



City of
Washington
NORTH CAROLINA
Council Agenda
MAY 9, 2016
5:30 PM

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from April 25, & 26, 2016 (**page 3**)

Approval/Amendments to Agenda

I. Consent Agenda:

A. Adopt/Approve – Budget Ordinance Amendment for Electric Cost of Service Rate Study and **Approve** purchase order (**page 23**)

B. Approve – Purchase Order >\$20,000 (**page 25**)

II. Comments from the Public:

III. Public Hearing 6:00PM– Zoning: None

IV. Public Hearing 6:00PM - Other:

A. Discussion – Fiscal Year 2016-2017 Proposed Budget

V. Scheduled Public Appearances:

A. None

VI. Correspondence and Special Reports:

A. Memo – “Save the Pool Campaign” Board of Education Presentation (**page 27**)

B. Memo – Contracts for Petroleum Products (**page 28**)

VII. Reports from Boards, Commissions and Committees:

A. None

VIII. Appointments:

A. None

IX. Old Business:

A. Approve – “Save the Pool Campaign” (**page 29**)



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- B. Adopt – Budget Ordinance Amendment to appropriate funds for the purchase of 411 West 2nd Street property (**page 30**)
- C. Award/Approve – Contract for Fairfield Inn & Suites Water & Sewer and Approve corresponding purchase order (**page 32**)
- D. Authorize – Mayor to Execute Civic Center Lease (**page 34**)
- E. Authorize – City Manager to enter into Lease with Sound Rivers (**page 48**)
- X. New Business:
 - A. Request – Sharon Alligood, United States Power Squadron – Beer Garden at Festival Park Event (**page 60**)
 - B. Adopt – Other Attorney Fee Budget Ordinance Amendment (**page 62**)
- XI. Any other items from City Manager:
- XII. Any other business from the Mayor or other Members of Council:
- XIII. Closed Session: Under NCGS § 143-318.11(A)6) Personnel
- XIV. Adjourn – Until Monday, May 23, 2016 at 5:30 pm, in the Council Chambers

The Washington City Council met in a regular session on Monday, April 25, 2016 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Virginia Finnerty, Mayor Pro tem; Doug Mercer, Councilmember; Richard Brooks, Councilmember; Larry Beeman; Councilmember and William Pitt, Councilmember. Also present: Bobby Roberson, City Manager; Franz Holscher, City Attorney and Cynthia S. Bennett, City Clerk.

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

APPROVAL OF MINUTES:

By motion of Councilmember Mercer, seconded by Councilmember Brooks, Council approved the minutes of April 9th & April 11th, 2016 as presented.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Hodges reviewed the requested amendments to the agenda:

- Remove: Old Business A: TDA lease – advertise(lease > 1 year)
- Remove: Old Business C: Sound Rivers lease – advertise (lease > 1 year)
- Add: Other items from City Manager – Fire engine
- Add: Other items from City Manager - Disposition of 415 W. 2nd Street
- Remove from Consent for discussion purposes: Consent Item D: PO's > \$20,000
- Add: Other business from Council: Updates from League Board Meeting

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

CONSENT AGENDA:

By motion of Councilmember Pitt, seconded by Councilmember Beeman, Council approved the consent agenda as amended.

- A. Declare Surplus/Authorize – Electronic Auction of Vehicle through GovDeals
- B. Adopt – Library & Cemetery Trust Budget Ordinance Amendment
(copy attached)
- C. Adopt – Airport Terminal Grant Project Amendment
(copy attached)
- D. *Item Removed from Consent for Discussion* - Approve – Purchase Order >\$20,000

ITEM D FROM CONSENT AGENDA: APPROVE – PURCHASE ORDER >\$20,000

* \$26,150 purchase order to Southeastern Transformer Co. for a backup transformer for the Stanadyne plant.

Councilmember Mercer expressed his comments regarding the request for replacement or spare transformer for Stanadyne. Jeff Clark, Interim Electric Director provided an update stating the existing spare on-hand is for Hamilton Beach or Flanders Filters. Mr. Clark noted that we've had issues with this transformer before at Stanadyne. Councilmember Mercer suggested that it would be to our benefit to get into a "parts pool" with possibly Greenville, Kinston and New Bern in order to interchange

transformers. Mr. Clark explained that Washington and Monroe are the only cities that use these types of transformers.

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council approved the purchase order as presented.

COMMENTS FROM THE PUBLIC:

Susan Zachary expressed her comments regarding the request for the Sound Rivers lease. Sound Rivers occupies the 2nd floor of the old depot for approximately \$10.00 per year. She stated Sound Rivers is a non-profit just like Eagle’s Wings, Zion Shelter and Ruth’s House to name a few. She asked how the City Council could let Sound Rivers (a non-profit) rent this space for just \$10. Has Sound Rivers provided the same financial information that is required from other non-profits when requesting funding from the City? Eagle’s Wings asked for assistance for utilities, instead they received \$810 for the entire fiscal year. She asked why Eagle’s Wings can’t get funding like Sound Rivers, their free rent equates to nearly \$4,000 per year. All outside agencies should be treated equally.

PUBLIC HEARING 6:00PM– ZONING: NONE

PUBLIC HEARING 6:00PM – OTHER:

CORRESPONDENCE AND SPECIAL REPORTS:

MEMO –Budget Transfer – General Fund – *approved as presented*

The Budget Officer transferred \$13,200 of funds between the Customer Service and Accounting Departments of the General Fund appropriations budget to provide funds for the vacation pay off as a result of one retirement and one resignation.

<i>From:</i>	<i>10-00-4135-0200</i>	<i>Salaries</i>	<i>\$7600</i>
	<i>10-00-4135-0600</i>	<i>Group. Ins.</i>	<i>\$5600</i>
 <i>To:</i>	 <i>10-00-4130-0200</i>	 <i>Salaries</i>	 <i>\$13,200</i>

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:

Human Relations Council – *approved as presented*
(copy attached)

APPOINTMENTS: NONE

OLD BUSINESS:

AUTHORIZE – MAYOR TO EXECUTE CIVIC CENTER LEASE WITH THE TDA
Item removed from agenda

AUTHORIZE – CITY MANAGER TO ENTER INTO AN IT MANAGED SERVICES AGREEMENT WITH THE SOUND SIDE GROUP

Background and Findings: The SoundSide Group has been providing managed service for the City’s IT systems for the past two and one half years. We have been pleased with their service. The current

agreement expires June 30, 2016. The new agreement includes an additional day of onsite support each month and the new VOIP phone system.

Councilmember Mercer stated that we have had a long relationship with SoundSide and inquired if we should consider offers from other vendors.

David Carraway, Network Administrator explained it would be advantageous to City of Washington's network (due to the working relationship and location of their employees relative to City Hall) to remain with the SoundSide Group. It would take at least 6-9 months for a new group to get "up to speed" with our network. Staff did negotiate heavily regarding fees with the SoundSide group. Discussion was held regarding virtual desktops and the hopes to eliminate purchasing personal computers each year. Five virtual desktops will be installed at City Hall in the near future.

By motion of Mayor Pro tem Finnerty, seconded by Councilmember Brooks, Council authorized the City Manager to enter into an IT managed services agreement with the SoundSide Group.

(copy attached)

AUTHORIZE – CITY MANAGER TO ENTER INTO LEASE WITH SOUND RIVERS

Item removed from agenda

**AUTHORIZE – CITY MANAGER TO EXECUTE AMENDMENT TO
EMS MC BILLING CONTRACT**

Background and Findings: The current contract was entered into in 2010. The contract rate of 7.5% of collections was subsequently reduced to 7.25% upon achievement of specified metrics. The amendment extends the contract three years with an automatic renewal provision at a reduced collection fee of 6.95%. Cost savings of \$2,100 per year will result. The City Attorney had some minor revisions that will be forwarded to EMS MC Billing.

Councilmember Mercer commented that the agreement needs to reflect that the City can get out of the contract if the County takes over EMS services and/or billing.

By motion of Councilmember Pitt, seconded by Mayor Pro tem Finnerty, Council authorized the City Manager to execute an amendment to the EMS billing and collection contract subject to the revisions by the City Attorney.

(copy attached)

**ADOPT – RESOLUTION AUTHORIZING THE MAYOR TO REQUEST GRANT
ASSISTANCE FROM NC DEPARTMENT OF ENVIRONMENT AND NATURAL
RESOURCES DIVISION OF WATER INFRASTRUCTURE FOR ASSET INVENTORY
ASSESSMENT GRANT**

Background and Findings: The Asset Inventory and Assessment Grants were created to fund water and wastewater projects. The Grant has a limit of \$150,000 per application over three years. Funds are used to inventory existing water and sewer systems and document the condition of the inventoried item in our infrastructure. The amount of match required will range from 5% to 20%. Local Government

Unit (LGU) indicators such as poverty rate, median household income, percent of unemployment, and other factors determine the match percentage. In-kind services will apply as part of the match.

Frankie Buck, Public Works Director explained that our match will most likely be around 5% and we can use in-kind services for that match. Mr. Roberson explained that this report gives us ten points towards future grant assistance applications.

By motion of Councilmember Pitt, seconded by Councilmember Beeman, Council adopted a resolution authorizing the Mayor to request grant assistance from the NC Department of Environment and Natural Resources Division of Water Infrastructure for an Asset Inventory Assessment.

(copy attached)

ANY OTHER ITEMS FROM CITY MANAGER:

FIRE ENGINE 3 - #236

Fire Chief, Robbie Rose provided information regarding Engine 3 – vehicle # 236 which is a 1988 model, noting the vehicle did not pass the pump certification inspection. This item was included in the Capital Improvement Plan for replacement in the upcoming budget year. The minimum cost to tear down and repair the pumps was estimated at \$12,000 pending the conditions of everything else inside the pump. The Department of Insurance – Fire Rating Section stated if the fire engine doesn't pass the pump test it has to be removed from service. This leaves us without a truck. The fleet size needs to be maintained according to the Dept. of Insurance. We would like to go through the same process we went through about six months ago by sending out request for proposals to approximately seven fire truck vendors to find a demo model or factory owned truck.

Councilmember Mercer inquired as to the length of time to repair the pumps. Chief Rose noted 1-2 weeks, but explained the engine doesn't really meet any current standards, which is why it was included in the CIP for replacement in the upcoming budget. If we purchase a demo/factory model we can save approximately 10%. Mr. Roberson explained that if we remain one engine down, this would affect our fire rating/classification rating. Chief Rose noted that we currently have mutual aid agreements with surrounding volunteer fire departments

Councilmember Mercer asked why not repair this engine and keep it in reserve and purchase a new engine. Chief Rose explained that process would increase our fleet, the 1988 engine would become surplus once the replacement engine was purchased.

Councilmember Pitt inquired about the current value of 1988 engine and Chief Rose noted he was unsure of the value.

Councilmember Beeman asked if we would still have to repair the truck to keep it in service until the replacement engine was found in order to maintain our current fire rating. Chief Rose explained we would not need to repair this engine, we could maintain fire coverage with the automatic mutual aid agreement with the surrounding volunteer fire departments.

Councilmember Brooks noted this truck has been pushed back before and it is time to replace the engine. We need to get the new truck or demo/factory model and let the old truck go.

Chief Rose explained that staff is looking at a demo/factory model as this will be a 3-4 month process. He does not recommend rebuilding the pumps on a 1988 fire engine. Chief Rose stated that his department is highly satisfied with the factory model fire engine they recently received.

Chief Rose said the automatic mutual aid agreement doesn't cost us anything and helps us protect/improve our fire rating. Our current rating is a 5 out of 10.

By motion of Councilmember Brooks, seconded by Mayor Pro tem Finnerty, Council granted Chief Rose the authority to go ahead and look for a new or demo/factory model fire truck to fit the needs of the City. Motion carried 4-1 with Councilmember Mercer opposing.

Chief Rose will send out proposals for demo/factory model like last time.

Councilmember Mercer and Councilmember Beeman would prefer a new truck.

415 W. 2ND STREET

City Manager, Bobby Roberson explained that the City has obtained ownership of 415 W. 2nd Street - former A&B tax office. He would like to go through the proper procedure to dispose of the structure. We would need a Certificate of Appropriateness from the Historic Preservation Commission in order to remove the house. We will be working through Preservation NC to find a buyer for the structure in order to have it removed from the property. If we do not receive any offers to purchase and move the structure within six months, then we would request to take the property down. Mr. Roberson explained this would allow for additional parking at the library. By consensus, Council authorized Mr. Roberson to move forward with the disposition of 415 W. 2nd Street.

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

Councilmember Pitt provided updates from the latest League of Municipalities Board of Directors meeting. Items recently discussed were as follows:

- House Bill 2
- Police Body Camera – how long to maintain recording
- Municipal service districts
- Stormwater control
- Drinking water standards
- Billboards
- Budget amendments
- Modification of tier system

CLOSED SESSION: UNDER NCGS § 143-318.11(A)(3) ATTORNEY/CLIENT PRIVILEGE; (A)(5) POTENTIAL LAND ACQUISITION AND (A)(6) PERSONNEL

By motion of Councilmember Pitt, seconded by Councilmember Beeman, Council entered into closed session under NCGS § 143-318.11 (A)(3) Attorney/Client Privilege; (A)(5) Potential Land Acquisition for the property located at 411 W. 2nd Street owned by William Ellis Thompson and listed by the Rich Company and (A)(6) Personnel at 6:15pm.

By motion of Councilmember Brooks, seconded by Councilmember Beeman, Council agreed to come out of closed session at 7:00pm.

Budget Discussion – General Fund

Pg. 16 – Councilmember Beeman - Question regarding \$5 credit card charge – *payments made by phone*

Pg. 17 – Councilmember Brooks - Question regarding the increase in Economic Development. *Civic Center and Airport subsidy moved to Economic Development*

Pg. 19 – Councilmember Brooks – Question regarding clawback for Keyslanding. *\$50,000 credit per home occupied by qualified LMI – we will not have to make another payment as two homes were recently occupied by LMI*

Councilmember Brooks inquired about the Dectron unit for the pool. Mr. Roberson noted the Dectron unit was not included in the budget. Mr. Roberson said that Council needs to make a decision about the future of the pool. Councilmember Beeman noted that we own the facility and we need to keep it functional.

2017 Budget Summary				Significant Budget Items	
	Migr Budget		Net	\$	Description
	Revenue	Expense			
General Fund	15,104,301	15,104,301			
Enterprise Funds:					
Water	3,158,780	3,158,780	0	31,436	Down town beautification person, funded with facade grant and Retail Strategies elimination
Water cap reserve	4,000	4,000	0	118,856	Airport subsidy moved to economic development
Sewer	3,269,132	3,269,132	0	77,813	Cemetery subsidy funded with \$1/account from Electric Fund
Sewer cap reserve	10,000	10,000	0	40,000	100% pay as you go capital, no new bank financing
Stormwater	894,003	894,003	0	56,403	BC E911 FTE payment discontinued
Electric	34,824,386	34,824,386	0	300,000	Legal services reduced from FY 2016 estimate
Airport	692,902	692,902	0	57,335	Excludes Aquatic Center dehumidification system replacement
Sanitation	1,298,036	1,298,036	0	713,648	Civic Center subsidy (subsidy, maintenance, insurance) moved to economic development
Cemetery	307,428	307,428	0	9,823	Vehicle replacement fund contribution at full year amount of \$482,756 plus an additional \$230,882 fire engine makeup
Total Enterprise Funds	44,458,667	44,458,667		254,442	GF administrative charge added for TDA/Civic Center
Other Funds:				144,000	Reduced Civic Center subsidy
LIBRARY TRUST FUND	600	600	0		Electric transfer to General Fund increased to \$808,723
CEMETERY TRUST FUND	2,000	2,000	0		City street lights moved to Electric Fund
PUBLIC SAFETY CAPITAL RESERVE	166,970	166,970	0		
ECONOMIC DEVELOPMENT CAPITAL RESERVE	328,336	328,336	0		
TRILLIUM PLAY TOGETHER GRANT	284,156	284,156	0		
DOWNTOWN DEVELOPMENT	85,500	85,500	0		
HOTEL PROJECT-NEW AGE PROPERTIES	206,400	206,400	0		
CDBG JOB CREATION IDX	300,000	300,000	0		
RZEDB- STORM WATER PROJECT	5,012,039	5,012,039	0		
IDX IMPRESSIONS EXPANSION	512,500	512,500	0		
CDBG PROGRAM INCOME FUND	5,957	5,957	0		
PEDESTRIAN PLAN GRANT	10,000	10,000	0		
POLICE STATION CAPITAL PROJECT FUND	1,206,854	1,206,854	0		
FINANCIAL SOFTWARE CAPITAL PROJECT FUND	250,000	250,000	0		
AIRPORT TERMINAL GRANT PROJECT	1,254,488	1,254,488	0		
FAÇADE GRANT PROGRAM FUND	0	0	0		
WAY FINDING	150,000	150,000	0		
AIRPORT REHABILITATION	460,121	460,121	0		
CWSF LOAN	2,000,000	2,000,000	0		
EDA WATER PROJECTS	1,428,262	1,428,262	0		
EDA SEWER PROJECTS	1,423,894	1,423,894	0		
WORKERS COMPENSATION FUND	97,000	97,000	0		
VEHICLE MAINTENANCE FUND	714,648	714,648	0		
FACILITY MAINTENANCE FUND	500	500	0		
Total Other Funds	15,900,225	15,900,225			
Grand Total City	75,463,193	75,463,193			
Enterprise funds + others Expenditure RevenueMMM.xlsx					
				73,779	1% COLA: General Fund
				7,257	Water Fund
				7,055	Sewer Fund
				19,660	Electric Fund
				519	Airport
				4,027	Solid Waste
				1,760	Cemetery
				114,057	Total
					Health Insurance 6% Increase avoidance:
				(41,689)	General Fund
				(4,074)	Water Fund
				(4,338)	Sewer Fund
				(9,897)	Electric Fund
				(269)	Airport
				(3,298)	Solid Waste
				(1,238)	Cemetery
				(64,703)	Total
					Reserve for future capital expenditures:
				23,021	Water
				80,000	Storm Water
				970,000	Electric
				51,634	Solid Waste
					Tax, Rate, & Fee Changes:
					\$.02 property tax increase for Police Station capital project fund, will cover \$2.1 million in de
					service + \$1 million in project fund
				171,854	Simplified residential load management credits
				23,550	Cemetery lot fee +5%, perpetual care fee to Cemetery Fund instead of trust
				15,000	0.5% increase in water rates
				62,000	2% increase in sewer rates
					\$.60/rate increase in monthly residential storm water rates, 60% increase in commercial to
				257,015	fund capital improvements in addition to debt service

**BUDGET COMMENTS & QUESTIONS - GENERAL FUND
FROM COUNCILMEMBER MERCER**

p. 11 &12 The property evaluation used is actually lower than last year’s evaluation by \$7,638,000. With a 52 cents tax rate, this is equal to \$397,009(About \$190,000 is due to the 2 cents rate increase).

I believe it is reasonable to assume a small increase in the total property evaluation. If we assume a 0.5% increase, the total evaluation would go up to \$871,241,736, with total revenue of \$4,530,456. This would indicate that one cent of tax rate is approximately \$87,120. When the prior year’s taxes and penalties are added the potential revenue is \$4,702,467, but a collection rate of 96.5% will lower this to \$4,537,871.

This would increase potential ad valorem taxes by \$230,747 and I recommend that we use these values in the budget. This amount would significantly reduce the transfer from the Electric Fund and/or reduce the need for an appropriation from the Fund Balance.

	Levy			Appraised Value		
	Property	RMV	Total	Property	RMV	Total
2015						
Levy	3,982,528	379,178	4,361,706	796,505,600	75,835,600	872,341,200
Collections	3,872,318	376,719	4,249,037			
% Collected	97.2%	99.4%	97.4%			
2016 Budget						
Levy	3,999,768	334,768	4,334,536			
Collections	3,799,780	318,029	4,117,809			
% Collected	95.0%	95.0%	95.0%			
2016 Estimate						
Levy	3,937,011	359,333	4,296,344	787,402,200	71,866,600	859,268,800
Collections	3,828,061	357,003	4,185,063	3,918,240	net levy 3/31/16	
% Collected	97.2%	99.4%	97.4%	783,648,000		

2017 Budget						
Levy	3,937,011	359,333	4,296,344	787,402,200	71,866,600	859,268,800
Collections	3,779,531	355,740	4,135,270			
% Collected	96.0%	99.0%	96.3%			
2017 Estimate						
Levy	3,918,240	372,448	4,290,688	783,648,000	74,489,660	858,137,660
Collections	3,761,510	368,724	4,130,234			
% Collected	96.0%	99.0%	96.3%			

P13. Why do we include \$400 for Privilege License, when we have no fee schedule?
Taxi cab license

P14. Did the value of the Electric Fund properties with the City limits increase by 3%, thereby increasing the Payment in Lieu of Taxes by 3%.
Yes, based on gross asset value in 2015 CAFR (staff will double-check calculations)

P17. Five years ago, the sitting Council set a goal of reducing the transfer from the Electric Fund each year. We did this for three years and had reduced the transfer to about \$470,000. Last year we increased the transfer and are proposing an additional increase this year, so that the transfer proposed is \$908,723.
 When you consider the other monies from the Electric Fund (\$1,844,184) impacting the General Fund, the total is \$2,752,907.
 This Council needs to decide if the Electric Fund is to again become our Money Tree or are we going to operate the Electric system in a way to reduce electric rates to our customers or continue to dodge the concept of cutting cost or raising tax rates.

P25. Street Lighting is transferred to the Electric Dept. I feel this is where it should be, but this is part of the \$1.8 million impact.

Human Resources

P37. Why is the copier charged to the Human Resources Dept., when it is used by everyone?
 Why not charge to the Managers Office?
HR now has their own multi-function copier.

Finance

P41. Why do we pay Civic Club dues (\$680) for Finance Officer, when we do not appear to pay dues for any other Dept. Head?
CFO is a member of the Rotary Club to represent the City.

Warehouse

P43. Why do we provide uniforms for only one of the two employees’?

Purchasing agent does not wear a uniform.

P49. Mayor Pro tem Finnerty suggested holding a promotion drive for electronic billing in order to save on printing and postage.

Customer Services

P51. Eight phones for 6.5 people.

6.5 fulltime, 1 part time, phones at each counter (3) and in mail room (1)

Police

P80. Do we have a substation or is this an office?

Substation lease from the Washington Housing Authority, \$2,000 telephones and \$3,000 utilities.

P82. Will the requested tower replace the need for rent on an existing tower where rent has increased? *Yes.*

Fire

P83. & 93. We really need to show a split between Fire and EMS staff that is more realistic. This 75-25 split is going to bite us if we are not careful. Understand it may affect Medicaid collections from State, but how much longer are we going to get these monies?

Split is based on call volume and is accepted by DHHS for the annual EMS Medicaid cost reimbursement.

Streets

P104. Nine vehicles for 7.5 people.

The vehicles listed in the justifications in this fund are not all passenger vehicles some equipment numbers are construction equipment. Listed below are descriptions: 450 – No longer exists , 452 ¾ TN Truck driven by Street Supervisor, 454, 455, 456- 2 TN Dump trucks used for material handling. 461-Motorgrader, 463-Loader, 464-Asphalt roller, 465-10 Wheel Dump truck, 4053 – Paint stripping machine.

Library

P114. Are we required to pay any dues to participate in NC Cardinal? Are we better off to leave Cardinal, so that we may increase fees for non-resident users?

No dues or maintenance for the first two years. Saves approximately \$18,000 per year.

Rec Admin

P117. Why do we purchase WDN for senior Center?

For Recreation administrative staff then circulated to Senior center.

Events

P121. What is \$10,000 for fireworks? I thought this was donation by Lee Chevrolet.
Lee Chevrolet paid for the event several years ago when the fireworks were not included in the budget. They support other advertising and support through the WHDA.

Senior

P124. Request for \$7500 for shuffleboard court. Thought we had a grant to cover this or we were to use grant for another purpose.
\$1,500 BCHD grant. Amount will be reduced to \$6,000 to reflect grant funding.

P126. Why replace this van? When Rec. Dept. schedules a trip requiring a van, rent and require participants to cover rental cost.
Replacement of van was removed from the vehicle replacement fund (fund 86), replacement cost contribution was not eliminated and should be if the transportation needs will be outsourced when the current vehicle is retired from service. Van will not be replaced at the end of useful life.

Docks

P124. Why do we need \$20,000 of improvements to the Dockmasters station when is only a year old?
Replace building for golf cart & drink machine storage. City Manager will review cost. Building was originally designed to be a gazebo with benches and a drive in area at the rear for golf cart as well as drink machine - in keeping with the design of the lighthouse. Mr. Roberson stated the plan was approved several years ago by City Council – design by Susan Suggs.

We put a PC in the Dockmasters office last year, why does he need a tablet?
For onsite credit card payment for dock services.

Pool

P131. Three phones for one full time employee.
Dedicated 911 phone as required by the Health Department and front desk rollover line and supervisor phone.

Mayor Pro tem Finnerty inquired about Marketing & Promotions for the Aquatic Center.
Kristi Roberson explained the website is in the process of being designed. Parks and Rec. currently has the movie license for showing movies for the Senior Center and Summer Programs.

P132. Move replacement equipment from Equipment Repairs to Non-Capital purchases.
\$1,650 heater in women's restroom, \$1,300 free weights, & \$1,200 lifeguard chair can be moved as suggested.

Grounds

P138. Need much more detail about the proposed sidewalks at the McConnell complex. CIP suggested requested by Council, this needs further clarification.

\$56,000 is ½ of estimate provided by Rivers & Associates to purchase material. Public works staff will provide the labor for the planned improvements.

Councilmember Mercer suggested cutting the \$56,000 from the budget. Councilmembers Beeman, Finnerty and Brooks requested to leave the \$56,000 in the budget. Discussion was held regarding ADA compliance. Mr. Roberson explained that Rivers & Associates delivered a plan showing where the concrete sidewalks should be installed as well as the cost. Kristi Roberson explained that Councilmember Beeman requested the Parks and Recreation Dept. pursue a sidewalk project at the sports complex for access to the dugouts and the bleachers.

Beebe Park bathroom should only be funded after we have a complete plan for expansion of this area. Cannot continue to do piecemeal based on what someone suggests today and then have it change tomorrow.

Beebe Park committee supports locating the restroom facility on the memorial park property. Mr. Roberson said he spoke with William O'Pharrow and Mr. O'Pharrow would like to have the restroom located on Beebe Park and not on the school property. Kristi Roberson noted that a plan has already been formulated and the committee wanted restrooms and playground equipment. A joint use agreement was entered with the City and the Board of Education for use of the Ed Tech property. The grant will not fund the restrooms and the granting agency is requesting the City fund them and the Beebe Park committee was in agreement with that concept. Councilmember Mercer expressed concern if the restrooms were not installed on City property. Councilmember Brooks noted that the sewer lines are more accessible on the Ed Tech property for restrooms. Councilmember Brooks agreed that the Beebe Park committee will need to meet with the Recreation Advisory Board to finalize plans for the park.

Maintenance Shop not in CIP. (\$30,000) Didn't we just build storage building on Airport property?

\$45,000 was included in the 2017 CIP under Recreation B&G.

Recess at 8:15pm-8:25pm

Additional questions & comments regarding General Fund:

- Discussion was held regarding Ad valorem taxes – increase collections by 1% and increase valuation by .5% total increase of \$61,688.
- Promote electronic billing to save postage and printing
- Check calculation for payment in lieu for electric fund assets
- Dectron unit - \$500,000 in building maintenance fund – could be used for Dectron unit if needed (pg. 315) Discussion continued regarding the Dectron unit.
- Reduce shuffleboard court appropriation from \$7,500 to \$6,000
- Remove \$5,567 appropriation to vehicle replacement fund since Parks and Rec. vehicle will not be replaced.
- Review cost for gazebo/golf cart building near dock masters station
- Reclassify equipment being purchased at aquatics center to non-capital
- Rivers & Associates – ADA report to Council with NCGS and ADA claim in Elizabeth City

- Beebe Park committee meet with Recreation Advisory Committee for consensus on Beebe Park plan
- Kate B. Reynolds grant status

Councilmember Mercer discussed the request for a 1% COLA. He suggested ½% COLA increase instead. Mr. Roberson reviewed that the average COLA for populations of 5,000-9,999 is 1.43%. COLA increase for populations of 10,000-24,999 is 1.1%. This information was received from the NC League of Municipalities and Mr. Roberson noted we need to be consistent with municipalities in our category/size. Councilmember Brooks requested the 1% COLA stay in the budget – Councilmember Beeman and Mayor Pro tem Finnerty agreed.

Councilmember Mercer reviewed the salary schedule compiled by NCLM and he noted that our sanitation workers are among the lowest paid in 30+ cities on his comparison list. He suggested raising the pay grade for sanitation workers by one pay grade. By consensus, Council was in agreement with the reclassification of the sanitation workers. Councilmember Pitt noted that we need the salary study, but we also need to make sure we are able to pay for the implementation of the plan.

Mr. Roberson explained that our entire payroll classification system needs to be reviewed as it hasn't been studied since 2008. Council will need to determine how to pay for the study as well as implement the plan. Mr. Roberson explained that we need to look at the staying capabilities of our employees.

Councilmember Brooks inquired why some of the outside agencies show zero funding. Mr. Roberson explained those agencies were moved into the economic development portion of the budget (pg. 139).

Councilmember Brooks inquired about the budgeted amount for legal fees of \$140,000 (pg. 71). Mr. Roberson explained that during the May 9th meeting he will bring forth a contract for the City Attorney that addresses everything that the Council has previously discussed. The \$140,000 will be adjusted.

Mr. Roberson explained that Tuesday, Council will discuss Enterprise Funds after the expansion budget.

ADJOURN

By motion of Councilmember Brooks, seconded by Councilmember Beeman, Council adjourned the meeting at 9:00pm until Tuesday, April 26, 2016 at 5:30pm in the Council Chambers at the Municipal Building.

(subject to approval of City Council)

s/Cynthia S. Bennett, MMC
City Clerk

The Washington City Council met in a budget session on Tuesday, April 26, 2016 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Virginia Finnerty, Mayor Pro tem; Doug Mercer, Councilmember; Richard Brooks, Councilmember; Larry Beeman; Councilmember and William Pitt, Councilmember. Also present: Bobby Roberson, City Manager; Franz Holscher, City Attorney and Cynthia S. Bennett, City Clerk.

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

Budget Discussion – Expansion & Enterprise Funds

BUDGET COMMENTS OR QUESTIONS FROM COUNCILMEMBER MERCER

Expansion

P317 - COLA 1% I recommend drop to 0.5% based on regional CPI for last 12 months

P318 - Need person, but aren't benefits high?

\$ 1,569 FICA 7.65%

1,487 Retirement 7.25%

6,220 Insurance

1,350 401k

301 Uniforms

\$10,927 Total benefits

Appendix

P321. This list is helpful but doesn't show all computers and tablets listed in the Dept. request.

Will cross check and report findings during Wednesday's workshop.

Network Administrator, David Carraway reviewed the list of computer replacements as well as tablet purchases with Council.

P325. Are pushback fees in line with other airports?

Yes, since we are just starting in the tow business, our fees are cheaper than surrounding airports.

Is \$35 increase for monthly tie downs justified?

Current tie-down fees are in-line with other airports in our region. We suggested the increase in an effort to generate some additional revenue for the airport; there are currently 4 tie-downs used monthly.

Airport is approximately \$100,000 short of covering expenses with current fee charge and hangar utilization.

P326. Commercial Storm water fees are excessive. This fee will be greater than Water and Sewer for most down town businesses.

See schedule of rate increase impact comparison. Commercial properties are the primary contributors to Storm water runoff throughout the City. The downtown area average water & sewer bill is \$55. The proposed Storm water fee will increase from \$27.00 to \$40.50 for a small downtown business.

Fee Schedule

- P11. Need refund language re-inserted
Refund language is consistent with current year.
- P15. Need refund language re-inserted.
Refund language is consistent with current year.
- P25. Is the \$25 fee for approval of a final plat adequate? The final plat often takes more time than the preliminary.
Fees were reviewed and revised for the current year's budget and adequately represent the cost.
- P37. I suggest we reduce the EMS charges to the level approved by Medicare-Medicaid. This will reduce the write-off each year.
Current rates are suggested by EMS Management Consultants and maximize our collections which is a good tradeoff for higher write offs.
- P42. I suggest we increase the Perpetual Care charge to \$250.
The City's cemetery fees overall are high compared to surrounding areas. Additional increases beyond the proposed 5% in grave spaces may impact our sales.
- P55. Is the \$25 charge for an electric pod strictly for the installing and removal of the pod? Is there an additional charge for the energy used?
Cost is for installation only electricity usage is paid for by recreation maintenance. Pod installation charge could be increased to \$50 with a usage charge of \$25/day.
- P60. Do we need to get out of Cardinal program so we can charge outside users for services?
Benefits, cataloging cost savings, and State Aid eligibility outweigh the revenue that would be gained by charging outside City residents a fee.
Need to re-insert language for exemption of fee for Multi-purpose room for small civic groups.
Overlooked and will be inserted.
- P89. Need to review electric rates. It appears we are selling near or below our wholesale cost in some classes.

Additional questions from Councilmember Mercer:

- Pg. 326 - stormwater - move residential up \$1.00 instead of \$.50 and change commercial to possibly 25% increase
- Pg. 25 - Change final plat review from \$50 increase to \$100
- Pg. 37 - ask EMS billing group to review Medicare charges in conjunction with Affordable Care Act – this will come back before Council.
- Pg. 42 - perpetual care charge increase to \$250 from \$200
- Pg. 55 - electrical pod – increase charge from \$25 to \$75 and add charge of \$25/day for electricity
- Pg. 60 - Cardinal – consensus ok to leave as is (staff follow up on Cardinal)

- Pg. 61 - **reinsert language for exemption for fee for renting multipurpose room at library**
- Pg. 89 - electric rates – **industrial and large general customers need to be adjusted**
(Councilmember Mercer) we are selling power at less than we are buying it for. Staff will readjust electric rates for industrial and large general customers (rate reserve fund)

WATER

Directors Office

P146. Why 2 cell phones and three phones for three employees?

Ext. 302, 332, 363 Landline Office phones and 2 cell phones for the Director & Public Works Supt.

P141. rents: \$37,000 why the change? No rate increase.

WATER

P152 Number of phones seems excessive. Realize 17 employees but with three shifts, only 6 are on duty at on time. What are air cards and why a Century Link charge?

Ext. 310, 373, 371 & 635 Landlines for the Communication Center and 2 cell phones for Water Resources Supt and Operators, 2 phone stipends and 2 wifi hotspots (air cards). Century Link charges are for the phone internet service.

- Provide Councilmember Mercer with list of phones, tablets and computers.

P154. Isn't painting the clear wells maintenance instead of non-capital?

Painting of clear wells would be maintenance, however, because of \$ amount it was included in the non-capital purchases line item.

The Capital request to replace an ammoniator and a new mower do not appear to be in the Capital Plan unless major problems, recommend we remove these items. Why two tablets?

Items less than \$25,000 are not required to be listed in CIP.

2 ammoniator's, currently in place, are original equipment to the plant when it was built in 1993. The manufacturer has indicated that the existing units are now obsolete and parts are becoming scarce. Now, there is 1 unit out of service because parts cannot be found to rebuild. The proposal is to replace both units.

2008 Toro is having lots of mechanical issues over the last 2 years and same issues keep coming up. Repair costs are mounting. Mower is used almost every day during grass season.

Tablets are for operator read-ups and data management.

Distribution Construction

P160 - The proposed tie line for Runyon Hill to 264 is in the CIP, but I would like a little more explanation as to why tie in need. Is this area not already tied to City system?

No, it is on the County's Water System and is fed from River Road. We need to tie Runyon Hills to the City System to improve pressure issues when the County is flushing or doing repairs. This looped system in this subdivision will improve water quality and reliability.

SEWER

WW Treatment

P173. Do we need to remain a member of the Pamlico Basin Association at \$5,400? Aren't only members Rocky Mount, Tarboro and Washington?

This membership enables the City to not have a nitrogen or phosphorous limit in the NPDES permits. Also, allows the City to be exempt from in-stream monitoring; if required, it would entail upstream & downstream monitoring in the winter(weekly) and summer(3 times/week). Membership enables a collective bargaining voice when dealing with the State during permit renewals. Greenville, Rocky Mount, Tarboro, Oxford, Franklin County, Warrenton, Robersonville, Louisburg, Belhaven, Enfield, Scotland Neck, Spring Hope, Pinetops, Bunn, Creedmoor, and Washington are members.

P181. Do we renew NPDES permit every year or every five years? This is in budget every year. Do we need spare pump for Oxidation Ditch No2. Do we have a spare pump for Ditch No1 and are they the same pump? If not the same, why don't we use only one model pump? If you lose pump, what is delivery time and can't we operate on one ditch for that period of time.

Permits are renewed every 5 years, however, renewal fees are annual.

Oxidation Ditch 1 & 2 utilize different technologies and different equipment. The recirculation pump, currently in service, is the spare pump. The primary pump failed and was deemed unrepairable; this pump runs 24/7 and the treatment process is compromised without it. Last repair took 3 months and the parts came from overseas.

Lift Stations

P184. How many pumps in 5th and Respass station? Are these pumps sized to maintain necessary flowrate operating only 33% of the time? Could you continue to operate with a failure of one pump?

5th & Respass currently has 1 small pump (80hp) and 2 large pumps (185 hp). The pumps have 55,762 hours (Pump 1), 32,399 hours (Pump 2) and 37,960 hours (Pump 3) on the pump motor housings; the pumps are 11 years old. Since installation, Pump 1 has been rebuilt 3 times, Pump 2 rebuilt 5 times and Pump 3 rebuilt 4 times. All of these rebuilds have been since 2009 and range between \$10,000 and \$20,000 per rebuild. 1 pump will handle the flows during normal times, however, during rain events, 2 pumps are required.

- Buy new pump this year and put new pump in next year's budget as well.

Not in budget, but in the CIP and the vehicle replacement plan is a request to replace the 2009 Sewer Vacuum Truck, this unit is only seven years old and I thought this truck had a 10 year useful life expectancy. Why are we replacing early? This appears to be an expense we can delay until the 2019 budget.

The amount of grit and corrosive material that is pulled through the truck daily are factors that shorten the life of this equipment. It is to the City's advantage to replace this equipment while it still has value on the used market. We could wait to replace in FY 2017-18, but I do not feel comfortable beyond this time; even minor repairs are costly on P.D. Blowers and containment body.

STORMWATER

P191. Capital request is increased to \$200,000. We haven't spent this much total in the last two year. Thru March, we have only spent about \$60,000 of \$150,000 budgeted during this year. What needs to be done a 7th and Harvey, and Lawson and Reed that wasn't addressed this year as budgeted? I would suggest we reduce to \$100,000.

The current project being designed by ARK Engineering addresses 5 key locations for drainage improvements. The preliminary cost estimate for base bid on Lawson to Reed and Willow Street is \$327,000. We would like to propose to bid project in late May with add alternates for the East 7th & Harvey to East 9th Street locations. Depending on bid cost we can add more work to the project and spread cost over 2 budget cycles.

ELECTRIC

When the sitting Council approved the 6% reduction in electric rates last year, it was based on projections that I prepared and were reviewed by Booth and Assoc.; and a major assumption in these projections was that the O&M budget for the Electric Dept. would be limited to \$8 million in the first fiscal year after the generating assets were sold. These projections allowed for a rate reserve fund to be built in the first year and a drawdown on this balance in the following years to allow stable rates for multiple years. We cannot use this reserve for current expenses or we will be forced to increase rates on a more frequent basis. I realize the power agency has delayed the rate increase which was supposed to go in effect in April of this year has basically that an increase may not be necessary until early 2019(our budget year18-19) If this projection holds, we will be able to build a larger reserve and hopefully address the replacement of downtown area utilities sooner.

The proposed O&M budget is \$8,629,000, so if we are going to retain the \$8 million limit, we need to reduce the proposed budget by \$629,000.

Misc.

P203. Why is Electric Dept. budgeting \$100,000 for Work Order-Billing software. This should be in the Capital Project for Software in the Finance Dept. that was established this year. Councilmember Mercer suggested deleting this item - \$100,000

Communications

Additional \$100,000 is needed for implementation of utility billing and software to include a work order system.

- Matt Rauschenbach will look at readjusting the expense to other departments

P205. Do we need to review the idea of part time employees in this area since we are providing benefits for the part time staff?

Current mix of part time and full time staff works well to provide 24/7 coverage.

- Staff will confirm this info for Wednesday.

Director

P206. Don't we have a plotter in the Public Works or Planning Dept. that can be shared? How much in-house plotting do we do? Councilmember Mercer suggested deleting this item - \$10,000

We need our own in place now. Due to subdivision maps, circuit maps and our new GIS system all of our maps will be updated weekly if not daily and since it will be located at our office on Grimes Rd., will be a great asset.

Meter Service

P212. Why uniforms for only 6 of 7 employees?

Ed Pruden does not wear a uniform.

Do we need \$50,000 worth of inventory for new customers? How much inventory do we currently have?

This includes all type meters and the CT's & PT's for primary and secondary applications.

- Jeff Clark will provide how much inventory is kept on hand in warehouse.
- Mr. Roberson will ask about replacing street lights with LED with a grant

Substations

P217. Why do we need to purchase land for a tower at Hodges and Hy264 when the Eastern Substation is just a short distance away. Councilmember Mercer suggested deleting this item - \$20,000.

This tower will be located further east on 264 near our Forest Hills substation.

We seem to purchase breakers for substations every year. How often do we actually replace? What is warehouse inventory at this time?

The two we are replacing this year are a B4 at our main substation replacing the unit placed in service in 1981. The other breaker is at Wharton Station and is an obsolete Square D model that spare parts are no longer available for.

Why do we have \$3500 of weed control in this area? Can't it be handled in the \$30,000 in Line Maint.?

The \$3,500 is for substations and \$30,000 is for 1/3 of our right of way spraying. We are evaluating spraying in house this year and if successful the funds will be used to purchase chemicals.

What in the SCADA interface and why is it needed? \$20,000

Can be eliminated, the additional \$100,000 for software should be sufficient.

Load Management

P220. Why do we need 1,000 new Load Management switches? What is warehouse inventory? How many switches are we installing for new accounts and how many are replacements. \$70,000

We are ordering switches for next year because we did not purchase any in the current year's budget. Delivery is 16 weeks, warehouse inventory is 598 as of 4/25/16, and we are installing around 60 switches/month. 65% are replacement switches and 35% are new installations. We can do an interface to escape the \$20,000

- Get saturation rate for switches
- Reduce number of switches purchased to 500 instead of 1000 (verify price break in number ordered)

Why are we including RICE monitoring at \$25,000. This was done last year and is only required every three years or 8700 hours of operating time. DELETE \$25,000

Retesting and evaluation is every 3 years but we are required to monitor continuously and report quarterly.

- Jeff Clark will verify info and what money is being used for

Power Line Maintenance

P224. Tree trimming has increase by \$55,000 to \$490,000. Did we bid this work? Could we get a better price if we bid?

We did get a quote from Dudley and requested one from Lewis. Dudley's bid was higher than Davey Tree Service. We are pleased with the service provided by Davey.

It is proposed to spend \$30,000 for herbicide application. I though we purchased an all-terrain vehicle in last year's budget, so we could do this in-house.

We are evaluating spraying in house this year and if successful will no longer need this outside service.

Why are we spending \$420 per employee for safety shoes for 19 employees? How many pairs each. Do we need to set policy on number of pairs per employee?

We pay 100% of the cost of boots for employees and they are allowed two pair per year. We are in the process of bidding out this purchase.

P225. Steps for accessing the panels in Festival Park. \$7,000 ~ we don't need to spend this money in this way. These panels are the second greatest eyesore along our waterfront. I thought we were going to relocate these panels when we relocated the pump station, but apparently, I was wrong. We need to budget to relocate these panels.

The Electric Department was tasked with building access steps for the panels. A cost estimate of moving the panel will be obtained, it will be expensive.

- Staff will look at cost of moving panels to another location.

Don't argue with the need to store new wire under a shelter, but how many more truck shelters do we need?

Need to build a storage building for wire and a staging area for large jobs.

Power Line Construction

P228. We need to re-evaluate all the projects in this area. In 2012, we had a 20 year Electric System Improvement Plan prepared by Booth and Associate. This plan suggests improvements (both maintenance and new construction) that at that time totaled about

\$60 million. The current CIP has nearly \$20,000,000 (all areas) proposed for the next 5 years.

Jeff Clark has reviewed the 20 year plan and since 2012 nearly \$16 million of these projects have been completed.

Grimesland Rebuild is in progress; therefore, it needs to stay. When will bidding be completed and contracts let?

Grimesland Rd. project should go out for bid within 6-8 weeks. A delay was experienced for the water way crossing permit.

Delete the Avenue Road and Cherry Run project for this year. Use the fund to re-locate Festival Park panels. Councilmember Mercer suggested deleting this item - \$110,000

These tie points are necessary for reliability and good customer service.

Vehicle No. 601 is Ford 150, why do we need a F350 (?) with a construction body when we already have two. Replace with Ford 150 (\$20,000 vs. \$5500) Councilmember Mercer suggested deleting this item - \$25,000

This vehicle is not adequate for hauling or pulling the equipment needed for jobs and a crew cab is need for the crew to ride in.

We budgeted a Wire Tensioner in the 12-13 budget, why do we need another one this year? Councilmember Mercer suggested deleting this item - \$50,000

The wire tensioner is what is necessary to pull wire in a safe and effective manner. The current equipment is out of date and unsafe.

- If we aren't going to spend money for engineering can we use it for moving panels? Staff will research cost and new location. Don't spend \$7000 for steps for panels.

Mr. Roberson addressed the following items and by consensus, Council will address these items on Wednesday:

- Sidewalks
- Dectron
- Kate B. Reynolds

ADJOURN

By motion of Councilmember Brooks, seconded by Councilmember Pitt, Council adjourned the meeting at 9:00pm until Wednesday, April 27, 2016 at 5:30pm in the Council Chambers at the Municipal Building.

(subject to approval of City Council)

s/Cynthia S. Bennett, MMC
City Clerk



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Bobby E. Roberson, City Manager
Date: May 9, 2016
Subject: Electric Cost of Service Rate Study Budget Ordinance Amendment
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council adopt a budget ordinance amendment to appropriate \$24,500 for a cost of service rate study and approve the subsequent purchase order.

BACKGROUND AND FINDINGS:

During budget work shop sessions Council requested staff approach Electricities about a cost of service rate study and an analysis of our load management and peak shaving credits. Electricities recommends that we contract with Utility Financial Services (UFS) out of Wisconsin and Michigan to conduct the study. Several NCEMPA members have utilized their services for this type of work and were very satisfied. The project includes a presentation to Council and the cost is being defrayed by a \$5,000 Electricities betterment grant. Anticipated delivery of the study is 6 months from project award. The load management and peak shaving credit analysis is being performed by Electricities and City staff.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance Amendment

City Manager Review: MM Concur Recommend Denial No Recommendation
5/4 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2015-2016**

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

Section 1. That the following account numbers in the Director's department of the Electric Fund appropriations budget be increased in the amounts indicated to provide funding for a cost of service study.

35-90-7230-0400	Professional Services	\$ 24,500
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Section 2. That the following account numbers in the Electric Fund Estimated Revenues be increased in the amounts indicated.

35-90-3991-9910	Fund Balance Appropriated	\$ 24,500
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Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

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

Adopted this the 9th day of May, 2016.

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: May 9, 2016
Subject: Approval of PO's > \$20,000
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that City Council approve the \$61,012 purchase order to BCI Utility Construction for the underground electric project in Country Club Estates.

BACKGROUND AND FINDINGS:

Project is budgeted.

PREVIOUS LEGISLATIVE ACTION

FY 2016 adopted and amended budget

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

Requisition

City Manager Review: PRD Concur _____ Recommend Denial _____ No Recommendation
5/4 Date

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

Requisition #: 1724
PO #: Not Assigned
User Name: atankard

Date: 4/27/2016
Approved By:
Approved Code:
Total Amount: \$61,012.00
Ship To: CITY OF WASHINGTON
WAREHOUSE (ELEC)

BCI UTILITY CONSTRUCTION
5117 RIVER ROAD
WASHINGTON, NC 27889

confirming
electric dept.
alston tankard
975-9315

Quantity	Item Description	Project Number	Unit Price	Extended
1	Coutry Club Estates Rebuild (Bore 4358') 2-2"		\$61,012.00	\$61,012.00

Sub Total	\$61,012.00
Shipping	\$0.00
Tax	\$0.00
Total	\$61,012.00

<u>Account Number</u>	<u>Account Description</u>	<u>Amount</u>
35-90-8390-4500	CONTRACT SERVICES	\$61,012.00
Total		\$61,012.00

Requisition Approval History

Approval Date	Approval Description	Approved by	PO Number
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MEMORANDUM

DATE: 5-9-16

TO: Mayor Hodges & Members of the City Council

FROM: Kristi Roberson, Parks and Recreation Director

RE: "Save the Pool Campaign" Board of Education Presentation

Save the Pool Humidifier Fundraiser

To demonstrate the communities' support of the Hildred T. Moore Aquatic & Fitness Centers continued existence as an important element of the many fine recreational resources available to our schools & community in a limited funding availability environment the Pool Advisory Committee would like to request Council's support and approval of a campaign to raise the necessary funding to replace the facilities dehumidification system.

- System replacement cost \$300,000
- City funding not available
- Pool committee will raise \$150,000
 - o Fundraisers
 - o Sponsors (BC school system, McConnel's)
- City dollar for dollar match requested
- Time frame- complete by December 31, 2016

Beaufort County School System

- Contribute \$25,000 to save the pool capital campaign
- Swim team pool usage fee- increase from \$1,800 to \$7,560/year
- Corporate membership for school system employees:
 - o Individual rate/month \$25 (30% discount)
 - o Family 30 (30% discount)
 - o Application fee 0 (\$25 waived)
 - o Vidant Health wellness program participation at no charge

Mayor
Mac Hodges

City Manager
Bobby Roberson



Washington City Council
Larry Beeman
Richard Brooks
Doug Mercer
William Pitt
Virginia Finnerty

To: Mayor Hodges & Members of the City Council
From: Mike Whaley
Date: May 4, 2016
Subject: 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, 2016 through June 30, 2018.

Contract awarded as follows:

<u>Vendor</u>	<u>OPIS</u>	<u>Margin</u>	<u>Cost per Gallon</u>	<u>Estimated Usage</u>
A. <u>Potter Oil</u>				
87 Octane Gasoline (Tankwagon)	\$1.6098	\$.2044	\$1.8102	\$2,715.30
B. <u>Pitt Country Mart</u>				
Diesel (Transport)	\$1.2011	\$.0329	\$1.234	\$98,720.00
87 Octane Gasoline ethanol free (Transport)	\$1.6098	(\$.0346)	\$1.5752	\$315,040.00
Diesel (Tankwagon)	\$1.2122	\$.1799	\$1.3921	\$187,237.45
Kerosene 1-K	\$2.699	\$.0000	\$2.699	\$3,508.70
TOTAL				\$607,221.45

Price fluctuations will be governed by the bid margin above or below the OPIS Average Rack price for the commodity on the day March 29, 2016 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 March 29, 2016.

*ps/wh
5/4/16*



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Kristi Roberson, Parks & Recreation Director
Date: May 9, 2016
Subject: Save the Pool Campaign
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council support the “Save the Pool Campaign.”

BACKGROUND AND FINDINGS:

The Pool Committee would like to enlist approval and support of a campaign to raise the necessary funding to replace the Dehumidification System at the Moore Aquatic and Fitness Center. The goal is to raise half of the \$300,000.00 to replace the system at the pool, in recognition of the City providing the additional match. The committee requests the campaign to run through December 31, 2016. The proposed ideas for fundraising are as follows; tile mural in the kiddie pool area, triathlon around the Sports Complex, swim-a-thons, and car washes. The Committee will be seeking support from corporate sponsors, as well as the Beaufort County Board of Education.

PREVIOUS LEGISLATIVE ACTION

April 14, 2016 – Unanimously recommended by the Pool Committee to pursue the “Save the Pool Campaign.
April 18, 2016 – Unanimously recommended by the Recreation Advisory Committee to accept the recommendation from the Pool Committee and pursue the “Save the Pool Campaign.”

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

City Manager Review: AK Concur ___ Recommend Denial ___ No Recommendation

5/4 Date



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Bobby E. Roberson, City Manager
Date: May 9, 2016
Subject: 411 W 2nd St Purchase Budget Ordinance Amendment
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council adopt a budget ordinance amendment to appropriate funds for the purchase of the 411 W 2nd St. property.

BACKGROUND AND FINDINGS:

This purchase secures the property on the north side of the library for parking or other expansion.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

___ Currently Budgeted Requires additional appropriation ___ No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance Amendment

City Manager Review: MRB Concur ___ Recommend Denial ___ No Recommendation
5/4 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2015-2016**

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

Section 1. That the following account numbers in the Miscellaneous department of the General Fund appropriations budget be increased in the amounts indicated to provide funding for the purchase of the 411 W 2nd St. property for the library.

10-00-4400-7100	Land Acquisition	\$ 70,000
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Section 2. That the following account numbers in the General Fund Estimated Revenues be increased in the amounts indicated.

10-00-3991-9910	Land Acquisition	\$ 70,000
-----------------	------------------	-----------

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 9th day of May, 2016.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Frankie Buck, Public Works Director
Date: 05-3-16
Subject: Award Contract for Fairfield Inn & Suites Water & Sewer and Approve Corresponding Purchase Order.
Applicant Presentation: N/A
Staff Presentation: Frankie Buck

RECOMMENDATION:

I move that Council award the contract for the Fairfield Inn & Suites Water & Sewer Project and approve the corresponding purchase order.

BACKGROUND AND FINDINGS:

Originally, this project was bid on Thursday, April 14, 2016 and the low bidder withdrew his bid on Friday, April 15th; therefore, all bids were rejected and the project was re-advertised. On Tuesday, May 3, 2016, we received bids for this project. As noted on the attached bid tabulation sheet, AAHW Construction was the low bidder at \$108,000.00.

This project is funded by a Rural Infrastructure Grant, the Developer and a local City match. Barring any unforeseen change orders, it should finish well under the budgeted amount.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

X Currently Budgeted (Account 54-60-4930-4500) Requires additional appropriation X No Fiscal Impact

SUPPORTING DOCUMENTS

Attached Bid Tabulation

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *[Signature]* Concur _____ Recommend Denial _____ No Recommendation 3/4 Date
 May 9, 2016
 Page 32 of 63

CITY OF WASHINGTON, N.C.

BID TABULATION SHEET

PROJECT: WATER & SEWER IMPROVEMENTS FAIRFIELD INN AND SUITES

LOCATION: MUNICIPAL BUILDING-COUNCIL CHAMBERS

BIDS OPENED: TUESDAY, MAY 3, 2016 @ 2:00 PM

CONTRACTOR ADDRESS				James I. Cayton P.O. Box 3198 New Bern, N.C.		Hendrix-Barnhill, Inc P.O. Box 1904 Greenville, N.C.		Step Construction, Inc. 3423 Brothers Road LaGrange, N.C.		AAHW Construction 1935 W 5th St. Washington, N.C.	
LISC#/BID BOND				29341	5%	4883	5%	67060	5%	75351	Cert. Ck.
NO.	QTY.	UNIT	DESCRIPTION	UNIT	TOTAL	UNIT	TOTAL	UNIT	TOTAL	UNIT	TOTAL
1	520	LF.	8" WATERMAIN	25.00	13000.00	36.6923	19080.00	40.00	20800.00	25.00	13000.00
2	305	LF.	8" GRAVITY SEWER MAIN	65.00	19825.00	93.85	28625.00	53.00	16165.00	60.00	18300.00
3	70	LF.	BORE STEEL CASING		25000.00		35000.00		15000.00		17500.00
4	1	EA.	FIRE HYDRANT		4500.00		5025.00		5000.00		4500.00
5	3	EA.	MANHOLES		18000.00		8100.00		15000.00		13500.00
6	1	EA.	SERVICE TAP /BFP/METER		22000.00		11925.00		14000.00		11000.00
7	1	EA.	FIRE SPRINKLER TAP/BFP		25000.00		26390.00		26000.00		12000.00
8	1	EA.	POTABLE TAP/BFP/METER		25000.00		30840.00		28000.00		14200.00
9	2	EA.	SEWER CONNECTION		5000.00		25810.00		4000.00		4000.00
TOTAL BID					157,325.00		190,795.00		143,965.00		108,000.00



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Bobby E. Roberson, City Manager
Date: May 9, 2016
Subject: Authorize Mayor to Execute Civic Center Lease
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council authorize the Mayor to execute the lease agreement for the Civic Center with the TDA.

BACKGROUND AND FINDINGS:

Current one year lease expires June 30, 2016. Proposed lease is for a one year term, fixes the City subsidy at \$35,000/year, and includes a 50/50 profit sharing provision between the two entities based on the change in net assets as reported in the independent auditors report.

PREVIOUS LEGISLATIVE ACTION

FY 2016 Lease

FISCAL IMPACT

___ Currently Budgeted ___ Requires additional appropriation X No Fiscal Impact

SUPPORTING DOCUMENTS

Lease

City Manager Review: MB Concur ___ Recommend Denial ___ No Recommendation
5/4 Date

**NORTH CAROLINA
BEAUFORT COUNTY**

THIS LEASE AND MANAGEMENT AGREEMENT (“Lease”) is made and entered into as of the 1st day of July, 2016 by and between the **CITY OF WASHINGTON**, a body politic and corporate, existing under the laws of the State of North Carolina (“City”), and the **CITY OF WASHINGTON TOURISM DEVELOPMENT AUTHORITY**, a Public Authority under the Local Government Budget and Fiscal Control Act (“TDA”), (collectively may be referred to as the “Parties”).

WITNESSETH

WHEREAS, the TDA was organized and established under the authority of North Carolina House Bill 592, Chapter 158, as ratified in the 1991 Session of the General Assembly of North Carolina, as later amended, and the City Charter and Code.

WHEREAS, the TDA operates subject to the provisions contained in the bill above referred to, as amended, the City Charter as well as City Code, and pursuant to by-laws adopted by the TDA for the operation of the TDA and the transaction of its business.

WHEREAS, the TDA’s purpose is to promote travel and tourism – to advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, and engage in similar promotional activities that attract tourists or business travelers to the area.

WHEREAS, the TDA has the authority to spend money that, in the judgment of the TDA, is designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the City or to attract tourists or business travelers to the City.

WHEREAS, the TDA is authorized to contract with appropriate organizations or agencies to assist it in carrying out the above purposes.

WHEREAS, for the last ten (10) years the Parties have been party to Lease and Management Agreements, the most recent of which expires on June 30, 2016.

WHEREAS, the Parties have agreed to enter into this Lease whereby the City will continue to lease to the TDA the Washington Civic Center (“Civic Center”) as described in Exhibit A attached hereto in accordance with the terms and provisions of this Lease and the TDA will continue to manage the Civic Center.

NOW THEREFORE, in consideration of the rents hereinafter agreed to be paid, the mutual covenants and agreements hereinafter recited and for the benefit of the public and the citizens of the City and Beaufort County generally, the receipt and legal sufficiency of which consideration is hereby acknowledged, the City does hereby lease and demise unto the TDA and the TDA does hereby lease and take as tenant from the City those certain premises (hereinafter called the “Premises”) within the City and more particularly

described in Exhibit A attached hereto. Except as specifically provided for herein, the City reserves unto itself, the Sound Rivers, Inc. ("SRI), and the public generally the right to use the parking areas and driveways adjoining the Civic Center building. Notwithstanding the foregoing, the TDA shall have the right to reserve the parking spots located to the North of the Peterson Building for specific periods of time as may be necessary in conjunction with specific Civic Center events after appropriate consultation and notice to any parties potentially affected thereby, including the City.

The TDA has carefully inspected the Premises and acknowledges that the same is in satisfactory condition for its use. Except as may be specifically provided for hereinafter and for those certain improvements that may be specifically addressed hereinafter, the City shall have no obligation to make any improvements to the Premises whatsoever and the TDA agrees to accept the same in its present condition, "as is."

TO HAVE AND TO HOLD said Premises unto the TDA upon the following terms and conditions.

1. **TERM.** The term of this Lease shall be for a period of one (1) year and will begin as of the 1st day of July, 2016 and shall end at 12:00 o'clock midnight on the 30th day of June, 2017.
2. **RENT.** As consideration for the leasehold interest granted herein for this term, the TDA agrees to be responsible for all management and operations of the Civic Center, including supervision of all Civic Center staff as hereinafter defined.
3. **ALLOCATION BY THE CITY.** The City agrees to allocate \$35,000.00 as part of this Lease to assist in the operation of the Civic Center and, to that end, agrees to pay the TDA the sum of \$2,916.67 per month on or before the 10th of each month beginning as of the 10th day of July, 2016. During the City's budget process, TDA may make specific requests to address maintenance items other than those described in Section 13. Within its recognized budget constraints, the City will use its best efforts to provide funding to address such maintenance items.
4. **PROFIT SHARING.** On or before October 31st of each year beginning in 2017 the change in net position of the Civic Center as reported in the independent auditor's report will be shared equally between the City and the TDA whether a gain or loss. If a gain, the TDA will remit payment to the City by October 31st and if a loss, the City will remit to the TDA by October 31st.
5. **CIVIC CENTER STAFF.** The employment of the TDA Director and Civic Center staff, including the specifics of all relevant employment terms and relationships, shall be governed by an Interlocal Agreement entered into between the Parties, which Interlocal Agreement is, or shall be, incorporated herein by reference as if fully set forth.

6. **SOUND RIVERS, INC. LEASE.** The present lease between the City and SRI of the first floor entrance dedicated to SRI, the stairway dedicated to SRI, and the second story of that portion of the building commonly known as the Old Depot shall remain a direct lease between those entities and the TDA shall have no responsibility for the operation, maintenance, or liability associated with those premises so leased or any activities conducted thereon except as provided for herein. The City may continue such lease as well as renew the same for so long as the City desires. However, in the event the lease between the City and SRI is terminated and not renewed, then, in that event, the TDA shall have the right of first refusal to include such space within the property leased hereunder, unless the City decides to use such space for City purposes.
7. **DEFAULT.**
- a. The occurrence of one or more of the following events (hereinafter called "Events of Default") shall constitute a default by the TDA:
 - i. Failure to perform any provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to the TDA and
 - ii. Dissolution of the TDA.
 - b. The occurrence of one or more of the following events of default shall constitute a default by the City:
 - i. Failure to perform any provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to the City.
8. **REMEDIES UPON DEFAULT.**
- a. The City shall have the absolute right upon default by the TDA to enter the Premises without notice to vacate (any such right to which is hereby waived by the TDA) and re-let them, changing any and all locks on the Premises, all without being liable for forcible entry, trespass, or other tort.
 - b. The TDA shall have the absolute right upon default by the City to vacate the Premises, return all keys to the City and have no further obligation to manage and operate the Civic Center.
 - c. In the event either party shall exercise the above described remedies upon default, the TDA shall promptly deliver any and all of the TDA records, including bookings, necessary for the City to continue the management and operation of the Civic Center.
9. **WAIVER.** No course of dealing or any delay on the part of either party in exercising any rights it may have under this Lease shall operate as a waiver of any of its rights hereunder nor shall any waiver of any prior default operate as a waiver of any subsequent default or defaults and no express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

10. **USE OF PREMISES.** The TDA shall use the Premises to further the purposes of the TDA as stated in its by-laws and for such purposes as may be associated with civic centers, comparable to similar communities and regional activities. The TDA shall be responsible for the entire management of said facility and shall have the right to establish reasonable regulations and policies, including any and all rates applicable to rent the same and for activities taking place within the same. The TDA shall be responsible for promoting said facility.
11. **DISCRIMINATION.** The TDA, in its use, improvement, or operation of the Premises and facilities of the Civic Center, shall not, on the grounds of race, color, sex, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by law and shall otherwise use the Premises in compliance with all other requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and as said regulations may be amended.
12. **OWNERSHIP OF CONTENTS.** On July 1, 2006, the City conveyed the contents then located in the Civic Center to the TDA and presented the TDA with a Bill of Sale for the same. The Parties acknowledge that ownership of the contents located in the Civic Center at the expiration of the initial term, earlier termination, or expiration of any subsequent term, as the case may be, shall revert to and/or become the property of the City without compensation therefor and as further consideration for this Lease. In this regard, the TDA shall present a Bill of Sale for the same to the City at such time.
13. **MAINTENANCE.** The City shall be responsible during the term of this Lease for major structural maintenance of the Civic Center structure and building including decking, flooring, roofing, HVAC, plumbing and electrical systems. The TDA shall be responsible for all other maintenance whatsoever in connection with said facility. Notwithstanding the foregoing, in the event a maintenance or repair issue or need arises, the TDA may contact the City Manager's office at the City concerning said issue or need and, if the City is capable of assisting the TDA in addressing the issue or need with minimal cost or manpower, in its sole discretion, the City will provide such assistance to the extent such assistance does not produce a major disruption in the City's normal operations as well as responsibilities and so long as such assistance is practicable. Nothing herein shall be construed to limit the TDA's maintenance obligation(s) as described herein. The City shall maintain the landscaping and parking areas in connection with its routine maintenance of the Peterson Building.
14. **ASSIGNMENT AND SUBLETTING.** The TDA shall not assign this Lease or sublet the Premises without the prior written consent of the City.
15. **UTILITIES AND OTHER SERVICES.** The TDA shall be responsible for and pay any and all charges for utilities as may be incurred on the Premises, including those above referenced premises leased to SRI by the City, during the term of this

Lease. The TDA shall not use or permit in the Premises any electrical device which, in the opinion of the electrical provider, will overload the building's electrical circuits.

a. TDA shall reach an agreement with SRI through which SRI will contribute, or reimburse TDA for SRI's share of utilities for so long as SRI leases the second story of the Old Depot from the City. The City will include a similar contractual obligation in its lease with SRI for the above referenced premises leased by the City to SRI.

16. **ALTERATIONS.** Other than routine improvements, repair and maintenance necessary to address ordinary, daily wear and tear, the TDA shall make no alterations, additions or improvements to the Premises without the prior written consent of the City. All alterations, additions and improvements made by, for or at the direction of the TDA shall become the property of the City and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of this Lease without compensation therefor and as further consideration for this Lease. The TDA shall promptly pay and discharge any and all licenses, imposts, liens or other charges arising out of or in connection with the performance of any act required of or permitted the TDA hereunder and shall keep the Premises free and clear from any and all such liens or charges.

Upon reasonable notice to the TDA, the City shall have the right, but not the obligation, to make alterations, additions, or improvements to the Premises and the same shall, when made, be the property of the City and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of this Lease.

17. **CITY'S RIGHT OF ENTRY.** The City Manager or his designee shall have the right to enter and to grant licenses to others to enter the Premises for such lengths of time as the City shall deem reasonable a) to inspect the Premises; b) to exhibit the Premises to prospective tenants or purchasers of the Premises; c) after reasonable notice to the TDA, to make alterations, additions, improvements and repairs to the Premises or to the building and to store necessary materials, tools and equipment for such alterations or repairs; d) after reasonable notice to the TDA, for any purpose which the City shall deem necessary for the operation and maintenance of the Premises, including building, and the general welfare and comfort of its tenants; e) after reasonable notice to the TDA, for the purpose of removing from the Premises any placards, signs, fixtures, alterations or additions not permitted by this Lease or applicable regulation; and f) after reasonable notice to the TDA, to abate any condition which constitutes a violation of any covenant or condition of this Lease.

18. **USAGE BY AND RATE FOR THE CITY.** The TDA agrees to allow any appropriate individual, group, or entity of the City to use the Premises as long as the same is not already reserved. Any such use by the City or its affiliates shall be

consistent with the policies and procedures established by the TDA. The TDA agrees, as part of its rate structure, to provide a special rate for use by any appropriate individual, group, or entity of the City, which special rate shall not exceed 33% of the then current, full rate charged to other users of the Premises.

19. **INDEMNIFICATION OF THE CITY.** The TDA agrees to indemnify and defend the City and to save harmless the City, and the tenants, licensees, invitees, agents, servants and employees of the City against and from any and all claims by or on behalf of any person, firm or corporation arising by reason of injury to person or property occurring on the Premises or in the building occasioned in whole or in part by any act or omission on the part of the TDA or any employee, representative, agent, assignee or subtenant of the TDA, including any individuals who are actually City employees but who regularly perform functions for or duties assigned by the TDA such as the TDA Director and TDA staff or by reason of any unlawful use of the Premises or by reason of any breach, violation or non-performance of any covenant in this Lease on the part of the TDA to be observed or performed, and also by reason of any matter or thing growing out of the occupancy or use of the Premises by the TDA or any one holding under the TDA. The TDA agrees to pay the City promptly for all damage to the Premises or the building, which is not covered by insurance, and for all damage to tenants or occupants caused by the TDA's misuse or neglect of the Premises or the building or of its or their apparatus and appurtenances and the TDA agrees in any event to reimburse and compensate the City as additional rent within five (5) days of rendition of any statement to the TDA by the City for expenditures made by the City or for fines sustained or incurred by the City due to non-performance or non-compliance with or breach of or failure to observe any term, covenant or condition of this Lease upon the TDA's part to be kept, observed, performed or complied with.

The City shall not be liable to the TDA for any damage by or from any act or negligence of any co-tenant or other occupant of the building or by any owner or occupant of adjoining or contiguous property. Neither the City nor its agents shall be liable to the TDA or to any person, firm or corporation claiming through or under the TDA for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, glass, electricity, water, rain or snow or leaks from any part of the building or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatever nature, unless caused by or due to proven acts of negligence of the City. The City shall not be liable to the TDA or to any person, firm or corporation claiming through or under the TDA for any latent defect in the Premises or in the building.

20. **INDEMNIFICATION OF THE TDA.** The City agrees to indemnify and defend the TDA and to save harmless the TDA, including all tenants, licensees, invitees, agents, servants, and employees of the TDA against and from any and all claims by or on behalf of any person, firm or corporation arising by reason of the City's

negligent failure to adequately perform major structural maintenance of the Civic Center structure and building, including decking, roofing, flooring, HVAC, plumbing, and electrical systems. The indemnification provisions of this Section 20 shall not apply to any condition unless and until the TDA provides the City written notice that major structural maintenance is required for the Civic Center structure and building, including decking, roofing, flooring, HVAC, plumbing, and electrical systems.

21. **INSURANCE AND INSURANCE RATES.** Throughout the term of this Lease, City shall carry fire and extended coverage insurance insuring its interest in the building and the Premises, such insurance to be written by insurance companies and in amounts satisfactory to the City. Throughout the term of this Lease, the TDA shall carry fire and extended coverage insurance insuring its interest, if any, in improvements to or in the Premises, its contents, and its interest in its furniture, equipment, supplies or other property. Throughout the term of this Lease, the TDA shall carry public liability insurance insuring against all liability of the TDA and its authorized representatives including any liability whatsoever caused by any accident or other occurrence causing bodily injury or property damage to any person or property and arising out of and in connection with the TDA's use or occupancy of the Premises, such insurance to be written by insurance companies and in amounts satisfactory to the City. The TDA hereby waives any claim, right of action, or subrogation which it may have against the City for any loss or damage covered by such insurance.

The TDA shall not do or cause to be done or permit on the Premises anything deemed extra hazardous and the TDA shall not use the Premises or the building in any manner which will cause an increase in the premium rate for any insurance in effect on the Premises, building, or part thereof. If, because of anything done, caused to be done, permitted or omitted by the TDA or its agents, servants or employees, the premium rate for any kind of insurance in effect on the Premises shall be raised, the TDA shall pay the City on demand the amount of any such increase in premium. If the City demands that the TDA remedy the condition which caused any such increase in an insurance premium rate, the TDA shall remedy such condition within five (5) days after receipt of such demand.

22. **FIRE OR OTHER CASUALTY.** In the event that before or during the term of this Lease, the Premises or the building shall be damaged by fire or other casualty which renders the building, the Premises or any part of the building or the Premises untenable, the City within twenty (20) days of such fire or casualty or of receipt of written notice from the TDA of such damage (whichever shall last occur) shall have the right to either 1) serve written notice upon the TDA of the City's intent to repair said damage or 2) if said damage renders so much of the Premises untenable [in excess of fifty percent (50%) of the value of the premises] that repair would not be feasible, or if said damage shall have been occasioned by the act or omission of the TDA, its servants, agents, members or employees, serve written notice upon the TDA that this Lease is terminated,

provided, however, that the City shall not so terminate this Lease unless such repairs cannot be made within a period of sixty (60) days or unless at the time such notice is given there remains less than one hundred eighty (180) days during the unexpired current term of this Lease. If the City shall elect to repair such damage, such repairs shall be commenced within fifteen (15) days of notice to the TDA of such election and such repairs shall be completed within one hundred eighty (180) days of notice to the TDA of such election.

The other provision of this Section 22 notwithstanding, the City shall have no obligation to replace or repair any property in the building or on the Premises belonging to the TDA or to anyone claiming through or under the TDA nor shall the City have any obligation hereunder to replace or repair any property on the Premises which the City shall have the right to require the TDA to remove from the Premises or any alteration, addition or improvement made to the Premises by, for or at the direction of the TDA.

23. **QUIET ENJOYMENT.** The City agrees that the TDA, upon performing all the terms and conditions of this Lease, shall quietly have, hold and enjoy the Premises for the term aforesaid.

24. **NOTICES.** If to the TDA as follows:

Washington Tourism Development Authority
P.O. Box 1765
Washington, NC 27889

As to the City:

Attn: City Manager
City of Washington
P.O. Box 1988
Washington, NC 27889

25. **INTEGRATION AND BINDING EFFECT.** The entire agreement, intent and understanding between the City and the TDA is contained in the provisions of this Lease and any stipulations, representations, promises or agreements, written or oral, made prior to or contemporaneously with this Lease shall have no legal or equitable effect or consequence unless reduced to writing herein. This Lease shall be governed by and construed pursuant to the laws of the State of North Carolina.

26. **COMPLIANCE BY THE TDA WITH GOVERNMENTAL REGULATIONS.** The TDA shall comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties foreseen and unforeseen, ordinary or

extraordinary, which now or at any time hereafter may be applicable to the Premises or any part thereof, or any of the adjoining property, or any use or condition of the Premises or any part thereof. The TDA shall comply with any and all local, State, Federal or other rules and regulations as well as all applicable environmental rules and regulations. In the performance of any acts required of or permitted by the TDA under any provision of this Lease, the TDA shall obey and comply with all lawful requirements, rules, regulations, and ordinances of all legally constituted authorities, existing at any time during the continuance of such performance, in any way affecting the Premises or the use of the Premises by the TDA, including but not limited to all wetland regulations, CAMA regulations, or other governmental setbacks. Such compliance shall include compliance by the TDA with requirements of the Occupational Safety and Health Act, and all amendments thereto, as the same applies to the TDA's use of the Premises.

(Signatures On Following Page)

IN WITNESS WHEREOF, the TDA has caused this Lease to be signed by its Chairperson and the City has caused this Lease to be signed by its Mayor by authority duly given as of the day and year first written above.

PRE-AUDIT CERTIFICATE
CITY OF WASHINGTON

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

Matt Rauschenbach, Chief Financial Officer
City of Washington

PRE-AUDIT CERTIFICATE
WASHINGTON TOURISM DEVELOPMENT AUTHORITY

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

Neil Woolard
Treasurer

ATTEST:

CITY OF WASHINGTON

By: _____ (SEAL)
Cynthia S. Bennett, City Clerk

By: _____ (SEAL)
Jay MacDonald Hodges, Mayor

**WASHINGTON TOURISM
DEVELOPMENT AUTHORITY**

By: _____ (SEAL)
William Zachman, Chairperson

**NORTH CAROLINA
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid, hereby certifies that WILLIAM ZACHMAN personally appeared before me this day, and being duly sworn by me, acknowledged that he is Chairperson of the WASHINGTON TOURISM DEVELOPMENT AUTHORITY, and that by authority duly given and as the act of the Board the foregoing instrument was signed by him.

Witness my hand and notary seal this _____ day of _____ 2016.

Notary Public
My Commission expires: _____

**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 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 notary seal this _____ day of _____ 2016.

Notary Public
My Commission expires: _____

EXHIBIT "A"

BEGINNING at the intersection of the right-of-way lines in the southwest quadrant of the intersection of Gladden Street and West Second Street; thence from said beginning point so located, along the west side of the right-of-way of Gladden Street, South 36° 33' West 340 feet; thence leaving the sideline of Gladden Street and running North 53° 10' West 40 feet; thence North 36° 33' East 70 feet; thence North 53° 10' West 30 feet; thence North 36° 33' East 62.56 feet; thence North 53° 10' West 121.70 feet; thence North 37° 20' East 204.13 feet to the sideline of Second Street; thence with Second Street South 54° 11' East 188.93 feet to the point of beginning as shown on the attached map prepared by the Public Works Department of the City of Washington.

SAVING AND EXCEPTING, HOWEVER, that portion of the above described property leased to SRI, including the existing SRI dedicated first floor entrance, the existing SRI dedicated stairway, and the second floor of a portion of the premises commonly known as Old Depot as depicted on the attached map as "Arts Council".



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Bobby E. Roberson, City Manager
Date: May 9, 2016
Subject: Authorize City Manager to Enter into Lease with Sound Rivers
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council authorize the City Manager to enter into a lease with Sound Rivers Inc.

BACKGROUND AND FINDINGS:

The current lease with Sound Rivers expires June 30, 2016. There are no changes in the lease renewal.

PREVIOUS LEGISLATIVE ACTION

FY 2016 Lease

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Lease

City Manager Review: Bob Concur Recommend Denial No Recommendation
5/9 Date

**STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT**

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "Lease") is made and entered into as of the 1st day of July, 2016, by and between the **CITY OF WASHINGTON**, a municipal corporation of the State of North Carolina (hereinafter referred to as "Lessor"), and **SOUND RIVERS, INC.**, a non-profit corporation organized and existing under North Carolina law (hereinafter referred to as "Lessee" or "Sound Rivers").

WITNESSETH

WHEREAS, Lessor owns the building known to the parties as the Old Depot or Atlantic Coastline Depot located at 108 North Gladden Street, Washington, North Carolina (hereinafter referred to as "Old Depot") which consists of two stories. Lessee has occupied as well as utilized an existing first floor entrance dedicated to Sound Rivers, an existing stairway dedicated to Sound Rivers, and the second story of the Old Depot for a number of years (hereinafter referred to as "Premises").

WHEREAS, Lessee's purpose is to monitor, protect and enhance the Tar-Pamlico River and watershed while promoting environmental justice.

WHEREAS, Lessee has leased the Premises from Lessor for a number of years, has negotiated with Lessor, and desires to lease said Premises from Lessor for another year, which Premises will be utilized to further Lessee's above stated purposes.

WHEREAS, Lessor has found the Premises to be surplus to its current needs and desires to lease the same to Lessee for another year.

WHEREAS, the City Council passed a Resolution authorizing this Lease.

NOW, THEREFORE, subject to the terms and conditions hereinafter set forth, Lessor does hereby lease and let unto Lessee and Lessee hereby takes and accepts, together with all privileges and appurtenances thereto, the Premises. In consideration of the mutual promises as well as covenants herein contained, the benefits to Lessor as well as Lessee, the benefits to the public as well as citizens of Washington and Beaufort County generally, and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows.

1. **Premises.** The Premises is as defined hereinabove. Lessor hereby expressly grants to Lessee the right to use said existing Sound Rivers dedicated first floor entrance and the existing Sound Rivers dedicated stairway for access to the second story of the Old Depot at all times during the term of this Lease as well as the right to use, in common with the public generally, all parking and other common areas associated with the Old Depot.

2. **Condition of Premises.** Lessee's taking possession of the Premises shall be

conclusive evidence as against Lessee that Lessee has carefully inspected the Premises and accepted the Premises AS IS and that Lessor is under no duty to repair anything, furnish any services for, or otherwise improve in any way the Premises.

3. **Term.** The term of this Lease shall commence as of the 1st day of July, 2016 and shall continue on a month to month basis until the 30th day of June, 2017, unless terminated earlier by either party as herein provided. This Lease may be terminated upon thirty (30) days written notice by either party. Neither party shall have or make any claim, for damages or otherwise, upon the other should either party elect to exercise its right to early, unilateral termination hereunder.

4. **Rental.** In recognition of the benefits to the City of Washington and Beaufort County, their respective citizens, and the public at large that will result from the location and operation of Lessee in the Premises and the furtherance of Lessee's above stated purposes, Lessor shall waive any further sum due from Lessee for the use of the Premises, facilities, rights, services and privileges granted in this Lease.

5. **Assignment.** Lessee shall not assign its interest in this Lease, sublease any portion of the Premises, or permit third parties to occupy or use any portion of the Premises without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. Notwithstanding the foregoing, Lessor expressly authorizes Lessee to utilize the Premises as herein described and expressly authorizes Lessee to provide such access to the Premises as is necessary to and for third parties to participate in, and contribute to, activities in furtherance of Lessee's above stated purposes.

6. **Use of Premises.** Lessee shall use the Premises during the term of this Lease for the purposes specified herein and none other. Lessee shall not make any unlawful or offensive use of the Premises and agrees to keep the same in good maintenance and aesthetically pleasing appearance.

7. **Care and Maintenance.** Lessee shall not be responsible for any maintenance to the exterior of the Premises. Lessor, in its sole discretion, shall be responsible for any maintenance to the exterior of the Premises. Lessee agrees, at Lessee's own expense and as additional consideration for this Lease, to maintain the interior of the Premises in an attractive manner and in compliance with any and all ordinances of the City of Washington. Lessee shall adequately secure the Premises when Lessee is not utilizing the same in order to prevent unsupervised access by the public. Lessee shall pay for the repair of any and all damages to the Premises caused by Lessee, its agents, members, employees, invitees, guests, customers, their respective successors and assigns, or any of them (hereinafter referred to as "Lessee's Repair Obligation"). With the exception of Lessee's Repair Obligation, the parties agree that, if any portion of the Premises (including any HVAC, electrical or plumbing units or systems) need repair or replacement during the term, neither party shall have the obligation to undertake such repairs or replacements. If either party elects to make such repairs or replacements, it will be on such terms as may be agreeable to Lessee and Lessor.

8. **Discrimination.** Lessee, in its use, improvement, or operation of the Premises, shall not, on the grounds of race, color, sex, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by law and shall otherwise use the Premises in compliance with all other requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and as said regulations may be amended.

9. **Improvements and Alterations.** The parties recognize that Lessee has made and may need to make certain improvements and alterations to the Premises in order to use the Premises as hereinbefore provided. In addition to any other permitting or approval process that may be required, Lessee shall submit a written plan, including sketch, for all such improvements and alterations to, and receive approval thereof from, the City Manager. Lessee shall continually modify any existing improvements and alterations to the Premises as may be necessary to conform with such approval. It is expressly understood that such approval is subject to modification, in the discretion of the City Manager, and that, if such approval is modified, Lessee shall modify its improvements and alterations as may be necessary to comply with such modified approval. Any alteration or improvement that is made by Lessee without consent from Lessor or that is inconsistent, in Lessor's sole discretion, with Lessor's consent shall constitute default hereunder. All such improvements and alterations made with Lessor's consent shall be properly maintained by Lessee, in Lessor's sole discretion.

a. All alterations, additions and improvements made by, for or at the direction of Lessee shall become the property of Lessor and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of this Lease without compensation therefor and as further consideration for this Lease. Lessee shall promptly pay and discharge any and all licenses, imposts, liens or other charges arising out of or in connection with the performance of any act required of or permitted by Lessee hereunder and shall keep the Premises free and clear from any and all such liens or charges.

10. **City's Right Of Entry.** The City Manager or his designee shall have the right to enter and to grant licenses to others to enter the Premises for such lengths of time as Lessor shall deem reasonable a) to inspect the Premises; b) to exhibit the Premises to prospective tenants or purchasers of the Premises; c) after reasonable notice to Lessee, to make alterations, additions, improvements and repairs to the Premises or to the building and to store necessary materials, tools and equipment for such alterations or repairs; d) after reasonable notice to Lessee, for any purpose which Lessor shall deem necessary for the operation and maintenance of the Premises, including building, and the general welfare and comfort of its tenants; e) after reasonable notice to Lessee, for the purpose of removing from the Premises any placards, signs, fixtures, alterations or additions not permitted by this Lease or applicable regulation; and f) after reasonable notice to Lessee, to abate any condition which constitutes a violation of any covenant or condition of this Lease.

11. **Insurance.**

a. Lessee shall, at its expense, obtain and maintain for the duration of this Lease the following insurance coverages:

i. Statutory Workers' Compensation Insurance in amounts required by law and, unless exempted by applicable law, Employer's Liability Insurance at a minimum of \$500,000.00 for bodily injury by accident each employee and \$500,000.00 for bodily injury by disease each employee, with a policy limit of \$500,000.00 bodily injury by disease; and

- ii. Commercial General Liability Insurance, including contractual liability, personal and bodily injury, property damage, advertising injury, premises, and operations coverage at a minimum of \$1,000,000.00 per occurrence and \$1,000,000.00 aggregate.

The Commercial General Liability Insurance policy shall list Lessor as additional insured. Each such policy shall provide that it is not subject to cancellation or reduction in coverage except after thirty (30) days following notice to Lessor. Lessee shall deliver to Lessor certificates of insurance for all insurance policies required hereunder. Lessee shall, within a reasonable period of time prior to the expiration of any such policy, furnish Lessor with certificates of insurance evidencing renewal thereof. Lessor may, in its sole discretion, require Lessee to expand the form and/or increase the amounts of all such insurance.

- b. Throughout the term of this Lease, Lessor shall carry fire and extended coverage insurance insuring its interest in the building and the Premises, such insurance to be written by insurance companies and in amounts satisfactory to Lessor. Throughout the term of this Lease, Lessee shall carry fire and extended coverage insurance insuring its interest, if any, in improvements to or in the Premises, its contents, and its interest in its furniture, equipment, supplies or other property.

- c. Lessee shall not do or cause to be done or permit on the Premises anything deemed extra hazardous and Lessee shall not use the Premises or the building in any manner which will cause an increase in the premium rate for any insurance in effect on the Premises, building, or part thereof. If, because of anything done, caused to be done, permitted or omitted by Lessee or its agents, servants or employees, the premium rate for any kind of insurance in effect on the Premises shall be raised, Lessee shall pay Lessor on demand the amount of any such increase in premium. If Lessor demands that Lessee remedy the condition which caused any such increase in an insurance premium rate, Lessee shall remedy such condition within five (5) days after receipt of such demand.

12. **Waiver Of Subrogation.** Lessee releases and relieves Lessor and waives Lessee's entire rights of recovery against Lessor for loss or damage arising out of or incident to any of the perils insured against under this Lease as well as any of the perils insured against by any fire and/or extended coverage endorsement insurance policy Lessee might own, whether loss or damage is due to the negligence of Lessor or its agents, employees, and/or invitees. Lessee shall give notice to its insurance carriers that this waiver of subrogation is contained in this Lease and cause the carriers to accept this waiver of subrogation, to the extent permissible by applicable law.

13. **Fire or Other Casualty.** In the event that before or during the term of this Lease, the Premises or the building shall be damaged by fire or other casualty which renders the building, the Premises or any part of the building or the Premises untenable, Lessor shall, within twenty (20) days of actual notice of such fire or casualty, have the right to either 1) serve written notice upon Lessee of Lessor's intent to repair said damage or 2) if said damage renders so much of the Premises untenable that repair would not be feasible in Lessor's discretion, or if said damage shall have been occasioned by the act or omission of Lessee, its agents, members, employees, invitees, guests, or customers, serve written notice upon Lessee that this Lease is terminated without recourse on the part

of Lessee. If Lessor shall elect to repair such damage, such repairs shall be commenced as soon as is practicable after such election and Lessor shall pursue such repairs diligently.

The preceding paragraph notwithstanding, Lessor shall have no obligation to replace or repair any property in the building or on the Premises belonging to Lessee or to anyone claiming through or under Lessee nor shall Lessor have any obligation hereunder to replace or repair any property on the Premises which Lessor shall have the right to require Lessee to remove from the Premises or any alteration, addition or improvement made to the Premises by, for or at the direction of Lessee.

14. **Taxes and Assessments.** Lessee 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 therein, it being the mutual intention of the parties that Lessor shall not be required to pay any taxes on either real or personal property by reason of permitting Lessee to use said Premises as herein described. Lessee agrees to indemnify Lessor against any loss or liability resulting from any and all claims or liens in connection with such taxes and assessments.

15. **Utilities.** The provision of utilities (water, sewer, and electricity) as is customary for the Premises shall be continued. Any increase thereof shall require a separate agreement.

a. The first story of the Old Depot is leased to the City of Washington Tourism Development Authority ("TDA") by Lessor. Pursuant to the terms of said lease, TDA is responsible for the payment of any and all charges for utilities associated with the Old Depot (first and second stories). Lessee shall reach an agreement with TDA through which Lessee will contribute, or reimburse TDA for, a percentage of said charges for its share of utilities for so long as TDA leases the first story of the Old Depot from the City.

16. **Release, Waiver of Claims and Indemnity.** Lessee shall occupy the Premises at Lessee's own risk. Lessee for itself, its invitees, customers and guests and their respective parents, subsidiaries, affiliates, predecessors in interest, successors in interest, assigns and each of their respective officers, directors, employees, shareholders, agents, accountants, attorneys, insurance carriers, sureties, representatives, consultants and advisors, both past and present, hereby shall unconditionally waive, release, hold free and harmless, indemnify and defend Lessor and its present and former employees, officials, and elected officials in both their respective individual and official capacities, agents, personal representatives, attorneys, insurers, heirs, successors and assigns, and each of them, respectively, of, from, and for all and any manner of action or actions, cause and causes of action, claims, demands, costs, loss of services, expenses, attorney's fees, compensation and all consequential, compensatory, general, special and/or punitive damages or liabilities, known or unknown, which may result directly or indirectly from or be in any way related to, connected with or growing out of this Lease, any breach, violation, or nonperformance of any covenant in this Lease on the part of Lessee to be observed or performed, Lessee's occupancy as well as use of said Premises, including use by agents, members, employees, invitees, customers, or guests of Lessee, and Lessee's operations. This provision shall survive the termination of this Lease and shall be in full force and effect beyond the term or termination of this Lease, however terminated.

with any applicable state, local, or federal laws, rules or regulations.

19. **Reports.** If requested by the City Manager, Lessee shall provide a report of such matters involving the Premises as may be required by the City Manager.

20. **Relationship of Parties.** In carrying out the terms and conditions of this Lease, Lessee is an independent party from Lessor and is not an agent or employee of Lessor. Nothing contained in this Lease shall create or be construed as creating a partnership, joint venture, or employee relationship in the eyes of the law between Lessor and Lessee.

21. **Waiver.** No waiver of any condition, covenant or restriction of this Lease by either party shall be deemed to imply or constitute a further waiver of the same or any other condition, covenant or restriction of this Lease.

22. **Surrender of Possession, Holding Over.** Upon the expiration or any other termination of this Lease, Lessee shall quit and surrender the Premises to Lessor. Within thirty (30) days of any such expiration or any other termination of this Lease, Lessee shall retain ownership of and shall remove any items of personal property and shall, upon notice from Lessor, remove any and all improvements and alterations described in such notice, including fixtures, made or placed on or about the Premises by Lessee and, consistent with such notice, return the Premises to its condition prior to any installation or placement of such item(s) or making of any such improvements or alterations thereon. Failure by Lessee to perform the obligations contained in this numbered paragraph 22 within said thirty (30) day period shall entitle Lessor to remove and dispose of said personal property, improvements, and alterations and recover all of its costs and expenses in doing so from Lessee. If Lessee shall remain in possession of the Premises or any part thereof after the expiration of the term of this Lease, either with or without Lessor's acquiescence, Lessee shall be deemed a tenant at will, and such holding over by Lessee shall in no way constitute a renewal of this Lease.

23. **Default.**

- a. The occurrence of one or more of the following events (hereinafter called "Events of Default") shall constitute a default by Lessee:
 - i. Failure to perform any provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to Lessee;
 - ii. Lessee files a voluntary petition in bankruptcy including a reorganization plan; makes a general or other assignment for the benefit of creditors; is adjudicated as bankrupt or if a receiver is appointed for the property or affairs of Lessee and such receivership is not vacated within sixty (60) days after the appointment of such receiver; and
 - iii. Dissolution of Lessee.
- b. The occurrence of one or more of the following events of default shall constitute a default by Lessor:
 - i. Failure to perform any provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to Lessor.

24. **Remedies Upon Default.**

- a. Lessor shall have the absolute right upon default by Lessee to
 - i. terminate this Lease;
 - ii. enter the Premises without notice to vacate (any such right to which is hereby waived by Lessee), change any and all locks on the Premises, and re-let the Premises all without being liable for forcible entry, trespass, or other tort; and
 - iii. collect from Lessee any damages resulting from Lessee's default, including the costs of repairing the Premises, and any reasonable attorney's fees incurred as a result of default.

Upon any reentry pursuant to this section, Lessor may, without liability to anyone, remove any personal property located on or about the Premises, whether belonging to Lessee or otherwise, and dispose of the personal property as Lessor deems proper or to store such property at Lessee's expense. Lessor is further authorized to sell or cause to be sold any such personal property so removed, the proceeds from which may be used to pay any storage charges against the property or to satisfy any delinquent rental or other monetary obligation due Lessor by Lessee.

- b. Lessee shall have the absolute right upon default by Lessor to vacate the Premises and return all keys to Lessor.

25. **Illegal Provisions, Governing Law.** If any provision of this Lease shall be declared illegal, void, or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect. This Lease shall be governed by and construed in accordance with the laws of North Carolina.

26. **Entire Agreement.** This Lease contains the entire agreement between the parties hereto with respect to the Lessee's use and occupancy of said Premises and all prior and contemporaneous agreements are merged herein, and this instrument shall not be altered or modified except in writing signed by all parties hereto.

(The Remainder Of This Page Intentionally Left Blank.)

IN WITNESS WHEREOF, after due authority given, the parties hereto have executed this Lease as of the date first above written.

PRE-AUDIT CERTIFICATE

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

Matt Rauschenbach, Chief Financial Officer
City of Washington

LESSOR:

CITY OF WASHINGTON

ATTEST:

Cynthia S. Bennett, City Clerk
City of Washington

By: _____
Bobby Roberson, City Manager
City of Washington

LESSEE:

By: _____
Harrison Marks, Executive Director
Sound Rivers, Inc.

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, _____, a Notary Public of the State and County aforesaid, certify that **CYNTHIA S. BENNETT**, personally appeared before me this day and acknowledged that she is City Clerk of the **CITY OF WASHINGTON**, a North Carolina municipal corporation, and as the act of the corporation, the foregoing instrument was signed in its name by **BOBBY ROBERSON**, its City Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the ____ day of _____, 20__.

NOTARY PUBLIC

My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

Before me, a Notary Public in and for the County and State aforesaid, this day personally appeared **HARRISON MARKS** and acknowledged that he is Executive Director of **SOUND RIVERS, INC.**, and acknowledged the due execution by him of the foregoing instrument for the purposes therein expressed.

Witness my hand and official seal, this the ____ day of _____, 20__.

NOTARY PUBLIC

My Commission expires: _____

Cynthia Bennett

From: Sharon Alligood <shanglin@aol.com>
Sent: Wednesday, April 27, 2016 11:23 AM
To: Cynthia Bennett
Subject: Request to Speak to City Council 5/09/2016 - Please Confirm
Attachments: PSPS D27 Festival Park Diagram.pdf

TO: Cynthia Bennett, City Clerk
City of Washington NC

In accordance with our conversation, I am requesting to come before the City Council on 5/9/2016 to request approval to serve alcoholic beverages for an event at Festival Park on 6/18/2016, between the hours of 6:00 and 9:00. Attached is a diagram of the Stage and a tent that will be utilized for this event.

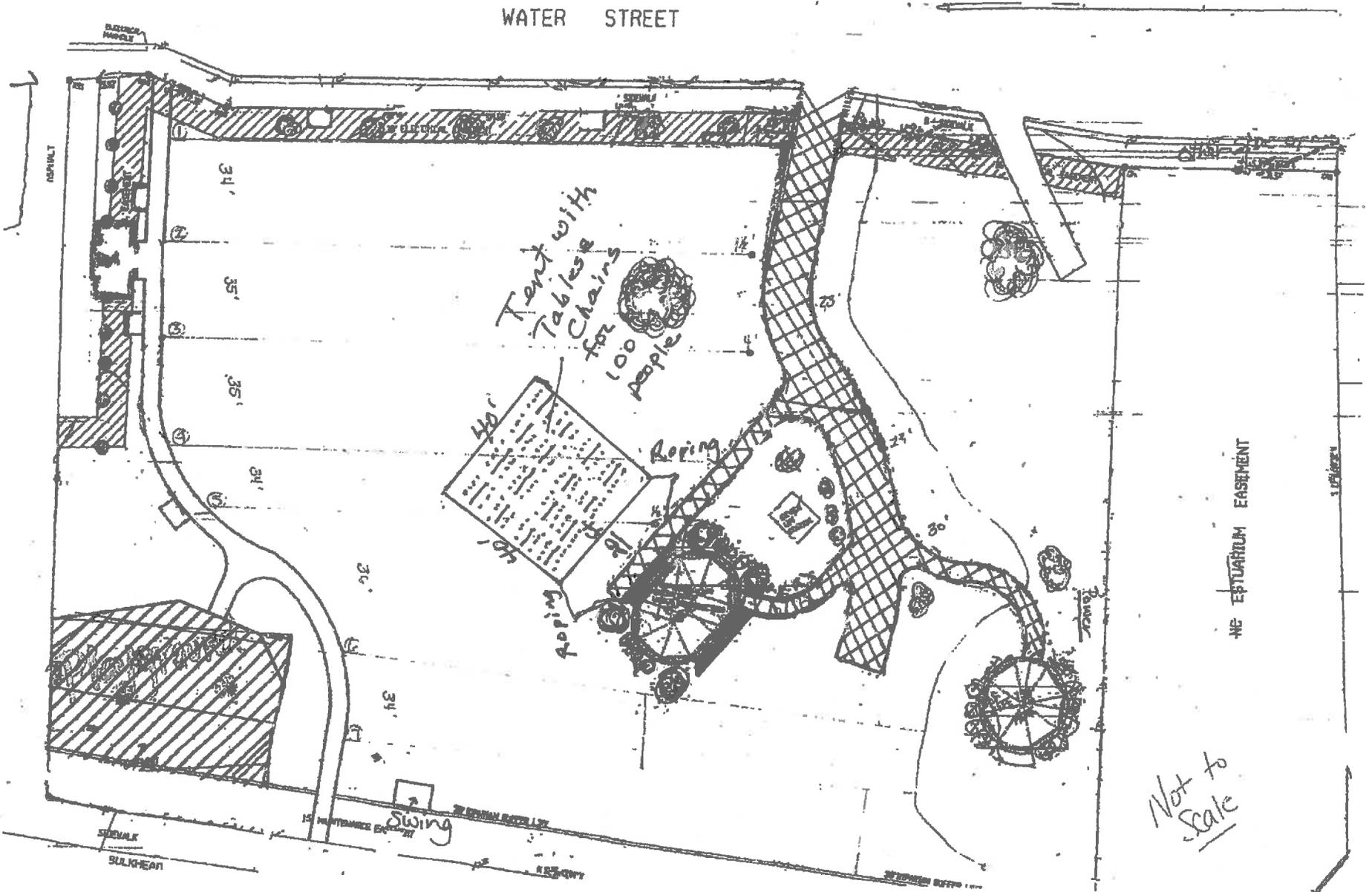
United States Power Squadron, District 27 will hold a Rendezvous in Washington NC 6/17 - 6/19 with approximately 100 members in attendance from across North Carolina. Pamlico Sail and Power Squadron will be hosting this event. As part of that Rendezvous, we have entered into a contract with the City of Washington, Parks and Recreation Department, to utilize the main stage and the Festival Park for an all day event beginning with a Flag Raising Ceremony at 9:00 am. and concluding that evening with a catered dinner and service of alcoholic beverages to our members. ABC permits and insurance certificates are in the application stage and will be provided prior to the event.

United States Power Squadrons is a Non Profit Organization.

Sharon Alligood
PSPS Member and Event Committee Member

*mu
5/14/16*

WATER STREET



NE EPTUARIUM EASEMENT

Not to Scale



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Bobby E. Roberson, City Manager
Date: May 9, 2016
Subject: Other Attorney Fee Budget Ordinance Amendment
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council adopt the a Budget Ordinance Amendment to provide additional funds for the legal defense of the Don Stroud zoning appeal.

BACKGROUND AND FINDINGS:

The \$10,000 budget for other attorney fees has been exhausted, a bill is outstanding, and the case is yet to be resolved.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

___ Currently Budgeted Requires additional appropriation ___ No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance Amendment

City Manager Review: 1/3/16 Concur ___ Recommend Denial ___ No Recommendation
5/4 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2015-2016**

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 \$15,000 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That the following account numbers in the Legal department of the General Fund appropriations budget be increased in the amounts indicated for anticipated legal expense to defend the Don Stroud zoning appeal:

10-00-4150-0401	Other Legal Fees	\$ 15,000
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Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

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

Adopted this the 9th day of May, 2016.

MAYOR

ATTEST:

CITY CLERK