

The Washington City Council met in a regular session on Monday, November 8, 2010 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Franz Holscher, City Attorney and Cynthia Bennett, City Clerk.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Mick Reed, Police Chief; David Carraway, Information Technology Department; Susan Hodges, Human Resource Director; Mike Voss, of the Washington Daily News and Delma Blinson, of the Beaufort Observer.

Representing Boy Scout Troop 99 working toward the Citizenship in the Community Merit Badge were Charles Pfeiffer and Brad Miller.

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

APPROVAL OF MINUTES

Councilman Mercer suggested the City Clerk leave the attachments out of the minutes presented for approval but include them in the final set placed in the minute book.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the minutes from October 11th as presented.

APPROVAL/AMENDMENTS TO AGENDA

Councilman Mercer requested moving the following items:

1. Consent Agenda Item E. Approve – Load Management Technician Position **moved to E.1 under Old Business**
2. Old Business Item A. Approve – Legally Binding Commitment (LBC) between the City of Washington and Washington Housing Inc. (WHI) **moved to the Consent Agenda**
3. Old Business Item F. Adopt – Ordinance Amendment for Chapter 38- Water and Wastewater, to add Sections 38-400 – 38-411 – Water Shortage Response Plan **moved to the Consent Agenda**
4. Old Business Item G. Approve – LWCF Conversion **moved to the Consent Agenda**
5. New Business Item A. Award – Contract for Electric Relocation Project for NCDOT **moved to the Consent Agenda**
6. New Business Item D. Authorize – Chief Financial Officer to act as the Authorized Agent for the NC Department of State Treasurer, Local Government Commission (LGC) application for approval of installment purchase contract **moved to the Consent Agenda**
7. New Business Item K. Award – Contract for Banking Services **moved to the Consent Agenda**

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

CONSENT AGENDA

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council approved the Consent Agenda as amended.

CONSENT AGENDA:

- A. Adopt – Budget Ordinance to appropriate \$10,000 for Brown Library part-time salaries to expand library hours to include Sundays, from 1-6 pm

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

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

Section 2. That account 10-40-6110-0300, Part Time Salaries in the Brown Library portion of the General Fund appropriations budget be increased \$10,000.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

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

Adopted this the 8th day of November, 2010.

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

B. Adopt – Budget Ordinance Amendment for Sewer Improvements along Pennsylvania Avenue

**AN ORDINANCE TO AMEND THE PROJECT ORDINANCE
OF THE CITY OF WASHINGTON, N.C. FOR THE FISCAL YEAR 2009-2010**

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

Section 1. That the Construction portion of the CDBG Grant Fund Pennsylvania Avenue Sewer Extension project be decreased in the amount of \$2,000, account number 71-90-8000-4500.

Section 2. That account number 71-90-8000-040 1, Grant Administration portion of the CDBG Grant Fund Pennsylvania Avenue Sewer Extension project be increased in the amount of \$2,000.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

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

Adopted this the 8th day of November, 2010.

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

C. Adopt – Budget Ordinance Amendment to reimburse the Washington Harbor District Alliance for the purchase of holiday lighting for all trees on downtown Main Street (\$3,000)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

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

Section 1. That account number 10-00-3991-9910, Fund Balance Appropriated, portion of the General Fund revenue budget be increased in the amount of \$3,000 to provide funds to reimburse the Washington Harbor District Alliance for the purchase of LED tree lights.

Section 2. That account number 10-00-44650-4520, WHDA, Economic Development portion of the General Fund appropriations budget be increased in the amount of \$3,000.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

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

Adopted this the 8th day of November, 2010.

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

D. Approve – Purchase Orders in excess in \$20,000

- * Requisition # 8246 & 8247, Mid-East Commission, \$40,000: grant administration for Penn and Havens sewer project. Account 71-90-8000-0401.
- * Requisition #8280, C.W. Wright Construction Co., \$35,296.42: 10 % retention on Hwy. 17 utility relocation reimbursable from DOT. Account 35-90-7220-0405.

E. Moved to Old Business E.1: Approve – Load Management Technician Position

F. Accept – 2010 Edward Byrne Memorial Justice Assistance Grant \$12,852

AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011

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

Section 1. That account number 10-10-3433-3400, Byrne JAG Grant, portion of the General Fund revenue budget be increased in the amount of \$12,852 for the grant award received.

Section 2. That account number 10-10-4310-3603, Uniforms/Equipment Byrne JAG Grant of the General Fund Police Department appropriations budget be increased in the amount of \$12,852.

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 8th day of November, 2010.

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

G. (Old Business Item A) Approve – Legally Binding Commitment (LBC) between the City of Washington and Washington Housing Inc. (WHI) **moved to the Consent Agenda**

**Legally Binding Commitment
City of Washington and Washington Housing Nonprofit Inc.
FY2009 CDBG Housing Development Program**

This Legally Binding Commitment for the City of Washington FY09 CDBG Housing Development Program (hereinafter referred to as the “Agreement”) is entered into as of the 18th day of November, 2010, by and between the City of Washington (hereinafter referred to as the “City”) and Washington Housing Nonprofit Inc. d/b/a Washington Housing Incorporated (hereinafter referred to as “WHI”).

RECITALS

WHEREAS, the City has received a Community Development Block Grant-Housing Development (hereinafter referred to as “Grant”) in the amount of \$227,700.00 from the North Carolina Department of Commerce, Division of Community Assistance (hereinafter referred to as “DCA”). The purpose of the Grant is to provide funds for acquisition, development, construction and conveyance of thirteen (13) stick built homes specifically for and to low to moderate income individuals (hereinafter referred to as “LMI”) within the time period allowed by the Grant and/or DCA, which Grant is incorporated herein by reference as if fully set forth.

WHEREAS, WHI is a nonprofit organization that promotes asset building strategies for LMI in the City and Beaufort County, and will perform its obligations under this Agreement consistent with the terms, conditions, and considerations contained herein, said Grant, and the FY09 Grant Project Application (hereinafter referred to as “Grant Application”), which Grant Application is incorporated herein by reference as is if fully set forth.

WHEREAS, release of Grant funds by DCA is contingent upon a legally binding commitment between the City and WHI that obligates both parties to fulfill the terms of the Grant and, more particularly, defines WHI's specific commitment to utilize Grant funds to acquire, develop, construct and convey said homes to LMI.

NOW, THEREFORE, in consideration of and in exchange for the mutual promises set forth herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the City and WHI mutually agree as follows.

PART A – ACTIVITIES AND PERIOD OF PERFORMANCE

Section 1 WHI will perform the following.

1. Acquire thirteen (13) proposed development sites from the Washington Housing Authority, or some other entity acceptable to DCA, utilizing Grant funds.
2. Complete construction and conveyance of thirteen (13) affordable housing units as described in the Grant and Grant Application to LMI no later than April 26, 2013 (36 months from the date of the executed Grant).
3. Qualify and counsel potential homebuyers to purchase completed units.
4. Market and coordinate the sale of the properties to LMI.
5. Address all questions regarding the Grant to the City-appointed Grant contact, not DCA.
6. Fulfill all of its and the City's obligations under the Grant and Grant Application that are either directly or indirectly dependent upon WHI for fulfillment. Such obligations include, but are not limited to complying with all applicable certifications and requirements, including but not limited to those certifications and requirements required by the North Carolina Department of Commerce and DCA. As more specifically provided for in the Grant, WHI shall, among other things, comply with the procurement standards set forth in 4 N.C. Administrative Code 19L. 0908.

Section 2 The City will perform the following.

1. Provide financial management of Grant funds.
2. Assist WHI with property acquisition and the real estate closing process.
3. Establish benchmarks and monitor the project for progress toward goals.
4. Provide WHI with copies of relevant DCA correspondence regarding the project including, but not limited to, policy interpretation or changes, reporting requirements, monitoring visits, etc.
5. Assist WHI with establishment of procedures for establishing homeowner eligibility and homeowner counseling.
6. Manage all Grant compliance activities, including environmental, labor standards, procurement, fair housing, and EEO requirements.

PART B – TERM OF AGREEMENT

This Agreement shall commence on the day first above written and continue until April 26, 2013 or until such time as DCA requires in order to close out the Grant and receive any reimbursement that may then be due DCA.

PART C – MISCELLANEOUS/SPECIAL CONDITIONS

1. The City and DCA, or their respective duly authorized representatives, shall have the right to request status reports from WHI regarding requests for reimbursement of WHI staff and overhead costs with Grant funds, the disposition of Grant funds, and the progress of programmed activities funded through the Grant.
2. Amendments: The Grant, Grant Application, and this Agreement may not be amended or revised without written approval of both parties and concurrence from DCA.
3. WHI shall keep and maintain all books, records, and other documentation that are its responsibility, under its control, and directly related to its receipt and disbursement of Grant funds and its fulfillment of this Agreement as well as the Grant.

4. Notwithstanding anything herein to the contrary, the parties hereto acknowledge the due execution of the Grant between the City and DCA, and agree that any conflict between the provisions, requirements, duties, or obligations of this Agreement and the Grant shall be resolved in favor of the Grant.
5. This Agreement constitutes a legally enforceable contract and shall be governed by and construed in accordance with the laws of the State of North Carolina.
6. Liabilities and Loss: The City assumes no liability with respect to accidents, bodily injury, illness, breach of contract, or any other damages or loss, or with respect to any claims arising out of any activities undertaken by WHI under this Agreement, whether with respect to persons or property of WHI, or third parties. WHI agrees to obtain insurance or otherwise protect itself or others as it may deem desirable. Further, WHI agrees to indemnify, defend and save harmless the City and its officers, agents and employees from any and all claims and losses arising from this Agreement, including but not limited to those claims and losses accruing or resulting to any and all subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, corporation who may be injured or damaged by WHI or its agents in the performance of this Agreement.
7. WHI shall at all times comply with all laws, ordinances, and regulations of federal, state, and local governments which may in any manner affect or be related to the performance of this Agreement.
8. WHI may not assign any interest in this Agreement, nor transfer any interest in the same, without the written consent of the City.
9. WHI represents that it has, or will secure at its own expense, all personnel required to monitor, carry out, and perform the scope of services of this Agreement and the Grant. Such employees shall not be employees of the City. Such personnel shall be fully qualified and shall be authorized under state and local law to perform the required services.
10. In carrying out the terms and conditions of this Agreement, WHI is an independent party from the City and is not an agent or employee of the City. Nothing in this Agreement shall create or be construed as creating a partnership, joint venture, or employee relationship between the City and WHI.
11. This Agreement may be executed in one or more counterparts, each of which, when executed, shall be deemed an original, and all such counterparts, together, shall constitute one and the same Agreement which shall be sufficiently evidenced by one of such original counterparts.
12. WHI shall execute and provide the City with a promissory note(s) and deed(s) of trust, in a form satisfactory to the City in the City's sole discretion, secured, singularly or collectively, by all properties acquired in conjunction with this Agreement and the Grant, including Grant funds. Said promissory note(s) and deed(s) of trust shall, among other things, secure WHI's performance of its obligations arising from this Agreement, the Grant, and the Grant Application. WHI may make application to the City for a release(s) from said promissory note(s) and deed(s) of trust. Said application must include, among other things, such evidence and documentation as the City may, in its sole discretion, require in order to verify that WHI has a LMI qualified purchaser(s) who has(have) secured qualified financing for the lot or lots to be released. WHI shall cause \$6,000.00 from each closing/sale of a lot, including home constructed thereon, that was initially purchased by WHI with Grant funds or otherwise obtained and is subsequently sold by WHI in conjunction with this Agreement to be set aside and deposited into a joint account in the name of the City and WHI. The parties hereto agree that the funds deposited in said joint account initially shall be dedicated, disbursed and paid toward any reimbursement that may be required of the City by DCA under the Grant. Once the City is fully collateralized, WHI will no longer be required to make such deposits and WHI shall, subject to prior written permission received from the City Attorney, in the City Attorney's sole discretion, receive disbursements from said account in an amount(s) that allows the City to remain fully collateralized. For the purposes of this Agreement, fully collateralized shall mean security or collateral totaling \$227,000.00 and shall be realized through a

combination of sales of lots, including homes constructed thereon, that DCA confirms were made to LMI qualified purchasers and otherwise satisfies the requirements of the Grant (valued at approximately \$18,000.00 per lot) plus funds in said joint account. Any funds remaining in said joint account after the Grant is closed out shall be disbursed to WHI upon confirmation that either DCA will not require any reimbursement under the Grant or any reimbursement required by DCA under the Grant has been satisfied.

PART D – NON-PERFORMANCE BY WHI AND REIMBURSEMENT OF GRANT FUNDS

If WHI fails to acquire, develop, construct, and convey thirteen (13) affordable housing units to LMI as described in this Agreement, the Grant, or the Grant Application by April 26, 2013 and if the City is required to reimburse DCA any Grant funds expended due to WHI's non-performance, including but not limited to deliberate or non-deliberate improper expenditure of Grant assistance, which reimbursement may include any pro rata portion (approximately \$18,000.00 per unit), WHI agrees to pay or reimburse the City for 100% of any reimbursement required by DCA of Grant funds. Among other possible remedies and recourses of action, the City may utilize said set aside funds or pursue collection of the above referenced promissory note(s) as well as deed(s) of trust through foreclosure of the same to fund said reimbursement or otherwise upon WHI's failure to perform any obligation required by or arising from this Agreement, the Grant, or the Grant Application.

PART E – COMMUNITY DEVELOPMENT BLOCK GRANT PROVISIONS

If through any cause either party shall fail to fulfill in a timely and proper manner the obligations under this Agreement or violate any of the covenants, agreements, or stipulations of this Agreement, one party may, without waiving any claim or recourse it may have against the other party, terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date of such termination. In such event, all finished or unfinished documents, data, studies, drawings, maps, models, photographs, and reports prepared by WHI under the terms of this Agreement shall, at the option of the City, become City property without additional consideration. In the event this Agreement is terminated by either party, all related accounts shall be frozen, an accounting may be obtained as directed by the City, and the City may elect, in its sole discretion, to administer the remaining funds, consistent with DCA policy.

1. CONFLICT OF INTEREST: MEMBERS, OFFICERS, OR EMPLOYEES OF THE LOCAL GOVERNING BODY OR OTHER PUBLIC OFFICIALS:

No member, officer, or employee of the City, no members of the governing body of the locality or localities who exercise any functions or responsibilities with respect to the CDBG-HD program during his tenure and for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The City and WHI shall incorporate, or cause to be incorporated, in all contracts arising herefrom a provision prohibiting such conflict of interest consistent with the purpose of this section.

2. NON-DISCRIMINATION

No person in the United States shall, on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the performance of this Agreement.

No qualified personnel shall, on the basis of age or handicap, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under the performance of this Agreement.

3. EXECUTIVE ORDER 11246 CLAUSE

(i) WHI and the City will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. WHI and the City will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the

following: employment; upgrading, demotion, or transfer; recruitment and advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeships. WHI and the City agree to post, in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

- (ii) WHI and the City will, in all solicitations or advertisements for employees placed by or on behalf of WHI or the City, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (iii) WHI and the City will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers representative of WHI and the City commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (iv) WHI and the City will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (v) WHI and the City will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (vi) In the event WHI or the City fails to comply with the non-discrimination clauses of this Contract or with any of such rules, regulations, or orders, this Agreement may be canceled, terminated or suspended in whole or in part and WHI or the City may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rules, regulations, or order of the Secretary of Labor, or as otherwise provided by law.
- (vii) WHI and the City will include the provisions of this and the preceding Paragraphs (i) through (vii) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965 so that such provisions will be binding upon each subcontractor or vendor. WHI and the City will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance. Provided, however, that in the event WHI or the City become involved in, or are threatened with litigation by a subcontractor or vendor as a result of such direction by the contracting agency, WHI or the City may request the United States to enter into such litigation to protect the interests of the United States.

4. SECTION 3 COMPLIANCE IN THE PROVISION OF EMPLOYMENT AND BUSINESS OPPORTUNITIES

- (i) The work to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area

and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

- (ii) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- (iii) WHI and the City will send to each labor organization or representative of workers with which it has a collective bargaining agreement or other Contractor or understanding if any, a notice advising said labor organization or workers' representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- (iv) WHI and the City will include these Section 3 clauses in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR 135. Neither WHI nor the City will subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- (v) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135 and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be conditions of the federal financial assistance provided for in conjunction with the project and shall be binding upon the applicant or recipients for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors, and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR 135.

5. NON-DISCRIMINATION CLAUSE CONCERNING HANDICAP AND AGE

WHI/the City will not discriminate on the basis of age under the Age Discrimination in Employment Act of 1975, as amended (42 U.S.C 6101 et seq.), or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C 794), or as otherwise prohibited by state or federal law.

6. ACCESS TO RECORDS AND RECORD RETAINAGE CLAUSE

In general, all official project records and documents must be maintained during operation of this project and for five (5) years following close out in compliance with 15 NCAC13.1 Rule 0922, Record Keeping.

The Department of Commerce, the North Carolina Department of Treasurer, the Controller, the Attorney General of North Carolina, the United States Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the administering agency which are pertinent to the execution of this Agreement for the purpose of making audits, examinations, excerpts, and transcripts.

7. LOBBYING CLAUSE

- (i) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person by the undersigned for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Federal contract, grants, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLC, "Disclosure Form to Report Lobbying" in accordance with its instructions.

This is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, and U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

IN WITNESS THEREOF, the City and WHI have executed this Agreement through duly authorized representatives, all as of the date written above.

PRE-AUDIT CERTIFICATE

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

**s/Matt Rauschenbach, Chief Financial Officer
City of Washington**

WASHINGTON HOUSING NONPROFIT INC.

By: Mark Recko
Executive Director

CITY OF WASHINGTON

By: James C. Smith
City Manager

H. (Old Business Item F) Adopt – Ordinance Amendment for Chapter 38- Water and Wastewater, to add Sections 38-400–38-411 – Water Shortage Response Plan **moved to the Consent Agenda**

AN ORDINANCE TO AMEND CHAPTER 38, WATER AND WASTEWATER, BY ADDING ARTICLE IX, WATER SHORTAGE RESPONSE PLAN

WHEREAS, Article 38 of Chapter 143 of the North Carolina General Statutes requires, among other things, each unit of local government that provides public water service to prepare a local water supply plan and submit it to the Department of Environment and Natural Resources, which plan must include water conservation measures to respond to drought or other water shortage conditions.

NOW THEREFORE, BE IT ORDAINED by the City Council for the City of Washington, North Carolina that Chapter 38, Water and Wastewater, be amended as follows.

SECTION 1. That Chapter 38, Water and Wastewater, Article VIII, Enforcement, be amended by adding the following.

Sec. 38-371 – 38-399. Reserved.

SECTION 2. That Chapter 38, Water and Wastewater, be amended by adding the following Article IX, Water Shortage Response Plan.

ARTICLE IX. Water Shortage Response Plan ("Plan").

Sec. 38-400. Purpose and Policy.

The purpose of this Article is to establish procedures for reducing potable water use during times of water shortage whenever existing water supply sources are inadequate to meet the then current demands for potable water.

A water shortage condition will exist whenever it is predicted that the water level in the Castle Hayne Aquifer will decline to the extent that continued availability of water for human consumption, sanitation, health, fire protection, and commercial usage is at risk after considering aquifer levels, demands, long-term precipitation forecasts, and availability of water from other sources. In the event a water shortage condition exists, it shall become necessary to declare a water shortage and implement the conservation requirements under the standards set forth herein.

Sec. 38-401. Definitions.

The following words, terms, and phrases, when used in this Article, shall have the meaning subscribed to them in this section except where the context clearly indicates a different meaning:

Customer's average usage means water usage, measured in gallons, during the corresponding billing period of the most recent twelve month period ending June 30th in which no water use restriction pursuant to this Plan was in effect.

Sec. 38-402. Authorization.

Whenever the trigger conditions outlined in Sec. 38-404 are met, the City Manager shall declare a water shortage condition and implement the water shortage response provisions contained herein.

Sec. 38-403. Notification.

Upon declaration of a water shortage condition by the City Manager, City employees shall be informed of the declaration and the response measures that are required via a Citywide departmental meeting and e-mail notification. The residential, commercial, institutional, and industrial water customers shall be notified of the declaration and the response measures that are required by the following means of communication:

- (a) Connect CTY mass notification service;
- (b) City's website <http://www.washingtonnc.gov>;
- (c) City's cable channel 9;
- (d) Local newspaper(s);
- (e) Local television stations - WITN, WNCT and WCTI; and
- (f) Local radio stations.

Section 38-404. Levels of Response.

There shall be four levels of water shortage responses. A description of each response level and the corresponding water reduction measures are listed below. A customer education and outreach program will be available to encourage water conservation and assist with obtaining maximum results at each stage.

(a) *Stage I, Voluntary Reductions.*

In Stage I, Voluntary Reductions, all water customers will be asked to voluntarily reduce their normal water consumption by five (5) percent per day of the customer's average usage. Examples of such voluntary reductions and efficiency measures include the following:

- (1) Washing dishes by hand or fully loading dishwashers;
- (2) Identifying and repairing plumbing leaks;
- (3) Limiting the frequency of car washing;
- (4) Watering plants with leftover household water;
- (5) Watering plants deeply to encourage root growth;
- (6) Delaying the seeding or sodding of new lawns;
- (7) Washing clothes only with fully loaded washers;
- (8) Installing flow restriction devices on showers and toilets;
- (9) Prohibiting children from playing in lawn sprinklers; and
- (10) Putting industrial/commercial voluntary conservation programs into effect which:

- a. Restrict water use for dust control,
- b. Limit the washing of commercial vehicles,
- c. Reduce usage of automatic exterior sprinklers, and
- d. Limit the wash down of exterior impervious surfaces.

With the exception of Beaufort County Hospital, private medical offices as well as public health clinics, and customers who purchase water at a wholesale rate, all non-residential customers who consume 1,000 cubic feet (7,480 gallons) of water or more per day shall submit plans to the City Manager demonstrating the ability to reduce water consumption by ten (10) percent per day of the customer's average usage (Stage II, Mandatory Reductions I), which ten (10) percent shall be cumulative and may include any measures to achieve the five (5) percent voluntary reduction, and thirty (30) percent per day of the customer's average usage (Stage III, Mandatory Reductions II), which thirty (30) percent shall be cumulative and may include any measures to achieve the ten (10) percent reduction.

Determining the customers who consume 1,000 cubic feet (7,480 gallons) or more of water per day shall be based on the customer's average usage. If no meter readings are recorded or otherwise available for a customer's billing period, the City Manager will establish an average based on other users similar to the customer with no recorded readings.

(b) *Stage II, Mandatory Reductions I.*

In Stage II, Mandatory Reductions I, all residential water customers shall reduce their normal water consumption by five (5) percent per day of the customer's average usage, which five (5) percent shall be cumulative and may include any measures to achieve the five (5) percent voluntary reduction. With the exception of Beaufort County Hospital, private medical offices as well as public health clinics, and customers who purchase water at a wholesale rate, all non-residential customers who consume 1,000 cubic feet (7,480 gallons) of water or more per day shall implement the plan submitted in Stage I, Voluntary Reductions, for a ten (10) percent per day reduction and achieve a ten (10) percent per day reduction (cumulative) of the customer's average usage.

When Stage II, Mandatory Reductions I, is in effect and unless specifically allowed, it shall be a violation of this Article for any water customer to use water supplied by the City from the public water system for any of the following purposes.

- (1) Watering lawns, grasses, shrubbery, trees, flowers, and vegetable gardens except under the following circumstances.
 - a. Such watering is done on either a Wednesday and Saturday or Thursday and Sunday schedule as determined by geographic location within the City between the hours of 6:00 p.m. and 9:00 p.m. and such watering is done either by a handheld hose or container, a drip irrigation system, or automated sprinkler devices.
 - b. Persons regularly engaged in the sale of plants shall be permitted to use water to maintain such plants.
 - c. The City Manager shall have the authority to equitably adjust the foregoing restrictions by establishing zones or districts in which watering can be done on specified days and, further, depending on the water level in the aquifer, may authorize the operation of irrigation systems and other water uses restricted or prohibited by this Article, on specified days in specified zones or districts as he determines is consistent with water conservation and the then current level of the aquifer.
- (2) Filling of newly constructed or drained pools, wading pools, ornamental fountains, ponds, or other structures designed to hold more than 100 gallons of water.
- (3) Washing outside areas such as streets, sidewalks, patios, service station aprons, parking lots, exteriors of office buildings, homes, or apartments, or using water for similar purposes; provided, however, that firms having a license from the City to conduct a

pressure cleaning business in the City may wash residential, commercial, and office structures and other ancillary facilities as necessary to maintain public health and sanitation standards.

- (4) Using water for dust control or compaction.
- (5) Washing automobiles, trucks, trailers, vans, boats, airplanes, or any other type of mobile equipment; provided, however, persons regularly engaged in the business of washing motor vehicles or operating commercial car wash facilities shall be permitted to use water for such purposes and provided further, a business regularly engaged in the sale and/or leasing of vehicles may wash vehicles at the site of the business when they are received prior to placement on display for sale or lease, and when they are sold or leased to a new owner or lessor.
- (6) Using water from public or private fire hydrants for any purpose except fire suppression or other public emergency or other public works department needs.
- (7) Serving water in restaurants, cafeterias, or other eating establishments except upon request of patrons.

(c) *Stage III, Mandatory Reductions II.*

In Stage III, Mandatory Reductions II, all residential water customers shall reduce their normal water consumption by ten (10) percent per day of the customer's average usage, which ten (10) percent shall be cumulative and may include any measures to achieve the previous five (5) percent mandatory reduction. With the exception of Beaufort County Hospital, private medical offices as well as public health clinics, and customers who purchase water at a wholesale rate, all non-residential customers who consume 1,000 cubic feet (7,480 gallons) of water or more per day shall implement the plan submitted in Stage I, Voluntary Reductions, for a thirty (30) percent per day reduction and achieve a thirty (30) percent per day reduction (cumulative) of the customer's average usage.

When Stage III, Mandatory Reductions II, is in effect and unless specifically allowed, it shall be a violation of this Article for any water customer to use water supplied by the City from the public water system for the following purposes.

- (1) Using water in any of the ways restricted by the Stage II, Mandatory Reductions I, except as hereinafter provided or modified.
- (2) Watering lawns, grasses, shrubbery, trees, flowers, and vegetable gardens except under the following circumstances.
 - a. Such watering is done either on a Saturday or Sunday, as determined by geographic location within the City, between the hours of 6:00 p.m. and 9:00 p.m. and such watering is done only by handheld hose or container, or a drip irrigation system.
 - b. Persons regularly engaged in the sale of plants shall be permitted to use water to maintain such plants.
 - c. The City Manager shall have the authority to equitably adjust the foregoing restrictions by establishing zones or districts in which watering can be done on specified days and, further, depending on the water level in the aquifer, may authorize the operation of irrigation systems and other water uses restricted or prohibited by this Article, on specified days in specified zones or districts as he determines is consistent with water conservation and the then current level of the aquifer.
- (3) Filling or refilling any swimming or wading pools, ornamental fountains, ponds, or other structures designed to hold more than 100 gallons of water.
- (4) Commercial car wash facilities shall be permitted to use water for washing motor vehicles provided they can certify to the City Manager that their car wash facility recycles a minimum of fifty (50) percent of the water.

All thirty (30) percent per day water consumption reduction plans required by this Article must be approved by the City Manager, in his sole discretion, and shall be subject to revision in the discretion of and at the direction of the City Manager. If the managed reduction in water usage cannot be obtained without threatening health or safety, or if there has been a significant change in the customer's circumstances, the customer may apply to the City Manager for a variance of that customer's plan and/or the water use reduction and restriction requirements of this Article. Customers may appeal the administrative decisions of the City Manager as described herein to the City Council.

(d) *Stage IV, Emergency and/or Water Rationing.*

In Stage IV, Emergency and/or Water Rationing, water consumption is restricted solely to providing drinking water to protect public health, such as in residences, residential health care facilities and correctional facilities. All water customers are only permitted to use water at the minimum required for public health protection. Firefighting is the only allowable outdoor water use. Pickup locations for distributing potable water will be announced via the means of communication listed in the notifications section contained hereinabove.

Sec. 38-405. Triggers or Conditions for Each Level.

Stage I, Voluntary Reductions, will be declared and implemented by the City Manager when drought condition thresholds are reached in the City's service area or regionally.

Stage II, Mandatory Reductions I, will be declared and implemented by the City Manager at any time the static water levels drop in any three (3) of the City's eight (8) monitoring wells to a level that is within twenty (20) feet of the corresponding production well's intake, or current trends indicate levels will reach said level within the next thirty (30) days. Stage II, Mandatory, Reductions I, may also be declared and implemented by the City Manager at any time the City's water treatment facilities treatment capability is reduced by twenty-five (25) percent of its maximum rated capacity.

Stage III, Mandatory Reductions II, will be declared and implemented by the City Manager at any time the static water levels drop in any four (4) of the City's eight (8) monitoring wells to a level that is within fifteen (15) feet of the corresponding production well's intake, or current trends indicate levels will reach said level within the next thirty (30) days. Stage III, Mandatory Reductions II, may also be declared and implemented by the City Manager at any time the City's water treatment facilities treatment capability is reduced by forty-five (45) percent of its maximum rated capacity.

Stage IV, Emergency and/or Water Rationing, will be declared and implemented by the City Manager at any time the static water levels drop in any four (4) of the City's eight (8) monitoring wells to a level that is within ten (10) feet of the corresponding production well's intake, or current trends indicate levels will reach said level within the next thirty (30) days. Stage IV, Emergency and/or Water Rationing, may also be declared and implemented by the City Manager at any time the City's water treatment facilities treatment capability is reduced by fifty-five (55) percent of its maximum rated capacity.

Sec. 38-406. Drought Surcharge Rates.

Drought surcharge rates may be implemented in Stages II, III and IV, and shall be determined and set by the City Council at or after the outset of each respective stage. The percentage increase in rates for residential and non-residential customers, respectively, that results from the imposition of drought surcharge rates at each respective stage shall not exceed the percentage decrease in average usage that is required for residential and non-residential customers, respectively, at each respective stage.

Sec. 38-407. Enforcement of Each Level.

The requirements of this Article will be enforced by the City's Public Works Department representatives, Code Enforcement Officers, and/or Police personnel. Any person who violates this Article shall be subject to a civil citation

and shall be liable to the City for the civil penalties listed below, plus actual damages incurred by the City, per violation, per day so long as the violation continues. In addition to the civil penalties and damages specified in this section, the City may recover attorney's fees, court costs and other expenses of enforcement litigation. North Carolina General Statute § 14-4 shall be inapplicable to this Article and violations of this Article shall not be considered a breach of the penal laws of the State of North Carolina.

- (a) *Residential Users:*
 - (1) First Violation – Warning notice.
 - (2) Second Violation – One hundred dollar (\$100.00) civil penalty.
 - (3) Third Violation – Two hundred fifty dollar (\$250.00) civil penalty.
 - (4) Fourth Violation – Termination of service until such time as the violator establishes to the reasonable satisfaction of the City Manager that such customer has taken appropriate steps to prevent any further violations.
 - (5) Fifth Violation – Termination of service until the City Manager declares an end of the water shortage.
- (b) *Non-Residential Users:*
 - (1) First Violation – Warning notice.
 - (2) Second Violation – Two hundred fifty dollar (\$250.00) civil penalty.
 - (3) Third Violation – Five hundred dollar (\$500.00) civil penalty.
 - (4) Fourth Violation – Termination of service until such time as the violator establishes to the reasonable satisfaction of the City Manager that such customer has taken appropriate steps to prevent any further violations.
 - (5) Fifth Violation – Termination of service until the City Manager declares an end of the water shortage.
- (c) *Non-Residential High Volume Water Users – 1,000 cubic feet (7,480 gallons) or more per day:*
 - (1) First Violation – Warning notice.
 - (2) Second Violation – One thousand dollar (\$1,000.00) civil penalty.
 - (3) Third and Subsequent Violations – Five thousand dollar (\$5,000.00) civil penalty.

Sec. 38-408. Variance Protocols.

Applications for the variances provided for in this Article are available from the Public Works Director's Office. All variance applications must be submitted to the Public Works Department for review by the City Manager or his/her designee. The variance approval or denial will be given within two (2) weeks of the Public Works Director's Office's receipt of a properly completed application and will be determined by consideration of, among other things, the current water supply and demand. Variances are revocable in the discretion of the City Manager.

Sec. 38-409. Abatement.

As water shortage conditions abate, water conservation and reduction measures employed during each stage will be decreased in reverse order of implementation. Permanent measures directed toward long-term monitoring and conservation will be implemented or continued so that the community will be in a better position to prevent shortages and respond to recurring water shortage conditions.

Sec. 38-410. Effectiveness.

The effectiveness of this Article will be evaluated by the measured reductions in water usage for residential and non-residential customers according to each percentage of reduction per stage and the time elapsed during each stage compared to the past history of each customer.

Sec. 38-411. Revision.

This Article will be reviewed and revised as needed to adjust to new water demands based on the City's need and at least every five (5) years. The City Manager and staff will evaluate the Plan after the induction and completion of the Plan. If recommendations for changes are made, the City Manager will notify the City Council and the public of the recommended changes and submit recommended changes to City Council for its consideration.

* **State Law References** – Water conservation measures for drought, G.S. 143-355.2; Publicly and Privately Owned Water System Water Shortage Response Planning Requirements, 15A NCAC 02E .0607.

SECTION 3. All prior ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

SECTION 4. Should any provision of this Ordinance be declared invalid or unconstitutional by any court of any competent jurisdiction, such declaration shall not affect the validity of the Ordinance as a whole or any part thereof that is not specifically declared to be invalid or unconstitutional.

SECTION 5. This Ordinance shall become effective upon adoption.

Adopted this the 8th day of November, 2010.

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

- I. (Old Business Item) Approve – LWCF Conversion **moved to the Consent Agenda**
*LWCF Conversion Approval Project #37-00622B Havens Gardens Park
- J. (New Business Item A) Award – Contract for Electric Relocation Project for NCDOT **moved to the Consent Agenda** *\$159,050.36 to E & R, Inc. for the relocation of electric infrastructure associated with the NCDOT 2510C US Highway 17 Widening project.
- K. (New Business Item D) Authorize – Chief Financial Officer to act as the Authorized Agent for the NC Department of State Treasurer, Local Government Commission (LGC) application for approval of installment purchase contract **moved to the Consent Agenda**
- L. (New Business Item K) Award – Contract for Banking Services **moved to the Consent Agenda** *East Carolina Bank was awarded the bank services contract and Wachovia the merchant services contract.

**RACHEL MILLS – HISTORY ROOM RENOVATIONS –
FRIENDS OF BROWN LIBRARY**

Gloria Moore, Director of Brown Library introduced Ms. Rachel Mills, representing Friends of Brown Library. Ms. Mills stated last year the Friends of the Library received a \$20,000 gift from the Wilkerson Estate to support and expand the history room. Rather than move the History Room it would be better to expand the room into a small office. This would require a wall to be removed and the installation of new bookcases. Two hexagonal computer tables with 6 computer stations will be installed. The total cost for the renovations will be \$12,600 and will be completed by Mr. Gene Edwards who was the low bidder and has completed work for the library on previous occasions.

A. G. SWANNER

Mr. A.G. Swanner came forward to notify Council of his intent to expand Blackbeard's Restaurant. Council advised Mr. Swanner that he needed to contact John Rodman, Planning Director to begin the permitting process for the expansion.

**BOB GARY – ENERGY REDUCTION TECHNOLOGIES UPDATE
(FORMALLY BREEZEPLAY)**

Bob Gary and Rick Savage with Energy Reduction Technologies (e-dux) made a presentation to Council regarding their company. The following points were presented:

- Over 70% of the cost structure for electricity is made up of direct costs
- Energy rates and usage have the potential to become a political issue
- Ways to assist customer
- Education and conservation
- Reduce peak demand with Demand Response Technologies

Mayor Jennings suggested this presentation be made at the next meeting of the Electric Advisory Board to allow them time to focus on this topic.

PUBLIC HEARING: AUTHORIZE – TO PROVIDE & RECEIVE INFORMATION & PUBLIC COMMENTS CONCERNING THE CLOSEOUT OF THE 2008 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – INFRASTRUCTURE PROJECT

Mayor Jennings opened the public hearing. Allen Lewis, Public Works Director came forward and explained the purpose of this public hearing is to provide and receive information and public comment concerning a 2008 Community Development Block Grant-Infrastructure grant as administered by the North Carolina Department of Commerce through the Division of Community Assistance. The project included the extension of 900 linear feet of 24-inch gravity sewer along Pennsylvania Avenue near the Pennsylvania and Havens pump station and associated street repairs and related construction. The total cost of the project is \$506,923 with the grant covering \$466,923 of the total project cost. The \$40,000 match from the City covered the cost in the difference of installing 8-inch gravity line sewer with 24-inch gravity line sewer. An 8-inch line would not work as the lines that were being replaced were 12-inch lines and significantly undersized.

Kevin Richards, Mid-East Commission stated the project was to assist low to moderate income areas. A total of 9 households were assisted of which 7 were LMI, which is a 78% LMI ratio. All CDBG grants require Fair Housing Plans. The City of Washington enforces the Fair Housing Act and other Federal Laws that prohibit the discrimination and the intimidation of people in their homes, and nearly all housing transactions including the rental and sale of housing and the provision of mortgage loans. The grant was monitored by the State on May 24, 2010 and the project is complete and ready to be closed out.

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

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council authorized staff to proceed with the project closeout submittals for the formal closeout of the 2008 CDBG infrastructure grant which included the extension of 900 linear feet of 24-inch sewer line along Pennsylvania Avenue.

PUBLIC HEARING: ADOPT – FY08 CDBG - CAPACITY BUILDING GRANT CLOSEOUT

Mayor Jennings opened the public hearing. Bianca Gentile, Special Projects stated this is the FY08 CDBG- Capacity Building project in conjunction with Washington Housing Incorporated. This grant laid the foundation for the WHI-Housing Development Project which is just beginning to take off. The grant also assisted WHI in becoming a HUD certified housing counseling agency, which is one of the only agencies in eastern North Carolina. The grant also offered administrative support to the organization over the last two years. This required no administrative dollars from the City of Washington. All funds have been expended and approved activities are complete. The City would like to begin close out procedures, an action consistent with the originally proposed project timeline. There being no comments from the public, the public hearing was closed.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council authorized staff to proceed with the project closeout submittals for the formal closeout of the FY08 CDBG Capacity Building Grant.

JASON BRILEY – REPORT ON NORTHGATE, SUBDIVISION

Jason Briley provided Council with an update on Northgate Subdivision. As of today, 76 houses have been sold. A total of 22 low-to-moderate income homes have been sold. There is also one additional pending and awaiting the 2010 tax returns. Mr. Briley is required to sell 32 homes to LMI purchasers by December 31, 2010. Mayor Pro tem Roberson discussed the Letter of Credit. Mr. Briley is asking the NC Redevelopment Commission for an additional extension or reduction in the number of lots. Mayor Jennings stated the Council is willing to work with Mr. Briley, but we will execute our line of credit if needed.

COMMENTS FROM THE PUBLIC

Scott Campbell and Bill Sykes came forward to discuss the potential of the Wildlife Resources Commission taking over the Havens Gardens Boat Ramp area that is on the agenda later tonight. Mr. Campbell asked Council to postpone taking action on this item tonight to allow time for public comment and review of the proposal. Mr. Sykes also noted the need for a public comment period regarding this issues as well as the need for single car parking and a kayak launch at this boat ramp.

DISCUSSION – STATUS OF CURRENT GRANTS (2010 DEPARTMENTAL AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) AND NON-ARRA FUNDING OPPORTUNITIES)

Bianca Gentile, Special Projects explained the status of current grants.

Notifications and Awards:

- **Energy Efficiency in Government Buildings Grant** (Government Round 2). \$259,972 AWARDED The North Carolina State Energy Office (SEO) re-released its solicitation for proposals from local governments, public K-12 schools and community colleges for energy efficiency upgrade projects. The focus of this grant is to reduce energy consumption and provide jobs or retain existing jobs. Funds come from the American Recovery and Reinvestment Act of 2009. Institutions must follow competitive bid process requirements for proposed projects. The City of Washington submitted a proposal to upgrade lighting in seven municipal buildings. Proposed actions:
 - Replace light bulbs (switching T-12 to T-8 or T-5) and ballasts;
 - Install lighting control technology, including occupancy sensors;
 - Install a direct fire gas heating system in the Impressions Building

Submittals:

- **NC Emergency Management:** Critical Facility Acquisition/Demolition (Police Department). Submitted to NC Emergency Management. Total project \$1,182,000

Special Project grant awards

Total ARRA funding to date:

- Grants: \$ 521,514 (Two Department of Justice grants and two Department of Energy grants- please note: none of these awards require a local cash match)
- Loan: \$ 3,000,000 (USDA)

Non-ARRA grant awards:

- CDBG Housing Development: \$ 227,700 (no local cash match)
- Department of Justice: \$12,852 (no local cash match)

Pending notification:

- FEMA: \$184,000 – Old Health Department (no local cash match, administrative dollars requested)
- FEMA: 1,182,062- Demolition of Public Structure, Police Department (25% cash match)
- Main Street Energy Fund: \$71,000, upgrade downtown building efficiencies

Total Impact of Special Projects position: \$5,199,128

UPDATE – QUARTERLY – WEATHORIZATION ASSISTANCE PROGRAM

Bianca Gentile stated the report was presented in the Council packet. (being report) Respectfully submitted is a quarterly update on Martin County Community Action Agency's efforts to weatherize 200 homes or 25 per quarter. To date, MCCA has weatherized an astonishing 93 homes. Recent changes to state/federal program mandates decreased the required total number of homes from 200 to 134. However, this change increased the average cost per unit (amount invested in weatherizing home) from \$4,000 to \$6,000.

Report from Martin Community Action, Inc.

Update from last meeting:

1. Our agency received a budget amendment that increased the average cost per unit from \$4,000 to \$6,000. As a result of this change our current number of homes to serve in Beaufort is 134.
2. The WAP Coordinator, Mr. Barnville strategically planned a concentrated effort to deploy our auditors and crew in the county. This effort yielded a substantial increase in the number of homes we were able to complete over the past months. ARRA-WAP increased from 24 homes as of June 14 to 93 as of October 29, 2010.

3. We are now seeking to employ two new auditors and four new carpenter assistants to expand our production capacity. These additions will increase the number of jobs created by ARRA-WAP to thirty six.
4. Three sub-contractors have completed all training and certification requirements and are assisting with the weatherization of the homes we serve.
5. Multi-family homes are still pending additional guidance.

Most Recent Updates:

1. Our energy auditors are metering 100% of all refrigerators in client homes. Consequently more than 90% are receiving new energy efficient refrigerators that are purchased from Lowes or Sears.
 2. The average cost per unit in Beaufort County is \$3,715.31. This has increased by \$1,218.23 due to an increase in materials and measures.
 3. Approximately 65% of our clients need heating and air replacements. For clients who are not eligible for HARRP units are replaced through Health & Safety funds which are not included in the average cost per unit. Some homes require costly knob and tubing electrical upgrades. This cost is extracted from Health & Safety also and is not reflected in the average cost per unit.
- Upcoming: Our agency has been awarded a Housing Preservation Grant by the USDA to further assist 30 families over the next two years in Beaufort and Martin counties. These funds will be supplementary for walkaway cases(a project that is not allowed to be initiated due to conditions in the home that prevent it from being weatherized, such as a hole in the roof). (end report)

HUMAN RELATIONS COUNCIL

1. Appointments: Mr. Galen Derick Davis and Ms. Nattalie Castro
2. Update Ed Peed commemoration
 - Price quote for 21' x 29' x 4" flat marker of \$290
 - Location- on top of hill beside Mr. Beebe
 - Suggested a price quote for 14' x 15' x 7" stand-up type
3. Joint meeting with Pitt/Greenville HRC Traveled to Greenville on November 3, 2010
4. Update April Corbett, Project Next Step (PNS) Coordinator addressed the following:
 - Project Next Step
 - Pill Drop
 - D.R.E.A.M. camp
 - National Night Out
 - Teen Pregnancy Program
 - Crime Prevention Month

WASHINGTON HARBOR DISTRICT ALLIANCE

- Beth Byrd reviewed the "Friends of Alliance" campaign as a fundraising event for WHDA. As a "Friend of the Alliance" one will receive:
- Special offers from downtown merchants
 - Invitations to Friends of the Alliance social events
 - WHDA's newsletter twice a year
 - Entered into a contest for two tickets to Pickin' on the Pamlico to be held August 2011
 - Window decal

FINANCIAL REPORTS (approved as presented via e-mail)

APPROVE – LEGALLY BINDING COMMITMENT (LBC) BETWEEN THE CITY OF WASHINGTON AND WASHINGTON HOUSING INC. (WHI)

Moved to Consent Agenda.

UPDATE – REPORT, KEYS LANDING SUBDIVISION

John Rodman, Planning Director updated Council on the Keys Landing Subdivision project. Mr. Rodman explained the City of Washington was awarded a Community Development Block Grant for Housing Development from the Division of Community Assistance (DCA) for acquisition of property and to construct street and utility improvements to Keys Landing Subdivision located off Keysville Road. The grant was awarded during fiscal year 2005. The application for the grant was originally proposed for a parcel of property located on Keysville Road and would contain 15 lots to sell for construction of affordable housing. Due to difficulties in securing title from multiple heirs to the property, the application was subsequently changed to

include a different parcel of property in close proximity to the original location and the number of lots was reduced to 12.

Following several delays in the execution of the grant caused by right-of-way acquisition, reengineering the project and bid documentation, the subject grant is under review by the Division of Community Assistance. DCA's chief concern is the project's lack of a new Environmental Review. DCA feels this oversight is serious enough to impact the future of the project. DCA submitted a letter to the City stating because this oversight has resulted in a violation of 24 CFR 58.22, DCA is required to disqualify the entire project. The \$135,542.92 in remaining funds will be de-obligated and the City is required to return the \$114,457.08 already expended in the project. Funds should be returned to DCA no later than December 31, 2010, with the check payable to the Department of Commerce Division of Community Assistance. The City is working in conjunction with Holland Consulting Planners and Metropolitan Housing to take the necessary steps to satisfy DCA's concerns and bring the project into compliance. A letter has been prepared to send to DCA explaining why the Environmental Review has been delayed. A meeting will be coordinated with all parties involved.

Councilman Mercer voiced concern over the Environmental Review not being submitted to DCA. Mr. Smith stated the new DCA representative advised the City not to submit the revised Environmental Review.

MEMO – LAND RELEASE REQUEST TO FEDERAL AVIATION ADMINISTRATION

(memo from Mick Reed, Chief of Police) As directed, this memo is to update Council on the progress of the Land Release process. Pursuant to FAA guidelines regarding the Land Release Request, the FAA requires a commitment from the Airport owner (City) to use the "proceeds" from the release of the property exclusively for the airport improvement program (see Section H of the Land Release Request). In order to determine the value of those "proceeds," staff has taken the following steps.

- A. An appraisal of the tract of land designated for the Police facility was ordered and conducted by Grantham Appraisal and Realty. As FAA requires, a review of this appraisal was conducted by a second appraiser, in this case C.P. Shaw Associates, Limited. The appraised value of the designated land was identified as \$355,500.00. Upon staff review, it was felt that this appraisal was unrealistic for a variety of reasons (see section C of Land Release Request). Therefore, it was decided that a second appraisal was advisable for the City of Washington.
- B. S. Ann McRoy of the Appraisal Group conducted a second appraisal of the designated land and provided an appraised value of \$100,000.00, which staff felt was a much more realistic value. As stated above, FAA requires a review of the appraisal to be completed and a review of this appraisal is in progress. This review is anticipated to be completed by November 5th and will be included in Council packet if available. FAA representatives have directed that the City provide both appraisals and reviews to FAA for consideration.(end memo)

Councilman Mercer expressed concern with the increase in the required lot size from approximately 4 acres to 5 acres. John Rodman, Planning Director explained that when a parcel of land is subdivided in the Airport Zoning district, the minimum lot size has to be 5 acres. Franz Holscher, City Attorney stated that at some point in time, Council needs to grant authority to staff to submit the land release request application.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council authorized the City Manager and City Attorney to proceed with the Land Release Request and file the application with the Federal Aviation Administration.

MEMO – ASSIGNMENT OF CLASSES TO GRADES AND RANGES FOR 2010-11
(memo from Susan Hodges, Human Resources Director) At the City Council meeting on October 11, 2010, a request was made to increase the salary ranges for City positions from a 48% to 50% spread from beginning (hiring rate) to maximum based on salary data collected by the MAPS Group which reflected a prevailing average for salary ranges of 50%. This change in the City's salary schedule was requested to be retroactive. By making the change effective at the beginning

of the fiscal year, July 1, 2010, it would insure pay equity among City employees in regards to qualifying for job maturity and merit pay adjustments.

As discussed, the impact of this proposed change in the pay plan is an increase in the job rate by .67% and in the maximum by 1.35% for each salary grade. Twenty one employees would be affected by the change in job rate with a total financial impact of \$2,661 for the current fiscal year. Because employees at the maximum receive a merit bonus in lieu of salary adjustment, no additional funds would be required this year.

Although the financial impact of this proposed change is minimal, given consideration to the fact that we are almost halfway through the current fiscal year, it would be our recommendation that we postpone implementation of the salary schedule revision until next fiscal year. This will improve our ability to accurately plan for the fiscal year 2011 -2012 budget.(end memo)

UPDATE – ELECTRIC LOAD MANAGEMENT PROGRAM

(memo from Keith Hardt, Electric Utilities Director)

- The full shipment of load management switches has been received from the manufacturer and programming is complete.
- The new load management program marketing plan is being developed by ElectriCities of North Carolina. We will have a draft plan completed by November 12th.
- The City's contracted load management installer has begun their work. The first group of service orders and installation units has been accepted by the contractor and they are proceeding with installations.
- A cost separate load management budget cost center will be created within the City's general ledger. This new budget cost center will allow for tracking of contract and force account labor, materials, and equipment for load management functions.
- As of the date of this memorandum one application has been received for the City's Electric Load Management Technician position currently being advertised. The closing date for applications for this position is Friday, November 5th.

LOAD MANAGEMENT TECHNICIAN POSITION

Keith Hardt, Electric Utilities Director explained that the City must obtain an electrical contractor's license for the installation of load management switches by City staff. An employee will be hired that has a license that can be conveyed to the City. The position is a pay grade 16 with a salary range of \$29,041 to \$42,981. This position was included in the \$300,000 budget for the load management project. The advertisement closed on Friday with three applicants that were qualified for the position.

Ed Pruden, Electric Dept. stating he is keeping a record of the load management switches that are being installed and this will be used as part of a regular report to the advisory board.

Councilman Mercer voiced opposition to adding additional staff at this time. He suggested waiting until February when a staff person retires. Mr. Smith stated in order to move ahead with the load management program, we must have a person on staff to install the switches. Mr. Smith further noted the salary for this position will come from the \$300,000 that Council allocated for this program.

By motion of Councilman Moultrie, seconded by Councilman Pitt, Council approved the addition of a load management technician to the City's full time budgeted employees. Councilman Mercer opposed the motion. Motion carried 4-1.

ADOPT – ORDINANCE AMENDMENT FOR CHAPTER 38- WATER AND WASTEWATER, TO ADD SECTIONS 38-400 – 38-411 – WATER SHORTAGE RESPONSE PLAN -Moved to Consent Agenda.

APPROVE – LWCF CONVERSION - Moved to Consent Agenda.

RECESS – 7:00pm-7:15pm

**AWARD – CONTRACT FOR ELECTRIC RELOCATION PROJECT FOR
NCDOT Moved to Consent Agenda.**

**ADOPT – POLICY REGARDING CLAIMS PAYMENT POLICY
“FAILURE OF EQUIPMENT”**

Mr. Hardt explained that the City of Washington currently has injury and property damage insurance coverage with the North Carolina League of Municipalities (League). There has been included in prior year's City budgets monies to pay for damages above and beyond those damages covered under the League's insurance coverage. The directive given to the League's adjustors was that any private property damage caused by a "failure of equipment" on the City's electric system was paid in the same manner as all other paid claims made on the City. This insurance payment disparity exists between the electric department and all other departments. In addition, we can find no other City electric department or other public/private electric utility in the State of North Carolina that has this practice. The new policy will adjust all claims made on the City of Washington in accordance with the insuring agreement between the League and the City of Washington. All claims filed with respect to the City's electric system shall be adjusted in the same manner as all other claims made on the City of Washington.

Proposed policy: Based on the recommendation of the City's insurance carrier and the carrier's adjuster, the City of Washington shall authorize payment for only those sums that the City of Washington becomes legally obligated to pay as compensatory damages because of "bodily injury" or "property damage" to which the policy issued by the insurance carrier applies. This insurance does not apply to punitive damages or exemplary damages. The City of Washington's insurance carrier will have the right and duty to defend the City of Washington against any "suit" seeking those damages. However, insurance carrier shall have no duty to defend the City of Washington against any "suit" seeking damages for "bodily injury" or "property damage" to which the insurance carrier's policy does not apply. The insurance carrier may, at their discretion, investigate any "occurrence" and settle any claim or "suit" that may result.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the revised Claims Payment Policy.

AWARD – CONSTRUCTION FOR STORMWATER IMPROVEMENTS

Allen Lewis, Public Works Director explained that bids were received on November 2, 2010 for the storm water improvements in various parts of the City that have been discussed in previous Council meetings. There were three bids received. T.A. Loving Company was the low bidder with a bid price, including two bid alternates, of \$3,500,774.00. With your permission, we will begin negotiations with T.A. Loving Company and Rivers and Associates to include the Northwood area drainage improvements that were previously identified in a drainage study and further discussed at the October 11, 2010 council meeting. The result of those negotiations will be brought to Council for approval as well.

The project will consist of storm drainage improvements in three (3) areas: the Airport Canal drainage area from Minuteman Lane to Whispering Pines Road, Jack's Creek from Park Drive to 8th Street and the Smallwood area from Keysville Road to Lodge Road. With Council's approval and successful negotiations, the Smallwood improvements should be extended to the Northwood area as well. These projects, once completed should help reduce the frequency and duration of flooding during severe rain events.

Mr. Lewis stated we were directed by Council to spend up to \$400,000 annually for storm water improvements as the Recovery Zone Bonds are 15 years bonds. Costs will be \$5,000,000 for storm water improvements and the associated costs as well as \$40,000 for the roof at Fire Station #1.

Mr. Lewis stated T.A. Loving Company was the low bidder with a bid price, including two bid alternates, of \$3,500,774.00.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council awarded the construction contract to T.A. Loving Company for stormwater improvements in various parts of the City in the amount of \$3,500,774.00 and negotiate the additional storm water improvements in Smallwood(Northwood, Rowan and Eden area) not to exceed \$400,000.

| Storm Water Drainage Project Budget | | 11/4/2010 |
|-------------------------------------|---|-----------|
| \$ | Description | |
| 3,500,774 | Construction bid award | |
| 370,000 | Northwood improvements | |
| 210,000 | Electrical relocation | |
| 156,449 | Contingency | 3.8% |
| 75,000 | Topographic surveys & easements | |
| 308,000 | Design fee | |
| 117,000 | Residential project representative | |
| 34,000 | Northwood engineering | |
| 155,950 | Healthplus acquisition | |
| 50,000 | Healthplus demolition | |
| 3,665 | Permit Fees | |
| 6,512 | Geotechnical/environmental surveys(environmental) | |
| 12,650 | Bond Counsel | |
| 5,000,000 | | |

AUTHORIZE – CHIEF FINANCIAL OFFICER TO ACT AS THE AUTHORIZED AGENT FOR THE NC DEPARTMENT OF STATE TREASURER, LOCAL GOVERNMENT COMMISSION (LGC) APPLICATION FOR APPROVAL OF INSTALLMENT PURCHASE CONTRACT

Moved to Consent Agenda.

AWARD – FIANCING BID FOR THE INSTALLMENT PURCHASE CONTRACT OF THE RECOVERY ZONE ECONOMIC DEVELOPMENT BOND (RZEDB)

Matt Rauschenbach, CFO stated in fiscal year 2009-2010 Council authorized the City to apply for \$5,977,984 of RZEDB's that were subsequently allocated. \$4,000,000 of the initial award is included in the 2010-2011 budget. \$42,000 of the \$4,000,000 is for Fire Station #1 roof replacement. Council has expressed interest in expanding the project to include the Northwood section of Smallwood dependant on the outcome of construction and financing bids and the ability to service the debt from \$400,000 per year net revenue generated in the Storm Water Fund.

The storm water project including the Northwood area is \$5,000,000. This debt can be serviced with the Storm Water Fund's \$400,000/year net revenue and available fund balance while maintaining the ability to undertake some additional projects over the life of the debt.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council awarded a \$5,040,000 installment purchase bid to Bank of America, N.A. for the funding of the RZEDB projects.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council authorized the Chief Financial Officer to enter and execute such documents that are necessary to effectuate the installment purchase financing.

ADOPT – RESOLUTION OF SUPPORT IN APPLYING FOR NCDOT BICYCLE COMPREHENSIVE PLAN

Philip Mobley, Parks and Recreation Director stated this is the fourth year the City has applied for this grant. The purpose of this Council Action is for City Council to adopt a resolution of support for a City of Washington Bicycle Comprehensive Plan. This Comprehensive Plan is an important step to developing the Rails to Trails project. The Parks and Recreation Department would like to submit an application to NCDOT for funding to do a Bicycle Comprehensive Plan. The funding amount is \$36,000. Funding is 80% NCDOT and 20% cash by City of Washington. If the City of Washington is awarded the grant, the award committee will make a recommendation to NCDOT in March 2011. Staff will return to City Council for authorization to accept the grant.

The Deadline for submitting the application is December 3, 2010.

Mayor Jennings acknowledged that this is a very long, drawn out project. Mr. Mobley stated our project is on the top of the list that is being looked at to be funded for a Bicycle Comprehensive Plan, not for the trail. We have to have the plan in place before we can begin with applying for funding for the trail. Bob Henkle stated we are on a list with no number being assigned to us until we have a comprehensive bicycle plan.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council adopted a Resolution of Support to apply for a NCDOT grant for a Bicycle Comprehensive Plan.

**RESOLUTION STATING THE SUPPORT OF THE CITY OF WASHINGTON
FOR SUBMITTING A BICYCLE SYSTEM PLANNING GRANT TO
THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION**

A meeting of the City Council of the City of Washington was held in the Washington City Hall, the regular meeting place, on November 8, 2010. There were 5 City Council members present.

The City Council members were advised that the City intends to submit an application for grant funding in the amount of \$28,000 to the North Carolina Department of Transportation. The grant application will be submitted under the North Carolina Department of Transportation Bicycle and Pedestrian Planning Grant Program to develop a City wide bicycle trail system plan for the City of Washington. There is a local match of 20% that will be required of the City.

Council Member Davis introduced the following resolution, which read:

1) That the City of Washington is aware of the community's needs with respect to providing a safe and efficient transportation system including access for cyclists.

2) That the City of Washington fully supports submission of an application by the City Parks and Recreation Department to the North Carolina Department of Transportation for funding to develop a bicycle trail system plan.

3) That the Director of Parks and Recreation be hereby authorized to sign and execute the grant application to be submitted to the North Carolina Department of Transportation.

4) That upon completion of the application the completed document will be filed in the City of Washington City Hall. Upon motion of Council Member Davis and seconded by Council Member Moultrie said resolution was unanimously passed.

5) That if the application for funding is successful, the Washington City Council authorizes the use of \$7,000 in general funds to be utilized as a local match required under the terms of the North Carolina Department of Transportation Bicycle and Pedestrian Planning Grant Program."

I, Cynthia S. Bennett, Clerk of the City of Washington, North Carolina, do hereby certify that the foregoing is a true copy of the proceedings of the Washington City Council, at a meeting held November 8, 2010, as related to submittal of an application for grant funding to the North Carolina Bicycle and Pedestrian Planning Grant Program.

WITNESS my hand and seal of the said City of Washington, this the 8th day of November, 2010.
s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

**AUTHORIZE – CITY MANAGER TO SIGN THE AUTHORIZED AGENT CONSENT
AGREEMENT TO AMEND THE MAJOR CAMA PERMIT FOR HAVENS GARDENS**

Philip Mobley, Parks and Recreation Director explained that Monica Ferrari is heading an initiative to install a kayak dock on the north side of Havens Gardens next to the Havens Gardens Boat Ramp. In order to install this ramp an amendment to the current Major CAMA permit for Havens Gardens is needed. After a presentation by Monica Ferrari, the Recreation Advisory Committee unanimously agreed to support the installation of the kayak launch at Havens Gardens and to amend the CAMA Permit with City Council's Approval. Ms. Ferrari would like to amend the CAMA permit and who group will begin the fundraising efforts to pay

for the installation of a kayak launch, of which will cost \$6800. Mr. Mobley stated the current major CAMA permit is for the walkway under the Hwy. 32/Runyon Creek Bridge.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council authorized the City Manager to sign the Authorized Agent Consent Agreement as the Property Owner, to amend the major CAMA Permit for Havens Gardens.

APPROVE AND AUTHORIZE – CITY MANAGER TO EXECUTE LEASE AGREEMENT WITH NC WILDLIFE RESOURCES COMMISSION-

Mr. Mobley noted that a citizen came by his office and voiced concern over parking at the boat ramp. There will be no single car parking within the boundaries of the area that Wildlife will maintain. Mr. Mobley spoke with the Wildlife representative and they explained we can change the parameter of the project and would be glad to come to Washington to explain all the options.

Possible options could be:

- changing the footprint of the area Wildlife wants to use, such as the grassy area next the Hwy. 32 and use this area as single car parking.
- Wildlife could come and repair the boat ramp then turn it back over to the City, the only requirements would be that the ramp be opened 24 hours a day, we wouldn't close the ramp unless for maintenance, and never charge for use of the ramp.

Council tabled this item in order to conduct a special meeting with Wildlife Resources Commission. This meeting will be advertised to allow the public the time to make comments and ask questions.

APPROVE AND AUTHORIZE – DIRECTOR OF PARKS AND RECREATION OR HIS DESIGNEE TO EXECUTE THE WATERFRONT DOCKING AGREEMENT FOR NC ESTUARIUM, RIVER ROVER

Mr. Smith stated this agreement would be modeled after the agreement with ECU. The agreement is not complete and will be ready for the December 13th meeting. Council by consensus tabled this item until December 13th.

ADOPT - RESOLUTION - CODE OF ETHICS FOR CITY COUNCIL AS REQUIRED BY NCGS 160A-86-

Council, by consensus tabled this item until the Committee of Whole meeting on November 22nd to allow further review and discussion.

AWARD – CONTRACT FOR BANKING SERVICES

Item moved to Consent Agenda.

ADOPT – A DECLARATION OF OFFICIAL INTENT TO REIMBURSE ITSELF FOR EXPENDITURES RELATED TO BUDGETED INSTALLMENT PURCHASES INCURRED PRIOR TO THE ISSUANCE OF DEBT

Matt Rauschenbach, CFO explained the expenditures will be incurred prior to the issuance of debt for these projects. The intent is to time the debt more closely to its intended use. This declaration authorizes the City to reimburse itself for these expenditures. Council discussed items that should or should not be included in the self reimbursement, if the reimbursements begin with today's date(11-8-10). An example of such an item was the generator at Cratch's store on HWY 264 West and an IT management group. Mr. Rauschenbach stated he would double check the list and make sure everything is correct. He further stated there is a window for items both before and after this declaration is adopted that can be reimbursable items. Mr. Smith stated there is a new owner at Cratch's and they no longer wish to participate in the program, so that generator will be moved. The other generator is located at the hospital.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council adopted a Declaration of Official Intent to Reimburse itself for expenditures related to budgeted installment purchases incurred prior to the issuance of debt.

DECLARATION OF OFFICIAL INTENT TO REIMBURSE

This declaration (the "Declaration") is made pursuant to the requirements of the United States Treasury Regulations Section 1.150-2 and is intended to constitute a Declaration of Official Intent to Reimburse under such Treasury Regulations Section.

The undersigned is authorized to declare the official intent of the City of Washington, North Carolina (the "Issuer") with respect to the matters contained herein.

1. **Expenditures to be Incurred.** The issuer anticipates incurring expenditures (the "Expenditures") for budgeted installment purchases (the "Projects").
2. **Plan of Finance.** The issuer intends to finance the costs of the Projects with the proceeds of debt to be issued by the Issuer (the "Borrowing"), the interest on which is to be excluded from gross income for Federal income tax purposes.
3. **Maximum Principal Amount of Debt to be Issued.** The maximum principal amount of the Borrowing to be incurred by the Issuer to finance the Projects is \$1,256,050.
4. **Declaration of Official Intent to Reimburse.** The Issuer hereby declares its official intent to reimburse itself with the proceeds of the Borrowing for any of the Expenditures incurred by it prior to the issuance of the Borrowing.

Adopted this the 8th day of November, 2010
s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

**AUTHORIZE – CITY MANAGER TO ENTER AN IT MANAGED SERVICES
CONTRACT AND ADOPT BUDGET ORDINANCE**

Matt Rauschenbach stated this item was discussed earlier with the City Attorney, Mayor and Manager. The City Attorney suggested inserting additional language regarding the non-appropriation clause, there was actually an issue with the term as stated at 3 years, when it is actually 2 ½ years. Ray Midgett, the City's IT Director is retiring December 31, 2010. The City explored a managed services arrangement with three suppliers in lieu of hiring a replacement and selected The SoundSide Group. Reinvesting the personnel savings with this approach enhances our technical skills/knowledge through the availability of multiple resources with varying areas of expertise and 24/7 monitoring support. The group is located in Plymouth, NC and has worked on multiple projects for the City through the years. Annual savings in excess of \$22,000 are anticipated. This year's savings will be \$4,846 due to six months of personnel and related savings offset by the services agreement beginning November 15th to ensure a smooth transition. The IT Department will report to the C.F.O./Assistant City Manager as of January 1, 2011 rather than remaining an independent City Department.

Council thanked Ray Midgett for his service to the City and wished him well on his retirement.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council authorized the City Manager to enter into a managed services support contract with The SoundSide Group, Inc. subject to the necessary revisions suggested by the City Attorney and adopted a corresponding Budget Ordinance.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

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

Section 1. That the following accounts in the IT Department portion of the General Fund appropriations budget be decreased:

| | | |
|-----------------|-----------------|------------|
| 10-00-4132-0200 | Salaries | \$31,721 |
| 10-00-4132-0500 | FICA | 2,432 |
| 10-00-4132-0600 | Group Insurance | 1,918 |
| 10-00-4132-1100 | Telephone | <u>775</u> |
| | Total | \$36,846 |

Section 2. That account number 10-00-4132-4500, Contract Services, of the General Fund IT Department appropriations budget be increased in the amount of \$32,000.

Section 3. That account number 10-00-9990-9900, Contingency, of the General Contingency appropriations budget be increased in the amount of \$4,846.

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 8^h day of November, 2010.

s/Cynthia S. Bennett, CMC
City Clerk

s/N. Archie Jennings, III
Mayor

ADOPT – BUDGET SCHEDULE FOR FY 2011-2012

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council adopted the budget schedule for FY 2011-2012 with the stipulation that the schedule can be revised as needed.

| Week Of | Date | Budget Task |
|------------|------------|---|
| 10/25/2010 | 10/26/2010 | CIP template worksheet available on Intranet |
| 11/22/2010 | | Revenue Estimate- Finance |
| 11/22/2010 | | Budgetary & Strategic Planning Retreat |
| 11/29/2010 | 12/1/2010 | CIP worksheets due back to Finance |
| 12/13/2010 | | Fees & Charges Schedules Distributed |
| 12/13/2010 | | Budget Packets Distributed to Management Team |
| 12/13/2010 | | Budget Goals Provided to Management Team |
| 1/10/2011 | | CIP reviewed by City Manager with Department Heads |
| 1/17/2011 | | CIP document to Council |
| 1/24/2011 | | Council reviews CIP |
| 2/14/2011 | | Council approval of CIP |
| 2/14/2011 | | External Agency Budget Requests |
| 2/14/2011 | | Budgets Submitted to Finance |
| 2/28/2011 | | Budget Review with Manager- General Fund |
| 3/7/2011 | | Budget Review with Manager- Water/Sewer/Storm Water/Solid Waste/Cemetery Funds |
| 3/7/2011 | | Budget Review with Manager- Electric Fund |
| 3/28/2011 | | Manager's Recommended Budget Presented to Council |
| 3/28/2011 | | Budget Available for Public Viewing at City Clerk's Office |
| 4/25/2011 | | Budget Workshop- Electric Fund |
| 5/16/2011 | | Budget Workshop- Benefits & Pay, General Fund |
| 5/23/2011 | | Budget Workshop- Water/Sewer/Storm Water/Solid Waste/Cemetery Funds |
| 5/23/2011 | | Public Hearing |
| 6/13/2011 | | Budget Adopted (complete budget included, not just workshop changes and budget ordinance) |

ITEMS FOR PLANNING BOARD REVIEW

TEMPORARY SIGNS-Councilman Mercer expressed concern over temporary signs. He would like the Planning Board to review a possible addition to Chapter 40, Article 16, Section 48-407 by adding a subsection in (a)(5) which would read as follows:

- Signs advertising theatrical events provided that such signs shall not exceed six square feet and be displayed no more than 30 days before the event and will be removed within 5 days after the event.

ENERGY CODE – Mayor Jennings asked for an update from the Planning Board/Dept. on the status of the energy code.

**CLOSED SESSION – UNDER NCGS 143-318.11(A)(1) TO DISCUSS
CONFIDENTIAL INFORMATION UNDER 143-318.11.10(E) PUBLIC RECORDS ACT;
UNDER NCGS 143-318.11(A)(5) ACQUISITION OF PROPERTY OWNED BY FLOYD
BANKS LOCATED AT 131 BRIDGE STREET FOR USE IN CONJUNCTION WITH
THE LIBRARY; UNDER NCGS 143-318.11(A)(3) ATTORNEY-CLIENT PRIVILEGE,
INCLUDING JAMES ALLEN TRIPP V. CITY OF WASHINGTON, 09-CVS-1298;
UNDER NCGS 143-318.11(A)(6) PERSONNEL.**

By motion of Councilman Pitt, seconded by Councilman Davis, Council entered into Closed Session under NCGS 143-318.11(a)(1) to discuss confidential information under 143-318.11.10(e) Public Records Act; under NCGS 143-318.11(a)(5) Acquisition of Property Owned by Floyd Banks located at 131 Bridge Street for use in conjunction with the Library; under NCGS 143-318.11(a)(3) Attorney-Client Privilege, including James Allen Tripp v. City of Washington, 09-CVS-1298; under NCGS 143-318.11(a)(6) Personnel.

Mayor Pro tem Roberson read the statement regarding the James Tripp settlement.

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 the settlement with James A. Tripp. The North Carolina League of Municipalities Interlocal Financing Fund of North Carolina paid Mr. Tripp \$10,000.00 in exchange for a full release of all claims against the City. The City denies any liability to Mr. Tripp. Mr. Tripp filed a Dismissal With Prejudice of the lawsuit captioned James Allen Tripp v. City of Washington in Beaufort County Superior Court File No. 09-CVS-1298.

ADJOURN

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council adjourned the meeting at 9:45pm until November 22, 2010 at 5:30 pm in the Council Chambers at the Municipal.

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