

The Washington City Council met in a regular session on Monday, January 9, 2012 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman;; William Pitt, Councilman; Richard Brooks, Councilman; Bobby Roberson, Mayor Pro tem; Josh Kay, City Manager; Cynthia Bennett, City Clerk and Franz Holscher, City Attorney. By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Councilman Ed Moultrie was absent and subsequently excused from the meeting.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Lynn Lewis, Tourism Director; David Carraway, Information Technology; Mick Reed, Police Chief; Susan Hodges, Human Resources Director and Mike Voss, of the Washington Daily News.

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

APPROVAL OF MINUTES

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council approved the minutes of December 12, 2011 as presented.

APPROVAL/AMENDMENTS TO AGENDA

Councilman Mercer requested the following:

*Move Consent Agenda Item: F to New Business X.A: Approve – Purchase Orders >\$20,000

Mayor Jennings requested the following:

*Remove the Public Hearing: Adopt – Annexation Ordinance to Extend The City Of Washington Corporate Limits For Non-Contiguous Property Owned By Boddie-Noell

*Added under item XII.B: Resolution –Bath House

*Moved Closed Session under NCGS 143-318.11(a)(5)Economic Development, to after Comments from the Public

Mayor Pro tem Roberson requested the following:

*Added under item XII. A: Discussion on setting date for City Manager's evaluation

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

PRESENTATION – RETIREMENT AND MEMORIAL RESOLUTIONS

Retirement Resolutions

- Raymond L. Midgett – more than 5 years
- Ottis Ray Clark – more than 5 years
- Velvet H. Blizzard – more than 18 years
- Luther Carroll Ham – 24 years
- Louis H. Williams – 28 years
- Sherman A. Little – 33 years
- Jack R. Gurkin – more than 34 years

Memorial Resolutions

- Jerry R. Lewis – more than 18 years
- William A. Ebison – more than 22 years

CONSENT AGENDA

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

A. **APPROVE – DEPARTMENTAL ROSTER FOR CALENDAR YEAR 2012**

- B. **AUTHORIZE – APPLICATION FOR A COMPUTER MOBILE LAB GRANT AND WITH A 25% (\$5,500) MATCH TO BE INCLUDED IN THE FY 12-13 BUDGET (\$22,000)**
- C. **ACCEPT & ADOPT – A GRANT FROM THE MID EAST COMMISSION AREA AGENCY ON AGING AND ADOPT BUDGET ORDINANCE AMENDMENT (\$1,000)**

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2011-2012**

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

- Section 1. That the estimated Revenues in the General Fund be increased in the amount of \$1,000 in the account, Mid-East Grant, account number 10-40-3621-3300.
- Section 2. That account number 10-40-6123-4504, Mid-East Grant- Center Operations, Senior Programs portion of the General Fund appropriations budget be increased in the amount of \$1,000 to provide funds for Senior Center operations.
- 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 January, 2012.

ATTEST:

s/Cynthia Bennett, CMC
City Clerk

s/N. Archie Jennings III
Mayor

- D. **ACCEPT, AUTHORIZE & ADOPT – A GRANT FROM THE MID EAST COMMISSION AND AUTHORIZE A 10% (\$418) CASH MATCH AND ADOPT A BUDGET ORDINANCE AMENDMENT (\$4,598)**

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2011-2012**

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 \$418 in the account, Contributions – Senior Center, account number 10-40-3612-8400.
- Section 2. That the Estimated Revenues in the General Fund be increased in the amount of \$4,180 in the account, Mid-East Grant, account number 10-40-3621-3300.
- Section 3. That account number 10-40-6123-4504, Mid-East Grant – Center Operations, Senior Programs portion of the General Fund appropriations budget be increased in the amount of \$4,598 to provide funds for Senior Center operations.
- 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 January, 2012.

ATTEST:

s/Cynthia Bennett, CMC
City Clerk

s/N. Archie Jennings III
Mayor

E. **AWARD – OFFICER MATTHEW BAILEY HIS POLICE SHIELD AND SERVICE WEAPON UPON RETIREMENT**

F. **Moved to X.A: APPROVE – PURCHASE ORDERS >\$20,000**

COMMENTS FROM THE PUBLIC

Margaret Peterson, Vice-President of the Beaufort County Humane Society and Coordinator of Volunteers at the Beaufort County Animal Control Facility expressed her support of the Trap, Neuter, Release Program (TNR) for the feral cat population in downtown Washington. She further stated that once the animals have been spayed or neutered and returned downtown, they need to be supervised and fed. There are dedicated volunteers that support this program. Others speaking in favor of the TNR Program were: Pam Byrd (Saving Graces for Felines), Rebecca Clark, Julie Finn, MJ Carbo, John O’Neill, Judi Hickson, Ron Allison and Christy Barndt.

Tom Archie discussed with Council the need for additional stop signs in Smallwood. Smallwood has become a thoroughfare going through a residential subdivision to obtain access to the schools on Market Street Extension. Mayor Pro tem Roberson suggested opening up a dialogue with the Smallwood residents to discuss possible solutions to this issue, such as “speed humps”.

Shannon Blackstone stated she is opposed to the cats being downtown. The main concern she has is with cat food being left out and unsupervised, odor and fleas. She also stated that the current ordinance is being broken by people feeding the feral cats. There is also a liability issue involved with the cats being downtown. In the beginning, the proponents of the TNR program said the food would not be left out unsupervised. This is not what’s happening, the food is being placed and then left. There are also cats jumping up from the back deck of the former Harbor Street Grill onto the awning of 222 Stewart Parkway, the cats have subsequently torn the awning. At what point will the City become responsible for the damage the cats are doing to awnings, cars, etc. Mrs. Blackstone applauded the efforts of the TNR Program and its volunteers, but feels the cats should not be downtown. She agrees with the program being terminated in the downtown area.

Scott Campbell also applauded the efforts of the TNR Program and its volunteers. He feels the Council should uphold the ordinance which prohibits feeding the animals.

PUBLIC HEARING TO ACCEPT & ADOPT – ACCEPT RECOMMENDATION OF THE PLANNING BOARD AND ADOPT RESOLUTION ORDERING THE CLOSURE AND ABANDONMENT OF A PORTION OF EAST MAIN STREET AND RIGHT-OF-WAY

Mayor Jennings opened the public hearing. John Rodman, Planning Director stated that on November 14, 2011 the Washington City Council adopted a Resolution of Intent to close a portion of East Main Street that is adjacent to Havens Gardens, Norfolk Southern Railroad and intersects with Park Drive. A map has been prepared by Mr. H.C. Harris Jr. A public hearing was scheduled for January 9, 2012. The Resolution of Intent has been published four consecutive weeks in the local newspaper. In addition, adjoining property owners have been notified and the Resolution of Intent posted at each end of the right-of-way. There being no comments from the public, Mayor Jennings closed the public hearing.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council accepted the recommendation of the Planning Board and adopted the Resolution Ordering the Closure and Abandonment of a portion of East Main Street and right-of-way that intersects a portion of Park Drive as shown on the survey map.

PUBLIC HEARING TO ADOPT – ANNEXATION ORDINANCE TO EXTEND THE CITY OF WASHINGTON CORPORATE LIMITS FOR NON-CONTIGUOUS PROPERTY OWNED BY BODDIE-NOELL – item was removed from the agenda

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

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council entered into closed session at 6:30pm under NCGS 143-318.11(a)(4) Economic Development. By motion of Councilman Pitt, seconded by Councilman Mercer, Council agreed to come out of closed session at 7:00pm.

DERIK DAVIS – STOP SIGNS

Derik Davis talked with Council about traffic issues and stop signs. He stated he could make the same argument regarding the need for stop signs along Charlotte Street to Third Street as was made for needing them in Smallwood. Mr. Davis noted that other alternatives need to be researched, like speed bumps/humps and enforcement of the traffic laws. He applauded the Washington Police Department and the patrolling of that area. At what point do we put a stop to installing being stop signs everywhere.

BISHOP AND MOTHER JONES – FUNDING REQUEST

Bishop Jones stated that in July 2007, Project New Hope was created by Purpose of God Annex, a faith based agency which provide employment and life skills training to a hard to serve population. This population includes former offenders and those dealing with chronic unemployment. Approximately 95% of the participants served had a criminal record which ranged from multiple felonies to misdemeanors. In the last three years, they have received demonstration grants through WIA (Workforce Investment Act) which gave them the ability to implement the program.

From July 2007 to present, 660 participants have entered employment. Of the 660 participants, 85% have not returned to criminal activity and 50% have retained their employment. In the training segment, they have partnered with Beaufort County Community College to provide training in Act Pro and FOCUS, both of which resulted in certifications. Certifications have also been earned in Stick and Tig welding, Commercial Truck Driving, Computer Skills for the Workplace, Human Resources Development (HRD), Career Readiness as well as Adult Basic Skills/GED classes if needed.

Due to the new changes in the Justice Reinvestment Act

Bishop Jones explained his funding request to Council for FY 2012/2013.

*Staff Salaries	\$37,440.00
Staff Fringe	4,219.49
Staff Travel	00
Participant Travel	00
**Occupancy Cost	8,100.00
***Other Participant Services	240.51
Total Request	\$50,000.00

*Salaries include one full-time and two part-time positions

**This includes two classrooms, a computer lab and office space with internet, phone and utilities.

***Other participant services include photo ID card, drug testing, and copies of transcripts.

Councilman Brooks inquired if he has received funding from other entities yet? Bishop Jones stated he has asked but, to date, has not received any funding yet. They are looking for grant funding as well.

MAYHEW WALLACE – PUBLIC SAFETY

Mayhew Wallace expressed concern with a power outage at 304 Simmons Street which occurred during Hurricane Irene. Mr. Wallace noted that seven phone calls and one fax were made during a 36 hour period to the Operations Center concerning power outages and downed power lines. He had concern with the power restoration procedure following Hurricane Irene. There were two incidents where wires were on the ground following the storm. He stated that the power was turned on and live wires were still lying on the ground and there could have been an electrocution. Mr. Wallace suggested that the City make a donation to St. Jude's Children's Hospital and he would be satisfied, because in his opinion, the proper procedure was not followed in power restoration.

Mr. Kay explained that the City of Washington experienced a natural disaster that rivaled any other previously experienced by any member of the City of Washington team. Due to this fact and the subsequent extent of damage that incurred during the storm, the City of Washington was unable to respond to all incidents in a manner that pleased all affected parties. Over 97% of all of the City of Washington electric customers were without power following Hurricane Irene. There are always ways and opportunities to improve and many such improvements will be initiated in response to the next storm.

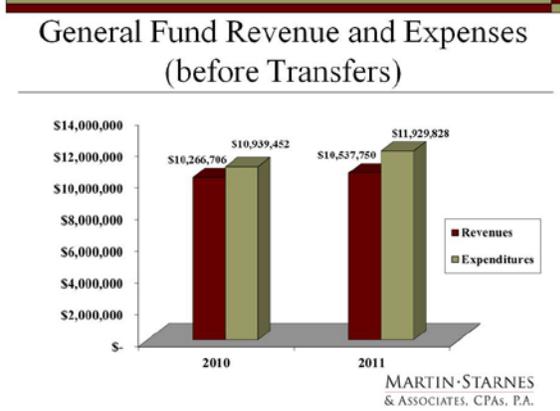
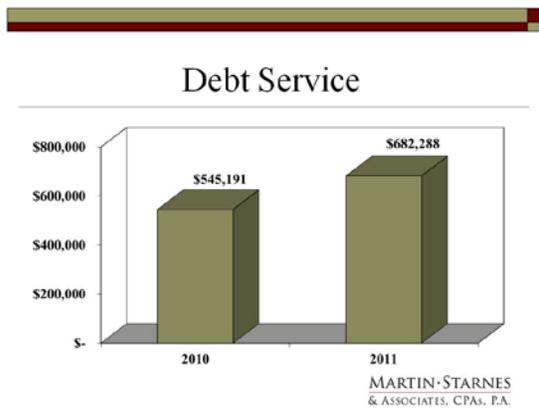
TOM THOMPSON - ECONOMIC DEVELOPMENT UPDATE
(update will be given at the February 13, 2012 City Council Meeting)

TYRONE WILSON – ABA BASKETBALL

Tyrone Wilson, owner of East Carolina Trojans (ABA Basketball) stated that he wasn't clear on his previous request to Council. Mr. Wilson explained the cost to rent the gym at Washington High School was \$550 and \$400 for three officers from Washington Police Department. Mr. Wilson is asking Council to waive the invoices from the November 20th and 27th games and look at reducing the cost for future games. The games are now held at 7th Street Gym and not at Washington High School. Mr. Wilson stated that he may have to move the games out of Washington next year to make the event more affordable. Chief Reed stated that no less than 2 officers can work an event like this and while at Washington High School there were guidelines that had to be followed there as well. Mayor Jennings stated Council will take this under advisement for future games.

MARTIN-STARNES & ASSOCIATES, CPAS, P.A. – AUDIT PRESENTATION

Matt Rauschenbach, CFO introduced Crystal Wadell, with Martin-Starnes & Associates, CPA's, P.A. to present the audit. She noted they offered an unqualified opinion and there were no significant deficiencies or material weaknesses in internal control. Mayor Jennings asked that if Council members had questions to please submit them to staff and allow Ms. Waddell to answer them in detail. Staff will review debt service/Public Safety Capital Reserve Fund in relation to Fire Station #2.



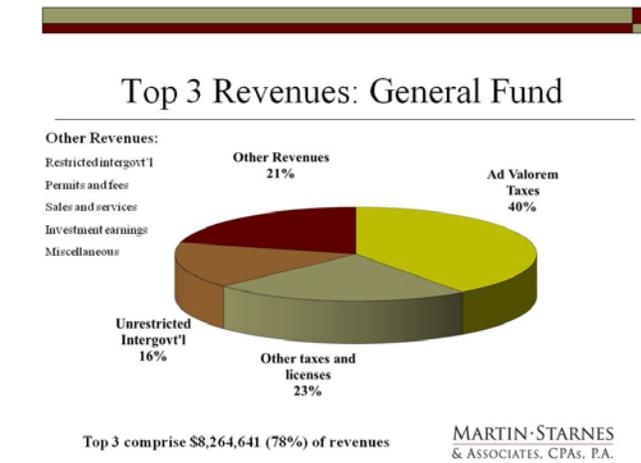
Fund Balance

- Serves as a measure of the City's financial resources available.
 - Assets – Liabilities = Fund Balance

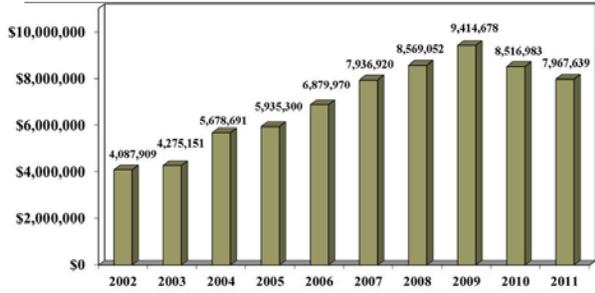
5 Classifications:

- Non spendable - not in cash form
- Restricted - external restrictions (laws, grantors)
- Committed - internal constraints at the highest (Board) level-do not expire, require Board action to undo
- Assigned - internal constraints, lower level than committed
- Unassigned - no external or internal constraints

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Fund Balance – General Fund



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Available Fund Balance

Available fund balance as defined by the Local Government Commission (LGC) is calculated as follows:

Total Fund Balance
Less: Non spendable (not in cash form, not available)
Less: Stabilization by State Statute (by state law, not available)
Available Fund Balance

This is the calculation utilized as the basis for comparing you to other units and calculating your fund balance percentages.

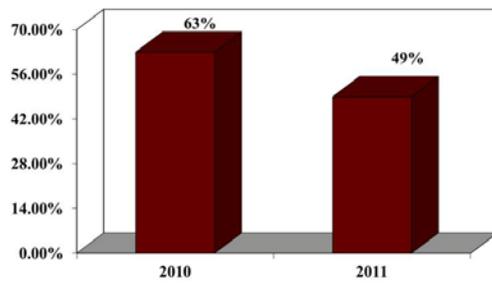
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Fund Balance Position-General Fund

□ Total Fund Balance	\$ 7,967,639
Non spendable	- 97,932
Stabilization by State Statute	- 2,068,715
□ Available Fund Balance	\$ 5,800,992
□ Available Fund Balance 2010	\$ 6,945,094
□ Decrease in Available FB	\$ 1,144,102

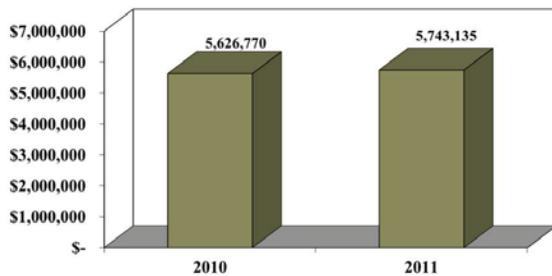
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Available Fund Balance as a Percent of Expenditures – General Fund



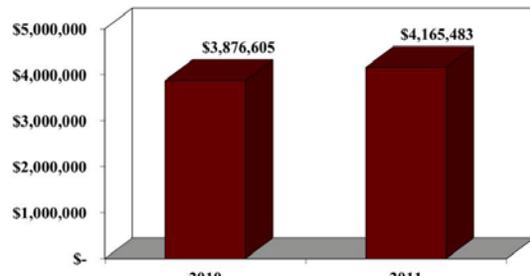
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Public Safety



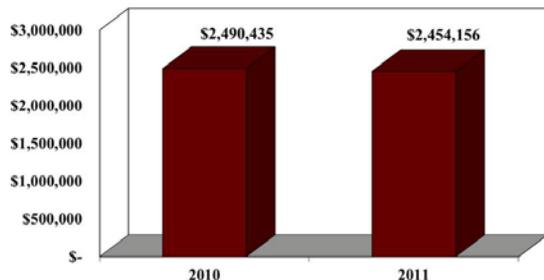
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Ad Valorem Taxes



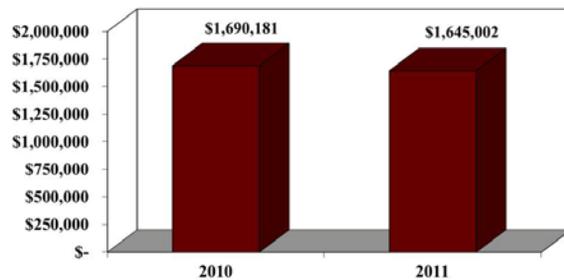
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Other Taxes and Licenses



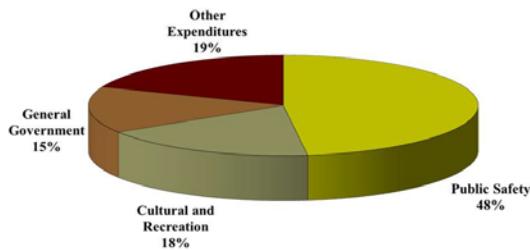
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Unrestricted Intergovernmental



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Top 3 Expenditures:
General Fund



Top 3 Comprise 81% of Total Expenditures
Expenditures Total \$11,929,828

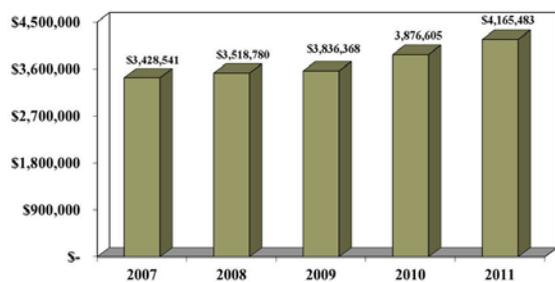
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Other Governmental Funds

✓ Total Revenues 2011	\$ 487,800
✓ Total Expenditures 2011	731,006
✓ Other Financing Sources	326,391
✓ Net Change in Fund Balance	83,185
✓ Ending Fund Balance	1,600,930

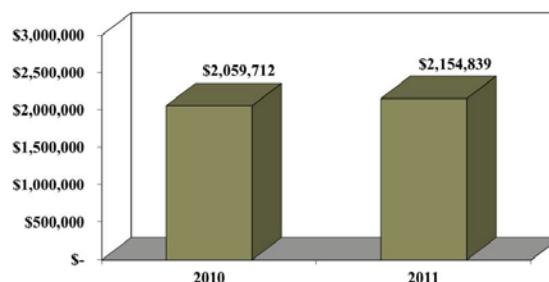
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Property Tax Trend for Collections in the
Fiscal Year of the Levy



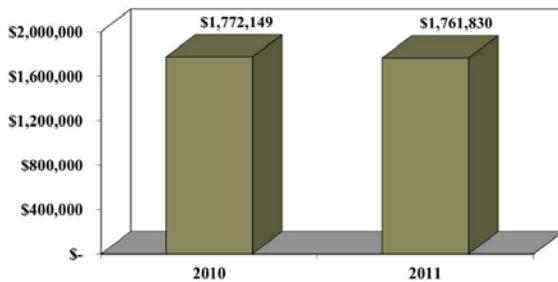
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Cultural and Recreation



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General Government



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Enterprise Funds
Operating Income (Loss)
Modified Accrual

	Water	Sewer	Electric	Stormwater Utility	Nonmajor
Income (Loss)	\$ 708,906	\$ 244,108	\$ 2,380,569	\$ 58,798	\$ (114,131)
Transfers Out	(28,990)	(70,000)	(1,048,150)	-	-
Income (Loss) Before					
Incoming Transfers	679,916	174,108	1,332,419	58,798	(114,131)
Debt Issued	-	-	888,000	-	-
Transfers In	2,700	-	-	-	195,575
Total	2,700	-	888,000	-	195,575
Total Income (Loss)	\$ 682,616	\$ 174,108	\$ 2,220,419	\$ 58,798	\$ 81,444

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Enterprise Funds
Available Resources for Future Obligations
June 30, 2011

	Water	Sewer	Electric	Stormwater Utility	Nonmajor
Unrestricted Cash and Investments	\$ 1,470,185	\$ 1,965,264	\$ 4,930,562	\$ 572,118	\$ 742,160
Accounts Receivable Due from	450,170	421,133	5,143,357	62,980	228,037
Available resources	1,920,355	2,386,397	10,073,919	635,098	970,197
Current Liabilities	402,207	583,156	4,481,701	586,035	201,712
Total Available for non-current obligations	\$ 1,518,148	\$ 1,803,241	\$ 5,592,218	\$ 49,063	\$ 768,485
Annual Operating Expenses Cash Basis	\$ 2,432,750	\$ 2,868,918	\$ 37,337,751	\$ 510,381	\$ 2,071,218
2011 Available resources as a % of expenditures	62%	63%	15%	10%	37%
2010 Available resources as a % of expenditures	26%	52%	12%	114%	28%
Total General Fund fund balance as a % of General Fund expenditures is 67%					

MARTIN STARNES
& ASSOCIATES, CPAs, P.A.

JUDY SIEGEL(DAVID JOHNSTON) – LANDEX PRESENTATION

David Johnston, Representative of Landex, reviewed the proposed project with Council. These two historic buildings(former Hotel Louise and Belk) will be restored into 59 one and two bedroom apartments for elderly persons (62 and over) who are on fixed incomes (i.e. social security, pensions, etc.). Common space will include an attractively furnished lobby on the ground floor along with a resident lounge, a library, a computer center and a fitness area. There will be 30 parking spaces. Rents for the apartments will be approximately \$500 per month. We anticipate that some of the apartments will be eligible for rental assistance through the local Housing Authority. This depends on the availability of housing choice vouchers, however Landex estimates 15 vouchers.

Financial Structure:

Total redevelopment costs for the proposed historic redevelopment are estimate at approximately \$10,000,000. The redevelopment will be contingent upon receipt of financing from the sources described below and included in Table 1. Since several of these sources are highly competitive, there is no assurance that the redevelopment will be funded on the first try; frequently, such requests need to be submitted more than once.

- The first mortgage will be a conventional loan credit enhanced by Federal Housing Administration (FHA) in the amount of approximately \$190,000.
- Private equity will be raised from the sale of federal and state historic credits as well as Low Income Housing Tax Credits in the approximately amount of \$8,460,000.
- Receipt of a CDBG loan via the City of Washington in the approximately amount of \$250,000. This loan will be funded by the Department of Commerce's Catalyst Program.
- Receipt of funds from NCHFA from its Rental Housing Production Program in the approximately amount of \$600,000. This Program is available to projects that receive tax credits.
- Receipt of a Direct Subsidy Loan from the Federal Home Loan Bank of Atlanta in the approximately amount of \$500,000.
- Funding infrastructure improvements by the City of Washington in the approximate amount of \$75,000.

Employment:

It is anticipated that the development will create approximately 75 construction jobs and will employ 2-3 permanent staff positions.

Ownership Entity

It is anticipated that the ownership entity will be a limited liability corporation whose members will include Landex Development and a non-profit affiliate of the Washington Housing Authority. The LLC will accept an investor member that will provide the equity portion of the financing.

Management:

Landex Management LLC will be the management agent. The managing member of Landex Management LLC is Winn Residential, a nationally recognized and award winning property management company formed in 1971 that manages more than 100,000 units of multi-family housing. The Community Manager and the maintenance staff will be local Beaufort County residents.

Other Requirements

To be considered for financing from NCHFA, the City of Washington will have to strongly support the project and will have to certify that this project is an important component of the City's ongoing initiative to redevelopment the waterfront.

Mr. Johnston needs answers to the following questions from Council:

1. Will the City submit a letter certifying that the City of Washington initiated the Revitalization Plan and that the aforesaid mentioned buildings are listed in the plan?
2. Will the City of Washington apply for CDBG in the amount of \$250,000(will require two public hearings prior to April)?
3. Will the City of Washington commit \$75,000 in infrastructure improvements/site utilities?

THE LOUISE APARTMENTS FOR SENIORS 1/9/20

COSTS \$10,042,000 See Proforma

SOURCES

- LIHTC Equity \$6,577,382 (Note 1)
- HTC Equity 1,889,834 (Note 2)
- First Mtg. 190,000 (FHA Insured) (Note 3)
- Gap 1,385,171
- \$10,042,387

GAP – possible sources to fill the gap

- CDBG loan via the City @ \$250,000
- NCHFA - Rental Housing Production @ 600,000
- Fed Home Loan Bank of Atlanta @ 500,000
- City of Washington @ 75,000
- \$1,425,000

Note 1: LIHTC equity priced at @\$0.85

Note 2: HTC equity priced @ \$1.00

Note 3: FHA loan (40 years @7.00% interest)

Council members discussed various concerns they had with the project. Councilman Mercer asked who would be the holder of the 1st mortgage? Mr. Johnston explained that Washington Housing Authority’s nonprofit entity would hold the 1st mortgage. Councilman Brooks asked what dollar amount would Landex be putting into the project? Mr. Johnston explained that Landex would manage the project and pay all of the “upfront” cost. Councilman Brooks expressed concern with the need for leasing twenty-two additional parking spaces downtown.

Councilman Mercer stated he is opposed to the City writing the letter regarding the compliance with the Revitalization Plan because the plan stated these buildings should be used for a downtown hotel and not a project such as this. Council thanked Landex for their efforts and interest in our downtown.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council expressed appreciation to Landex for bringing the potential for this development, and voted not to proceed with the Landex project due to the fact the project is not consistent with the Downtown Revitalization Plan, the City does not wish to submit a CDBG grant in the amount of \$250,000, nor commit an unspecified amount to infrastructure improvements.

MEMO – LOAD MANAGEMENT DEVICE INSTALLATION

Load Management Device Installation Report

Project Start Date : October 2010

	November 2011	Project to Date
Total Load Management Device Installations	60	1035
Total Accounts Added with Load Management	52	798
Appliances Control Installations		
Air Conditioner / Heat Pump	47	834
Auxiliary Heat Strip	14	377
Electric Furnace	17	181
Water Heater	44	632
Load Management Device Expenses		\$66,550
Contractor Expenses	\$34,540	\$109,495
	Total	\$176,045
Load Management Devices Remaining in Stock	465	

Councilman Mercer requested clarification on the number and cost of installation of switches. Mr. Hardt noted that the total cost, is the cost of installation of switches to date. Mayor Jennings stated the report is being revamped for better clarification.

HUMAN RELATIONS COUNCIL

(begin report) **Scheduled Public Appearances**

Ms. Corbett, PNS/DREAM Camp Coordinator presented a flyer for the Halloween & Spooktacular Decorating Contest event to be held on October 28, 2011 from 5:30pm-8:30 pm at Havens Gardens.

Update Multicultural Festival Event

Board member Castro was absent and Chairman O'Pharrow distributed the Multicultural Festival Volunteers Spreadsheet. The Board will receive an overview at the December 13, 2011 meeting.

Report - Visit with Mr. Juvencio Rocha Peralta

Board member Barr requested placing this report on hold until former Chairwoman Roberson would be available to give an update.

Reschedule November 8, 2011 meeting

Vice Chairwoman Cherry advised that the Immigration Action Roundtable has been scheduled for November 15, 2011. The Board agreed that 10-15 individuals should make up the Roundtable discussion and that it would be opened to the public.

Report Domestic Violence

Board member Barr noted a meeting has been scheduled with Mr. Kelvin Johnson representing St. Peter's Episcopal Church. There are a lot of unresolved issues which will take quite a bit of time to sort through. Board member Barr cited some of the unresolved issues and stated Ms. Roberson will update the Board at the December 13, 2011 meeting. Chair O'Pharrow voiced keeping the HRC Board in the loop as we would hate to lose the tentative funding of approximately \$50,000-\$1 00,000 as mentioned by Board member Davis during the September meeting.

Discuss All reminders

At the request of Chair O'Pharrow, Chief Reed provided an update on Gang Prevention Activities.(end)

FINANCIAL REPORTS (EMAILED AS AVAILABLE)

There were no comments regarding the Financial Reports at this time. Mayor Jennings noted the December reports would be delivered in the next few days.

APPOINTMENTS: – FIREMAN'S RELIEF FUND – REAPPOINT CHARLES M. ALLIGOOD JR. (FIRE DEPARTMENT DESIGNATED APPOINTEE) AND REAPPOINT RAYMOND WILLIAMS (CITY COUNCIL DESIGNATED APPOINTEE)

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council reappointed Charles M. Alligood Jr. as the Fire Department designated appointee, and reappointed Raymond Williams as the City Council designated appointee to the Local Fireman's Relief Fund Board for a new term of two years to expire in January 2014.

APPOINTMENTS: – COUNCIL LIAISONS FOR BOARDS AND COMMISSIONS

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council appointed the following Council members as liaisons to the respective boards/commissions:

Planning Board	Ed Moultrie
Board of Adjustment	Richard Brooks
Historic Preservation	Archie Jennings
Library Board	Bobby Roberson
Housing Authority	Ed Moultrie
Recreation Commission	Richard Brooks
Tourism Development Authority	Bobby Roberson*
Economic Development Commission	Doug Mercer*
Washington Harbor District Alliance	Bobby Roberson*
Human Relations Council	William Pitt
Electric Utilities Advisory Commission	William Pitt
Airport Advisory Committee	Doug Mercer

*Indicates a Voting Seat

Mayor Jennings noted that the Council needs to develop some structure around the liaison position to the advisory boards. He asked Council to think of ways to develop a better working

relationship with the boards. Councilman Mercer also suggested developing goals or expectations from Council for each board/commission.

AMEND – CHAPTER 4: ANIMALS, ARTICLE II, SECTION 4-52(C) CITY OF WASHINGTON CITY CODE AND AUTHORIZE THE WASHINGTON POLICE DEPARTMENT AND THE BEAUFORT COUNTY ANIMAL CONTROL TO ENFORCE THE ORDINANCE THROUGHOUT THE CITY OF WASHINGTON

Josh Kay, City Manager explained that staff was directed by City Council to research and provide a recommendation for action concerning the feeding of feral cats in downtown. A report was compiled by Chief Reed and his staff concerning this matter. It is the recommendation of staff that City Council amend Chapter 4: Animals of the City of Washington City Code in order to decriminalize any penalties and further authorize the City of Washington Police Department and the Beaufort County Animal Control Officers to enforce Chapter 4 of the City of Washington Code in the City of Washington.

Mr. Kay stated there are two options: (1) enforce the ordinance as written with the amendment to decriminalize any penalties (2) amend ordinance to allow feeding of stray animals in the city. Councilman Mercer inquired about amending the ordinance to decriminalize the penalties. Franz Holscher, City Attorney explained that fines collected for criminal activity are turned over to the school system, in order for the City to keep the funds, the violation would have to be decriminalized. Staff will need to review the ordinance further for clarification regarding decriminalization of the violation. Staff will review Section 22-97 for locations where feeding the animal's downtown are prohibited as well as review Ch. 4 Animals.

Mayor Pro tem Roberson suggested that Council review during the budget process, the possibility of bringing the responsibility of animal control back to the City.

(Begin report)

To: Mr. Joshua Kay, City Manager

Fr: G.M. Reed, Chief of Police

Re: Feral Cats

Sir,

In response to concerns raised by the community, Council directed staff to investigate the situation involving feral cats in the downtown area. Specifically, the concern centered on the program known as Trap-Neuter-Return (TNR). Council wished to know the background, progress, and recommendation regarding the TNR's request to amend City Ordinance to allow feeding of these animals in the downtown area.

Background:

The downtown area of Washington is struggling with feral cats, and other stray animals. This has been a problem for many years. Numerous efforts have been made to rid the area of these animals, with no success noted. In 2008, the group known as TNR approached Council with a program designed to reduce the feral cat population in the downtown area. Merchants have struggled with this problem and no official program was in existence at the time. Additionally, the Main Street area was particularly involved due to restaurants and other sources of food available to stray animals. The Council at that time offered support for the program but fell short of providing any official permission. This is important as State Law and City ordinance restricts some components of the program and this was not addressed at the time. Since that time, two individuals with TNR began the program and worked with Beaufort County Animal Control officers to coordinate the program. A local veterinarian was contracted to provide services with these cats. Research indicates the TNR program is in existence in other areas of the state and throughout the Country. While the success is noted in other areas, concern expressed by merchants here questions the program. The object of the program is to reduce the population of feral cats without resorting to killing or otherwise destroying the animals. Stray and feral (wild) cats are humanely trapped, evaluated, given a rabies vaccination, left ear tipped, and spayed or neutered (sterilized) by a veterinarian, and then returned to the familiar habitat of their original colony. Tame (friendly) cats and kittens young enough to be socialized are removed for adoption placement in permanent indoor homes.

Investigation:

Staff has spoken to all parties involved in the Washington program. Interviews were conducted with Nancy O'Neill and Monica Ferrari, Founders, Cats about Town. Additional interviews were conducted with Beaufort County Animal Control officers, numerous veterinarians, Downtown merchants, and other

citizens with knowledge of the program. Both local and National representatives of the Humane Society were interviewed. Follow up letters and emails from many were included in this research. Founders of the local program submitted a request for ordinance amendment to Council for consideration in response to legal hurdles facing the program (attached). In response to many complaints regarding the issue, the Washington Police Department issued numerous warnings to citizens regarding violation of the prohibition of feeding of animals. Official citations were also issued after the complaints and warnings failed to produce results. Staff has also consulted with other jurisdictions that have, or has had, similar programs in place to deal with the animal issue. There are a couple of issues that we face in dealing with this environment. Staff makes no recommendation regarding the amendment presented by TNR related to the feeding of cats. We acknowledge the sincere intent and desire of TNR to assist in the reduction of feral cats in the area. However, it is the strong recommendation of staff that the TNR program be cancelled. However sincere the intent, the program lacks two important ingredients. First, the program lacks community support. In numerous discussions with merchants, it is clear that the lack of information and support for the program is strong. A few merchants are aware of the program and indicated they are in favor of this work. However, the odor, droppings, and appearance of the animals in the downtown area are serious hurdles for those who are not in support. Second, the program lacks sufficient follow up regarding the vaccinations and care of the animals. The individuals involved work hard to make the program successful. There are others, however, who have hampered the effort by feeding and allowing free roaming in areas where other merchants and visitors do not wish for the action. Insufficient coordination throughout the downtown community is a fatal blow to this program. In examining other programs, constant evaluation, documentation, and scheduled care of animals is more comprehensive. Additionally, care is given to avoid private property of citizens and severe restrictions on location are in place.

Conclusion:

It is the recommendation of staff that the program should be stopped. This does not prevent beginning the operation again in the future, should Council amend the ordinance, If allowed, the program would be under tighter scrutiny and could bring in the business community as partners. However, under the current conditions, it is felt that violation of City and State regulations should not be continued. In addition, feral cat colony management would be in place to improve the chances of overall success of the program. It should be emphasized that the individuals involved with the TNR program are striving to bring success via humane methods of animal control. Their efforts are laudable and this report in no way diminishes their efforts. With amendments to the City ordinance, and planning with the business community and Animal Control experts, it is felt that TNR is a worthy effort to combat an ongoing issue in our community.

Respectfully submitted,
G.M. Reed, Chief of Police
Washington, North Carolina (end report)

By motion of Councilman Mercer, seconded by Councilman Pitt, Council continued this item until the City Manager and City Attorney have had further opportunity to review and clarify the proposed amendment.

Mayor Jennings asked Monica Ferrari, "If there is less food, are there fewer cats?" She stated she thought that would be correct, but they would not disappear, they just wouldn't be as healthy. She also stated that as time goes on, there will be fewer cats, because feral cats have shorter life spans than pet cats. Mayor Jennings asked about property damage caused by the cats. Ms. Ferrari stated this is the first time they have heard of any property damage caused by the cats. Mayor Jennings inquired about the concept of catching the cats, spaying/neutering and then releasing them someplace else, such as farms. Ms. Ferrari stated this has been done, but they end up disappearing from the farms, possibly attacked by foxes, etc.

APPROVE – PURCHASE ORDERS >\$20,000

Requisition #10535, TJ Marine Construction LLC, replace dinghy dock as per the RFP. Account 10-00-4400-5730. \$26,952 – Councilman Mercer expressed concern with the cost of the dingy dock and that fact that only one bid was received. Mr. Kay stated this replacement qualifies under FEMA reimbursement.

Requisition #10549, Burney & Burney Construction Co. \$51,344.81, Keys Landing Phase I Street & Utility Improvement. Account #51-60-4930-4510 (\$26,344.81 Water improvements) & Account #

51-60-4930-4515 (\$25,000 Sewer improvements)

Requisition #1 0579, The Soundside Group Inc., \$44,505.54, Exchange Upgrade Hardware (Server) with software, Account 10-00-4132-7400

Requisition #10590, Talbert & Bright, \$60,777, Engineering Services for Airport Layout Plan. Account # 37-90-4530-4513

Requisition # 10577, Asplundh Tree Expert Company, \$ 25,446.40, Trimming transmission line and other trimming as needed, Account # 35-90-8380-4501 - Councilman Mercer felt that the bid proposals should have included this item as well. Mr. Kay stated that bids are due Feb. 21st and understood that Council directed staff to have bids received by Jan. 1st.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council approved the purchase orders as submitted. Motion carried: 3-1 with Councilman Mercer opposing.

DISCUSSION ON SETTING DATE FOR CITY MANAGER'S EVALUATION

Council discussed the upcoming six month evaluation & review for the City Manager, noting that February 1, 2012 will be his six month anniversary. Council suggested reviewing and evaluation the City Manager during the February Council Meeting.

RESOLUTION IN SUPPORT OF BATHHOUSE

Mayor Jennings noted there will be a Partnership for the Sounds meeting on January . The Partnership Board has asked what the City's position is regarding the bathhouse.

Mayor Pro tem Roberson stated he would like to have the CAMA Land Use Plan amended to remove the floating bathroom provision which has been exempted by the State.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council adopted the Resolution in support of the bathhouse.

**RESOLUTION IN
SUPPORT OF BATHHOUSE**

WHEREAS, Moss Property Partners proposes to construct a bathhouse adjacent to the North Carolina Estuarium; and

WHEREAS, the City is in support of this construction as a preferable alternative to a floating bathhouse; and

WHEREAS, the bathhouse would accommodate the needs of property owners adjacent to the nearby wetlands and the Pamlico-Tar River; and

WHEREAS, this project can be designed in such a manner deemed consistent with the functional operation and stated mission of the Partnership for the Sounds; and

WHEREAS, the City appreciatively acknowledges the special consideration in this matter of the North Carolina Estuarium and the Partnership for the Sounds as well as its longstanding relationship with those entities,

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Washington does hereby support Moss Property Partners and their efforts to construct a bathhouse adjacent to the North Carolina Estuarium.

Adopted this the 9th day of January, 2012.

ATTEST:
Cynthia S. Bennett, CMC
City Clerk

N. Archie Jennings, III
Mayor

**CLOSED SESSION – UNDER § NCGS 143-318.11(A)(3) ATTORNEY CLIENT PRIVILEGE;
NCGS § 143-318.11(A)(6) PERSONNEL; NCGS § 143-318.11(A)(5) POTENTIAL
ACQUISITION (LEASE) OF REAL PROPERTY: PROPERTY LOCATED AT 114 EAST. 2ND
STREET AND OWNED BY FORTESCUE INVESTMENT GROUP, LLC FOR USE OF
PARKING BY CITY OF WASHINGTON STAFF AND CUSTOMERS**

By motion of Councilman Pitt, seconded by Councilman Brooks, Council entered into Closed Session under § NCGS 143-318.11(A)(3) Attorney Client Privilege; NCGS § 143-318.11(A)(6) Personnel; NCGS § 143-318.11(A)(5) Potential Acquisition (Lease) of Real Property: Property Located at 114 East. 2nd Street and owned by Fortescue Investment Group, LLC for use of parking by City of Washington staff and customers.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council agreed to come out of closed session at 9:50pm.

STATEMENT OF MATTHEW BAILEY SETTLEMENT FOR COUNCIL MINUTES

As required by North Carolina General Statute § 143-318.11(a)(3), and to the extent allowed by North Carolina General Statute § 160A-168, the City of Washington announces the terms of a settlement it has entered with Matthew Bailey who is a former employee and who was injured while working for the City. In accordance with the specific terms of the Agreement of Final Settlement and Release approved by the North Carolina Industrial Commission, the City reached a financial settlement with Mr. Bailey. In conjunction with that settlement, the City received, among other things, a full release of any and all claims against the City, including but not limited to any and all claims under the North Carolina Worker's Compensation Act. This sum represents the settlement of a disputed matter and is not an admission of liability.

ADJOURN

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council adjourned the meeting at 10:00pm until January 23, 2012 at 5:30pm in the Council Chambers at the Municipal Building.

Cynthia S. Bennett, CMC
City Clerk