
The Washington City Council met in a regular session on Monday, May 8, 2006 at the Municipal Building at 4:30 p.m. Present were: Judy Jennette, Mayor; Ed Gibson, Councilman; Richard Brooks, Councilman; Mickey Gahagan, Councilman; Archie Jennings, Councilman; James Smith, City Manager; Fred Holscher, City Attorney; and Rita A. Thompson, City Clerk. (Mayor Pro tem Woolard came in later.)

Also present were: Anita Ratcliff, Accounting Manager; Jimmy Davis, Fire Chief; Bobby Roberson, Community Development Planning Director; Joe Stringer, Police Chief; Philip Mobley, Parks & Recreation Director; Allen Lewis, Public Works Director; Susan Hodges, Human Resources Director; Steve Tanner, DWOW Director; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order and thanked everyone for coming.

Councilman Gibson delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

Jim Smith, City Manager, asked that an Agreement with Wally Holiday for the design and construction of the Skateboard Park and an Agreement with Mark III for employee benefits be added under New Business as items VII.B. 4 and 5.

On motion of Councilman Gahagan, seconded by Councilman Gibson, Council unanimously approved the agenda, as amended.

APPROVAL OF MINUTES

On motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously approved the minutes of April 10, 2006, as submitted.

CONSENT AGENDA

Mr. Smith asked that item I.F. Adopt Budget Ordinance Amendment for Police Department (\$4,000) be moved to New Business, VII.B.6.

On motion of Councilman Gibson, seconded by Councilman Gahagn, Council unanimously approved the Consent Agenda, as follows:

- A. Adopt – Resolution directing City Clerk to investigate a non-contiguous Satellite annexation petition for Ashlan, Inc. received under GS 160A-58.1

RESOLUTION DIRECTING THE CLERK TO INVESTIGATE A PETITION RECEIVED UNDER G.S. 160 A-58.1

WHEREAS, a petition requesting annexation of an area described in said petition was received on May 8, 2006 by the Washington City Council; and

WHEREAS, G.S. 160A-58.2 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

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

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

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

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

Annexation #06-A-03
Ashlan, Inc.

- B. Accept – Resolution directing City Clerk to investigate a petition for a contiguous annexation for First South Bank received under General Statutes 160A- 31

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

WHEREAS, a petition requesting annexation of an area described in said petition was received on May 8, 2006 by the Washington City Council; and

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

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

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

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

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

Annexation #06-A-02
First South Bank

- C. Adopt – Resolution fixing date for public hearing on the non-contiguous satellite annexation of Pecheles Toyota/Ford

**RESOLUTION FIXING DATE OF PUBLIC HEARING ON
QUESTION
OF ANNEXATION PURSUANT TO G.S. 160A-58.2**

WHEREAS, a petition requesting annexation of the non-contiguous area described herein has been received; and

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

WHEREAS, certification by the City Clerk as the sufficiency of the petition has been made;

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

Section 1. A public hearing on the question of annexation of the non-contiguous area described herein will be held at the City Council Chambers on the 2nd floor of the municipal building located at 102 East 2nd Street at 6:00 p.m. on Monday, June 12, 2006.

Section 2. The area proposed for annexation is described as follows:

All that certain tract of parcel of land lying and being situated in the Washington Township, Beaufort County, North Carolina, bounded on the north by the now or formerly Page Family, LLC property, on the west by now or formerly the E.R. Lewis Construction Company property, on the south by US HWT 264 and on the east by NC Secondary Road 1436 (Page Road) and being described by metes and bounds as follows:

BEGINNING at a point in the northern right of way of US HWY 264, said point being located N 49 51' 28" E 3025.52 feet from the NCGS Monument "Filter", thence from said **POINT OF BEGINNING** with the eastern property line of the E.R. Lewis Construction Company property as recorded in Plat Cabinet G Slide 51-6 of the Beaufort County Registry N 58 24' 34" E 195.49 feet to a point thence along a curve in a counter-clockwise direction, said curve having a radius of 839.45 feet, a chord bearing of N 46 43' 51" E and a chord distance of 340.13 feet to a point, thence along a curve in a counter-clockwise direction, said curve having a radius of 839.45 feet, a chord bearing of N 34 20' 59" E and a chord distance of 20.00 feet to a point, said point being s common corner with the Page Family, LLC property as recorded in Plat Cabinet E Slide 1-3 of the Beaufort County Registry S 64 25' 54" E 654.00 feet to a point in the western right of way of NC Secondary Road 1436 (Page Road) thence with a curve in the clockwise direction, said curve having a radius of 1489.78 feet, a chord bearing of S 30 30' 21" W and a chord distance of 20.00 feet to a point, thence along a curve in the clockwise direction, said curve having a radius of 1489.78 feet, with a chord bearing of S 44 37' 37" W and a chord distance of 707.52 feet to a point thence with and along the western right of way of NC Secondary Road 1426 (Page Road) S 58 21' 48" W 196.69 feet to a point in the northern right of way of US HWY 264 thence N 31 35' 26" W 650.49 feet to the **POINT OF BEGINNING** containing 11.12 acres more or less and being the BLP Holdings, LLC property recorded in Deed Book 1445 Page 842.

Section 3. Notice of the public hearing shall be published once in the Washington Daily News, a newspaper having general circulation in the City of Washington, at least ten (10) days prior to the date of the public hearing.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

Annexation #06-A-01
Pecheles Toyota/Ford

- D. Adopt – Resolution authorizing the upset bid process for a small triangle piece of property located behind the building at 156 Water Street

Resolution Authorizing Upset Bid Process

WHEREAS, the City of Washington owns property located at the rear of the building located at 156 Water Street shown on a map prepared by Rivers and Associates being drawing number Z-2324 and described herein:

PORTION OF AREA “A”
CITY OF WASHINGTON

Beginning at a point where the northern right of way line of Water Street intersects with the centerline of an unopened alley marked by a drilled hole, said drill hole being located N 80°48’20” W 949.11 feet from North Carolina Geodetic Monument Harvey having published N.A.D. 83 grid coordinates northing: 657,371.799 feet US, easting: 2,579,547.469 feet US; thence with the centerline of an unopened alley N 28° 22’ 23” E 82.08 feet to a point; the TRUE POINT OF BEGINNING; thence from said TRUE POINT OF BEGINNING and with the centerline of an unopened alley N 28°22’23” E 9.30 feet to a point; thence N 60°24’04” W 9.29 feet to a point; thence S 15°58’37” E 13.28 feet to the TRUE POINT OF BEGINNING, containing 43.2 square feet more or less and being a portion of Area “A” shown on Rivers and Associates, Inc. Drawing Z-2324 dated July 25, 2005 entitled *PARCEL 6A SURVEY AND ALLEY CLOSING MAP FOR CITY OF WASHINGTON*, recorded in Map Book G, page 60-9, Beaufort County Registry which by reference is made a part hereof.

WHEREAS, North Carolina General Statutes 160A-269 permits the city to sell property by upset bid, after receipt of an offer for the property; and

WHEREAS, the City has received an offer to purchase the property described above, in the amount of \$50.00, submitted by Mac Hodges of Hodges Realty; and

WHEREAS, Mac Hodges has paid the required five percent (5%) deposit on his offer;

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

1. The City Council authorizes the sale of the property described above through the upset bid procedure of North Carolina General Statute 160A-269.
2. The city clerk shall cause a notice of the proposed sale to be published. The notice shall describe the property and the amount of the offer, and shall state the terms under which the offer may be upset.
3. Persons wishing to upset the offer that has been received shall submit a sealed bid with their offer to the office of the city clerk within 10 days after the notice of sale is published. At the conclusion of the 10-day period, the city clerk shall open the bids, if any, and the highest such bid will become the new offer. If there is more than one bid in the highest amount, the first such bid received will become the new offer.
4. If a qualifying higher bid is received, the city clerk shall cause a new notice of upset bid to be published, and shall continue to do so until a 10-day period has passed without any qualifying upset bid having been received. At that time, the amount of the final high bid shall be reported to the City Council.

5. A qualifying higher bid is one that raises the existing offer by not less than ten percent (10%) of the first \$1,000.00 of that offer and five percent (5%) of the remainder of that offer.
6. A qualifying higher bid must also be accompanied by a deposit in the amount of five percent (5%) of the bid; the deposit may be made in cash, cashier's check, or certified check. The city will return the deposit on any bid not accepted, and will return the deposit on an offer subject to upset if a qualifying higher bid is received. The city will return the deposit of the final high bidder at closing.
7. The terms of the final sale are that
 - *the City Council must approve the final high offer before the sale is closed, which it will do within 30 days after the final upset bid period has passed, and
 - *the buyer must pay with cash at the time of closing.
8. The city reserves the right to withdraw the property from sale at any time before the final high bid is accepted and the right to reject at any time all bids.
9. If no qualifying upset bid is received after the initial public notice, the offer set forth above is hereby accepted. The appropriate city officials are authorized to execute the instruments necessary to convey the property to Mac Hodges.

ADOPTED this 8TH day of May, 2006

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

- E. Declare – Vehicles Surplus **and** Authorize Auction through Gov Deals
- F. **MOVED TO NEW BUSINESS** Adopt – Budget Ordinance Amendment for Police Dept. (\$4,000 – note-changed to \$9500)

REPORT - ECONOMIC DEVELOPMENT COMMISSION

TomThompson, Economic Development Director, gave a report on Economic Development activities:

- Egret hired eleven (11) people, will have around thirty (30) people, depending on sales
- Greenhorn Manufacturing – Closing deal, will employ thirty (30) people
- Quick Start Building #2 – Hired architect to do plans
- CDBG Grant for \$1.8 million to increase water pressure
- Forwarding application for EDA grant, using other grant funds to match

Mayor Jennette thanked Mr. Thompson for his report.

REPORT - TOURISM DEVELOPMENT AUTHORITY

Mayor Jennette stated that she was unable to attend the last meeting, however, the TDA is putting a proposal together to submit for the management of the Civic Center. TDA has been working on their budget for next year.

REPORT - HUMAN RELATIONS COUNCIL

Mayor Jennette stated that the Human Relations Council did not have a quorum at the last meeting.

Mayor Pro tem Woolard arrived at the meeting and is made a part of the minutes.

REPORT - DOWNTOWN WASHINGTON ON THE WATERFRONT

Steve Tanner, DWOW Director, passed out a pamphlet that DWOW had prepared and reported that the pamphlet is used to seek sponsorships, welcome new businesses and provide resources for potential businesses. He reminded Council of things ongoing:

- Farmers Market every Saturday through October
- A Clean Up day is coming next Saturday for Old City Hall
- May 20th is Saturday Market, an expansion of the Farmers Market, as well as a food court
- Paving patterns for the alleys from Allison Platt and lighting information forthcoming

REPORT - PARKING COMMITTEE

Councilman Jennings stated that the Parking Committee is continuing to explore different ways to add a parking area to the south of Main Street. One of the things that came out of the Planning Session was the idea of a Transportation Parking Authority who could explore opportunities for grants, etc. The Manager has asked that they put this before Council in concept.

Mayor Jennette stated that we can get a sample ordinance and get the basis laid to be in effect in July. Mr. Smith stated this has been talked about quite a bit. We may reach a point where we want to create a mobile entity and extend opportunity for public transportation.

Mayor Jennette stated that this is good, this would be a good group (Parking Committee) to oversee this. Councilman Gibson stated that we do have some parking problems in the City, especially at the Estaurium.

REPORT – ON POWELL BILL FUNDS

Allen Lewis, Public Works Director, stated that in 06-07 we will have \$464,164 available. We have had a carry over in Powell Bill funds because cement has gone from \$50 a ton to \$70 a ton and is better to lump it together to get a better price.

Mayor Jennette asked if John Wehrenberg is going to accept the City's offer on Treeshade Subdivision. Mr. Smith will talk to Mr. Wehrenberg.

Mr. Lewis has a list of resurfacing projects he will bring to the workshop on Monday.

DISCUSS – VACANT PROPERTY OWNED BY CITY OF WASHINGTON THAT MAY BE AVAILABLE FOR SALE

John Rodman, Planner, stated that the City owns 146 parcels of property located throughout the City and areas of the County. Twenty (28) of those parcels have been determined to not be in use by the City and do not have any deed restrictions attached to the property. i.e. FEMA, CDBG. Eleven (11) of those properties are not included in any long range plans the City may have and may be available for sale. FEMA lots cannot be sold, but can be leased.

Mr. Rodman recommended that the Planning Board review the parcels and make a recommendation for the possibility of disposal and future uses. Some of the parcels fit

into our park system. The value placed on the property was from the last re-evaluation by the County.

Council mutually agreed that the Planning Board review the City owned parcels of property for the possibility of disposal and future use.

REQUEST – U. S. HIGHWAY 17 TRANSPORTATION (\$10,000)

Mr. Smith stated that the U.S. Highway 17 Association has requested that Beaufort County and various municipalities include a total of \$50,000 in their 2006-07 Budgets for the purpose of supporting the efforts of the association to obtain funding for the completion of US. Highway 17. The money will be used to hire a Project Manager at \$200,000 per year for a period of three years. The City of Washington's portion would be \$10,000.

After discussion, Council mutually agreed to look at this when they look at outside agency requests and see what the budget is looking like at that point.

DISCUSS – WASHINGTON DOCK SLIP RENTAL

Mr. Smith stated that the City Council has been discussing the proportions of the City's docks to be rented seasonally versus transient docking on several previous occasions. Of the 35 docks available, 17 are for seasonal and 18 are for transient boats. The rental rates are \$540 per quarter for the permanent docks and \$0.75 center per foot per day (7 day - \$150 maximum) for transient dockage. Minutes from June to August 2002 have been reviewed, during which time regulations for the Stewart Parkway Bulkhead boats were discussed and eventually adopted. No division of the docks between seasonal and transient boaters were included in the ordinance.

Mr. Smith stated that his recommendation to Council is that we find a marine operator to operate the facilities for us. If we want to specify in that contract with the operator that we want a certain number of transients vs seasonal rentals or whether we want that to be a business decision of whoever gets the contract. It would be helpful to the City Council if we could tell someone our expectations on permanent vs transients. It is his recommendation to keep the westerly dock for transient operations and that gives the City five transient docks plus the pump out facility. There is an opportunity in addition to the actual docking, to pull up to the transient facilities and discharge passengers and then go anchor out. There has been a bit of discussion since 2002, and he recommends to reduce the number of transients and encourage the people to use the dingy docks and try to increase the seasonal docks.

Mr. Mobley stated they are booked up until December and won't do anymore booking until they have a direction, which puts us to January 1st.

Councilman Jennings asked didn't Council budget any increase in slip rental fees? He recommended that we consider a 5% increase in the budget...if we have a waiting list that we have a clear demand, that would be \$25.00 per quarter. Mr. Mobley stated they have some ideas about generation of revenues for the May 15th meeting. Mayor Jennette stated that if we reduce the number of transient docks, we can't do it until January 1st? Mr. Mobley stated that we are already booked up to December and if we do any of the things we are talking about, we need to start with January 1, 2007 so we know what direction we are going.

Councilman Gahagan stated that if we go this direction and increase the number of transients, that during these events they need to pull out for the weekend. Councilman Jennings stated that most marinas have language about storms and the dockmaster's right to move a boat from a slip so you can say if they don't move it as agreed during an event, the City will move it for you. Mr. Holscher stated that there is a liability there.

Mayor Jennette asked that RFP's be out by June 30th so we can start looking for someone. Councilman Jennings stated that we have not decided to do that yet. Mr. Smith stated that it was anticipated for the next boating session.

Mr. Mobley will bring information to Council at the May 15th meeting.

Councilman Gibson asked Mr. Mobley can't we expand the boat docks and raise the rates slightly? Mr. Mobley stated that we are looking at a grant for \$100,000 for another t-dock (six boats).

DISCUSS – DRAINS AT POOL

Mr. Mobley passed out information on the drains at the pool. The water won't quite go out at the drains. Lowering the drains would entail shutting the pool down to sand the 16 drains that are affected for an undetermined amount of days. This would involve removing the brass plate, sanding the drains and replace the brass plates. Work would involve concrete work. Noise and foreign material in the pool necessitates shutting the pool down until work is completed and chemical levels become stable. Work could be completed for \$9,600 (16 drains x \$500) or \$4,800 (6 drains x \$800). There are 33 drains total but all are not affected.

It was brought out that the water has been accumulated like this since day one.

After discussion, Council asked Mr. Mobley to contact the original contractor about the problem before authorizing any work to be done.

AGREEMENT FOR SKATEBOARD PARK (WALLY HOLIDAY)

Mr. Smith stated that the contract price with Wally Holiday is \$21,000. A proposal has been received laying out what Mr. Holiday will do. Mr. Smith's recommendation was to authorize the execution of the contract.

Since Council did not receive a copy of the contract, Council postponed this item until copies of the contract were made and reviewed.

EMPLOYEE BENEFITS CONTRACT WITH MARK III

Mr. Smith explained to Council that our health expenditures are \$1.2 million a year. We have been notified by Blue Cross Blue Shield that we can anticipate a 10% increase in health insurance cost. In analyzing our present contract, there are four major components: cost of medical services and drugs, administration, reinsurance, and reserves (for them to pay if they misjudge costs). In some cases, you also have someone to negotiate those benefits and that is added to the contract. In his opinion, that retention should not exceed 20%, typically it's 10% to 15%, and the City's is 30%. Blue Cross Blue Shield has been asked to provide more information to justify an increase. Blue Cross Blue Shield came back and said that there will not be an increase at all next year and could drop 4% .

Mr. Smith stated it was clear we needed more information to evaluate our health insurance cost and look at plans designed to address other elements such as Section 125 which allows us to pay employees share of costs pretaxed, flexible spending accounts, better customer education services, more help with enrolling employees in life insurance, cancer insurance, in addition to what the City provides. The Governmental Accounting Standards Board has made a number of announcements with regard to what are the future costs for benefits for retirees...what the cities will have to have to pay for promises made to employees for health care after they retire. The City will have to comply with those requirements, as well, next year. An RFP was put together to receive proposals from consultants for health care benefits. It has been narrowed down to three proposals, with Mark III being recommended. Our present firm operates on commissions and we aren't privy to that information. We go from a commission basis to an upfront fee for services.

It will take six weeks to do the work. Mrs. Hodges stated they will also review our dental plan, etc.

Blue Cross Blue Shield had said earlier we would receive a 10% increase, and have now said it would be a 4% reduction. Mr. Smith stated that if you look at what is happening to wages, about ten years out, we will be paying more for health insurance than paying for wages and that won't work.

After discussion, on motion of Councilman Jennings, seconded by Mayor Pro tem Woolard, Council unanimously awarded a contract to Mark III for benefits consultants in the amount of \$25,000.

PROPOSAL SPECIFICATIONS

The City of Washington, NC desires an experienced consultant to strategically plan, design, and negotiate: group health, dental, life and ancillary insurance products; Medical Reimbursement and Spending Accounts; and Section 125 and Flexible Spending Accounts. The City of Washington currently has 240 full-time positions covered under its benefits programs.

The term of the Contract shall be from May 1, 2006 through April 30, 2007. The Contract may be extended at the sole discretion of the City of Washington for three consecutive twelve month periods. The Contract shall be subject to cancellation if funds are not available to support the continuation of the Contract beyond April 30, 2007.

SCOPE OF SERVICES

I. Consulting Services

1. Evaluate group benefit programs including benefit design, rates, costs and cost containment measures; utilization, administration, risk, access to care, and other available benefit plan options; and prepare reports to the City of Washington on these issues.

Mark III will evaluate all of the above items and prepare reports as required. This is addressed further in the notebook proposal binder.

2. Act as liaison with appropriate state or federal agencies, review legal documents, and advise the City on applicable state and federal laws, regulations and procedures necessary for compliance on issues including pending legislation, Section 125 of the IRC, TEFRA, DEFRA, COBRA, OBRA, Medicare, and others.

Mark III will advise the City of Washington on regulations and procedures necessary for compliance.

3. Act as liaison with the City of Washington, Third Party Administrators, and other carriers and providers retained by the City.

Mark III will act as a liaison for the City, TPA and other carries and providers retained by the city.

4. Coordinate employee education and enrollment processes with carriers, Third Party Administrators, and the City of Washington.

Mark III will coordinate the education and enrollment processes with the carriers, TPA, and the City

5. Provide consolidated benefits binders and a web link explaining employee benefit options.

Mark III will provide a consolidated benefit booklets for the City of Washington. A sample copy of this booklet is placed in the front left pocket of the proposal notebook.

6. Provide underwriting support for the rating of the City and its current and prospective members. Analyze the group insurance funding mechanism(s) with respect to rate and enrollment history and make recommendations regarding the financial mechanisms, rates, risk levels, dividends, etc.

Mark III will provide the above analysis and underwriting support for the City.

7. Prepare and assist in evaluation of Invitations to Bid, Requests for Proposals, and alternative plan and carrier options as directed by the City of Washington.

Mark III will prepare the RFP Specifications and evaluate the RFP responses in respect to plan design and options.

8. Assist in negotiations with carriers or other parties on issues including rating, benefit design, utilization, billing and credits, reporting, and administration.

Mark II will negotiate with carriers and other parties on all of the issues stated above.

9. Meet on an as needed basis with the City of Washington City Manager, Human Resources Director, and Finance Director.

Mark III will meet with the City as needed.

10. Assist in the development of employee health awareness and/or employee assistance programs.

Mark III will assist in the development of health awareness programs, employee assistance and wellness clinics.

11. Coordinate City of Washington meetings (approximately four per contract year) to inform employees about the health care environment, costs, and available alternatives for benefit programs.

Mark III will meet with the employees once ever quarter to cover pertinent issues/topics related to the healthcare environment, cost and available alternatives.

II. Claims Monitoring and Auditing

1. Gather and analyze claims data to develop reports which will help monitor claims and financial trends, and identify areas for development of cost containment programs.

Mark III will analyze claims data, develop reports, monitor/track claims and financial trends and identify areas for the development of cost containment.

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2. Conduct an annual audit of a random sampling of not less than 100 claims paid by the City's health carrier. Audit will check for overcharges, duplicate payments, ineligible charges, proper subrogation and coordination including Medicare, dependent status, etc.

Mark III can arrange for an annual audit to be conducted by an outside firm.

3. Present the City of Washington with a year end report to include an analysis of claims and a financial analysis for the previous July 1- June 30 period, and recommendations for the next year.

Mark III will provide the City with a year-end report that will include claims and financial analysis as well as recommendation for the following plan year.

CRITERIA FOR EVALUATION

Each proposer shall indicate his/her agreement with each of the following statements. To merit further consideration of a proposal by the City of Washington proposer must indicate "yes" to each statement below:

1. The proposer agrees to return to the City of Washington any commission, service fee, or bonus of any other kind received from a provider of insurance for work related to this contract.

___ yes X no

Mark III does not have the authority to return commissions back to the City of Washington. Returning commissions back to the City would be a direct violation of the NC Department of Insurance rebating statute. However, as a fee based consultant we would not be receiving any commission from the carriers on supplemental products and all **group products** will be quoted net of commission.

2. The proposer has provided flexible employee benefits plans, health, dental, life and other insurance consulting services for groups of at least 150 employees for a minimum of three years.

X yes ___no

3. The proposer has a minimum of three years experience as a claims auditor.

X yes ___no

Each proposer shall respond to the following questions. If written on a separate sheet of paper, please repeat the question before indicating your answer.

1. For how many clients do you currently provide group insurance consulting services?

120 Public Sector Employers.

2. How many years' experience do you have providing group insurance consulting services for:

| | | |
|----|---------------------------------|-----------------|
| a. | Group Health | 30 Years |
| b. | Flexible Employee Benefit Plans | 12 Years |
| c. | Dental | 29 Years |
| d. | Life Insurance | 21 Years |
| e. | Vision | 10 Years |
| f. | Supplemental Plans | 18 Years |

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3. Do you have experience providing group health insurance consulting services to North Carolina municipal entities?

Yes.

4. How do you propose to conduct the annual claims administration audit? A claims auditor on staff with three or more years experience is desirable. State if claims audit will be subcontracted.

Claims audits will be conducted through Mark III by means of an outside auditing firm.

5. If your business is domiciled in a state requiring licensing of Insurance Advisors, are you licensed?

Yes.

REFERENCES

PROPOSALS MUST LIST AT LEAST THREE (3) REFERENCES FOR WHOM SIMILAR WORK HAS BEEN PERFORMED DURING THE PAST THREE (3) YEARS.

- (1) **CURRENT CLIENT NAME** City of Kannapolis
- ADDRESS (Street) 246 Oak Avenue
- ADDRESS (City, St, Zip) Kannapolis, NC 28081
- CONTACT NAME Tina Cline
- TELEPHONE/E-MAIL 704-920-4302/ tcline@ci.kannapolis.nc.us
- # EMPS. 300
- TIME PERIOD SERVICED 16 Years (since 1990)
- SERVICES PROVIDED Medical, Dental, Vision, Term Life, 125 Plan, Voluntary Products
- (2) **CURRENT CLIENT NAME** City of Rocky Mount
- ADDRESS (Street) One Government Plaza
- ADDRESS (City, St, Zip) Rocky Mount, NC 27802
- CONTACT NAME Wendy Moody
- TELEPHONE/E-MAIL 252-972-1188/
moodyw@ci.rockymount.nc.us
- # EMPS. 700
- TIME PERIOD SERVICED 9 Years (since 1997)
- SERVICES PROVIDED Medical, Dental, Term Life, 125 Plan, Voluntary Products
- (3) **FORMER CLIENT NAME** City of Monroe
- ADDRESS (Street) 300 W. Crowell Street

| | |
|-------------------------|---|
| ADDRESS (City, St, Zip) | Monroe, NC 28111 |
| CONTACT NAME | Debra Chesnut Reed |
| TELEPHONE/E-MAIL | 704-282-4540/ dreed@monroenc.org |
| # EMPS. | 400 |
| TIME PERIOD SERVICED | 3 years (from 2002-2005) |
| SERVICES PROVIDED | Dental, Term Life, 125 Plan, Voluntary Products |

THIS PAGE MUST BE COMPLETED AND SUBMITTED AS A PART OF YOUR ROPOSAL.

FORM OF CONTRACT

This agreement is dated as of April 17th year 2006 by and between:

The City of Washington, NC (hereinafter called THE CITY) and Mark III Employee Benefits (hereinafter called CONSULTANT).

THE CITY and CONSULTANT, in consideration of the mutual covenants set forth herein, agree as follows:

Article 1: Work

CONSULTANT shall complete all work as specified in the CONTRACT Documents. This work is generally described as follows:

Group Insurance Benefits and Related Consulting Services

Article 2: Contract Time

The term of this contract shall be from May 1, 2006 until April 30, 2007. The City in its sole discretion may extend this CONTRACT for single periods not to exceed twelve months and, in any event, not to exceed thirty six (36) months.

Article 3: Contract Price

THE CITY shall pay CONSULTANT for performance of the work in accordance with Attachment A.

Article 4: CONSULTANT's Representations

CONSULTANT has familiarized himself with the nature and extent of the Contract Documents, work, locality, and with all local laws, rules, ordinances, and regulations that in any manner may affect cost, progress, or performance of the work.

Article 5: Contract Documents

The Contract Documents which comprise the entire contract between the THE CITY and CONSULTANT are attached to this CONTRACT, made a part hereof, and consist of the following:

- 1.) This CONTRACT
- 2.) Request for Proposal – Group Insurance Benefits and Related Consulting Services
- 3.) General Specifications

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- 4.) Attachment A: Proposal Form
 - 5.) Proposal Specifications
 - 6.) Insurance Documents
 - 7.) References

There are no Contract Documents other than those listed above in this Article.

Article 6: Miscellaneous

No assignment by a party hereto of any rights under or interest in the Contract Documents will be binding on another party hereto without the written consent of THE CITY.

THE CITY and CONSULTANT each binds itself, partners, successors, assigns and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

This CONTRACT may be amended provided such amendment is in writing by the signatories hereto, and receives approval from THE CITY prior to its effective date. FOREIGN CORPORATIONS: The attention of all bidders is called to the provisions of Article 15 of Chapter 55 of the North Carolina General Statutes, which places certain requirements on foreign corporations doing business in the State of North Carolina. The awarding authority will not enter into a contract with a foreign corporation unless all applicable provisions of Article 15 Chapter 55 are complied with. The term foreign corporation means a corporation for profit incorporated under a law other than the law of the State of North Carolina.

CONTRACT: Group Insurance Benefits and Related Consulting Services

The undersigned parties have signed or identified all parts of these Contract Documents; this CONTRACT being itself signed in two counterparts, one being delivered and held by each of THE CITY and CONSULTANT.

The effective date of this CONTRACT shall be the 30th day of May 2006

s/James C. Smith
JAMES C. SMITH
CITY MANAGER

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

Council took a break at 6:00 p.m. and reconvened at 6:05 p.m.

**PUBLIC HEARING - CONSIDER – ZONING CHANGE CONSISTING OF
107.08 ACRES OF PROPERTY, LOCATED ON EAST SIDE OF US
HIGHWAY 17 NORTH FROM RA-20 TO O&I**

Mr. John Tate, a member of the Planning Board, stated that the Planning Board recommended unanimously to rezone the 107.8 acres, with the recommendation that the future Land Use Plan be amended to reflect the O&I zoning classification change. The property is currently zoned RA20. The surrounding property consists primarily of single family dwellings, mobile homes and modular housing units. The property also adjoins land owned by Covenant Community Church. The applicant on the first request for a zoning change submitted a petition for the B-2 (General Business) classification. After discussions by the Planning Board, the Planning Board determined that the O&I zoning classification would be best suited for this area.

Mayor Jennette opened the public hearing.

Mr. Chris McLendon, representing Rita Downs (owner of Hunters Pointe), which is next door to this property. Mr. McLendon gave the history of Hunters Point which operates under a special use permit. In 1993, there was a complaint from an individual who lived over a half mile from Hunters Pointe. A mistake had been made where the ETJ line was and that was settled with the City Council in 1993 and Hunters Pointe was allowed to operate under the special use permit. Hunters Pointe has shootings seven days a week as early as 7:00 a.m. and as late as 9:00 p.m. Hunters Pointe borders up to this property. There are about twelve tournaments a year which some involve people from all over the country. Sometimes there are as many as 400 to 450 people who fire in excess of 750,000 rounds of ammunition a year. Mr. McLendon was pointing out the noise made there. He stated they are not opposing an assisted living facility, but they have great concern whether that is the place it should go.

Mr. Holscher interrupted at this point and reminded Council that we are not talking about an assisted living facility, we are talking about any use that could take place in an O&I classification. Mr. McLendon stated in the sketches he has seen back up to structures as close as 150 feet to 300 feet from the border between Hunters Pointe and the property. He stated they are not opposed to some type of development there but wonders if the Planning Board should revisit this situation.

Mr. Samuel Adams expressed concern because he lives across the road and has a house on the middle of this property. He also has other family members who live out there, along with a private cemetery. He stated he has no information on what it will do to their tax value, etc. Mayor Jennette commented that Council is not allowed to ask what will be put on the property.

Mr. Hood Richardson, representing the owner, Jian Zhu, stated they are aware of all the issues discussed, and he selected this property knowing the shooting range was located there, and he does not object to it being there. He stated that maybe something can be worked out to alleviate her concerns, and whatever use this property is put to, this use or any other use, Mrs. Downs will have the same concerns. The only way she will not be concerned if the land is left exactly as it is today. He stated it is a logical rezoning of the A-20 zones, which are flexible and intended to be rezoned for future use for higher density. The location of the highway at this particular place indicates that probably this property will never be developed for residential use in single family homes. Mr. Zhu will disclose to his buyers the presence of the shooting range. He indicated they would respect the 60 foot right of way Mr. Adams has on his property, and may be improved. There will be a natural buffer between the properties and are abundant wetlands that will not be developed (about 12 to 15 acres). There would be a minimum of a wooded 500 foot buffer between these two land uses. Also, he pointed out there are other homes there now as close as anything Mr. Zhu would construct. He stated Mr. Zhu would not want to move anyone onto a piece of property that would unhappy about her land use because she was there first.

Mr. Richardson stated if Mr. Zhu built anything that required City sewer, he would be petitioning for annexation into the City.

Mayor Jennette closed the public hearing.

Mayor Jennette asked if the Planning Board discussed infrastructure? Mr. Roberson stated he was not at the meeting. Mr. Tate stated that the range was identified but was not discussed in depth. The adjacent landowners were informed but none showed up at the meeting. Mr. Rodman stated that one notice was sent out, the property was posted and a notice was put in the newspaper about the City Council meeting.

Mayor Jennette stated it was a painful process in 1993, the Downs invested in good faith and it is a big draw to Washington. The Downs were led to believe they were out of the ETJ.

Councilman Gahagan stated that it is unrealistic to believe that the City will not grow that way. This is like building a neighborhood next to the Airport, you know its there. If they believe they can market property next to a shooting range, he don't see a problem. Mayor Woolard stated that Mrs. Downs wants to make sure everyone understands it and don't come back complaining.

Mr. Roberson stated that it is primarily residential in character. On major corridors, our position is to begin strip commercial development along Hwy 17 south into the current corporate limits. The zoning classification we looked at would be the transitional zone which as a variety of uses. It has over sixty uses of the property in the O&I.

Mr. Holscher stated that the residential lots and cemetery are excluded from the rezoning and you can never deny access to the cemetery or the residential lots. Councilman Gibson wondered why Mr. Adams is concerned if his property remains as is. Councilman Gahagan stated that the logical reason is the next time there is a re-evaluation, the value of the property will go up. Mr. Richard said it should not affect the value of his property.

After discussion, on motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously accepted the recommendation of the Planning Board and approved the rezoning of the property located on US Hwy 17 North containing 107.08 acres, from RA20 (Residential Agriculture) to O&I (Office and Institutional).

**PUBLIC HEARING - APPROVAL – PRELIMINARY SUBDIVISION
PLAT APPROVAL OF MOSS LANDING**

Mr. Tate stated that after a lengthy discussion, the preliminary plat is being recommended to the City Council for approval, subject to the terms and conditions outlined on attachment A in the agenda book. The preliminary plat approval does not include the proposed marina as shown on the preliminary plat submission. The reason is that the developer has not received the CAMA permit yet. He stated there discussion on turning radius modified from an earlier plat that had been submitted, places where turning radius were not modified but there was an agreement by the developers not to put any planting or improvement that would restrict a fire truck from driving over the curb to get close to the structure. Also, parking was a big discussion, whereby there will be no on street parking.

Mr. Roberson stated there is a separate agreement between the City and the developer for the marina set up. We are proceeding without the marina and in the end, the final plat will come back.

Mayor Jennette stated this is a public hearing.

Mr. Fred Fletcher, operating manager of Moss Landing One and Progress Partners, developer, stated they have thirty two approvals behind them. They have received the stormwater permit and soil erosion control permit. The way he understands it, the marina itself has already received all local approvals. The only thing remaining is the CAMA permit. They have sold over thirty residential units.

Mayor Jennette closed the public hearing.

On motion of Councilman Gahagan, seconded by Councilman Jennings, Council unanimously accepted the recommendation of the Planning Board and approved the preliminary subdivision plan of the Moss Landing Development, subject to the conditions and recommendations that have been outlined on Attachment "A", as follows:

ATTACHMENT "A"

PLANNING AND DEVELOPMENT

1. The property shown as "Marina Parking" needs to be clarified because this area is the only access to our pumping station and if this is a negotiated area an easement should be shown as a minimum requirement

2. A 30 foot easement is shown adjacent to the First Source Builders property and then terminates along our existing boardwalk. An easement should be shown or a clarification of the plank boardwalk area owned by the City of Washington. John, Jim, you , and I talked about this area on Friday. It appears that Moss Landing is showing that they owned all of the 8 plus acres of land.

3. The correct numbering sequence should be shown on the sheets submitted.

4. LEGAL NOTICE REGARDING PRESALE BY REFERENCE TO
AN APPROVED PRELIMINARY PLAT

A FINAL PLAT HAS NOT BEEN APPROVED FOR THIS PROPERTY under the City of Washington Subdivision Ordinance. Changes between the Preliminary and Final Plat are possible. This contract does not obligate the City of Washington with respect to approval of a Final Plat.

A Copy of the Approved Preliminary Plat is attached hereto and a copy of the final recorded plat will be delivered to buyer prior to closing. This contract may be terminated by the buyer or the lessee without breach if the final recorded Plat differs in any material respect from the Preliminary Plat.

If the approved and recorded Final Plat does not differ in any material respect from the Preliminary Plat attached hereto the buyer or lessee is not required to close this transaction any sooner than five days after delivery of a copy of the recorded Final Plat.

If the approved and recorded Final Plat does differ in any material respect from the Preliminary Plat attached hereto the buyer or lessee is not required to close this transaction any sooner than fifteen days after the delivery of a copy of the recorded Final Plat, during which time the buyer or lessee may terminate this contract without breach or further obligation and will receive a full refund of all earnest money or prepaid purchase price.

No conveyance of land or improvements will occur and no contract to lease will become effective until after the Final Plat has been properly approved by the City of Washington and recorded with the Beaufort County Register of Deeds.

North Carolina General Statute 160A-375(b). City of Washington Ordinance _____
State law reference: G.S. 160A-375(b)

5. The subdivision is subject to a letter from CAMA stating the development has been approved for a preliminary subdivision plat approval.

6. John, please add anything we might have missed, please use good discursion.

FIRE/RESCUE/EMS/INSPECTIONS

1. No parking on access roads

2. No dry sprinkler connections for walkways

*site additions or City

3. Width of all walkways to accommodate emergency access and egress

4. No fire extinguisher cabinetry noted for extinguisher requirements on docks

5. No sprinkler system infrastructure noted including FDC locations

-
6. Cannot use West on east side of Market Street
 7. 20 feet turning radius do not meet the 25 feet requirement
 8. Water main size for fire flow requirements

ELECTRIC UTILITIES

1. The department has no comments at this time

RECREATION AND PARKS

1. The department has no comments at this time

POLICE

1. The department has no comments at this time

PUBLIC WORKS

1. A statement either on the preliminary plat or in writing that construction plan approval from the Public Works Department shall be obtained prior or construction of any street, water line, sanitary sewer, storm sewer, drainage facility, or other improvements.
2. Grading and storm drainage improvements may be allowed following approval of the public Works Director prior to sate approval of proposed utility improvements
3. Submission requirements and review procedures for all construction plans be submitted in accordance with the Manual of Standard Designs and Details.

**PUBLIC HEARING – ADOPT RESOLUTION AUTHORIZING THE FILING OF
AN APPLICATION FOR THE APPROVAL OF A FINANCING AGREEMENT
UNDER NC GS 160A-20**

Mr. Smith stated that in the 05-06 Budget, there were several facility improvements to be completed and funded through an installment note. These improvements include the carpeting, painting, relocation of the circulation desk, and renovations to the restroom in the second floor of the Brown Library (\$85,000); the City's share of the construction of cost of the skateboard park (\$75,000); the construction of the wash bay at the City garage (\$75,000); and the renovations to the Public Works equipment shelter (\$75,000). Improvements to be made in the proposed 06-07 budget through an installment note include the replacement of the HVAC at the Civic Center (\$75,000) and the City's share of the construction cost of the mandated dechlorination system at the water treatment plant.

Mayor Jennette stated this is a public hearing and called for comments from the audience.

There were no comments from the audience.

Mayor Jennette closed the public hearing.

On motion of Councilman Gibson, seconded by Councilman Brooks, Council unanimously adopted the Resolution authorizing the filing of an application for the Application for the approval of a Financial Agreement by NCGS 160A-20

**RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR
APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH
CAROLINA GENERAL STATUTE 160A-20**

WHEREAS, the City of Washington, North Carolina desires to do facility improvements to the Brown Library, 7th Street Recreation Center, Public Works Equipment Shelter, City Garage, Civic Center, and the Water Treatment Plant (the "Project") to better serve the citizens of Washington; and

WHEREAS, The City of Washington desires to finance the project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in the North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Washington, North Carolina, meeting in regular session on the 8th day of May, 2006, make the following findings of fact:

1. The proposed contract is necessary to maintain appropriate fund balance resources available to the City of Washington. Other methods of funding improvements are more expensive and time consuming. The proposed contract is expedient in order to meet the mandated time frame.
2. The proposed contract is preferable to a bond issue because of the overall expense and timing of the bond issue process. The expediency and immediate requirements for this project does not allow for a lengthy delay for public referendum.
3. The debt management policies and procedures of the City of Washington are free of incident, fully documented and submitted annually for audit.
4. The City of Washington is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Finance Director is hereby authorized to act on behalf of the City of Washington, North Carolina in filing an application with the North Carolina Local Government Commission for approval of the project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this the 8th day of May, 2006.

The motion to adopt this resolution was made by Councilmember Ed Gibson, seconded by Councilmember Richard Brooks and passed by a vote of 5 to 0.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

This is to certify that this is a true and accurate copy of a resolution adopted by the City of Washington City Council on the 8th Day of May, 2006.

s/Rita A. Thompson
RITA A. THOMPSON

DATE: 5/11/06

PUBLIC HEARING – ON PROPOSED FY 2006-2007 BUDGET

Mr. Smith stated this is the official budget hearing. He stated that the current budget contained more than \$750,000 in one time non-recurring revenue. The proposed 2006-2007 budget avoids the use of non-recurring revenue. The LGC, the Governor's Planning Office Association, bond rating agencies, International City Manager's Association all recommend that cities have two months expenditures set aside in case we get hit by a storm. Our fund balance is at 10.2%, and two months would be 15%. In the current fiscal year we will spend about \$14.7 million for general services. We are proposing to reduce that expenditure level to \$12.8 million, a reduction of \$1.9 million. However, with the present tax rate, present fees, state revenues, we would actually be about \$1.2 million below the current year's revenues.

Mr. Smith stated that we started with a bottom up process, estimating the available revenues and looked at last year's budget and that meant the budget would have to be cut to \$12.4 million. Each department head presented a budget to that level; however, in some cases such as public safety, it was not possible to operate the departments some money had to be restored. Almost every line item has been cut to a minimum to operate, and he is concerned in some cases. Over the next three years it will be difficult. We are proposing to eliminate four positions to lay off. In addition we are keeping two positions unfilled in the Police Department and three positions that were anticipated in the Fire Department. Having made those reductions, we were still short and looked at services for a fee. We are recommending increases in the cost for covering the services. We created an additional Enterprise Fund, the Solid Waste Fund where you "Pay as you Throw" system. Even with those steps we were still short of revenue. For the last fourteen years the City has not had a tax rate. In 1994 the tax rate was \$.57 per \$100 and in 2004 it was \$.55 per \$100. The medium family income is about \$31,000 a year and if you look at the average assessed value of a home is \$61,000. We are proposing an 8 cents on the property tax rate, and on a \$61,000 average household is an additional \$50.00 per household.

Mr. Smith stated that the impact over the last several years has been minimal while the City has added a number of new facilities and this budget is recommended to the City Council with a responsible approach to the City's financial position.

Mayor Jennette opened the public hearing for comments from the public.

There was no one present to speak.

Mayor Jennette closed the public hearing.

COMMENTS FROM THE PUBLIC – SCIENCE OLYMPIAD

Mrs. Marie Swanner and Mr. Mark Hamblin appeared before Council to request funding for the Washington High School's State Science Olympiad team who placed second in Chapel Hill, N.C. to travel to Indiana to compete. They explained that Beaufort County Commissioners will make up the difference in what they don't collect to pay for the trip. Mr. Hamblin stated he would also like to see a Proclamation adopted by the City Council.

After discussion, Council unanimously agreed to appropriate \$2,500 to the Washington High School Science Team and the Mayor sign a Proclamation and invite the team to a Council meeting and congratulate them.

CONTINUED – SKATEPARK CONTRACT

Mr. Smith stated that the total fee is \$21,000 and the Committee selected Wally Holiday to handle the skatepark contract. Concrete work, electric work, etc. will be done locally and Mr. Holiday will design and supervise the work.

Mr. Holscher stated he would like to meet with Philip Mobley and the Manager because there are some things in the contract that need to be looked at and nailed down.

On motion of Mayor Pro tem Woolard, seconded by Councilman Jennings, Council unanimously authorized the Mayor, Manager and City Attorney to draft an acceptable contract with Wally Holiday and the Mayor to execute such contract on behalf of the City.

**ADOPT – BUDGET ORDINANCE AMENDMENT FOR POLICE DEPT.
(\$9,500)**

Mr. Smith stated that the Police Department had some funds available to them for drug enforcement and drug enforcement equipment, total amount being \$9,500.

On motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously adopted a budget ordinance amendment in the amount of \$9,500 for the Police Department.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2005-2006**

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

Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$6,143 in the account Controlled Substance Tax, account number 10-10-3317-3300.

Section 2. The Estimated Revenues in the General Fund be increased in the amount of \$3,357 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 3. That account number 10-10-4310-5701, Controlled Substance Funds, Police Department portion of the General Fund appropriations budget be increased in the amount of \$9,500 to provide funds for drug enforcement.

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

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

Adopted this the 8th day of May, 2006

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

FOR YOUR INFORMATION – TRAFFIC SIGNALS ON US 264

The letter from DOT in the agenda book indicated that DOT will be conducting an independent investigation of the Council's request to look into traffic signals on US 264. Councilman Jennings stated that we need to have a meeting with DOT. Mayor Jennette stated that she has asked DOT about having a meeting with her, the City Manager and DOT.

CHRIS FURLOUGH'S REQUEST FOR FIRE BURNING PERMIT

Council mutually agreed to let Mr. Furlough come back to Council if he cannot complete the burning of debris in 45 days, and did not approve an open ended burning permit.

CLOSED SESSION – UNDER G. S. 143-318.11 (A)(3) ATTORNEY/CLIENT PRIVILEGE

On motion of Mayor Pro tem Woolard, seconded by Councilman Gahagan, Council unanimously agreed to go into closed session at 7:35 p.m. under G. S. 143-318.11(a)(3) Attorney/Client Privilege.

On motion of Mayor Pro tem Woolard, second by Councilman Gibson, Council unanimously agreed to come out of closed session at 8:00 p.m.

CONTINUE MEETING

On motion of Mayor Pro tem Woolard, seconded by Councilman Gahagan, Council unanimously continued the meeting until Monday, May 15, 2006 in the Council Chambers at the Municipal Building at 4:30 p.m.

**Rita A. Thompson, CMC
City Clerk**