

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from April 13, 2015 **(page 3)**

Approval/Amendments to Agenda

- I. Consent Agenda: None
- II. Comments from the Public:
- III. Public Hearing – Zoning: None **6:00 PM**
- IV. Public Hearing - Other:
 - A. Adopt - Resolution ordering the closure and abandonment of portions of Queen Street and an alley off Hudnell Street **(page 22)**
- V. Scheduled Public Appearances: None
- VI. Correspondence and Special Reports:
 - A. Discussion – Grant Updates **(page 29)**
 - B. Discussion – Project Updates **(page 31)**
 - C. Discussion – Accident Statistics Report **(page 32)**
- VII. Reports from Boards, Commissions and Committees: None
- VIII. Appointments: None
- IX. Old Business:
 - A. Budget Discussions: General Fund Revenue & Expenditures
- X. New Business: None
- XI. Any Other Items From City Manager: None



City of
Washington
NORTH CAROLINA
Council Agenda
APRIL 27, 2015
6:00 PM

- XII. Any Other Business from the Mayor or Other Members of Council: None
- XIII. Closed Session: None
- XIV. Adjourn – Until Tuesday, April 28, 2015 at 6:00 pm, in the Council Chambers

Additional Budget Workshops

Tuesday – April 28, 2015 – 6:00pm

1. Budget Discussions: Service Expansions & Outside Agency Requests
2. Adjourn – Until Wednesday, April 29, 2015 at **6:00pm** in the Council Chambers.

Wednesday – April 29, 2015 – 6:00pm

1. Budget Discussions: Enterprise Funds
2. Adjourn – Until Thursday, April 30, 2015 at **6:00pm** in the Council Chambers

Thursday – April 30, 2015 – 6:00pm

1. Additional Budget Discussions (if needed)
2. Adjourn – Until May 11, 2015 at 5:30pm in the Council Chambers

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

APRIL 13, 2015

The Washington City Council met in a regular session on Monday, April 13, 2015 at 5:30pm 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; Larry Beeman, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; Susan Hodges, Human Resources Director; Kristi Roberson, Parks and Recreation Manager; Keith Hardt, Electric Utilities Director; John Rodman, Community & Cultural Services Director; David Carraway, Network Administrator and Mike Voss, 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 Mayor Pro tem Roberson, Council approved the minutes of March 23, 2015 as presented.

APPROVAL/AMENDMENTS TO AGENDA:

Mayor Hodges reviewed the requested amendments to the agenda:

- Move from Old Business Item B: Approve – USDA Agreement For Goose Management **(discuss after approval of Consent Agenda)**

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

PRESENTATION: CYNTHIA BENNETT – MASTER MUNICIPAL CLERK DESIGNATION



CONSENT AGENDA:

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

- A. Approve – Declare Surplus/Authorize – Electronic Auction of Vehicle through Gov Deals

<u>Vehicle #</u>	<u>Make/Model</u>	<u>Department</u>	<u>Serial #</u>	<u>Meter Reading</u>
613	2005 Chevrolet	Electric	1GCEC19V25Z227503	135,752

- B. **Approve** – Audit Contract for fiscal year 2014-2015
(copy attached)
- C. **Authorize** – City Manager to enter into an agreement with Compensation Claims Solutions
(copy attached)
- D. **Adopt** – Resolution directing City Clerk to investigate a petition for a contiguous annexation request from Granville Lilly

RESOLUTION DIRECTING THE CLERK TO INVESTIGATE A PETITION RECEIVED UNDER G.S. 160A-31

WHEREAS, a petition requesting annexation of an area described in said petition was received on February 16, 2015 by the Washington City Council; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Washington deems it advisable to proceed in response to this request for annexation;

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

The City Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the City Council the result of her investigation.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/Mac Hodges
Mayor

Moved from Old Business Item B: APPROVE – USDA AGREEMENT FOR GOOSE MANAGEMENT

City Manager, Brian Alligood provided a summary of the background and findings leading up to the request. There are a large number of geese in and around the Jack’s Creek area including Veterans’ Park and Havens Garden. The amount of fecal matter left by the geese is creating a public health risk and the geese are also causing property damage to grass and erosion of pond/drainage ditch banks. For the past year the City has been employing harassment efforts to minimize the number of geese in the area. This has been done by using a trained dog to run the geese. No feeding signs have been installed, egg oiling will occur and additional environmental methods such as planting of specific vegetation along the banks to deter the geese is being investigated. The City has worked with the USDA to develop these integrated management solutions and has received a depredation permit from the United States Fish and Wildlife Service (USFWS) to lethally take up to 50 geese as part of the overall efforts to reinforce and improve harassment efforts. The USDA will conduct the lethal take operations under the attached Cooperative Service Agreement in an amount not to exceed \$3,282.00. Funds exist in the current budget for this action. Ms. Emily Gaydos, District Supervisor for USDA APHIS WS, is here tonight to answer any technical questions the Council may have.

Ms. Gaydos explained that relocation of the geese is not an option in North Carolina. Mr. Alligood explained that the domesticated geese act as decoys and draw in the Canada geese. Carolina Waterfowl Conservation Group has been in communication with Mr. Alligood and they have expressed interest in removing and relocating the domesticated white geese. Mr. Alligood referred again to the integrated management plan offered by USDA. Discussion continued regarding the possible alternatives to managing the geese population as well as the problems caused by the geese at Jack’s Creek.

Mayor Hodges accepted comments from the public regarding this item. It was noted that comments would need to be placed on hold at 6:00pm in order to conduct the scheduled public hearings. Discussion continued after the public hearings and subsequently a motion was made by City Council regarding the USDA agreement.

The following individuals signed up to speak and all spoke in opposition to the proposed USDA Agreement for Goose Management:

<i>David Gossett</i>	<i>Derik Davis</i>	<i>Michael Hall</i>	<i>James Hardison</i>
<i>Kay Evans</i>	<i>Ray Midgett</i>	<i>Richard Young</i>	<i>Karen Kutchera</i>
<i>W.T. Roberson</i>	<i>C. Conoly Blake</i>	<i>Attila Nemezc</i>	<i>Paulette Snow</i>
<i>MJ Carbo</i>	<i>Monica Ferrari</i>	<i>Teisha Scannell</i>	<i>Doug Wright</i>

By motion of Councilman Mercer, seconded by Councilman Pitt, Council voted not to adopt the USDA agreement, leave the goose population the way it is and continue to monitor (the geese) and pursue our current program (harassment).

COMMENTS FROM THE PUBLIC:

Susan Zachary spoke about the greenway and Bug House Park. She suggested making the Bug House Park a possible raised bed community garden.

PUBLIC HEARING – ZONING:

ADOPT – RESOLUTION TO CONSIDER A ZONING CHANGE CONSISTING OF 3.47 ACRES OF VACANT PROPERTY LOCATED ON WEST 15TH STREET

Mayor Hodges opened the public hearing. John Rodman, Community & Cultural Services Director provided background for the rezoning request. A request has been made by Mr. D. Granville Lilley to rezone 3.47 acres of property located on West 15th Street adjacent to Washington Fire Station #2. The property is currently zoned RA-20 (Residential Agricultural) and the request is to rezone the property to B-2 (General Business). The Planning Board determined that the rezoning was consistent with the Comprehensive Plan and any plans that the City may have for that area. The Planning Board voted unanimously to recommend to City Council to approve the rezoning.

Granville Lilley explained he is trying to have the property “blend in” with adjacent properties.

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

Mayor Pro tem Roberson inquired if the rezoning request is in compliance with the Comprehensive Plan. Mr. Rodman explained the request is consistent with the Comprehensive Plan and no one spoke in opposition to the request.

By motion of Councilman Pitt, seconded by Councilman Beeman, Council accepted the recommendation of the Planning Board and adopted the resolution to approve the rezoning of the property located on West 15th Street, owned by Mr. Granville Lilley and containing 3.47 acres, fro RA-20 (Residential Agricultural) to B-2 (General Business).

RESOLUTION OF THE CITY OF WASHINGTON ADOPTING THE PLAN CONSISTENCY REVIEW STATEMENT FOR A PROPOSED ZONING MAP AMENDMENT

WHEREAS, the City of Washington received a request to rezone property from RA-20 (Residential Agricultural) to B-2 (General Business) specifically identified as Beaufort County Parcel Identification Number 5676-27-5637 (See Attachment A);

WHEREAS, effective January 1, 2006, North Carolina General Statute 160A-383 requires that “prior to adopting or rejecting any zoning amendment” each local governing board “shall adopt a statement describing whether its action is consistent with an adopted comprehensive plan and explaining why the board considers the action taken to be reasonable and in the public interest”;

WHEREAS, this zoning request was duly advertised and was the subject of a public hearing by the Council of the City of Washington on April 13, 2015:

WHEREAS, the Council for the City of Washington has considered the application to amend the Zoning Map, has reviewed the “Findings of Fact”, and finds that the amendment is warranted, in order to achieve the purposes of the Comprehensive Plan and the CAMA Land Use Plan;

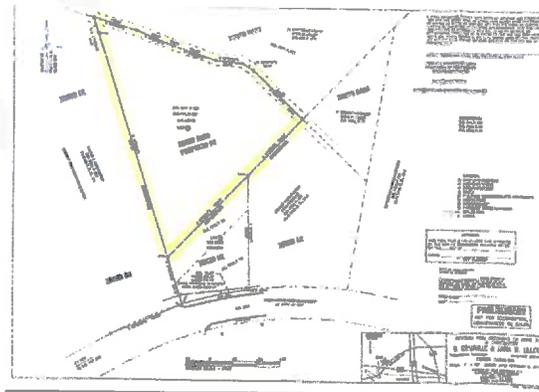
NOW, THEREFORE, BE IT RESOLVED BY THE WASHINGTON CITY COUNCIL THAT, the Plan Consistency Review Statement presented by the Planning Board be adopted and as a result, the adoption of the proposed rezoning of the subject parcel be approved.

Adopted this 13th day of April 2015.

ATTEST:

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

**s/Jay MacDonald Hodges
Mayor**



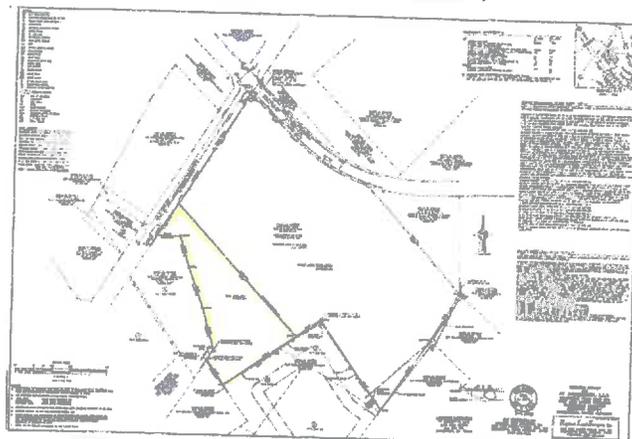
ADOPT – RESOLUTION TO CONSIDER A ZONING CHANGE CONSISTING OF 6.00 ACRES OF VACANT PROPERTY LOCATED ON WHISPERING PINES ROAD

Mayor Hodges opened the public hearing. John Rodman, Community & Cultural Services Director provided background for the rezoning request. A request has been made by Rea Ventures Group, LLC to rezone 6.00 acres of property located on Whispering Pines Road and adjacent to New Sunrise Apartments. The property is currently zoned B-3 (Shopping Center) and the request is to rezone the property to O&I (Office & Institutional). The Planning Board determined that the rezoning was consistent with the Comprehensive Plan and any plans that the City may have for that area. The Planning Board voted unanimously to recommend to City Council to approve the rezoning.

Sean Brady, Rea Ventures Group spoke in favor of the rezoning request. He is requesting to extend the O&I zoning classification to the remaining 6.00 acres of the property as part of the property is already zoned O&I.

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

By motion of Councilman Pitt, seconded by Councilman Brooks, Council accepted the recommendation of the Planning Board and adopted the resolution to approve the rezoning of the property located on Whispering Pines Road, requested by Rea Ventures Group and containing 6:00 acres, from B-3 (Shopping Center) to O&I (Office & Institutional).



RESOLUTION OF THE CITY OF WASHINGTON ADOPTING THE PLAN CONSISTENCY REVIEW STATEMENT FOR A PROPOSED ZONING MAP AMENDMENT

WHEREAS, the City of Washington received a request to rezone property from B-3 (Shopping Center) to O&I (Office & Institutional) specifically identified as Beaufort County Parcel Identification Number 5676-45-3237 (See Attachment A);

WHEREAS, effective January 1, 2006, North Carolina General Statute 160A-383 requires that “prior to adopting or rejecting any zoning amendment” each local governing board “shall adopt a statement describing whether its action is consistent with an adopted comprehensive plan and explaining why the board considers the action taken to be reasonable and in the public interest”;

WHEREAS, this zoning request was duly advertised and was the subject of a public hearing by the Council of the City of Washington on April 13, 2015:

WHEREAS, the Council for the City of Washington has considered the application to amend the Zoning Map, has reviewed the “Findings of Fact”, and finds that the amendment is warranted, in order to achieve the purposes of the Comprehensive Plan and the CAMA Land Use Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE WASHINGTON CITY COUNCIL THAT, the Plan Consistency Review Statement presented by the Planning Board be adopted and as a result, the adoption of the proposed rezoning of the subject parcel be approved.

Adopted this 13th day of April 2015.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/Jay MacDonald Hodges
Mayor

PUBLIC HEARING – OTHER:

ADOPT/AWARD – ORDINANCE TO CONDEMN AS UNSAFE THE STRUCTURE LOCATED AT 620 WASHINGTON STREET AND AWARD THE DEMOLITION CONTRACT

Mayor Hodges opened the public hearing. John Rodman, Community & Cultural Services Director provided background for the request. The governing body of the City may adopt and enforce ordinances relating to residential buildings or structures that fail to meet minimum standards of maintenance, sanitation, and safety. The minimum standards address conditions that are dangerous and injurious to public health, safety and welfare and identify circumstances under which a public necessity exists for the repair, closing or demolition of such buildings or structures. If after a notice and hearing the Code Official determines that the property has not been properly maintained and failed to meet minimum standards an order is issued to require the owner to demolish and remove the building or structure. Mr. Rodman explained that one of the heirs of the property (Ms. Ada Roberson) did attend all hearings and responded to the request from the City. Ms. Roberson and the other heirs sent a letter to the City granting permission to demolish the house as they could not make the necessary repairs.

PREVIOUS LEGISLATIVE ACTION

Complaint: 12/11/13, 12/2/14

Hearing: 12/30/13, 12/17/14

Time expired: 2/27/15

Notice of Hearing: 12/16/13, 12/2/14

Order to Demolish: 12/29/14

Notice of Council hearing: 4/2/15

Bids Submitted:

Tyler Williams \$3,000

Dudley Landscaping \$3,600

St. Clair Trucking, Inc. \$4,000

If the structure is removed or demolished by the City, the City shall sell the usable materials of the building. The amounts incurred by the City in connection with the demolition shall be a lien against the real property upon which the cost was incurred.

Mayor Pro tem Roberson asked Stacy Drakeford if there were any other houses in this general vicinity that has been a problem with vagrants. Mr. Drakeford said no sir, not that we've received any complaints about.

There were no comments from the public, Mayor Hodges closed the public hearing.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council adopted the ordinance condemning the structure located at 620 Washington Street as unsafe and demolish and remove the structure and awarded the demolition contract to the lowest responsible bidder, Tyler Williams in the amount of three thousand dollars (\$3,000).

AN ORDINANCE FINDING THAT THE BUILDING DESCRIBED HEREIN IN THE CITY OF WASHINGTON IS CONDEMNED AS UNSAFE AND DIRECTING THAT IT BE DEMOLISHED

WHEREAS, the City Council of the City of Washington finds that the structure having an address of 620 Washington Street, Washington, North Carolina and being owned by Ada M. Paige Roberson, John H. Paige Williams, Jr. (a/k/a John H. Paige), Vinester Paige Smith Williams Floyd (a/k/a Vonester Paige), Carrie B. Smith Moore (a/k/a Carrie B. Smith), Dorothy L. Smith Gibbs (a/k/a Dorothy L. Smith), James H. Smith, Zeno Paige (a/k/a Zeno Smith), Clarence E. Smith, Edward J. Smith, and William A. Smith, Jr.; the above referenced individuals' spouses, if any; and/or the unknown heirs, if any, of Zeno Paige (a/k/a Zeno Smith), Clarence E. Smith, Edward J. Smith, and William A. Smith, Jr. is condemned as, among other things, unsafe pursuant to North Carolina General Statute § 160A-426 and that all applicable statutory provisions have been complied with as a condition of the adoption of this Ordinance.

WHEREAS, the structure located on said property should be demolished and removed as directed by the Senior Building Official for, among other things, the reasons stated by the Senior Building Official in his December 29, 2014 Order to Remedy Defective Condition and Findings of Fact that was served on the property owner(s).

WHEREAS, the owner(s) of the structure have been given a reasonable opportunity to bring the structure into compliance with the applicable standards of the City Code as well as State statute in accordance with North Carolina General Statute § 160A-426 as well as pursuant to the Order issued by the Senior Building Official in said Notice of Decision.

WHEREAS, said owner (s) have failed to comply with said Order.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Washington as follows.

Section 1. The Senior Building Official is hereby authorized and directed to proceed to demolish and remove the above described structure located at 620 Washington Street in accordance with applicable provisions of the City Code and North Carolina General Statute § 160A-426 *et seq.*

Section 2. The cost of the demolition and removal of the structure shall constitute a lien against the real property upon which the cost was incurred as provided in North Carolina General Statute § 160A-432.

Section 3. This Ordinance shall be recorded in the Office of the Register of Deeds of Beaufort County, North Carolina.

This Ordinance shall become effective on this date of adoption April 13, 2015.

s/Cynthia S. Bennett
City Clerk

s/Jay MacDonald Hodges
Mayor

ACCEPT/AWARD – ACCEPT THE RECOMMENDATION OF THE PLANNING BOARD AND ADOPT AN ORDINANCE TO AMEND CHAPTER 40, SECTION 40-263, PROVISIONS FOR FLOOD HAZARD REDUCTION, OF THE CODE OF ORDINANCES OF THE CITY OF WASHINGTON

Mayor Hodges opened the public hearing. John Rodman, Community & Cultural Services Director provided background for the request. A request was made by Mr. David Smith, NC Building Code Council, to amend the 2012 NC Building Code by removing the plus one foot addition to the Base Flood Elevation regarding flood elevation design requirements. The Planning Board voted unanimously to recommend to City Council to amend the City's Zoning Ordinance to reflect the changes approved by the NC State Building Code Council. This will not affect our CRS rating. Mr. Rodman said our text currently reads “ plus one (1) foot or the design flood elevation, whichever is higher” and the request is to remove that statement. Councilman Mercer said the ordinance should be consistent the State building code and just remove the following language “plus one (1) foot”.

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

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council accepted the recommendation of the Planning Board and adopted the Ordinance to amend Chapter 40, Article X, Flood Damage Prevention, Section 40-263, Provisions for flood hazard reduction, by removing the following text “plus one (1) foot”.

An Ordinance to Amend Chapter 40, Zoning, Article X. Flood Damage Prevention Section 40-263 (b), of the Washington City Code

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

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

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

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

Section 1. That **Chapter 40. Article X, Section 40-263, Provisions for Flood Management, (b)**, be amended as follows:

Sec. 40-263. Provisions for flood hazard reduction.

(b) Specific Standards. In all Special Flood Hazard Areas where Base Flood Elevation (BFE) data has been provided, as set forth in Section 40-261(b), or Section 40-262(c)(11) and (12), the following provisions are required:

- (1) Residential Construction. New construction or substantial improvement of any residential structure (including manufactured homes) shall have the reference level, including basement, elevated no lower than the regulatory flood protection elevation ~~plus one (1) foot~~ or the design flood elevation, whichever is higher.
- (2) Non-Residential Construction. New construction or substantial improvement of any commercial, industrial, or other non-residential structure shall have the reference level, including basement, elevated no lower than the regulatory flood protection elevation ~~plus one (1) foot~~ or the design flood elevation, whichever is higher.

Section 2. This Ordinance shall become effective April 14, 2015.

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

Adopted this 13th day of April, 2015.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/Jay MacDonald Hodges
Mayor

SCHEDULED PUBLIC APPEARANCES: NONE

CORRESPONDENCE AND SPECIAL REPORTS:

MEMO – BUG HOUSE PARK TENNIS COURTS

Councilmembers asked if the courts are removed where will people play tennis and what will be done with the property, they also asked about possible solutions and alternate locations. Mr. Alligood noted staff is seeking Council’s direction and revisited the possible partnership with Washington High School that was discussed last year. At that time, Council was opposed to a partnership with Washington High School due to the limited availability of the courts. Discussion was held regarding the wall that the kids used to hit tennis balls against. Mr. Alligood reviewed the cost estimates for resurfacing the courts and noted the courts either need to be fixed or the area needs to be cleaned up and staff is seeking direction from Council. Several Councilmembers suggested repairing the current courts until an alternate location can be established while another suggested constructing new courts at the sports complex. Mr. Alligood explained that currently tennis courts are on the Parks and Recreation Master Plan, but Council can recommend that they pushed up to a higher level of importance in the plan.

By consensus, Council directed staff to seek out 1-2 additional evaluations of the current tennis courts at Bug House Park. This information should be forwarded to the Recreation Advisory Board for a recommendation to Council or the information can be submitted directly to Council. At that time, Council can determine the next step, either resurface/overlay the current Bug House courts or determine an alternate location.

Memo from Kristi Roberson, Park & Recreation Manager

Outer Banks Tennis Contractors LLC., has inspected the Bug House Tennis Courts. It is the recommendation of the contractor, that future plans to enhance these tennis courts, is not recommended.

RESURFACING;

- a) These courts are prone to periodic flooding. Finances spent to resurface the courts would not repair the courts in a manner to KEEP them safe and playable. \$11,000.00*

OVERLAY;

- a. An asphalt overlay is also not recommended being the existing surface and base has major structural cracking. A new surface is only as good as what is under it. \$30,100.00*

REMOVE;

- a. It is in the City's best interest to remove all existing fencing, lighting, and court surface, and place elsewhere. \$6,500.00*

RELOCATE;

- a. It is in the City's best interest to relocate the existing battery of two tennis courts to a higher elevation at Bug House Park, or another favorable location. \$58,000.00* (includes All Black vinyl Fencing)

*denotes ballpark prices

Outer Banks Tennis Contractors LLC., would be happy to assist the City, and provide a formal bid for any future projects. John J. McCann Jr. North Carolina General Contractors License #67990

MEMO – KAYAK LAUNCH

(memo accepted as presented) Kristi Roberson, Park & Recreation Manager

The Washington Beaufort County Chamber of Commerce Foundation will be applying for funding through the Jonathan Havens Charitable Trust to add a kayak launch to the Havens Gardens Boat Launch area. The City had previously applied for funding for a similar project through the Adopt a Trials grant program. The City was awarded the grant, however funds were no longer made available through the program to complete the awarded projects. The Chamber Foundation is working closely with the Parks and Recreation Department, as well as the same organizations that were present during the Adopt a Trail grant cycle.

MEMO – BELL OF WASHINGTON DOCKAGE

(memo accepted as presented) Rick Brass, Dock Master

The Belle of Washington 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.

Communications about activities aboard the Belle continues to improve every year. Tammy Swanner personally manages the notifications and the Waterfront Docks receives reminders from the Captain when cruises are scheduled. This notification is very beneficial to city staff and event planners alike.

Each year The Belle of Washington's activities around the park are better managed than the year before, with fewer instances of conflicts with park policies.

Pump outs at Dock "A" were scheduled and managed well with few, if any, conflicts or interruptions to daily operations of the Waterfront Docks or the Belle of Washington.

The new docking agreement will cover the period of March 27, 2015 – March 26, 2016.

MEMO – SEATOW OBX DOCKAGE

(memo accepted as presented) Rick Brass, Dock Master

SeaTow OBX (formerly SeaTow Pamlico), dba Inland Enterprises, LLC will again execute a Waterfront Docking agreement with the City of Washington.

During the past year SeaTow OBX has been an invaluable resource to the Waterfront Docks Division, giving advice and assistance to the staff and boaters alike. Dock Attendants have requested logs to be removed from the dock on an average of once per month via work order and other times while Larry Williams, Owner, was on site.

In addition to the usual assistance SeaTow OBX also:

1. Assisted with design on No Wake and location. This year he will install the 2nd of the two required No Wake Buoys.
2. Installed the life jacket loaner stand which has been a big hit amongst the boaters. An updated stand has been installed this year.
3. Provides the Auto Radio Check system and improved our range and signal strength in 2014.

The new docking agreement will be for the period of April 1, 2015 – March 31, 2016.

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:
HUMAN RELATIONS COUNCIL - *(report accepted as presented)*

**Human Relations Council (HRC) report for the month of March
Monday April 13, 2015 City Council Meeting**

MISSION STATEMENT

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

SCHEDULED PUBLIC APPEARANCES:

Mr. Larry McDaniel, Mother of Mercy Catholic Church:

Mr. McDaniel briefed the Board on the history of Mother of Mercy Catholic Church referencing the book he had prepared over the course of his year study. Also, he reviewed the event that Mother of Mercy Church will be sponsoring on Sunday, March 22, 2015 from 3-5 pm ~ celebrating 186 years.

Table of Contents provided in book:

- Timeline 1807-2010
- Interviews
- 175th Anniversary
- Donnelly History, 11-25-81
- Father Moeslein –
 - “Memories of Mother of Mercy,” 1942
- Washington Daily News
- Ordinances
- Military Records
- Ancillary Documents
- Notes/Definitions
- Graves Registration
- Historic District Nomination Form
- St. Martin De Porres
- The De Porres, 1955
- Photographs

OLD BUSINESS:

Discussion – Ed Peed Commemoration Service: Chairman Hughes suggested the event was successful and thanked Councilman Pitt for the representation of five (5) Fire Departments not inclusive of the Washington Police & Fire Services. Also, Chairman Hughes thanked Councilman Pitt for acquiring such a great speaker. Appreciation was offered to Board members that were able to participate as well. He voiced the Human Relations Council had been fortunate in receiving contributions toward this event especially from Zaxbys’s, Acre Station, and cash donations from Board members.

Board member O’Pharrow acknowledged former Board member Alice Moore for spearheading this event. Her endeavors brought recognition to Mr. Peed and she began working with Washington Fire Department to organize an event in honor of Mr. Peed.

Update – Spring Symposium – Board member Recko: Board member Recko provided the following updates regarding the Spring Symposium:

- Beaufort County Coalition met at Eagle’s Wings on January 27th at noon
- Potential dates discussed during the Coalition meeting were June 18th or 25th
- The venue will be Beaufort County Community College ~ Building 10
- Length of meeting 4 – 6 hours
- Next scheduled meeting Wednesday, March 27 and a date for the Spring Symposium should be finalized at that meeting
- Schedule a strategic planning meeting on Wednesday, April 1 following the Wednesday, March 27 meeting

Spring Symposium Overview:

- Board of Realtors
- Overall Housing Market in Beaufort County
- Banking Overview
- Fair Housing Component (possibly)
- Affordable Housing (low-moderate income families)
- Homeless Veterans Housing in Beaufort County

NEW BUSINESS:

Discussion – Application received from Stephanie Jones Wilson: Chairman Hughes reviewed the application.

By motion of Board member Howard, seconded by Vice-chair St. Clair, the Board recommended Ms. Stephanie Jones Wilson be appointed to the Human Relations Council. Staff was directed to submit Ms. Wilson's name to City Council with a recommendation for appointment at the March 23, 2015 Council meeting.

Discussion – Resignation emailed received from Board member Keisha Jennette: Chairman Hughes reviewed and Board members expressed their regrets over losing Ms. Jennette as a member of the HRC.

OTHER BUSINESS:

FYI – All FYI items and reminders were discussed inclusive of the January 11, and February 21, 2015 report & summation submitted to City Council, and the financial report ~ detailing cost incurred for the Ed Peed's Commemoration event. Chairman Hughes encouraged Board members to seek applicants for the members whose terms expire June 30, 2015 on the Human Relations Council.

APPOINTMENTS: NONE

OLD BUSINESS:

APPROVE – CONTRACT WITH DAVEY TREE EXPERT SERVICE FOR THE REMAINING PORTION OF THE FY 2014-15 AND A CONTRACT FOR FY 2015-16

Brian Alligood explained in October of 2014 due to safety, performance and personnel management concerns the City replaced Asplundh Tree Expert Company with Davey Tree Expert Company for right-of-way maintenance on the City's electric system.

Staff recommends that we continue our right-of-way maintenance service with Davey Tree Expert Company. This recommendation is based on the current experience on the City's electric System with Davey Tree Expert Service, our past poor experience with Asplundh, and that Carolina Tree cannot supply the 65 foot aerial device that is needed to reach our right-of-way overhangs. Mr. Alligood stated that the purchase order for the work in fiscal year 2015-16 will be presented to City Council for approval at the beginning of new fiscal year.

Councilman Mercer suggested that the contract for FY15-16 should be delayed until Council holds their budget workshops.

Description	Asplundh	Carolina Tree	Davey Tree
Working Foreman	\$29.85	\$34.15	\$35.19
Climber	\$26.91	\$29.39	\$31.28
Groundman	\$23.02	\$21.96	\$23.46
65 foot Aerial Device	\$41.09	N/A	\$29.63
Chipper	\$6.80	\$7.12	\$4.51
Estimated Annual Cost	\$265,553	Non Responsive *	\$258,066

* Carolina Tree is not able to supply the 65 foot aerial device

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council approved a contract with Davey Tree Expert Service for the remaining portion of the FY 2014-15 in the amount of \$65,000.

APPROVE – RACHEL J. MIDGETTE DEED RELEASE

Mr. Alligood explained that on August 27, 2014, the City Council conveyed, through an upset bid process, the property commonly referred to as “Old City Hall” to Rachel J. Midgette. The special warranty deed conveying the property and recorded in Deed Book 1852, Page 888 of the Beaufort County Registry contains certain deed restrictions as agreed upon by the parties. Upon completing of the rehabilitation of the property and the issuance of a Certificate of Occupancy, the deed required the parties to terminate certain agreed upon restrictions as outlined in the deed. Mr. Alligood stated the rehabilitation of the property has been completed and a Certificate of Occupancy has been issued.

By motion of Councilman Mercer, seconded by Councilman Beeman, Council approved the “Agreement to Extinguish and Terminate Deed Restriction” regarding the property, commonly referred to as “Old City Hall”, conveyed to Rachel J. Midgette through an upset bid process on August 27, 2014.
(copy attached)

APPROVE/AUTHORIZE – THE MAYOR TO EXECUTE A GUARANTY AGREEMENT WITH WASHINGTON HOUSING AUTHORITY AND THE RELEASE FROM DEED OF TRUST FOR LOTS 30, 31, 63, AND 82 IN THE NORTHGATE SUBDIVISION

Mr. Alligood explained that the Legally Binding Commitment and Promissory note for the CDBG 09-C-2050 affordable housing grant is with Washington Housing Inc. and a Guaranty Agreement with Washington Housing Authority solidifies the City’s position should a claw back condition arise as the grant is set to expire September 30, 2015. Four homes remain in the satisfaction of the grant commitment with closing anticipated on one of these homes within the next 30 days. The deed releases will be tendered by the City attorney to WHI upon staffs receipt of LMI qualification and \$6,000/lot deposit in the City’s attorney’s trust account.

Mr. Alligood explained that the documents will not be fully executed and released until the necessary documentation has been provided to Matt Rauschenbach and Franz Holscher.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council approved and authorized the Mayor to execute a Guaranty Agreement with the Washington Housing Authority and the Release from Deed of Trust for Lots 30, 31, 63, and 82 in the Northgate Subdivision in support of the Washington Housing Inc. CDBG grant.

Mayor Pro tem Roberson requested representation from the Housing Authority when there is another request like this.

(copy attached)

ADOPT – RESOLUTION OF INTENT TO CONVEY SURPLUS REAL PROPERTY LOCATED GENERALLY OFF OF HUDNELL STREET

City Manager, Brian Alligood explained during the regular scheduled meeting of the City Council, which was held on March 23, 2015, a resolution was adopted to begin the upset bid process to dispose of surplus real property located generally off of Hornell Street, Washington, NC.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council adopted an ordinance to amend the City Code, including but not limited to Chapter 2, Administration, Article XXII, Warren Field Airport and Chapter 40, Article IX, Airport Zoning.

RESOLUTION STATING THE INTENT OF THE CITY OF WASHINGTON TO CONVEY SURPLUS REAL PROPERTY LOCATED GENERALLY OFF OF HUDNELL STREET

WHEREAS, the City of Washington has declared the real property located generally off of Hudnell Street to be surplus to the needs of the City and more particularly described as follows:

IT BEING all of that lot or parcel bounded on the West by Queen Street, on the East by Hudnell Street (SR 1552) and on the South by the property now or formerly owned by the Washington Housing Authority as shown on the plat entitled “A Survey of Property Standing in the Name of William R. & Kathy P. Waters” prepared by Hugh A. Sorrell Land Surveying dated July 30, 2012 and recorded in Plat Cabinet H, Slide 90-5 of the Beaufort County Registry. Reference is herein made to said plat for a more complete and accurate description.

WHEREAS, the upset bid procedure for selling real property, as outlined and set forth in North Carolina General Statute § 160A-269, has been followed.

WHEREAS, the required notices for the upset bid process were advertised in the Washington Daily News. The notices described the property, set out the amount and terms of the original offer as well as any subsequent offers, and specified the requirements for submission of a qualifying upset bid and any subsequent qualifying upset bids.

WHEREAS, the upset bid process having concluded, the final, highest qualifying bid (offer) is now being reported to City Council for their consideration.

NOW THEREFORE BE IT RESOLVED: The final, highest qualifying bid (offer) in the amount of \$2,000.00 is accepted by the City of Washington and the Mayor is hereby authorized to execute all the legal documents necessary to convey the property generally located off of Hudnell Street and more particularly described above to R & G Enterprises, LLC.

Adopted this the 13th day of April, 2015.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/Jay MacDonald Hodges
Mayor

NEW BUSINESS:

APPROVE – REQUEST FOR ALCOHOL AT FESTIVAL PARKS: EVENTS ARE PICKIN' ON THE PAMLICO AND GIT' DOWN DOWNTOWN)

Beth Byrd presented the following request to Council.

April 13, 2015

Dear Honorable Mayor and City Council,

I come before you tonight to request that you allow beer and wine to be sold at two events the Washington Harbor District Alliance will be hosting in Festival Park. These events are Pickin' on the Pamlico on Saturday, August 15th and Git' Down Downtown on September 12th. Each event will be held in the evening hours. WHDA produces over 19 events throughout the year. Most of these events serve only to bring people downtown to promote Washington and are operated at a net loss to WHDA. Pickin' on the Pamlico and Git' Down Downtown are produced as fundraisers to support all the projects WHOA works on throughout the year. This is an important avenue that WHOA uses to supplement its budget. Pickin' on the Pamlico and Git' Down Downtown are both ticketed events. Through marketing, the public is fully aware that beer and wine will be served at these events. Actually a lot of people participant because they are able to enjoy a cold one while eating and listening to the music entertainment provided. At Pickin' on the Pamlico an all you can eat crab and shrimp feast will be served as part of the ticket price. At Git' Down Downtown numerous food trucks and local restaurants will be serving a variety of food. Of course, WHDA will comply with all regulations put forth by the ABC commission and the City as far as police presence.

By motion of Councilman Beeman, seconded by Councilman Brooks, Council approved the request for alcohol at Festival Park for Pickin' on the Pamlico and Git' Down Downtown. Motion carried 3-2 with Mayor Pro tem Roberson and Councilman Mercer opposing.

PRESENTATION – CITY MANAGER'S RECOMMENDED FY 2015-2016 BUDGET

City Manager, Brian Alligood presented the recommended FY2015-2016 Budget and reviewed the budget message with Council.

**Manager’s Budget Message
Fiscal Year 2015-2016**

To: The Honorable Mayor and Members of City Council

Date: April 13, 2015

This binder contains the City’s recommended annual budget as required by North Carolina General Statute 159 and the *Local Government Budget and Fiscal Control Act*. Three general sections comprise the document. The first section is the continuation budget for all funds necessary to carry out the services authorized by the Washington City Council. This section contains financial information and narrative descriptions of the programs and services. The narrative portions of this section are created in an attempt to help explain the purpose and function of the different departments and programs in order to better educate the reader about City services. Financial summaries, as well as line item details, are also provided for the reader to review. The second section is a fee manual that describes the user fees that attempt to recover some or all of the costs of services from the direct beneficiaries of the services, rather than taxpayers. The third section contains information on 15 General Fund and 5 Enterprise Fund service expansions proposed by departments and outside agencies. These are “new and different” programs or activities that expand the current level of service to City of Washington citizens and taxpayers or requests from outside agencies for funding above the level provided to them by the City in the previous fiscal year. The budget is balanced and prepared in accordance with the policies and procedures outlined in the *Local Government Budget and Fiscal Control Act*.

Goals

This budget is a vision of what the City will strive toward in the coming year. The values communicated during the budget process and incorporated into the recommended budget where possible are:

- Continue to rely on financial plans and systems in the preparation of the proposed budget;
- Conservatively estimate revenues and expenditures to avoid expectations of performance that are not realistic;
- Create an atmosphere where efforts to “spend down” during the fiscal year are discouraged;
- Present a budget that re-evaluates all expenditures in order to offset projected losses in revenues so that in light of the current economic conditions a tax increase is not needed for general government operations, but allows for policy review and potential service reductions or expansions based on other policy directives.
- Capital Project Funds – these funds are similar to grant funds in that they are restricted for specific uses. They are usually for specific capital improvements projects and can span several fiscal years.
- Internal Service Funds – these funds are utilized by the City in managing services across the entire organization, such as the City’s self-insured workers’ compensation fund program.

General Fund

The recommended General Fund budget for FY 15-16 is \$14,407,419. This is \$221,441 or 1.5% less than the FY 14-15 amended budget. When compared to the original starting FY 14-15 budget, the FY 15-16 recommended budget is \$278,915 or 2% greater.

Revenues

- ⇒ The recommended budget increases the ad valorem tax rate by 1.5 cents to \$0.515 for each \$100 of assessed property valuation. This is a direct result of legislation passed by the NC General Assembly that repeals business privilege licenses and the associated revenue for the City. The recommended 1.5 cents increase equals an additional \$15.00 per year in City property taxes on a home valued at \$100,000.
- ⇒ The proposed tax rate continues to include \$0.0198 designated for the Public Safety Capital Reserve Fund to service the debt for Fire Station #2.
- ⇒ Ad valorem taxes are projected to be 3% higher than the prior year due to the recommended tax increase.
- ⇒ Other Taxes and Licenses as a whole are projected to increase by approximately 2%. Sales tax revenues are projected to increase due to tax reform changes at the State level and local occupancy tax revenues are also trending upward. However, the occupancy tax revenue is a pass through revenue that goes to the Tourism Development Authority, minus a 3% administrative fee from the City, and the complete loss of the privilege license tax proceeds keeps this revenue category generally flat.
- ⇒ Unrestricted Intergovernmental revenues are projected to be flat with a slight 1% increase.
- ⇒ Restricted Intergovernmental revenues are projected to increase by 3%. However every revenue line item in this category is project to be lower except revenue from the renegotiated County EMS contract, the annual programmed increase for Fire/EMS services to Washington Park and an anticipated Library contribution of \$100,000 from the County based on recent negotiations regarding the sharing of services.
- ⇒ Permits and Fees revenues are projected to decrease by 25% due to the continued slow recover of the residential and commercial building industries in Washington.
- ⇒ Sales and Services revenues are projected to remain flat despite the implementation of the sports league participation fee.
- ⇒ Investment Earnings are projected to decrease by 10% due to the continued low interest rates in the investment market.
- ⇒ Miscellaneous revenues are projected to decrease by \$15,559 based on FY 14/15 current trends.

- Provide an analysis of general government cost centers in order to more clearly demonstrate where general fund tax dollars are being spent and what services are provided.
- Review general fund fees and enterprise fund rates to determine if adjustments need to be made in order to more appropriately recover the costs associated with individual programs or services and reduce the need to use general tax dollars for these operations.
- Reduce short-term financing for capital projects and instead use pay-as-you-go financing when appropriate.

The budget team prepared this document to meet these goals where possible. The proposed FY 15-16 budget maintains all City programs and services as directed by the City Council. The tax rate, however, is recommended to increase by 1.5 cents per \$100 of valuation. This is a 3% increase in the tax rate that moves the rate from 50 cents to 51.5 cents per \$100 valuation. This recommended tax increase is based solely on the loss of revenue from business privilege licenses that were repealed by the NC General Assembly during its last session. The recommended 1.5 cent tax increase is equivalent to an additional \$15.00 in taxes per year on a home valued at \$100,000.00. The recommended budget also increases certain fees in the general fund and rates in the enterprise funds based on the revenue review requested by City Council.

Overview of the Budget

The City’s fiscal year begins on July 1st and ends on June 30th. The budget is divided into separate funds in order to account for revenue collected and services provided. The following is a list of the funds accounted for in this budget:

- General Fund – this fund is the “typical” governmental fund, where all taxes and some user fees and intergovernmental transfers are used to provide basic governmental services, such as police, fire, finance, planning, zoning, inspections, parks and recreation, library, street maintenance, and administration of all City services.
- Enterprise Funds – these funds are separate “self-sustaining” funds, commonly including all utility services and other functions where taxes are not generally used in its operations. Washington’s enterprise funds include:
 - Water Fund
 - Sewer Fund
 - Electric Fund
 - Storm Water Management Fund
 - Airport Fund
 - Solid Waste Fund
 - Cemetery Fund
- Trust Funds – these funds are primarily received from interest proceeds from investments maintained by the City for specific purposes, such as Library and Cemetery operations.
- Special Revenue Funds – these funds are typically restricted in purpose and designation by City Council, and include such funds as capital reserve funds and a façade grant fund.
- Grant Funds – grant funds are restricted in their use and are typically used for ongoing projects. These projects are usually funded by grants from outside agencies and are for short-term operating expenditures.

⇒ Transfers From revenues are recommended to remain flat. It was a desire of Council to again reduce the amount of the Electric Fund transfer this year, however due to the substantial recurring loss of revenue from other sources, this transfer is recommended to remain at the FY 14-15 level.

⇒ Administrative Charges are recommended to increase by \$165,039. These charges are allocated to other funds in order to help pay for their share of resources used in the General Fund. Each fund is assessed based on a specific metric that attempts to most accurately reflect its burden on the General Fund. The main driver for the projected increase is the increase in sales and services related to the Electric Fund.

⇒ The recommended budget appropriates \$300,996 in General Fund Balance or 2.1% of General Fund expenditures. This is a decrease of \$551,435 or 69% from the prior year.

⇒ As of June 30, 2014 the unassigned/unreserved General Fund Balance was \$6,238,713. In FY 09-10 the Council adopted a resolution recognizing the need to maintain a \$2M unassigned/unreserved General Fund Balance for a natural disaster recovery in excess of a 16.7% or two-month operating reserve. This equals \$4,401,236 for FY 15-16. A proposal to use a portion of the remaining unassigned fund balance to establish a vehicle replacement fund and a facility maintenance fund will be discussed during budget workshops.

Expenditures

- ⇒ Administrative Cost Centers – expenditures in these cost centers increased by \$196,340 or 5.6% from the original FY 14/15 budget. The majority of this increase is due to capital expenditures needed to replace end of life computer network equipment and switches, as well as the replacement of the financial accounting software. There are also increases associated with the reimbursement of election expenses to the County for holding municipal elections this year.
- ⇒ Other Cost Centers – expenditures in these cost centers decreased overall by \$158,404 or 12.3%. The largest decrease was in the miscellaneous area. Clawbacks for the Keyville CDBG project were paid from this line item last year but are not included this year. Additionally general fund transfers to the Airport Fund and the Cemetery Fund are not needed this year to balance those funds.
- ⇒ Public Safety Cost Centers – expenditures in these cost centers increased overall by \$162,430 or 2.8%. The largest increase in this category is related to EMS expenditures for a replacement ambulance and the expansion of the Paramedic program approved last year.
- ⇒ Public Works Cost Centers – expenditures in these cost centers increased overall by \$22,465 or 1.6%. The majority of this increase is due to capital maintenance needs and the replacement of a retaining wall on Holloman Street.
- ⇒ Cultural and Leisure Cost Centers – expenditures increased overall by \$57,584 or 2.8%. The main driver of this increase is the roof replacement project at the Bobby Andrews Center and capital equipment replacement needs.
- ⇒ Outside Agencies – The funding for all outside agencies was held flat in the recommended budget with any requested increases being addressed as service expansions. Per the direction of the City Council the funding for the Human Relations

Commission was moved out of this cost center and under the City Manager's Office budget.

Enterprise Funds

The combined Enterprise Fund budgets for FY 15-16 are \$47,186,374. This is \$1,996,525 or 4.4% more than the FY 14-15 original budget due to proposed rate/fee increases across the funds. All of the enterprise funds are balanced. An analysis of rate/fee revenues was conducted over the past year and reviewed by the Council. Rates/fees in certain enterprise funds were adjusted based on this study.

Water Fund

The Water Fund recommended budget is \$3,103,417, which is 2.2% greater than the prior year original budget and includes the following significant items:

- ⇒ A 2% increase in water rates is recommended. Based on City-wide average residential water use this equals a \$5.17 increase per year on a water bill. The last water rate increase occurred 7 years ago and was 4%.
- ⇒ The Water Fund has no debt service. All bonds and installment notes are paid off
- ⇒ No fund balance is appropriated this year
- ⇒ Expenditures include a payment-in-lieu-of-taxes (PILOT) to the General Fund in the amount of \$139,072 and a transfer to the water capital reserve in the amount of \$66,684.
- ⇒ Capital expenditures in the amount of \$94,588 are recommended as PayGo and are detailed on the recommended capital sheet

Sewer Fund

The Sewer Fund recommended budget is \$3,126,681, which is 2.1% less than the prior year and includes the following significant items:

- ⇒ A 4% increase in sewer rates is recommended. Based on City-wide average residential sewer use this equals a \$13.09 increase per year on a sewer bill. The last sewer rate increase occurred 7 years ago and was 7.5%.
- ⇒ Sewer bonds were paid off in FY 14-15 leaving only the State Revolving Loan debt. Debt service is down \$150,470.
- ⇒ \$52,000 in Sewer Fund balance is appropriated to balance the budget. This amount is down by \$95,619 from the prior year.
- ⇒ Expenditures include a payment-in-lieu-of-taxes (PILOT) to the General Fund in the amount of \$195,607.
- ⇒ Capital expenditures in the amount of \$135,588 are recommended as PayGo and are detailed on the recommended capital sheet

Stormwater Management Fund

The Stormwater Management Fund recommended budget is \$756,665, which is 20% higher than the prior year and includes the following significant items:

- ⇒ A 20% increase in storm water rates is recommended. Based on City-wide average storm water rates this equals a \$10.48 increase per year on a stormwater bill. The last storm water rate increase occurred 7 years ago and ranged from 15-22%. A storm water rate study is currently being conducted and it is anticipated that rates will have to continue to increase over the next several years in order to fund the improvements needed to manage the existing flooding issues.
- ⇒ \$70,328 in Stormwater Fund balance is appropriated to help balance the budget
- ⇒ \$300,000 in capital spending (\$150,000 budgeted this year plus \$150,000 remaining in the RZDB fund) is recommended for storm water maintenance projects.

Summary

The City of Washington continues to face many known challenges in the coming year. There are however many of them that are still unknown. This recommended budget continues current City operations and services in accordance with the Council's directive at the budget planning session. It is, however, unable to maintain the current tax rate as requested and instead recommends an increase of 1.5 cents from \$0.50 to \$0.515 per \$100 of assessed property value. The recommended budget also adjusts many of the general funds fees and enterprise fund rates as a result of revenue analyses done over the past year.

This recommended budget clearly does not meet all the expectations expressed by the City Council. It recommends a tax increase in order to make up for business privilege license revenues that were eliminated by the NC General Assembly. When this revenue source was eliminated, the Governor and members of the General Assembly said that they would work to provide a solution for municipalities but that promise has yet to come about. Local governments are "creatures of the legislature" and can only do those things that they are given specific authority to do by the General Assembly. This includes their revenue streams. By eliminating a revenue stream, the Legislature has forced municipalities to raise local property taxes or cut the current levels of services it provides to its residents. To put this in perspective, the local impact of the amount of the business privilege licenses revenue eliminated by the General Assembly is roughly 2.5 police officer or firefighter positions. This recommended budget, as requested, maintains those levels of services but it is only done at the expense of a tax increase that equals \$15.00 per year on a home valued at \$100,000. Yes, it is possible to go another year without a tax increase and maintain the current levels of service, however it is not fiscally responsible to do. Putting off maintenance or deferring capital replacement needs again and again is a short term fix that never goes away and only costs more tax dollars in the long run. The City of Washington cannot continue to push hard financial decisions down the road and put off what is inevitable: revenues must be increased or services must be cut.

Putting together a budget is a tremendous effort. Chief Financial Officer Matt Rauschenbach and Assistant Finance Director Anita Radcliffe, as well as the entire Finance team, did an outstanding job in creating an informative and functional document that serves as a management tool and an outline from which to debate policy. Thank you for your many long hours of hard work.

Department managers did an outstanding job of analyzing and compiling budgets that met the expectations they were given. They deserve many thanks and tremendous admiration. The people working for City of Washington are truly special people who care about their community and take pride in providing efficient and effective services that make life better for others. I am grateful to have the privilege to work with them.

Respectfully submitted,



Brian M. Alligood, City Manager

Electric Fund

The Electric Fund recommended budget is \$38,049,158, which is 4.5% greater than the prior year and includes the following significant items:

- ⇒ No changes in the rate structure or load management credits are recommended until after the NCEMPA asset sale is finalized and a cost of use study is completed.
- ⇒ Sales and service are anticipated to increase 3% from the prior year based on the Booth forecast. This forecast is dependent on weather conditions and is susceptible to change.
- ⇒ No fund balance is appropriated.
- ⇒ Transfer to the General Fund remains at \$470,000. An additional \$190,000 payment in lieu of sales tax is budgeted due to the loss of revenue created by the changes in the sales tax formula adopted by the NC General Assembly last year.
- ⇒ Tree trimming funds have been increased by \$191,000 to support the right-of-way clearing program instituted last year. This program will reduce outages and costs associated with restoring them.
- ⇒ \$283,942 in PayGo capital expenditures and \$1,602,500 in capital installment financing are detailed on the recommended capital sheet.

Airport Fund

The Airport Fund recommended budget is \$506,589, which is 64% greater than the prior year and includes the following significant items:

- ⇒ \$150,000 in Vision 100 grant funds from the State are anticipated in this budget.
- ⇒ No transfer from the General Fund is needed this year to balance the budget. \$110,984 of Airport Fund Balance is appropriated but is anticipated to be a onetime occurrence.
- ⇒ Fuel sales are anticipated to increase by 12%.

Solid Waste Fund

The Solid Waste Fund recommended budget is \$1,300,300, which is 0.2% higher than the prior year and includes the following significant items:

- ⇒ A \$1.00 per month increase in the residential solid waste rate is recommended (\$14/month to \$15/month). The last solid waste rate increase occurred 7 years ago and was a \$2 per month increase.
- ⇒ One position is recommended for elimination upon the retirement of the employee in September 2015.
- ⇒ No fund balance appropriation is needed to balance the budget.
- ⇒ No capital purchases are recommended, but \$89,508 is recommended to be transferred to the Capital Reserve Fund for future capital needs.
- ⇒ Contingency in the amount of \$10,000 is available for emergency expenses.

Cemetery Fund

The Cemetery Fund recommended budget is \$343,564, which is \$16,616 more than the prior year and includes the following significant items:

- ⇒ Various fee changes are recommended as detailed in the fee manual. The last fee changes occurred 2 year ago.
- ⇒ Perpetual fees are recommended to be included in the grave opening fees.
- ⇒ No transfer from the General Fund is required to balance the budget. Cemetery fund balance in the amount of \$111,414 is appropriated instead.
- ⇒ Capital expenditures in the amount of \$26,800 are recommended as PayGo and are detailed on the recommended capital sheet

ANY OTHER ITEMS FROM CITY MANAGER: NONE

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

Councilman Pitt continued this item to another time.

UPDATES AND INFORMATION

Mayor Hodges recognized Dr. Jim Taylor, President of KAMPN Inc. (Kids with Autism Making Progress in Nature). Dr. Taylor is in the area as part of the Beech to Beach bike tour raising awareness of autism.

Mayor Hodges noted that the documentary on Dominique Wilkins will air on ESPN1 at 8:00pm on Friday, April 17th.

CLOSED SESSION: UNDER NCGS § 143-318.11(A)(1) DISCLOSURE OF CONFIDENTIAL INFORMATION UNDER 143-318.10(E) PUBLIC RECORDS ACT AS WELL AS 159B-38 CONFIDENTIALITY OF CONTRACT DISCUSSIONS; (A)(3) ATTORNEY/CLIENT PRIVILEGE; AND (A)(5) LAND ACQUISITION FOR ECONOMIC DEVELOPMENT

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to entered into closed session at 8:11pm under NCGS § 143-318.11(a)(1) Disclosure of Confidential Information under 143-318.10(e) Public Records Act as well as 159B-38 Confidentiality of Contract Discussions; (a)(3) Attorney/Client Privilege; and (a)(5) Land Acquisition for Economic Development

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council agreed to come out of closed session at 8:45pm.

ADJOURN:

By motion of Councilman Pitt, seconded by Councilman Beeman, Council adjourned the meeting at 8:50pm until Monday, April 27, 2015 at 6:00 pm, in the Council Chambers (note change in regular meeting time).

(Subject to the Approval of the City Council)

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



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: John Rodman, Community & Cultural Services
Date: April 20, 2015
Subject: Adopt the Resolution ordering the closing and abandoning a portion of Queen Street and an alley right-of-way
Applicant Presentation: N/A
Staff Presentation: John Rodman, Community and Cultural Services

RECOMMENDATION:

I move that the City Council adopt the Resolution ordering the closure and abandonment of portions of Queen Street and an alley way off Hudnell Street as shown on the attached survey map as recommended by the Planning and Development Office.

BACKGROUND AND FINDINGS:

The Washington City Council adopted a Resolution of Intent to close a portion of Queen Street and an alley right-of-way that is adjacent to Eastern Elementary School and intersects with Hudnell Street. A map has been prepared by Hugh A. Sorrell Land Surveying and is attached. The appropriate advertisement and publications have been completed. In addition adjoining property owners have been notified.

PREVIOUS LEGISLATIVE ACTION

Planning Board meeting – February 24, 2015
City Council – March 9, 2015 & March 23, 2015

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

Resolution ordering closure, Map

City Manager Review: 4/20/15 Date Concur LRD Recommend Denial _____
No Recommendation _____

**A RESOLUTION ORDERING THE CLOSURE AND ABANDONMENT
OF PORTIONS OF QUEEN STREET AND AN ALLEY OFF HUDNELL STREET**

WHEREAS, on the 23rd day of March, 2015, the City Council (Council) of the City of Washington (City) directed the City Clerk (Clerk) to publish A Resolution Declaring the Intent of the City of Washington to Consider Closing and Abandoning Portions of Queen Street and an Alley off Hudnell Street (Resolution of Intent) in the Washington Daily News once each week for four successive weeks. Said Resolution of Intent advised the public that a public hearing would be conducted at 6:00 p.m. on this the 27th day of April, 2015 in the Council Chambers to consider the matter.

WHEREAS, said portions of Queen Street and an alley off Hudnell Street (Abandoned Portions of Queen Street and an Alley off Hudnell Street) under consideration to be closed and abandoned are more particularly described as follows.

ALL of those areas labeled "15' Undeveloped Alley" and "Queen Street" (east and west sides) as shown on that plat entitled "A Survey of Property Standing in the Name of William R. & Kathy P. Waters" by Hugh A. Sorrell Land Surveying dated July 30, 2012 and recorded in Plat Cabinet H, Slide 90-5, Beaufort County Registry, to which plat reference is herein made for a more complete and accurate description.

WHEREAS, on the 23rd day of March, 2015, the Council also directed the Clerk to provide, by registered or certified mail, a copy of the Resolution of Intent to all persons who own property that abuts said Abandoned Portions of Queen Street and an Alley off Hudnell Street, as shown on the county tax records, and the Clerk has advised the Council that the Clerk has done the same.

WHEREAS, the Clerk has also advised the Council that adequate notices were posted on the Abandoned Portions of Queen Street and an Alley off Hudnell Street as required by North Carolina General Statute § 160A-299.

WHEREAS, the Council has provided a full and complete opportunity for all interested persons to appear and register any objections that they might have with respect to the potential closure and abandonment of the Abandoned Portions of Queen Street and an Alley off Hudnell Street during the public hearing held this the 27th day of April, 2015.

WHEREAS, after a full and complete consideration of the matter, it now appears to the satisfaction of the Council that the closure and abandonment of said Abandoned Portions of Queen Street and an Alley off Hudnell Street are not detrimental to the property rights of any individual or contrary to the public interest, and that no person who owns property that abuts or is in the vicinity of the Abandoned Portions of Queen Street and an Alley off Hudnell Street will be deprived of a reasonable means of ingress and egress to their property as a result of said closure and abandonment.

NOW THEREFORE BE IT RESOLVED, said Abandoned Portions of Queen Street and an Alley off Hudnell Street are hereby ordered closed and abandoned, and all right, title and interest that may be vested in the public to said areas for street or alley purposes is hereby released and shall be conclusively presumed to be vested in those persons or entities owning lots or parcels of land adjacent thereto in accordance with the provisions of North Carolina General Statute § 160A-299.

The Clerk is hereby ordered and directed to file in the Office of the Register of Deeds of Beaufort County a certified copy of this Resolution and Order.

Adopted this the 27th day of April, 2015.

ATTEST:

Jay MacDonald Hodges
Mayor

Cynthia S. Bennett
City Clerk

**NORTH CAROLINA
BEAUFORT COUNTY**

I hereby certify that the foregoing is a true and accurate copy of a Resolution duly adopted by the City Council of the City of Washington, North Carolina, at a meeting held on April 27, 2015 at 5:30 o'clock (p.m.) at the City Hall in the City of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the official corporate seal of said City to be affixed hereto, this the 27th day of April, 2015.

CYNTHIA S. BENNETT, CITY CLERK

**NORTH CAROLINA
BEAUFORT COUNTY**

I, _____, a Notary Public of the State and County aforesaid, certify that CYNTHIA S. BENNETT personally appeared before me this day and acknowledged that she is the City Clerk of the **CITY OF WASHINGTON**, a North Carolina municipal corporation, and by authority duly given and as an act of the corporation, acknowledged the foregoing certification, for the purposes therein expressed.

WITNESS my hand and official seal, this the 27th day of April, 2015.

NOTARY PUBLIC

My Commission expires: _____.

Mayor
Mac Hodges

City Manager
Brian M. Allgood



COPY

Washington City Council

Larry Beeman
Richard Brooks
Doug Mercer
William Pitt
Bobby Roberson

April 14, 2015

William Robert Waters
316 Smaw Road
Washington, NC 27889

RE: Street Closing – Portion of Queen Street and Alley off Hudnell Street

We wish to inform you that a formal request has been made to the City of Washington for closing a portion of Queen Street and alley off Hudnell Street. According to Beaufort County tax records, the street & alley way being considered for closing adjoins your property. The street closing is being requested by Mr. Robert M. Leggett.

A public hearing of the City Council will be held on Monday, April 27, 2015 at 6:00 pm in the municipal building to consider the advisability of closing the street & alley way. Please be advised that you are welcome to attend the meeting to voice any concern you might have.

The action is being taken under the authority granted in Section 299 of Chapter 160A of the NC General Statutes, and a copy of the resolution and the map are attached. You are further advised that, should the street & alley be closed, and should you be aggrieved by the closing, you may appeal the Council's order to the General Court of Justice within 30 days after its adoption.

After reviewing the information should you have any questions, please don't hesitate to give me a call: 252-975-9384.

Sincerely,

John Rodman, Director
Community and Cultural Services

Grant Executive Summary
as of 3/31/2015

Fund	Grant Description	Dates			Financials				Deliverable				Notes
		Award	Expiration	Completion	Revenue		Expense		Metric	Total	Achieved	Bal.	
					Budget	Actual	Budget	Actual					
50	CDBG Affordable Housing	04/09/10	10/31/14	09/30/15	227,700	185,719	227,700	185,719	LMI homes	10	6	4	6 completed, guaranty being revised, 1 closing w/in 30 days
52	Comprehensive Bicycle Plan	05/26/11	12/31/13	06/30/14	35,000	30,430	35,000	33,713				0	Council approved plan in December, pending DOT approval
55	IdX/Impressions NC One Grant	09/30/13	09/30/16		300,000	-	300,000	-	Jobs/investment	160	0	160	Jobs created but not since award date
59	IdX Building Reuse	12/18/15	12/18/16		512,500	4,000	512,500	2,500	Jobs/investment	50		50	Grant agreements executed, Mid-East administering
61	Pedestrian Plan Grant	05/20/13	09/30/13	12/31/14	10,000	10,000	10,000	-				0	Reforming committee, meet April 23
66	Airport Terminal Grant	04/04/13	07/01/15	03/31/15	1,254,488	1,044,310	1,254,488	817,009				0	Complete May 15, grand opening Memorial Day
67	Façade Grant Program	07/01/13	06/30/14	06/30/14	20,000	20,027	20,000	10,912				0	In progress, 6 reimbursed, 3 pending
69	Way Finding			04/01/15	150,000	150,320	150,000	12,163					Reviewing w/ DOT, cost estimate & recommendation in April
71	Airport Lighting Rehab				460,121	81,046	460,121	40,378					Contract signed, construction complete August 1st
72	Municipal Pier Access Grant	07/01/14	11/30/15		135,000	15,000	135,000	-					Piling driving moratorium, complete by Nov 30th
75	Firefighter's Assistance- Exhaust	08/08/14	08/07/15		50,000	2,500	50,000	-					Exhaust system complete, other equipment being ordered
76	EDA Water Projects	09/11/13	03/11/17	02/28/17	1,428,262	706,133	1,428,262	38,632				0	Bid awarded January 2015, notice to proceed Feb. 23
77	EDA Sewer Grants	09/11/13	03/11/17	02/28/17	1,423,894	703,974	1,423,894	164,136				0	Bid awarded January 2015, notice to proceed Feb. 23
	CDBG Keysville Rd.	2005	6/4/2013	06/30/16	320,000	320,000	320,000	320,000				0	Lot 1 does not qualify for LMI. Construction on lot 2 & 3 near compl.
32	TAG- Sanitary sewer study	05/12/14		09/09/14	35,000	-	35,000	31,851					Completed, reimbursement to be requested
37	Airport Approach Survey	07/01/14	07/01/16		16,986	14,161	18,873	15,734					Survey completed
10	NC Cardinal	07/01/14		06/30/15	22,345	9,252	31,597	9,252					Grant awarded, complete by 6/30/15
10	Historic Preservation Grant	07/01/14	08/21/15		11,000	-	15,000	1,000					PO issued to update National Registry Inventory
10	EZ Technology Library Grant	11/03/14	12/12/14	04/15/15	4,863	4,556	4,863	4,556					Complete

Applications

	Pre-App	Selected	Final App	Grant	Match	Total	
FEMA AFG Fire Engine/Resc. Tools	11/30/14			353,929	18,571	372,500	Application submitted
Havens Garden PARTF				250,000	250,000	500,000	Application submitted, award notification July

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
General Fund:								
IT	10-00-4132-7400	Wireless Bridge- sewer plant	1,204	368	0	836	Completed PY, TDA phone move CR	1
		Redundant PRI	6,917	6,709	0	208	Complete	1
		Redundant Cisco phone svr.	19,063	18,617	0	446	Complete	1
		IP addressing	1,520	1,520	0	0	Complete	1
		Total IT	28,704	27,214	0	1,490		
Police	10-10-4310-7400	Vehicles	134,000	113,906	19,219	875	4 received, equipment on order	
Fire	10-10-4340-7400	Thermal imaging camera	8,105	8,094	0	11	Complete	1
		Support vehicle 1	29,914	30,161	0	(247)	Complete	
		Total Fire	38,019	38,255	0	(236)		
Planning	10-10-4910-7400	Streetscape	25,000	0	0	25,000	Design contract May 11 Council meeting	
	10-10-4910-0400	Havens Garden Master Plan	7,200	7,200	0	0	Completed	
Powell Bill	10-20-4511-4500	Street Paving	279,208	215,516	41,410	22,282	Original contract completed	2
Street Maintenance	10-20-4510-7400	Dump truck #454	64,000	63,816	0	184	Complete	
Library	10-40-6110-7400	PC virtualization	14,700	12,471	0	2,229	Complete	
Outside Agency	10-40-6170-9113	Veterans Park Sign	6,920	3,946	745	2,229	Complete	1,2
Rec. Maintenance	10-40-6130-7400	3rd St ball field RR	59,620	59,620	0	0	Complete	1
		Utility trucks # 807 & 810	63,783	65,213	0	(1,430)	Complete	
		Total Rec. Maintenance	123,403	124,833	0	(1,430)		
Total General Fund			721,154	607,156	61,374	52,623		
Water:								
Water Meter Svc.	30-90-7250-7000	AMR meters	110,000	73,225	1,836	34,939	Complete end of May	1
Water Treatment	30-90-8100-7400	Van #552 & pickup #565	40,000	39,241	0	759	Complete	
Water Maintenance	30-90-8140-7400	Truck #414 body	7,393	8,399	0	(1,006)	Complete	1
Water Construction	30-90-8180-0400	16" WL engineering	61,653	2,848	58,805	0	Design compl., construction inspection rem	1
	30-90-8180-7400	Summit Ave. water line	168,806	75,035	0	93,771	Complete	1,2
		Total Water Fund	387,852	198,748	60,641	128,463		
Sewer:								
Wastewater Treatment	32-90-8220-7000	Blast & paint clarifiers 1&2	14,600	14,600	0	0	Complete	1
	32-90-8220-7400	Vehicle #548	25,000	24,911	0	89	Complete	
	32-90-8220-7400	Effluent control panel	24,000	18,549	1,961	3,490	Completed, pay final invoices	
	32-90-8220-7400	Tractor equipment	17,000	15,816	0	1,184	Complete	
Lift Stations	32-90-8230-7400	Rebuild 5th&Respass pump c	40,000	11,931	27,840	229	Complete June 30	
	32-90-8230-7400	Fountain L.S. generator	8,663	913	0	7,750	Complete	1
		Total Sewer Fund	129,263	86,719	29,801	12,743		

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
Electric:								
Electric Director	35-90-7220-0400	Peak Shaving Rate Study	8,962	8,962	0	0	Complete	1
		Total Electric Director	8,962	8,962	0	0		
Electric Meter Service	35-90-7250-7400	Test Switches	1,740	1,740	0	0	Complete	1
		Meters & handhelds	70,000	14,525	7,008	48,467	In progress, being quoted, PO's 4/20	
		Total Electric Meter Svc.	71,740	16,265	7,008	48,467		
Substation Maint.	35-90-8370-7400	Eastern substation breaker	46,512				Completed	1
		VOA recloser	20,000				PO written, mat'l recd, awaiting invoice	
		Distribution reclosers	20,000				Completed	
		Capacitors	8,000				Completed	
		E. substation security system	2,500				Reevaluating project	
		FRHL & Whar St. bus metering	5,500				Complete	
		Chocowinity breaker rebuild	100,000				Complete	
		2nd/5th Feeder	100,000				Acquiring materials labor to be bid out	
		Main substation rebuild	250,000	0	0		Acquiring materials labor to be bid out	
		Total Substation	552,512	196,259	86,041	270,212		
Load Management	35-90-8375-7400	Load management switches	70,000	65,835	3,700	465	Complete	
Power Line Construction	35-90-8390-7400	2nd St./5th St Rebuild Engine	71,538				Complete	2
		High School Feeder relocation	114,332				Complete	1,2
		Grimesland Feeder Engineerin	73,226				Complete	1,2
		NC 32 Feeder Engineering	32,299				Complete	1,2
		White Post/Slatestone Feeder	0				Delayed to FY 15. Not started	2
		NC 32 Feeder rebuild	325,000				Under construction, 2nd mile matl ordered	
		2nd St./5th St Rebuild	300,000				Purchase Order #53157	
		Line truck #617	230,000				Purchase Order #52951	
		Dually F350 #613	50,000				Complete	
		Portable air compressor	20,000				Compiling specs	
		Total Power Line Constructi	1,216,395	272,283	414,309	529,803		
		Total Electric Fund	1,919,609	559,604	511,058	848,947		
Solid Waste Collection:	38-90-4710-7400	Two leaf machines	56,500	51,042	0	5,458	Complete	
		Total Solid Waste	56,500	51,042	0	5,458		
Cemetery:								
Cemetery Fund	39-90-4740-5600	Storm drain repairs	7,223	7,223	0	0	Complete	2
	39-90-4740-7400	Two equipment sheds	30,000	10,000	20,000	0	Complete April 30	
		Total Cemetery	37,223	17,223	20,000	0		
Grand Total		Grand Total	3,251,600	1,520,492	682,874	1,048,234		

Notes:
 1 PO carryforward
 2 Project carryforward

City of Washington Accident Statistics Report					1st Quarter 2015		
					3/31/2015		
					2015 Calendar Year Total		
Department	January	Feb	March	#OSHA Recordable	Non Recordable	Total	
Public Works		1/strain	1/strain	2	0	2	
Electric	1/strain		1/strain	2	0	2	
Fire				0	0	0	
Police			1/eye inj	1	0	1	
Administrative Services				0	0	0	
Comm & Cultural Svcs.				0	0	0	
				5	0	5	
*Denotes an OSHA Recordable Accident							
1904.7(a)							
Recordable - Basic requirement. An injury or illness meets the general recording criteria, and therefore is deemed recordable, if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first-aid, or loss of consciousness. A case will also meet the general recording criteria if it involves a significant injury or illness diagnosed by a physician or other licensed health care professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.							
Non - recordable . An injury or illness that requires treatment that is defined as first aid with first aid being defined in 1904.7(b)(5)(ii).							