments respecting the Premises as Tenant or Tenant's lender may reasonably request from time to time. Such instruments may include, but are not limited to, a memorandum of lease that may be recorded in the appropriate local land records. Landlord also agrees to cooperate with Tenant's efforts to obtain all private and public consents related to Tenant's use of the Premises.
22. Removal of Improvements. The Improvements are agreed to be Tenant's personal property and shall never be considered fixtures to the Premises. Tenant shall at all times be authorized to remove the Improvements from the Premises.
23. Quiet Enjoyment. Subject to the provisions contained herein, Landlord covenants that Tenant shall have quiet and peaceable possession of the Premises throughout the Initial Term and any Renewal Term, if any, as the case may be, and that Landlord will not otherwise intentionally disturb Tenant's enjoyment thereof as long as Tenant is not in default under this Lease.

- 24. Subordination and Non-Disturbance. Tenant agrees to subordinate this Lease to any mortgage or trust deed which may hereafter be placed on the Premises by Landlord, provided the mortgagee or trustee thereunder shall ensure to Tenant the right to possession of the Premises and other rights granted to Tenant herein so long as Tenant is not in default beyond any applicable grace or cure period, such assurance to be in writing and otherwise in form and substance reasonably satisfactory to Tenant. If requested by Tenant, Landlord agrees to use Landlord's best efforts to assist Tenant in obtaining from any holder of a security interest in Landlord's Parcel a non-disturbance agreement in form and substance reasonably satisfactory to Tenant.
- 25. Environmental Conditions. Tenant expressly acknowledges receipt of notice that there may be located on the Premises or Landlord's Parcel 1) hazardous waste, hazardous substances, or contamination in conjunction with the customary operation of Landlord's municipal water system enterprise or sewer lift station and 2) certain hazardous waste, hazardous substances, and contamination originating from and/or existing on adjacent property, in the soil and groundwater on, under, around, within, or originating from said adjacent property as the same is defined, described, and established by the administrative record, reports, and other documentation currently on file with the North Carolina Department of Environment and Natural Resources, Division of Water Quality, Aquapor Protection and Groundwater Sections (Reference: Incident #14338, Hamilton Beach 234 Springs Road, Washington, Beaufort County, North Carolina).
- 26. Notices. Any notice, request or demand required or permitted to be given pursuant to this Lease shall be in writing and shall be deemed sufficiently given if delivered by messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient at the address set forth below or at such other address as the intended recipient may have specified by written notice to the sender in accordance with the requirements of this paragraph. Any such notice, request, or demand so given shall be deemed given on the day it is delivered by messenger at the specified address, on the day after deposit with Federal Express (or a comparable overnight delivery service), or on the day that is five (5) days after deposit in the United States mail, as the case may be.

TENANT: USCOC of Greater North Carolina, LLC,
 Attention: Real Estate Department
 8410 West Bryn Mawr Avenue
 Chicago, Illinois 60631
 Phone: 1-866-573-4544

LANDLORD: City of Washington
 Attention: City Manager
 102 E. Second Street
 Washington, North Carolina 27889
 Phone: 252-975-9319

- 27. Contingencies. Tenant shall have the right to terminate this Lease upon written notice to Landlord if Tenant, acting reasonably and in good faith, shall be unable to obtain any or all

- licenses or permits required to construct its intended improvements upon the Premises or conduct Tenant's business at the Premises at any time during the Term; if Tenant's technical reports fail to establish to Tenant's satisfaction that the Premises are capable of being suitably engineered to accomplish Tenant's intended use of the Premises; if the Premises are taken by eminent domain by a governmental entity or a title commitment; or if a report obtained by Tenant with respect to the Premises shows as exceptions any encumbrances or restrictions which would, in Tenant's opinion, interfere with Tenant's intended use of the Premises.
28. Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall, at Tenant's sole cost, remove all above ground improvements as well as below ground improvements to eighteen (18) inches below grade, including but not limited to the antenna tower, structures, footings, foundations, equipment, fences and lines, from the Premises and return the Premises to good condition within the time period required by Section 40-363 of the Code of City of Washington [currently one hundred eighty (180) days], comply with all other applicable provisions of said Section 40-363, and surrender the Premises to Landlord in good condition, reasonable wear and tear excepted. In the event Tenant fails to comply with this provision, Landlord may remove all of Tenant's above described property and improvements from the Premises, dispose of the same in Landlord's discretion without liability to Tenant therefor, return the Premises to good condition, and recover Landlord's costs and expenses for such removal, disposal, and return from Tenant. Tenant shall be entitled to abandon, in place, all footings, foundations and other below ground improvements that are located deeper than eighteen (18) inches below grade.
- a. Notwithstanding anything herein to the contrary, Tenant shall continue to pay rent to Landlord, despite any termination of this Lease, until all of Tenant's above described property as well as improvements have been removed from the Premises and the Premises have been returned to good condition. This obligation shall survive any termination of this Lease.
29. Attorneys' Fees. In any action on this Lease at law or in equity, the prevailing party shall be entitled to recover from the other party the reasonable costs and expenses incurred by such party in such action, including reasonable attorneys' fees and costs of appeal.
30. Governing Law. This Lease has been entered into in the State of North Carolina, County of Beaufort, and all questions with respect to the construction and performance of this Lease and the rights and liabilities of the parties hereto shall be governed by and construed pursuant to the laws of the State of North Carolina. The parties agree that the exclusive venue for any legal action initiated or concerning this Lease, or arising in any way from or out of this Lease, shall be brought in Beaufort County Superior Court, North Carolina. The parties hereto hereby submit to the jurisdiction of said Court and waive any right they may have to venue in any other jurisdiction.
31. Binding Effect. All of the covenants, conditions, and provisions of this Lease shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns as the same may be specifically permitted herein. The Parties are duly authorized and empowered to enter into this Lease; and the persons executing this Lease on behalf of

the respective Parties warrant themselves to be duly authorized to bind their respective Party hereto.

32. Entire Agreement; Waiver. This Lease constitutes the entire agreement of the Parties, and may not be modified except in writing signed by both Parties. No waiver at any time of any of the provisions of the Lease will be effective unless in writing. A waiver on one occasion will not be deemed to be a waiver at any subsequent time.
33. Modifications. This Lease may not be modified, except in writing signed by both Parties.
34. Recording. Each Party, on request of the other, agrees to execute a short form lease in recordable form and complying with applicable laws and reasonably satisfactory to both Parties, which will be recorded in the appropriate public records. The Party requesting the short form lease shall bear the expense of its preparation and the costs of its recording.
35. Headings. The section headings throughout this instrument are for convenience and reference only, and are not to be used to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.
36. Invalidity of Particular Provision. If any term or provision of this Lease, or the application of such term or provision to any person or circumstance, to any extent, is invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, will not be affected and each term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.
37. Remedies. The Parties shall be entitled to the application of all appropriate remedies available to them under state and federal law in the enforcement of this Lease.
38. Errors and Omissions. Landlord and Tenant agree as part of the basis of their bargain for this Lease to cooperate fully in executing any and all documents (including amendments to this Lease) necessary to correct any factual or legal errors, omissions, or mistakes, and to take any and all additional action that may be necessary or appropriate to give full force and effect to the terms and intent of this Lease.
39. Non-Binding Until Full Execution. Both Parties agree that this Lease is not binding on either Party until both Parties execute the Lease.
40. Electronic Reproductions. The Parties agree that a scanned or electronically reproduced copy or image of this Lease, as executed, shall be deemed an original and may be introduced or submitted in any action or proceeding as competent evidence of such agreement, notwithstanding the failure or inability of either Party to produce or tender an original executed counterpart.

PRE-AUDIT CERTIFICATE

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

CITY OF WASHINGTON

_____ (SEAL)

Matt Rauschenbach,
Chief Financial Officer

[END OF LEASE - SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto bind themselves to this Lease as of the date of full execution of this Lease.

LANDLORD: City of Washington

TENANT: USCOC of Greater North
Carolina, LLC,

By: _____

By: _____

Printed: Brian M. Alligood

Printed: _____

Title: City Manager

Title: Manager

Date: _____

Date: _____

STATE OF NORTH CAROLINA

COUNTY OF BEAUFORT

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Brian M. Alligood, known to me to be the same person(s) whose name(s) are subscribed to the foregoing Lease, appeared before me this day and acknowledged that they signed the said Lease as their free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this ____ day of _____, 2014.

Notary Public

My commission expires _____

STATE OF ILLINOIS

COUNTY OF COOK

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that _____, Manager, for USCOC of Greater North Carolina, LLC, known to me to be the same person whose name is subscribed to the foregoing Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of the named Tenant, for the uses and purposes therein stated.

Given under my hand and seal this ____ day of _____, 2014.

Notary Public

My commission expires _____

Site Name: Hamilton Beach

Site Number: 556726

Exhibit A

Legal Descriptions

5567-61-3599

Exhibit B

Site Plan

LEGAL DESCRIPTION FOR PROPOSED LEASE AREA FOR TOWER SITE:

Beginning at a magnetic nail set located at the centerline intersection of an unnamed street and SR 1536 - Linnie Perry Road thence N 05-32-09 E, 30.07 feet to a point located on the northern right of way of SR 1536 - Linnie Perry Road; thence running along the northern right of way of SR 1536 - Linnie Perry Road S 84-47-12 W, 20.00 feet to a point located on the northern right of way of SR 1536 - Linnie Perry Road; thence leaving said right of way N 05-22-28 W, 56.65 feet to an iron pipe set the POINT OF BEGINNING; thence from said point of beginning N 05-22-28 W, 70.00 feet to an iron pipe set; thence S 84-37-32 E, 70.00 feet to the point of beginning containing 0.112 acres.

LEGAL DESCRIPTION FOR PROPOSED INGRESS-EGRESS & UTILITY EASEMENT:

Beginning at a magnetic nail set located at the centerline intersection of an unnamed street and SR 1536 - Linnie Perry Road thence N 05-32-09 E, 30.07 feet to a point located on the northern right of way of SR 1536 - Linnie Perry Road the POINT OF BEGINNING; thence from said point of beginning and running along the northern right of way of SR 1536 - Linnie Perry Road S 84-47-12 W, 20.00 feet to a point located on the northern right of way of SR 1536 - Linnie Perry Road; thence leaving said right of way N 05-22-28 W, 56.65 feet to an iron pipe set; thence S 84-37-32 E, 70.00 feet to an iron pipe set; thence S 05-22-28 E, 20.00 feet to a point; thence S 84-37-32 W, 50.00 feet to a point; thence S 05-22-28 E, 36.70 feet to the point of beginning containing 0.049 acres.

PROPOSED 60' X 80' LEASE AREA FOR U.S. CELLULAR

Line	Bearing	Distance
L1	N 5° 22' 28" W	60.00'
L2	N 84° 37' 32" E	80.00'
L3	S 5° 22' 28" E	60.00'
L4	S 84° 37' 32" W	80.00'

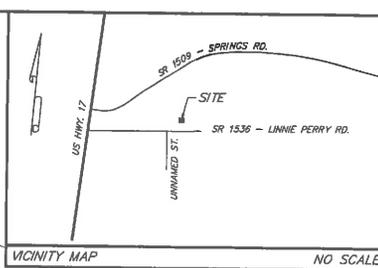
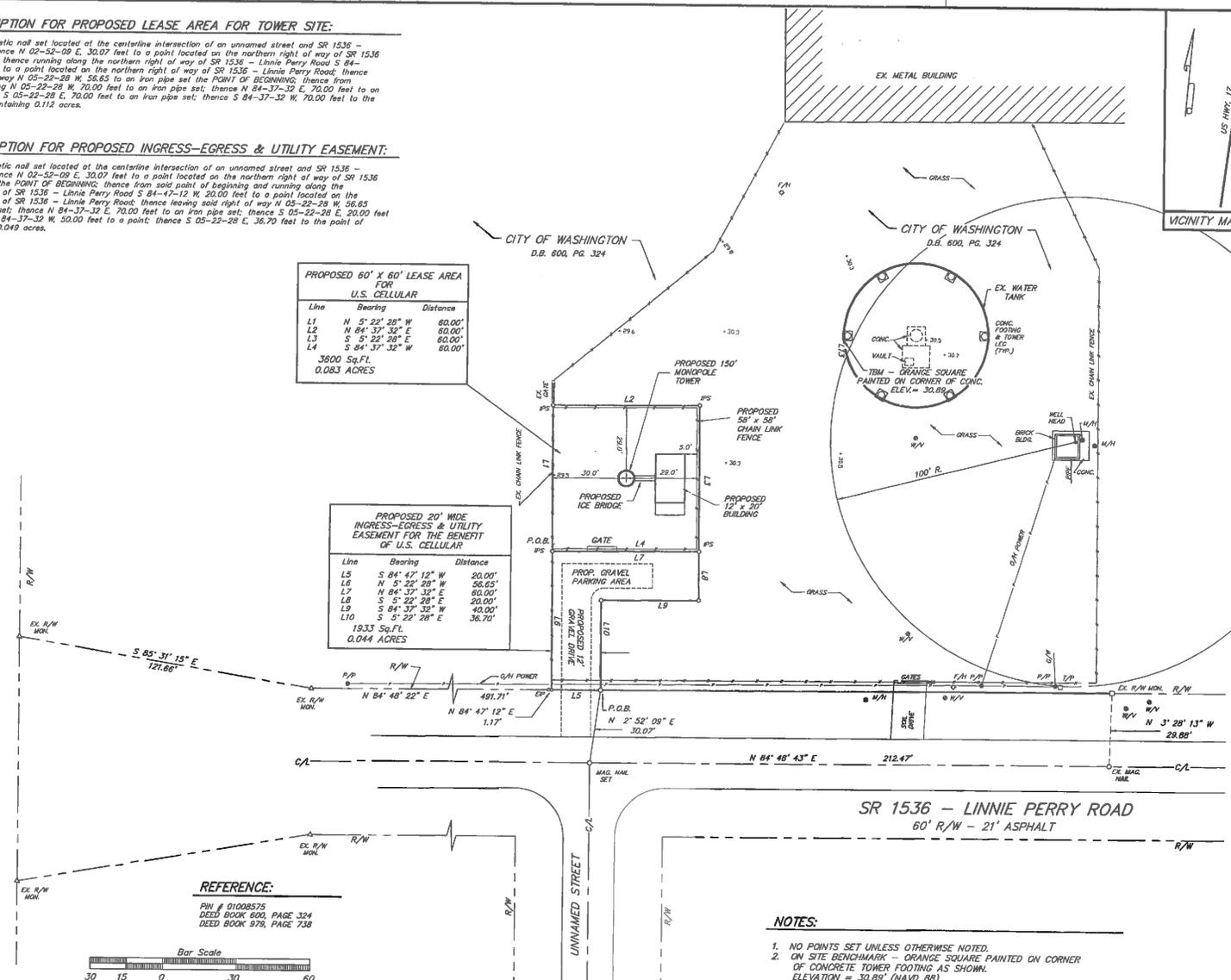
3600 Sq.Ft.
0.083 ACRES

PROPOSED 20' WIDE INGRESS-EGRESS & UTILITY EASEMENT FOR THE BENEFIT OF U.S. CELLULAR

Line	Bearing	Distance
L5	S 84° 47' 12" W	20.00'
L6	N 5° 22' 28" W	56.65'
L7	N 84° 37' 32" E	80.00'
L8	S 5° 22' 28" E	20.00'
L9	S 84° 37' 32" W	40.00'
L10	S 5° 22' 28" E	36.70'

1933 Sq.Ft.
0.044 ACRES

U.S. HIGHWAY 17



REVISIONS

DATE	DESCRIPTION
5-23-14	REVISE SITE TO A MONOPOLE SITE
4-22-14	REVISE INGRESS-EGRESS EASEMENT & UTILITY EASEMENT

CERTIFICATION

I, Gary S. Miller, certify to the following:

This survey is of another category, such as the recombination of existing parcels, a court ordered survey, or other exception to the definition of subdivision; that this map was drawn under my supervision from an actual survey made under my supervision (detailed description recorded in Book 979, Page 738 or other reference source _____); that the boundaries not surveyed are indicated as drawn from information in Book 929, Page 739 or other reference source _____; that the ratio of precision or positional accuracy is 1:10,000+; and that this map meets the requirements of the Standards of Practice for Land Surveying in North Carolina (21 NCAC 56.1600). Witness my hand and seal this 11th day of _____ SEPTEMBER, 2012.

Signed _____
Professional Land Surveyor No. 1-2562

- NOTES:**
- NO POINTS SET UNLESS OTHERWISE NOTED.
 - ON SITE BENCHMARK - ORANGE SQUARE PAINTED ON CORNER OF CONCRETE TOWER FOOTING AS SHOWN. ELEVATION = 30.89' (NAVD 88)
 - OFF SITE BENCHMARK - NORTH CAROLINA GEODETIC MONUMENT "WINGO" - ELEVATION = 14.40' (NAVD 88)
 - NO UNDERGROUND UTILITIES WERE LOCATED THIS DATE.
 - FIELD WORK COMPLETED: 09-12-12
 - THIS PROPERTY IS NOT LOCATED IN A SPECIAL FLOOD HAZARD AREA. COMMUNITY PANEL # 3720567700J EFFECTIVE DATE 05-15-03 - ZONE X.
 - SURVEY PREPARED FOR: W-T COMMUNICATIONS DESIGN GROUP, LLC.
 - CONCRETE TOWER ELEVATION = 30' - NAVD 88
 - CONCRETE TOWER LATITUDE: 35° 34' 43.3" NAD 83
LONGITUDE: 77° 03' 50.4" W
 - CENTERLINE TOWER ELEVATION = 30' - NAVD 88
 - BASES OF BEARING IS GRID NORTH BASED ON NORTH CAROLINA STATE PLANE COORDINATE SYSTEM. NAD 1983

- LEGEND:**
- EP/ EXISTING IRON PIPE
 - IP/ IRON PIPE SET
 - R/W/ RIGHT OF WAY
 - C/L/ CENTERLINE
 - P/P/ POWER POLE
 - T/P/ TELEPHONE PEDESTAL
 - G/H/ OVERHEAD
 - P/L/ PROPERTY LINE
 - SP/ SPOT ELEVATION
 - P/K/ PARKER KALON
 - P.O.B./ POINT OF BEGINNING
 - NCGS/ NORTH CAROLINA GEODETIC SURVEY
 - W/V/ WATER VALVE
 - F/H/ FIRE HYDRANT
 - M/H/ MANHOLE

SURVEY FOR
U. S. CELLULAR CORPORATION
HAMILTON BEACH SITE # 556726
WASHINGTON, BEAUFORT COUNTY, NORTH CAROLINA

OWNER(S)	CITY OF WASHINGTON
ADDRESS	E. 2nd STREET, WASHINGTON, NC 27889
PHONE	
GARY S. MILLER & ASSOCIATES, P.A. LAND SURVEYORS	
SURVEYED: MCP	APPROVED: GSM
DRAWN: GSM/BLW	DATE: 09-11-12
CHECKED: TEM	SCALE: 1" = 30'



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: July 14, 2014
Subject: Keys Landing CDBG Grant Claw Back
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a Budget Ordinance Amendment to provide funding for the Keys Landing CDBG Grant claw back.

BACKGROUND AND FINDINGS:

The second installment of the Keys Landing CDBG grant claw back in the amount of \$75,000 was due July 1, 2014. Construction on three homes is in progress and a request was made to the Department of Community Assistance to allow a \$100,000 credit for two of the homes and offset the claw back since the homes have qualified applicants and are nearing completion. Per telephone conversations with the DCA it is anticipated that the request will be denied but we are waiting an official response.

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
7/14/14 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2014-2015**

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 \$75,000 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That the following account number in the Miscellaneous department of the General Fund appropriations budget be increased in the amount indicated to pay the CDBG grant claw back for the Keys Landing project:

10-00-4400-5701	Miscellaneous Expense	\$ 75,000
-----------------	-----------------------	-----------

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 14th day of July, 2014.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Brian M. Alligood, City Manager
Date: July 7, 2014
Subject: Adopt Resolution Authorizing Advertisement of Offer to Purchase – 126 North Market St.
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council adopt the Resolution authorizing the advertisement of an offer to purchase certain real property located at 126 North Market Street, Washington, North Carolina also known as “Old City Hall” for the sum of \$20,100.

BACKGROUND AND FINDINGS:

An offer to purchase the property located at 126 North Market Street, known as Old City Hall was received on June 13, 2014 in the amount of \$20,100. Council instructed staff to incorporate deed restrictions on the sale that would set time limits on the restoration efforts and allow for a repurchase of the property if needed. Those proposed restrictions are included in the notice and have been provided to the current bidder.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

- Resolution to advertise property
- Offer to purchase
- Public Notice

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: 7/14/14 Date Concurred 7/14/14 RECOMMEND Denial _____ No recommendation _____

RESOLUTION AUTHORIZING THE ADVERTISEMENT OF
AN OFFER TO PURCHASE CERTAIN REAL PROPERTY

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

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

1. The following described real property, having an address of 126 North Market Street(Old City Hall), has been declared to be surplus to the needs of the City.
2. The City Council has received an offer to purchase the property described above for the sum of twenty -thousand-one hundred dollars (\$20,100.00). Said offer, including additional terms, is available for public inspection in the office of the Purchasing Agent, 203 Grimes Road, Washington, NC 27889.
3. Any person desiring to submit an upset bid shall submit an upset bid within ten (10) days of the date the notice provided for herein is published. Any such upset bid shall raise the offer by not less than ten percent (10%) of the first one thousand dollars (\$1,000.00) and five percent (5%) of the remainder of said offer or any subsequent upset bid. Any person making an upset bid and any subsequent upset bid must deposit with the Purchasing Agent a sum equal to five percent (5%) of the upset bid or any subsequent upset bid by cash or check.
4. The City Council proposes to accept said offer, subject to the amendments stated herein, unless a qualifying upset bid shall be made.
5. The Purchasing Agent shall cause a notice of such offer, subject to the amendments stated herein, to be published in accordance with North Carolina General Statute § 160A-269.
6. If a qualifying upset bid is received, the Purchasing Agent is directed to re-advertise the offer at the increased upset bid amount and to continue with this process until a ten (10) day period has passed without receipt of a subsequent qualifying upset bid.
7. Any subsequent conveyance of the property described above shall be subject to the following.
 - a. The City shall prepare, and have final approval in its sole discretion of the form and substance of, the deed conveying the property to the ultimate purchaser. The deed shall contain certain restrictions, covenants, and conditions, in the City's sole discretion, including but not limited to the following.
 - i) The purchaser shall restore ("Restoration"), and put to use, the structure located on the property within forty-eight (48) months.
 - ii) Among other things, the purchaser shall comply with the Zoning Ordinance for the City of Washington, North Carolina, including but not limited to those provisions governing the Historic District and Commission, and the Historic Preservation Commission design guidelines, as the same may be amended.

- iii) The purchaser shall submit an application for a Certificate of Appropriateness for the Restoration to the Historic Preservation Commission within six (6) months of the date the deed is recorded.
- iv) The purchaser shall submit an application for a building permit and an application for any other approval or permit required for the Restoration within three (3) months of the date the Certificate of Appropriateness is approved.
- v) The purchaser shall begin the Restoration within six (6) months of the date the building permit is approved.
- vi) The purchaser shall complete the Restoration and all work authorized by the Certificate of Appropriateness, building permit, and any other approval or permit required for the Restoration within twenty-four (24) months of the date said work was begun.
- vii) During the timeframe outlined above, and until the Restoration is complete and a certificate of occupancy is issued, the purchaser shall not permit, suffer, or allow any mortgage, loan or other lien whatsoever to be held by any mortgagee or other lienholder against the property and will not enter or be a party to any type of financing, transaction, or other relationship that would result in a lien against the property except for a construction loan approved by the City Manager that allows periodic withdrawals based upon completion of the work in furtherance of the Restoration as well as the Certificate of Appropriateness, building permit and any other approval or permit required for the Restoration.
- viii) A reversionary clause that allows the City, in its sole discretion, to compel the purchaser to sell the property back to the City if the purchaser fails to satisfy and comply with any restriction, covenant, or condition of the deed. If the City exercises the reversionary clause and elects to repurchase the property, the repurchase price shall be the original purchase price paid by the purchaser to the City plus any verified and documented amount that has been drawn down by the purchaser on any construction loan authorized by the City Manager and utilized in furtherance of the Restoration.

8. Notwithstanding anything herein to the contrary, the City, in its discretion and without recourse from any individual making an offer or any subsequent qualifying upset bid (new offer), reserves the right to reject any and all offers as well as upset bids and to cancel this upset bid process at any time.

Adopted this 14th day of July, 2014.

ATTEST:

Cynthia S. Bennett,
City Clerk

July 14, 2014
Page 89 of 113

Mac Hodges
Mayor

PUBLIC NOTICE

The City Council for the City of Washington, North Carolina, has received an offer to purchase certain real property located at 126 North Market Street, Washington, North Carolina for the sum of \$20,100, said property is also known as "Old City Hall".

Persons desiring to submit a qualifying upset bid to said offer must submit a written upset bid to the Purchasing Agent at 203 Grimes Road, Washington, North Carolina, by 5:00 p.m. on July _____, 2014. Any such upset bid shall raise the offer by not less than ten percent (10%) of the first one thousand dollars (\$1,000.00) and five percent (5%) of the remainder of said offer or any subsequent upset bid. Any person making an upset bid and any subsequent upset bid must deposit, by cash or check, with the Purchasing Agent a sum equal to five percent (5%) of the upset bid or any subsequent upset bid. The highest such qualifying upset bid received by the Purchasing Agent shall become a new offer. If there is more than one qualifying upset bid in the highest amount, the first such qualifying upset bid received will become the new offer.

The Purchasing Agent will advertise any new offer at the increased amount and continue this process until a ten (10) day period has passed without receipt of a subsequent qualifying upset bid (new offer).

Any subsequent conveyance of the property described above shall be subject to the following.

- a. The City shall prepare, and have final approval in its sole discretion of the form and substance of, the deed conveying the property to the ultimate purchaser. The deed shall contain certain restrictions, covenants, and conditions, in the City's sole discretion, including but not limited to the following.
 - i) The purchaser shall restore ("Restoration"), and put to use, the structure located on the property within forty-eight (48) months.
 - ii) Among other things, the purchaser shall comply with the Zoning Ordinance for the City of Washington, North Carolina, including but not limited to those provisions governing the Historic District and Commission, and the Historic Preservation Commission design guidelines, as the same may be amended.
 - iii) The purchaser shall submit an application for a Certificate of Appropriateness for the Restoration to the Historic Preservation Commission within six (6) months of the date the deed is recorded.
 - iv) The purchaser shall submit an application for a building permit and an application for any other approval or permit required for the Restoration within three (3) months of the date the Certificate of Appropriateness is approved.

- v) The purchaser shall begin the Restoration within six (6) months of the date the building permit is approved.
- vi) The purchaser shall complete the Restoration and all work authorized by the Certificate of Appropriateness, building permit, and any other approval or permit required for the Restoration within twenty-four (24) months of the date said work was begun.
- vii) During the timeframe outlined above, and until the Restoration is complete and a certificate of occupancy is issued, the purchaser shall not permit, suffer, or allow any mortgage, loan or other lien whatsoever to be held by any mortgagee or other lienholder against the property and will not enter or be a party to any type of financing, transaction, or other relationship that would result in a lien against the property except for a construction loan approved by the City Manager that allows periodic withdrawals based upon completion of the work in furtherance of the Restoration as well as the Certificate of Appropriateness, building permit and any other approval or permit required for the Restoration.
- viii) A reversionary clause that allows the City, in its sole discretion, to compel the purchaser to sell the property back to the City if the purchaser fails to satisfy and comply with any restriction, covenant, or condition of the deed. If the City exercises the reversionary clause and elects to repurchase the property, the repurchase price shall be the original purchase price paid by the purchaser to the City plus any verified and documented amount that has been drawn down by the purchaser on any construction loan authorized by the City Manager and utilized in furtherance of the Restoration.

Inquiries regarding the sale may be directed to the Purchasing Agent at 203 Grimes Road, Washington, North Carolina 27889.

Notwithstanding anything herein to the contrary, the City, in its discretion and without recourse from any individual making an offer or any subsequent qualifying upset bid (new offer), reserves the right to reject any and all offers as well as upset bids and to cancel this upset bid process at any time.

This notice is published in accordance with North Carolina General Statute § 160A-269.

Mike Whaley
Purchasing Agent for the City of Washington

Publish on July _____, 2014



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: John Rodman, Community & Cultural Services
Date: July 3, 2014
Subject: Lighthouse Restrooms: Adopt Notice of Limitations of Use and Restrictions and Letter of Commitment
Applicant Presentation: John Rodman, Community & Cultural Services
Staff Presentation: N/A

RECOMMENDATION:

I move that the City Council adopt the Declaration of Restrictive Covenants and Notice of Limitations of Use and Restrictions for the Lighthouse Restrooms and Boaters Facilities as required by the N.C. Department of Environment and Natural Resources and the Division of Coastal Management.

I, also, move that the City Council adopt the Letter of Commitment of use for the Lighthouse Restrooms and Boaters Facilities as required by the N.C. Division of Marine Fisheries.

BACKGROUND AND FINDINGS:

CAMA Public Access Grant - Section D.5. of Attachment B to the Grant Contract, Notice of Limitations of Use and Restrictions, provides as follows: "the community and/or owner of the real property acquired or improved with grant funds awarded is required to file in the office of the local Register of Deeds a Notice of Limitation of Use and Restrictions that sets forth the land-use restrictions outlined in the grant award contract and to provide a copy to DENR/DCM.

BIG P Grant – According to Grant Contract # 5768 The Grantee must provide written documentation to the NC Division of marine Fisheries at the close-out of the project that the BIG-funded facility will be operated and maintained for its authorized purpose for its useful life (minimum of 20 years in accordance with 50 CFR 86. The Grantee is responsible for the costs of the operation and maintenance of the facility of its useful life.

PREVIOUS LEGISLATIVE ACTION

Public Access Grant Contract approved December, 2012
BIG Contract approved December, 2013

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

Declaration of Restrictive Covenants
Letter of Commitment
Map of Parcel

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: 7/9/14 Date Concur bid Recommend Denial ___ No
Recommendation _____

PREPARED BY and RETURN TO:
RODMAN, HOLSCHER, PECK & EDWARDS,
P. A., Attorneys at Law
320 N. Market St., P. O. Box 1747
Washington NC 27889
Telephone: (252) 946-3122

**NORTH CAROLINA
BEAUFORT COUNTY**

**DECLARATION OF RESTRICTIVE
COVENANTS AND NOTICE OF LIMITATIONS
OF USE AND RESTRICTIONS**

THIS DECLARATION OF RESTRICTIVE COVENANTS AND NOTICE OF LIMITATIONS OF USE AND RESTRICTIONS is made this 14th day of July, 2014, by THE CITY OF WASHINGTON (hereinafter may be referred to as “Declarant”), a body politic and owner of that certain property described as “First Tract” in that certain Deed of Dedication from the Redevelopment Commission of the City of Washington dated June 13, 1970 and recorded in Deed Book 655, Page 589 of the Beaufort County Registry and as shown as “Disposal Parcel No. 10” containing approximately 58,875 square feet on that certain survey of Rivers and Associates, Inc. dated March 11, 1970 and recorded in Map Book 21, Page 44 of the Beaufort County Registry, which deed and survey are incorporated herein by reference (hereinafter referred to as “Property”).

W I T N E S S E T H:

THAT WHEREAS, Declarant is the present owner of the Property which is located in the City of Washington, Beaufort County, North Carolina, and is more particularly described in and shown on that certain deed and survey above referenced; and

WHEREAS, Declarant accepted grant funds for certain improvements upon a portion of the Property in the amount of \$200,000.00 as awarded by the North Carolina Department of Environment and Natural Resources (hereinafter referred to as “NCDENR”) and administered by the Division of Coastal Management (hereinafter referred to as “DCM”); and

WHEREAS, said grant funds were used to construct a two-story structure on a portion of the Property that is designed to resemble the decommissioned Pamlico Point Shoal Lighthouse and that features certain amenities to boaters and the public (hereinafter referred to as “Project Site”); and

WHEREAS, the grant contract between the City of Washington and NCDENR requires that the City of Washington file in the Office of the Register of Deeds of Beaufort County, the county in which the Property is situate, a Notice of Limitation of Use and Restrictions which sets forth the land use restrictions outlined in the grant award contract as follows.

NOW THEREFORE, in consideration of receiving said grant funds Declarant does hereby declare that the Property referenced above, saving and excepting therefrom any portion of the Property that is subject to that certain Conservation Easement Created Wetland/Grassed Swale (hereinafter referred to as “Conservation Easement”) by and between the City of Washington and the State of North Carolina dated August 26, 2003 and recorded in Deed Book 1350, Page 252 of the Beaufort County Registry and as shown as “.44 Acre” on that certain survey of Russell Waters, P.L.S. dated June 6, 2003 and recorded in Plat Cabinet G, Slide 24-5 of the Beaufort County Registry and as shown as “Parcel 2 4.80 Acres” on that certain survey of Russell Waters, P.L.S. dated April 23, 2003 and recorded in Plat Cabinet G, Slide 24-6 of the Beaufort County Registry, which Conservation Easement and surveys are incorporated herein by reference, shall be held perpetually subject to the following restrictions and covenants.

1. The Property will be retained and used for public access purposes.
2. The use of the Property developed with said grant assistance may not be changed from that approved in the grant award unless approval is obtained from NCDENR/DCM.
3. Declarant may impose reasonable limits on the type and extent of use of areas and facilities associated with the Property developed with said grant assistance when such a limitation is necessary for maintenance or preservation.
4. Declarant may assess reasonable user fees as long as those fees are used exclusively for the operation and maintenance of the access facility and/or public access facilities within the City of Washington.
5. Any future improvements, modifications, or changes to the Project Site will be subject to full review and approval by NCDENR/DCM. Unapproved changes to the Project Site may be or can be cause for NCDENR to seek repayment of said grant funds.

6. If Declarant elects to sell the Property, proceeds from the sale shall be held by NCDENR/DCM or Declarant and be disposed of only in accordance with a plan approved by the NCDENR/DCM.

In accordance with the requirements of the above referenced grant, the City of Washington does hereby accept the obligation to notify any future buyer(s) of the Property as to all conditions which apply to the use of said Property.

The terms of this Declaration of Restrictive Covenants and Notice of Limitations of Use and Restrictions shall run with the land and shall bind and inure to the benefit of all current or future heirs, personal representatives, successors and assigns of each present or future owner of the Property which is the subject of this Declaration.

IN WITNESS WHEREOF, the City of Washington has caused this instrument to be executed by its appropriate officials and sealed with the City seal, this day and year first above written.

CITY OF WASHINGTON

(corporate seal)

BY: _____ (Seal)
JAY MACDONALD HODGES, Mayor

ATTEST:

CYNTHIA BENNETT, City Clerk

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, _____, a Notary Public of the State and County aforesaid, certify that CYNTHIA 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 JAY MACDONALD HODGES, its Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the ____ day of _____, 2014.

NOTARY PUBLIC

My Commission expires:_____.



June 27, 2014

Ms. Kelly Price
Federal Aid Coordinator
N.C. Division of Marine Fisheries
3441 Arendell Street
Morehead City, NC 28557

RE: Boating Infrastructure Grant (FY 2011) – Letter of Commitment

Dear Ms. Price;

Please be aware that the City of Washington has accepted grant funds for certain improvements upon a portion of property located along Stewart Parkway in Washington, NC in the amount of \$50,000 as awarded by the NC Department of Environment and Natural Resources and administered by the NC Division of Marine Fisheries.

The said grant funds were used to construct a replica of the decommissioned Pamlico Point Lighthouse that will feature certain amenities that will accommodate the boating public, both permanent and transient boaters. The features include HVAC conditioned boaters bath and shower facilities that will provide handicapped accessibility and will provide a full service laundry facility at no cost to the boaters.

The grant contract between the City of Washington and Department of Environment and Natural Resources requires that the City issue a "Letter of Commitment" stating that the City agrees to comply with BIG Program regulations in the use and maintenance of the new facility for twenty (20) years.

The City of Washington, in compliance with 50 CFR 86, USFWS Grant Award NC-Y-F11AP00822, and NCDENR Contract 5768, will use, operate and maintain the Lighthouse Restrooms and Boaters Facilities located at 301 Stewart Parkway Washington, NC and constructed with Boating Infrastructure Grant Program funds for boaters operating transient, non-trailerable, recreational vessels of at least 26 feet in length or greater for a minimum of 20 years from the date of signature.

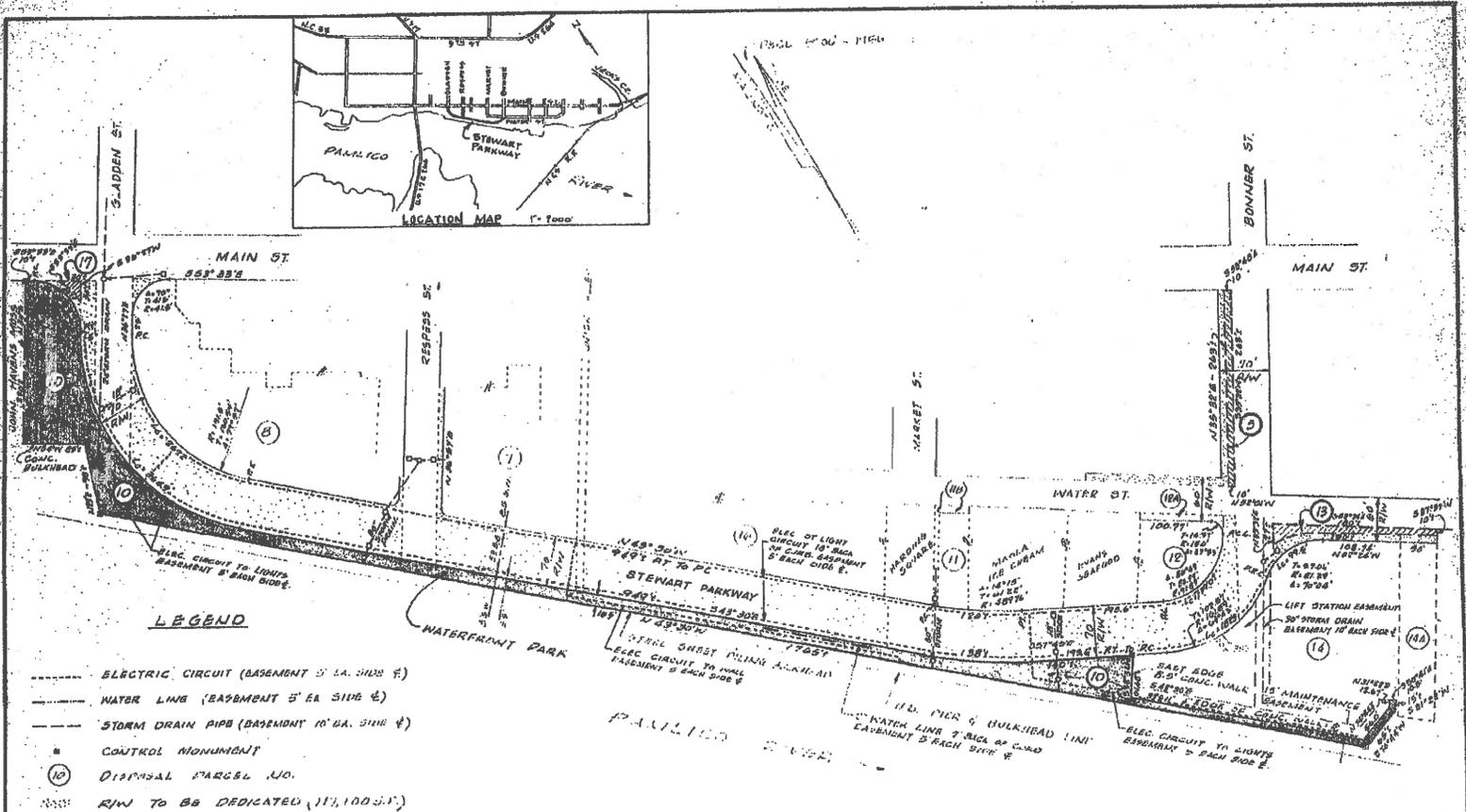
The City does acknowledge that the terms of the regulations shall run with the land and shall bind all current or future owners of the property with said regulations for the term of the commitment. If you have any questions or the City may assist you in any way please don't hesitate to let us know.

City of Washington

By: _____
Jay MacDonald Hodges, Mayor

Attest:

Cynthia S. Bennett, City Clerk



LEGEND

- ELECTRIC CIRCUIT (BASEMENT 5' EA. SIDE E)
- WATER LINE (BASEMENT 5' EA. SIDE E)
- STORM DRAIN PIPE (BASEMENT 10' EA. SIDE E)
- CONTROL MONUMENT
- ⊙ DISPOSAL PARCEL NO.
- R/W TO BE DEDICATED (112,100 S.F.)
- R/W TO BE SOLD
- WATERFRONT PARK TO BE DEDICATED

DRIVEWAY RESTRICTION
PRIVATE DRIVWAYS AND EGRESS
NOT ALLOWED ON THE NORTH
SIDE OF STEWART PARKWAY

DISPOSAL PARCEL AREAS

- (10) = 1,630 S.F.
- (11) = 58,875 S.F.
- (12) = 2,400 S.F.
- (13) = 600 S.F.



CERTIFICATE OF CONTRACT
I hereby certify that this plan is in all respects correct and was prepared from an actual survey by the undersigned.
Date: 5-11-70
Signature: [Signature]
N.C. Reg. No. LBBG

DECLARATION OF RESTRICTIONS
1) DECLARATION OF RESTRICTIONS DOWNTOWN WATERFRONT URBAN RENEWAL AREA.
2) WASHINGTON, N.C. ZONING ORDINANCE.
3) WASHINGTON, N.C. JOB DIVISION REGULATIONS.
4) ZONING - CENTRAL BUSINESS (B-1).

CERTIFICATE OF APPROVAL BY THE CITY COUNCIL
I, [Signature], City Clerk of the City of Washington, do hereby certify that the City Council fully approved the final plat of Parcel No. 5, a part of the Downtown Waterfront Area on the 13th day of August 1970.
Date: August 11, 1970
Signature: [Signature]
City Clerk

CERTIFICATE OF APPROVAL BY THE CITY COUNCIL
I, [Signature], City Clerk of the City of Washington, do hereby certify that the City Council fully approved the final plat of Parcel No. 5, a part of the Downtown Waterfront Area on the 13th day of August 1970.
Date: August 11, 1970
Signature: [Signature]
City Clerk

ACCOUNT NO.
SURVEY 451
DESIGN 451
DRAFT 451
CHECK 451
SUPPLY 451
SUBMITTED BY
ASSOCIATE
DATE
APPROVED
DATE

RIVERS AND ASSOCIATES, INC.
CONSULTING ENGINEERS
GREENVILLE NORTH CAROLINA
REDEVELOPMENT COMMISSION OF THE CITY OF WASHINGTON
SEALED COUNTY, INC.
PROPERTY DISPOSAL MAP
DOWNTOWN WATERFRONT
PROJECT NO. N.C. 2-183-12
PARCEL NO. 5, 10, 11, 12, 13
SCALE 1" = 100'
DRAWING NO. 7-183-12



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: July 14, 2014
Subject: Declaration of Official Intent to Reimburse
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council adopt a Declaration of Official Intent to Reimburse for Fiscal Year 2014/2015 installment purchase expenditures incurred prior to the issuance of debt.

BACKGROUND AND FINDINGS:

Installment financing is budgeted for April 2015. This declaration authorizes the City to reimburse itself for Council approved expenditures prior to the issuance of debt. It is anticipated that requests will be made for some purchases prior to the issuance of debt due to necessity, the ability to complete this fiscal year, and to avoid price increases.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

Declaration of Official Intent to Reimburse
Installment Purchases Schedule

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: SWT Concur _____ Recommend Denial _____ No Recommendation
7/14/14 Date

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 Projects is \$1,175,000.
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 14th day of July, 2014

Mayor

Seal:

City Clerk

Electric Fund Installment Purchases

7/1/2014

Division	Description	\$
Substation Maintenance	Main substation 12 kV feeder exit rebuild	250,000
Power Line Construction	Hwy 32 N rebuild	325,000
Power Line Construction	2nd St & 5th St. feeder rebuild	300,000
Power Line Construction	Vehicle #617, 4x4 line truck	230,000
Power Line Construction	Vehicle #613, 4x4 dually diesel w/ lift gate	50,000
Power Line Construction	Portable air compressor	20,000
	Total	1,175,000



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Brian M. Alligood, City Manager
Date: July 7, 2014
Subject: "No Wake Zone" Joint Request
Applicant Presentation: N/A
Staff Presentation: Brian M. Alligood

RECOMMENDATION:

I move that City Council authorize the City Manager to work with the Town of Washington Park and the County of Beaufort on a joint letter to the NC Wildlife Commission requesting a "no wake zone" designation at the mouth of Runyon Creek generally from Worthy Point to the railroad bridge crossing Runyon Creek.

BACKGROUND AND FINDINGS:

The Town of Washington Park is asking that the City and the County participate in requesting a "no wake zone" designation at the mouth of Runyon Creek. Attached please find a draft letter and map from Washington Park.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

Subordination Agreement

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: Blair Concur _____ Recommend Denial _____ No Recommendation
7/14/14 Date

NC Wildlife Commission

Gentlemen:

This joint letter from the Town of Washington Park, the City of Washington, and the County of Beaufort is a request for the designation of a "No Wake Zone" at the mouth of Runyon Creek at/near the Hwy 32 bridge as it crosses Runyon Creek.

An attached aerial photo shows the area we are concerned about. Two parks line both sides of Runyon Creek immediately to the south of the Highway 32 bridge. Two marinas are adjacent to the bridge on the north side. Traffic is heavy under the bridge at the marinas. Sightlines are restricted by the bridge structure. Speed, wakes, and safety concerns make a "No Wake Zone" appropriate to consider for boaters and non-boaters alike. We ask that the Wildlife Commission undertake an evaluation of a "No Wake Zone" designation from the southwest corner of Washington Park (Worthy Point) to a point north of the marinas on the north side of the Highway 32 Bridge...a railroad bridge about 90 yards north would be a logical and plainly visible boundary; it would 'cover' both marinas.

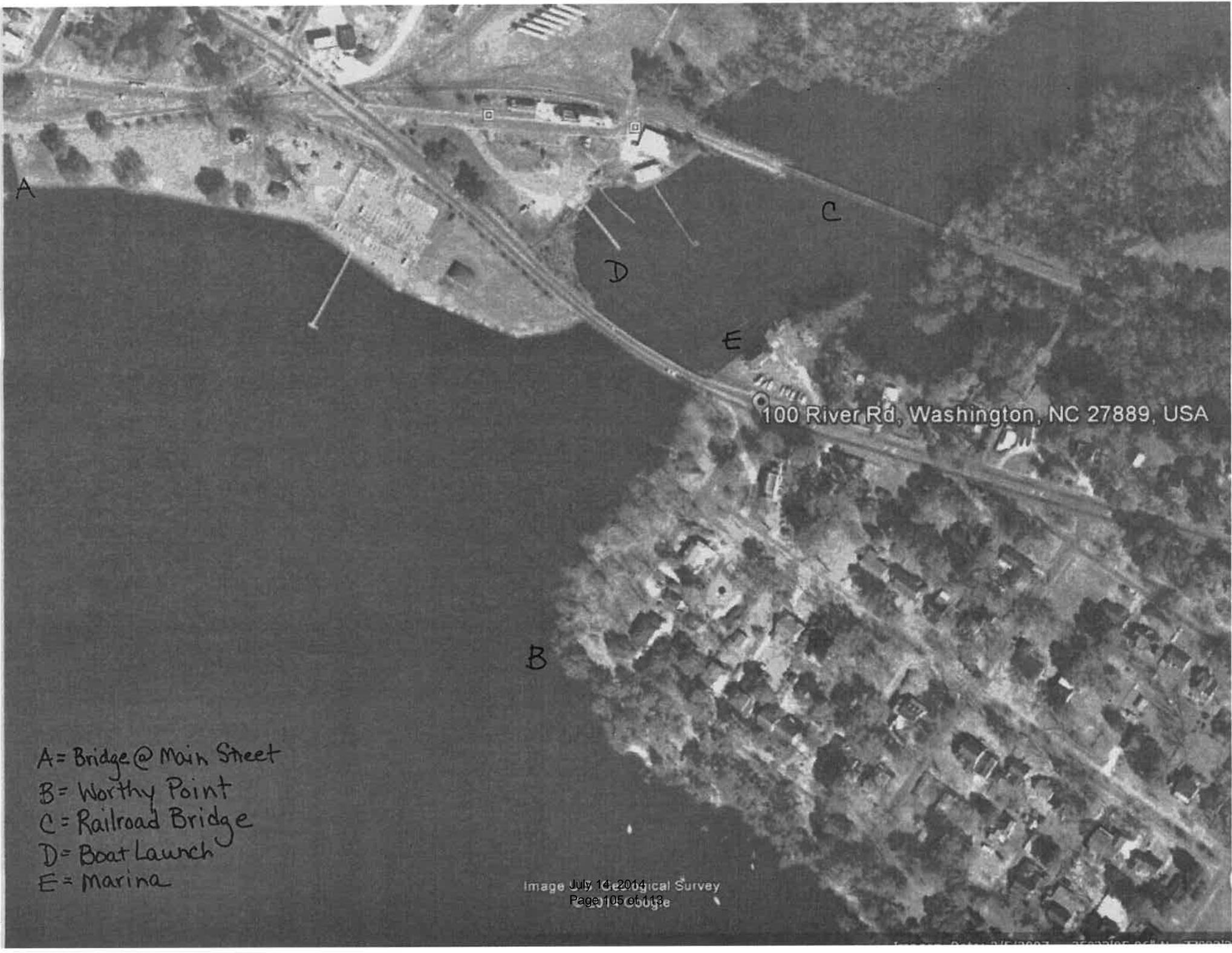
The aerial shows the busy use of this area along both east and west shores of Runyon Creek both north and south of the Highway 32 bridge. Immediately north of the Highway 32 bridge, on the west side, there is a heavily used City boat launch (2 lanes) with parking for 60 boats/cars. On the east side of Runyon Creek lies a private 25 slip marina w/launch lane and dry storage for 30 more boats.

South and west of the bridge, fronting on Runyon Creek and the Pamlico River is 'Havens Gardens', the most heavily used Park in the City outside the downtown waterfront.

South of the 32 Bridge, on the east side of Runyon Creek is the Town of Washington Park's most used waterfront park.

Representatives from the County, the City, and the Town would welcome the chance to meet with Wildlife Commission staff in an initial exploratory discussion of the process of, and the impacts of, a "No Wake Zone" designation.

Respectfully WP, CW, BC



100 River Rd, Washington, NC 27889, USA

- A= Bridge @ Main Street
- B= Worthy Point
- C= Railroad Bridge
- D= Boat Launch
- E= Marina



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Brian M. Alligood, City Manager
Date: July 7, 2014
Subject: UNC School of Government Development Finance Initiative Project
Applicant Presentation: N/A
Staff Presentation: Brian M. Alligood

RECOMMENDATION:

I move that City Council authorize the City Manager to execute the attached letter of agreement with the UNC School of Government Development Finance Initiative to provide pre-development services for a downtown revitalization project as outline in the agreement.

BACKGROUND AND FINDINGS:

As part of its mission, the UNC School of Government (SOG) provides services to local governments. Development Finance Initiative (DFI), as a program of the SOG, enables local governments to accomplish their community and economic development goals by providing specialized finance and development expertise in connection with the educational mission of SOG. DFI will provide pre-development services to the City for a downtown revitalization project as outlined in the agreement. The initial cost of the service is \$25,000. A second contingent fee of 1% of the projected project costs is payable to DFI from the developer once a development project agreement is executed. The Beaufort County Committee of 100 has agreed to advance “a \$25,000 loan to the City for three years, a portion or all of which may be forgiven, if a substantial development results in new investment and the creation of jobs in Beaufort County.” We are currently drafting an agreement with the C-100 to formalize this funding.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

UNC SOG DFI Letter of Agreement

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: July 14, 2014 (if applicable)
City Manager Review: Sud Concur 7/9/14 Date _____ Recommend Denial _____ No Recommendation

Letter of Agreement

This is an agreement (“Agreement”) between the City of Washington, North Carolina (the “City”), and The University of North Carolina at Chapel Hill for its School of Government (“SOG”) for services provided by the SOG’s Development Finance Initiative (“DFI”).

As part of its mission, the SOG provides services to local governments. DFI, as a program of SOG, enables local governments and their partners to accomplish their community and economic development goals by providing specialized finance and development expertise in connection with the educational mission of SOG.

This Agreement will outline the pre-development services that DFI will provide to the City on its Downtown Revitalization Project (“Project”).

1. Scope of Services. DFI will provide the following pre-development services to the City in preparing the Project site for revitalization:
 - a) visit and tour project sites; define Project Area
 - b) review existing studies/reports/plans for Project, as available, including county tax records of values for parcels of land within Project Area;
 - c) advise the City on site control strategy and terms;
 - d) evaluate redevelopment potential including market feasibility and demand for different land uses within Project including accommodation, residential, retail, office, public/private parking, etc. ("feasibility analysis");
 - e) develop preliminary program and real estate development pro forma;
 - f) evaluate and advise on potential district designations (Urban Redevelopment Area, Municipal Service District, Special Assessment area, etc.) that would best facilitate the City's goals for Project Area;
 - g) evaluate options for financing and structuring public-private partnerships, including use of development finance tools (TIF, synthetic TIF, tax credits, etc.);
 - h) initiate process of site plan review (zoning, densities, uses, etc.) for the property or properties ("Property") on which Project will occur;
 - i) develop Request(s) for Proposals ("RFP") for Project, identify potential developers, carry out due-diligence and support City officials in development partner(s) selection process;
 - j) support City in negotiation of development agreement(s);
 - k) throughout the process, advise local officials on redevelopment potential, finance and structuring options, potential development partners and strategies to attract private investment into Project (with minimal public investment)

The scope of services described in this section of the Agreement will hereinafter be referred to as the “Services.” The Services expressly do not include activities described in Article 1 of North Carolina General Statutes Chapter 93A which require a licensed broker to perform.

2. Term. Services outlined in this Agreement will commence on August 1, 2014 and will terminate upon execution of Development Services Agreement with a third party for development of Project (12-18 month estimate), except as otherwise provided in Section 6 of the Agreement, “Modification, Extension or Termination.” In any event, unless terminated earlier under another provision herein, this Agreement shall terminate on December 31, 2016.
3. Deliverables. Deliverables include reports and other documentation of options and recommendations relating to financing development in Project Area including district designation, finance tools (timing/phasing), program plan for site, RFP/marketing materials for developers, due diligence on

potential development partners, recommendation for development partner, support in negotiating development Agreement with private partner. SOG reserves the right, at no cost to SOG, to use the results of all Services and all Deliverables for its teaching research and publication purposes. SOG makes no representations or warranties as to the effectiveness or potential success of any of the Services or Deliverables. All risk of implementation of any recommendations contained in the Deliverables shall rest solely with the City. SOG shall not be liable for any direct, consequential or other damages suffered by the City or any others resulting from the City's implementation of the Deliverables.

4. Fees and Payment Schedule. DFI's fee for the Services shall be paid in two parts. The initial fee for DFI's set of predevelopment services is \$40,000. In order to minimize the cost to City, DFI will provide \$15,000 in funds from our partners, available to support projects in Tier I and II counties. **The City's portion of fee will be \$25,000** (the "City Payment"). The City Payment shall be due and payable upon receipt of the SOG invoices in accordance to the following schedule:

\$10,000 on October 31, 2014
\$15,000 on January 31, 2015

The second portion of the fee (the "Contingent Fee") shall be contingent upon the execution of an agreement (the "Development Services Agreement") between the City and a third party (the "Developer") regarding the responsibilities of either the City or the Developer regarding any aspect of the development of the Project or any portion thereof. The Contingent Fee shall be an amount equal to 1% of the total projected costs of development of the Project, as further described below. The 1% fee shall be paid from the Developer to DFI.

In consideration of the Services provided to City by DFI pursuant to this Agreement and the "at risk" nature of the Contingent Fee, the City agrees to make execution of the Development Services Agreement and the payment of the of the Contingent Fee by the Developer to DFI a condition of any conveyance or lease of the Property to the Developer, and furthermore the City agrees to insert into any request for proposals or other solicitations regarding development of the Project the following clause (or a substantially similar clause as mutually agreed upon by City and DFI):

"The conveyance or lease of the property described herein (the "Property") to the successful bidder and it's successors and assigns (the "Developer") shall be conditioned upon the execution of an agreement (the "Development Services Agreement") between the City and the Developer pertaining to the responsibilities of either the City or the Developer, or both, regarding any aspect of the development of the Property or any portion thereof (the "Project"). As part of the Development Services Agreement, the Developer shall agree to pay a fee to the City's consultant ("DFI") and its successors and assigns for pre-development services provided to the City. The fee shall be an amount equal to 1% of the total costs of development of the Project as calculated by the Developer in the most recent versions(s) of pro forma and other financial projections (the "Developer Financials") prepared by the Developer and delivered to lenders and/or investors prior to the execution of the Development Services Agreement, and in the event of any inconsistencies in the projected total costs among different versions of the Developer Financials, the version of the Developer Financials showing the greatest total costs of development of the Project shall be used to calculate the Contingent Fee. The Contingent Fee shall be due and payable in full to DFI no later than 30 days following execution of the Development Services Agreement. An alternative payment schedule for payment of the Contingent Fee to DFI may be developed as mutually agreed in writing by

Developer and DFI; by way of illustration only, such schedule of payments could be tied to the receipt of any developer fees by Developer. Developer's obligation to pay Contingent Fee shall not be assignable by Developer to any other entity, nor shall any assignment relieve Developer of its obligation to pay Contingent Fee, except upon written consent of DFI."

5. Liaisons. Brian Alligood, shall serve as liaison for the Client for issues concerning work under this Agreement. Christy Raulli, shall serve as liaison for SOG. Their contact information is as follows:

Brian M. Alligood
City Manager
City of Washington
PO Box 1988
Washington, NC 27889
Office: (252) 975-9319
Fax: (252) 974-6461
Email: balligood@washingtonnc.gov

Christy Raulli
Senior Analyst
UNC School of Government
Knapp-Sanders Bldg., Campus Box 3330
Chapel Hill, NC 27599-3330
Phone: 919-843-7736
Fax: 919-962-2709
Email: raulli@sog.unc.edu

6. Modification, Extension or Termination. This Agreement represents the entire agreement between the parties. It may be modified, extended or terminated by mutual written consent of the parties. Either party may terminate this Agreement for failure of a party to perform a party's obligation provided the non performing party is given written notice of the failure and a reasonable opportunity to cure the failure.
7. Execution of Agreement. This Agreement has been duly executed by the parties hereto as evidenced by each hand here unto set on the date shown thereby.
8. Independent Contractors. The relationship of the City and SOG established by this Agreement is that of independent contractors, and nothing contained in this Agreement will be construed to (i) give either party the power to direct and control the day-to-day activities of the other, (ii) constitute the parties as partners, joint venturers, co-owners, or otherwise as participants in a joint or common undertaking, or (iii) allow a party to create or assume any obligation on behalf of the other party for any purpose whatsoever. It is agreed to by the parties that, in performing its respective obligations under this Agreement, each party is at all times performing such services and obligations as an independent party and not as an agent or employee of the other party. Personnel of a party shall not be considered an employee or agent of the other party nor shall such personnel be entitled to any employee benefits including, without limitation, vacation pay, leave, retirement benefits, social security, workers compensation, disability, or unemployment benefits that may be provided to the other party's employees. Each party shall be exclusively responsible for compensating its personnel and subcontractors and paying all taxes, withholding payments and any other fees or payments related to its personnel and subcontractors.
9. Waivers. No failure or delay by either party in exercising any right, power or remedy hereunder shall operate as a waiver of any subsequent exercise of such right, power or remedy. It is agreed that any remedies provided in this Agreement shall be cumulative and shall not be exclusive of any other remedies available hereunder or thereunder, or at law or in equity.
10. Force Majeure. SOG shall not be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by any reason beyond SOG's control, or by reason of any of the following: acts of God, acts or threats of terrorism, civil disorders, severely inclement weather,

disease, accidents, failure of utilities, failure of any required governmental approval, or similar occurrences.

11. Retention of Intellectual Property. It is expressly agreed that neither SOG nor the City transfers by operation of this Agreement or shall transfer by operation of this Agreement to the other party any patent right or copyright right either party now owns in the performance of this Agreement.
12. Advertising. The City shall not use the existence of this Agreement or the name, logo, images or trademarks of The University of North Carolina at Chapel Hill, or any of its constituent schools or departments, as a part of any marketing or commercial advertising without prior written approval of SOG.
13. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument.

[Remainder of page left intentionally blank]

City of Washington

By: _____

_____ Date

WITNESS:

APPROVED AS TO FORM:

School of Government.

By: _____

Michael R. Smith, Dean

_____ Date

For and On Behalf of The University of North Carolina at Chapel Hill

By: _____

Matthew M. Fajack
Vice Chancellor for Finance and Administration

_____ Date

FINANCE OFFICER'S CERTIFICATION STATEMENT

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

Control Act this the _____ day of _____, 2014.

Council Operating Policy

Council will take no action on a request presented during a regular or called meeting unless the item is included in the scheduled Old or New Business section of the approved agenda. Items presented during the Scheduled Public Appearance or Public Comment portion of the agenda will not be acted upon until the next regularly scheduled meeting of the Council, unless four affirmative votes of the Council approve an action at the time of presentation

Approval Policy

The Washington City will take no action on a request presented during a regular or called meeting, unless the item is included in the scheduled Old or New Business of the approved agenda. Items presented during Scheduled Public Appearances or the Public Comment portion of the agenda will not be acted upon until the next regularly scheduled meeting of the Council, unless a super majority (Four Member) of the Council approve an action at the time of the presentation.