

The Washington City Council met in a regular session on Monday, July 18, 2011 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Bobby Roberson, Mayor Pro tem; Cynthia Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Acting City Manager/Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Mick Reed, Police Chief; Susan Hodges, Human Resources Director; Betty Gray, of the Washington Daily News and Delma Blinson of the Beaufort Observer.

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

APPROVAL OF MINUTES

Councilman Mercer noted a correction to page 8 of the June 6th minutes. The number of AMR water meters should be 3,000 not 20,000.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council approved the minutes of June 6th as amended and June 13th & 27th, 2011 as presented.

APPROVAL/AMENDMENTS TO AGENDA

Councilman Mercer suggested the following amendment to the agenda:

1. Move from Consent Item D to Old Business: Approve – Purchase Orders >\$20,000

Mayor Jennings noted that the Bob Henkel will not be able to attend and requested his presentation be removed from the agenda.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council approved the agenda as amended.

PRESENTATIONS

Winners of the 8th Grade Stormwater Contest:

Taylor Abele
Rachel Alligood
Zack Crawford
Heather Shea

CONSENT AGENDA

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

- A. Amend – Chapter 18, Section 18-128 – One-hour Parking Areas

AN ORDINANCE TO AMEND CHAPTER 18, SECTION 18-128: ONE-HOUR PARKING AREAS, OF THE WASHINGTON CITY CODE

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

Section 1. That Chapter 18 Section 18-128 One-hour parking areas, be amended to add the following:

Sec. 18-128 (b) (5)

West Second Street (south side), from Market Street westwardly a distance of one hundred ninety (190) feet.

Section 2. All ordinances in conflict with this ordinance are hereby repealed.

Section 3. This ordinance shall become effective July 19, 2011.

This the 18th day of July 2011.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

B. Adopt – Budget Ordinance Amendment and a Capital Project Ordinance for the Main & Respass Lift Station Project

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

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

Section 1. That the Estimated Revenues in the Sewer Fund be decreased in the amount of \$600,000 in the account Other Loan Proceeds, account number 32-90-3920-9105.

Section 2. That account number 32-90-8230-7400, Capital Outlay, Lift Station Department portion of the Sewer Fund appropriations budget be decreased in the amount of \$600,000 due to setting up a capital project fund to account for the expenses.

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 18th day of July, 2011.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

**A CAPITAL PROJECT ORDINANCE FOR MAIN & RESPASS LIFT STATION UPGRADE
CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2011-2012**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is to provide funds for upgrading the Main Street & Respass Street lift station.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the loan agreements and documents.

Section 3. The following amounts are appropriated for the project:

73-90-8000-0400	Grant/Loan Administration	\$ 20,000
73-90-8000-0405	Legal Fees	6,000
73-90-8000-0410	Engineering/Permitting	160,000
73-90-8000-4500	Construction	376,400
73-90-8000-9900	Contingency	<u>37,600</u>
	Total	\$ 600,000

Section 4. The following revenue is anticipated to be available to complete this project:

73-90-3490-0000	State Loan Proceeds	\$ 600,000
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Section 5. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient detailed accounting records to satisfy the requirements of the State Revolving Loan Fund loan agreement.

Section 6. Funds may be advanced from the Sewer Fund for the purpose of making payments that are due. Reimbursement requests should be made to the State agency in an orderly and timely manner.

Section 7. The Finance Director is directed to report, on a monthly basis, the financial status of each project element in Section 3 and on the total loan revenues received or claimed.

Section 8. The Budget Officer is directed to include a detail analysis of past and future costs and revenues on this capital project in every budget submission made to the City Council.

Section 9. Copies of this capital project ordinance shall be furnished to the City Clerk, Budget Officer, and Finance Director for direction in carrying out this project.

Section 10. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 11. This ordinance shall become effective upon its adoption.

Adopted this the 18th day of July, 2011.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

C. Approve – Budget Ordinance Amendment Stormwater Improvements

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

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

Section 1. That the Contingency portion of the RZDEB Stormwater Project be decreased in the amount of \$44,205, account number 58-90-5710-9900.

Section 2. That account number 58-90-5710-4500, Construction portion of the RZDEB Stormwater Project be increased in the amount of \$44,205.

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 18th day of July, 2011.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

D. **Moved to Old Business:** Approve – Purchase Orders >\$20,000

**TOM THOMPSON – PRESENTATION -
BEAUFORT COUNTY EDC**

Jobs Lost : 1990 - 2007
 Amilite/Singer 600

Brooks Boatworks
 Started operations 2006

<ul style="list-style-type: none"> <input type="checkbox"/> Cox Target Media 600 <input type="checkbox"/> Hamilton Beach 1500 <input type="checkbox"/> Bonny Products 400 <input type="checkbox"/> Hampton Shirt 250 <input type="checkbox"/> Washington Garment 150 <input type="checkbox"/> National Spinning 1800 <input type="checkbox"/> TOTAL 5300 	<ul style="list-style-type: none"> <input type="checkbox"/> Baseline 20 jobs <input type="checkbox"/> Current job total = 15
<p>Cox Target Media Camfill Farr</p> <ul style="list-style-type: none"> <input type="checkbox"/> Tax base in Pitt County <input type="checkbox"/> 0 jobs/tax base` `` <input type="checkbox"/> Bldg acquired in 2002 by C100 in 2004 <input type="checkbox"/> 95 jobs today 	<p>Carver Expansion 2009</p> <ul style="list-style-type: none"> <input type="checkbox"/> Baseline 60 <input type="checkbox"/> One NC grant \$45,000 <input type="checkbox"/> Golden Leaf grant of ~\$600,000 to C100 <input type="checkbox"/> C100 leasing equipment <input type="checkbox"/> Current employment 82 <input type="checkbox"/> Target 110
<p>Egret Boats</p> <ul style="list-style-type: none"> <input type="checkbox"/> Opened in 2007 <input type="checkbox"/> Kevlar Boats <input type="checkbox"/> 14 employees <p>Coeur Expansion 2004 Baseline 60 employees C100 acquired/upgraded building C100 acquired adjacent lot for parking Current 128</p>	<p>Miller Harness Flanders</p> <p>Company announced MOX production in South Carolina in 2006 C100 offered to acquire Page building EDC: One NC Grant ~ \$200,000/ County/City received w/s grant \$300,000 Current 300 employees Swords into plowshares</p>
<p>Hackney/SVC</p> <p>Bankrupt/Restructured in 2004 One NC grant for rehab Baseline jobs = 0 Current = 171</p>	<p>Impressions</p> <ul style="list-style-type: none"> <input type="checkbox"/> 2001: 70 employees <input type="checkbox"/> 2008: 240 employees <input type="checkbox"/> Current: 158 <input type="checkbox"/> C100 acquired grants/financing to retrofit 2008/2009
<p>Vacant Lowes Building Prettl Appliance Systems (PAS)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Started 2003 – 75 jobs <input type="checkbox"/> New contracts with Whirlpool -2010 <input type="checkbox"/> One NC Grant <input type="checkbox"/> \$800,000 <input type="checkbox"/> C 100 match <input type="checkbox"/> Must Maintain 125 jobs <input type="checkbox"/> Must add 237 jobs <input type="checkbox"/> Potential: 600+ 	<p>XS Smith Current: 20 jobs Acquired QSI 2007 C100 grant ~ \$130K</p> <p>Liberty Associates /Fountain Baja Donzi Pro Line One NC Grant 156,000 230 Jobs</p>
<p>Skills Center</p> <ul style="list-style-type: none"> <input type="checkbox"/> In Systems Design <input type="checkbox"/> Hi Tide <input type="checkbox"/> Brooks 	<p>TOTAL JOBS ADDED: 1000 ≥12,000,000 in grants</p> <p>Quick Start 2 – prospects *Refrigerated Trucks</p>

<input type="checkbox"/> Egret <input type="checkbox"/> Flanders <input type="checkbox"/> Project New Hope	*Plasma Generation *Expansion
County Incentives: Brooks Boatworks, Camfil Farr, Coeur Medical, Impressions , X.Smith \$0, Flanders(Page Building) \$0 – Incentives Complete Egret Boats \$0 – No incentives Hackney - \$12,500 Incentives Complete Prettl Appliance \$53,000 – Incentives Complete	Industrial Park *No buildings in 2004 *Four occupied buildings today *One more announcement soon *Water and Sewer 85% complete *Water and Sewer grants – 100% *Total: \$2m+
*possible wind energy company (Pantego area) Non-industrial *US 17 *NC 20 *Miracle Mile	Bath Incubator Chocowinity Industrial Park *12" gas *Rail *US 17 four-lane *Water/Sewer/Rail/Road grants in hand *Most permitting done, Corps close to sign off *Two energy projects *One rail project *C100 contributed \$70,000

COMMENTS FROM THE PUBLIC

Dot Moate reporting the Little Washington Sailing Club has 63 students signed up to date for lessons. She further noted that UNC-TV presented a special last week on the Little Washington Sailing Club, if you missed the video it may be viewed on www.littlewashingtonsailingclub.org.

PUBLIC HEARING: TO CONSIDER GRANT APPLICATION SUBMISSION FOR THE TALENT ENHANCEMENT GRANT PROGRAM AND ADOPT ALL SUPPORTING COMPLIANCE POLICIES

Mayor Jennings opened the public hearing. Bianca Gentile, Community Development Planner explained that the N.C. Department of Commerce, Rural Development Division announced the availability of \$700,000 in funds for Talent Enhancement Capacity Building Grant. A workshop was conducted in Raleigh, NC on June 29, 2011 at 11:00 am. Staff attended this workshop and learned that these grants will be awarded through competitive process as part of a collaborative with East Carolina University’s Office of Engagement, Innovation and Economic Development. These grants are intended to address the challenge of developing talent in smaller, rural economies in North Carolina. The goal of TECBG grant is to provide for local units of government opportunity to build capacity in areas to develop appropriate and competitive CDBG grants, administer CDBG grants, grant writing, grant administration, economic impact analyses, community survey research and design, and feasibility study preparation. It is anticipated that fourteen (14) grants will be awarded in the amount of \$50,000 each with duration of 15 months. These TECBG grants will follow all Community Development Block Grant Rules, regulations, and policies. Applications due: July 22, 2011. No local match required.

Ms. Gentile explained that funds can be used to support existing staff salary as well as educational opportunities. Attendance is required at East Carolina University through their Masters Program in Public Administration where staff will be given opportunities to learn further about grants administration. Funding can also be used to start an internship program or to fund an outside agency for planning support. One of the requirements is that at the end of the 15 month grant period, a project report will have to be submitted to the Dept. of Commerce/CIA Division for future funding. Funding at the end of the 15 month period will be to assist moving forward with the Keysville Road Project.

Councilman Mercer inquired what the \$33,000 would be used for regarding staffing. John Rodman, Planning Director explained the funds will be used to supplement staff salary. This will allow current salary funds to be “freed up” to fund other projects, such as updating the GIS system, plotter and possibly student interns. The internship would expire when the grant cycle expired.

Mayor Pro tem Roberson noted if we have the opportunity to enhance the GIS program then we definitely need to do that as we are more than 10 years behind on our mapping programs.

Mayor Jennings opened the floor for public comment. There being no public comments, Mayor Jennings closed the public hearing.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the submission of an application to the Talent Enhance Grant Program sponsored by the NC Department of Commerce, Rural Development Division, for \$50,000 and adopted all supporting compliance policies: fair housing, flood plain certification and environmental review record. All voted in favor and the motion carried.

**PUBLIC HEARING: TO CONSIDER GRANT APPLICATION SUBMISSION FOR 2011
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT(\$11,252)**

Mayor Jennings opened the public hearing. Major Sandy Blizzard stated the Washington Police Department is eligible to apply for the Edward Byrne Memorial Justice Grant. Currently, \$11,252 is available to the City of Washington in non-competitive, direct appropriation funds through the Edward Byrne Memorial Justice Assistance Grant (JAG) Program to the City of Washington.

- These grants are designed to assist local governments in all components of the criminal justice system
- The City proposes to use the funds to purchase essential evidence room storage, evidence room ventilation, and evidence receive/track software.
- Participation in the program requires no local match.

Mayor Jennings opened the floor for public comment. There being no public comments, the public hearing was closed.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the submission of a grant application to the Bureau of Justice through the Edward Byrne Memorial Justice Grant opportunity, local solicitation direct appropriations (\$11,252).

MEMO – LOAD MANAGEMENT DEVICE REPORT

Total Load Management Switch Installations 588
Air Conditioner/Heat Pump Control Installations 490
Auxiliary Heat Strip Control Installations 357
Water Heater Control Installations 381
Total Appliance Control Installations for Project 1,228

MEMO – SPROUT RENEWABLE ENERGY KIOSK

(begin memo) Unused funds from the Main Street Energy Fund will be used to install the Sprout Kiosk on property outside of the NC Estuarium, 223 Water Street. This renewable energy kiosk showcases solar panels, a wind turbine, and weather station. The data generated from all three components serves an exhibit to educate students and the general public. The integrated information appears on an intuitive dashboard to help connect weather to the renewable energy it can produce. The stand-alone kiosk is powered by its energy systems to go anywhere with minimal infrastructure coordination. The Sprout kiosk connects technology and information seamlessly transforming the process for learning about clean energy. The full size components are easy to see and Sprout displays real time data on its screen and through a web-interface to any location.

Matching funds have been raised by corporate sponsors including Potash Corporation, an anonymous donor, and Electricities. This activity requires no match from the City. The Sprout Kiosk is a 30' tall device, resting on a 5x5 structurally engineered concrete slab. It is designed to withstand winds of up to 130MPH and was invented by a team of architects, boat builders and engineers from eastern North Carolina, two of which live in Washington. Preliminary approval to install the kiosk has been granted by the Washington Harbor District Alliance and the Historic Preservation Commission. Additionally, the City will work with NC Partnership for the Sounds to develop a maintenance agreement.(end memo)

Councilman Mercer inquired where the funds would come from for this project. Bianca Gentile stated that part of the funds are from the Main Street Energy Fund and the remaining funds are from

private contributions. Mr. Rauschenbach stated there was approximately \$40,000 remaining in this grant that would have been surrendered. This is the first installation of the Sprout Renewable Energy Kiosk in the state. This kiosk is linked directly to the school system to provide learning opportunities. Councilman Mercer explained that Council should've been advised about this matter before reading it in the newspaper. Mayor Jennings stated this subject was included in an update from the new City Manager Josh Kay and Council was included in the update. Mayor Jennings stated the Estuarium is very excited about this project and excited that it ties into the school system. Ms. Gentile gave a brief history of the grant. Originally seven building owners were included in the project, but only three remained leaving approximately \$40,000 in the grant that were going to be lost. Ms. Gentile stated the Dept. of Energy/Federal level allowed the repurpose of grant funds so an educational demonstration could be used as a local science center linked to the school system and promoting renewable energy. Sprout was invented by several engineers and boat builders in Eastern North Carolina and Washington. This is an important tool to assist in education as well as prompting tourism.

MEMO – CIVIC CENTER DECK REPAIR

(begin memo) Ms. Lynn Lewis, Director of the Washington Tourism Development Authority, has requested that the decking boards on the deck surrounding the Washington Civic Center be replaced due to the poor condition. Lynn asked Wayne Harrell, Chief Building Official, to inspect the existing deck to make sure the project could be done per current building code and where possible, ADA standards be applied. The Inspections Office inspected the deck in June and has developed a report on the existing conditions and the problems that exist with the current deck. A report on the findings of that inspection will be presented to Council during the July 18th meeting. In the meantime if you have any questions or I may assist you in any way please don't hesitate to let me know.(end memo)

John Rodman, Planning Director explained that Chief Building Inspector Wayne Harrell, Inspector Allen Pittman and himself reviewed the deck at the Civic Center and found several issues. Mr. Harrell explained the decking is rotting and not secure in areas creating an unlevel surface. The code no longer allows 4 x4's or 6 x 6's to be used as girders. The deck was built to code at the time of construction although now it does not meet code. Some support posts are on above ground pre-cast footers. Decks exceeding 30" above grade do not have guardrails. Handrails are inadequate and not properly supported. The profile of the steps are incorrect and the step risers are too high. Handrails are required on both steps and ramps. Handicap ramps do not terminate at an accessible location and ramp landings are inadequate. Threshold where concrete section of handicap ramp and wooden ramp section meet exceeds the height allowance causing a trip hazard. Also, the door threshold exceeds the height allowance. Festoon style lighting circuits are not properly supports and wiring insulation is cracked. Wire should be protected in conduit. Wiring in conduit is not properly supported. Conductor splices are made with electrical tape and are located within junction boxes. Exterior outlets are not GFCI protected and are note in a While-In-Use weatherproof receptacle cover. Planter box is not adequately supported or secure.

Matt Rauschenbach, CFO explained that \$15,000 was authorized in the budget for improvements. John Rodman stated that if the existing decking needed to be repaired that could be done and not have to be brought up to current code. The electrical issues need to be addressed. Council discussed the need for the decking on the Gladden Street side. Mr. Rodman explained it is used for ADA compliance. Mayor Pro tem Roberson noted an ADA Compliance report was compiled several years ago and suggested.

MEMO – BULLETPROOF VEST PARTNERSHIP GRANT – UPDATE

(begin memo) The Bulletproof Vest Partnership (BVP), created by the Bulletproof Vest Partnership Grant Act of 1998, is a unique U.S. Department of Justice initiative designed to provide a critical resource to state and local law enforcement in purchasing bulletproof vests for officers. In May of 2011, the Washington Police Department applied for a two (2) year grant to assist in the purchase of twenty (20) replacement vests over the next two (2) fiscal years. During the FY 2011-2012 budget process, the police department budgeted funds to purchase ten (10) ballistic vests, with the anticipation of 50% reimbursement, if the grant application is approved. No grant award has been announced as of this date. This grant is a reimbursement grant that requires no City matching funds. This memo requires no action at this time. For informational purposes only.(end memo)

MEMO – WASHINGTON-DISRUPTION OF STREET DRUG SALES- 2011 (\$9,409.69)

(begin memo) During the April 11, 2011 Council session, Council authorized the Chief of Police to proceed with a full application to North Carolina Governor's Crime Commission. The application involved a proposed use for overtime for law enforcement to continue the efforts of combating illegal drug activity within the City. On June 14, 2011, the Washington Police Department was officially notified that our application had been approved (see attached). The funding of the project, Washington-Disruption of Street Drug Sales has been authorized in the amount of \$9409.69 . This memo is to advise Council of the formal approval of our grant request. This memo requires no Council action at this time, and is provided for informational purposes only. (end memo)

MEMO – SEATOW PAMLICO PRESS RELEASE

(begin memo) On May 20, 2011 Sea tow Pamlico launched a "first of its kind" public service for the safety of boaters in the Pamlico/Tar River area. Upon requesting a "radio check" a boater will then hear a message from the Washington Waterfront Docks, letting them know exactly how well their radio is working. Messages from the Waterfront Docks using this service can be heard as far East as the Intracoastal Waterway. Following is the Press Release from SeaTow Pamlico: Sea Tow Pamlico is pleased to announce a first of its kind public service for the safety of boaters in Pamlico/Tar River area. Boaters are now able to conduct 24/7, automated radio checks on VHF channel 27. The service is unique in that it does not require the response of other boaters or watch-standers in order to work, nor does it require special equipment. This free service is available through Sea Tow's ongoing partnership with ManTEL. To conduct an automated radio check, turn a VHF radio to channel 27, key the mic, and ask for a radio check, just as you would on channel 09. The system will respond with an automated reply and replay your original radio transmission, letting you know exactly how well your radio is working. "Typically, radio checks should be conducted on VHF channel 09," said Capt. Larry Williams, owner of Sea Tow Pamlico. "Most boaters do them on channel 16 — the hailing and distress channel — which leads to reminders from the Coast Guard that the checks are improper use of the channel. By offering the automated radio check service, we hope to help reduce unnecessary traffic on VHF 16 and encourage safe boating in the Pamlico/Tar River area." The antenna hosting this service is located near the Washington Waterfront Docks In Washington NC. About Sea Tow: Sea Tow Services International, Inc. is the nation's leading marine assistance provider. Founded in 1983 by Chairman & CEO Capt. Joe Frohnhoefer, Sea Tow services are available in approximately 106 locations throughout the United States, Europe, Australia, the U.S. Virgin Islands and Puerto Rico. For a full list of membership benefits, or to inquire about becoming a Sea Tow franchisee, please visit seatow.com. About Sea Tow Pamlico Established in Oct 2007, Sea Tow Pamlico is owned by Capt. Larry Williams and serves boaters in the Pamlico/Pungo/Bay/Tar river and associated creeks. For more information, or to join, call (252) 964-3171 (end memo)

**MEMO – N.C. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
PRESS RELEASE/CLEAN MARINA**

(begin memo) The City of Washington's Waterfront Docks was presented the certification as a North Carolina Clean Marina by Pat Durrett, Clean Marina Program Coordinator. Attached is the NC Department of Environment and Natural Resources Press Release:

Washington Waterfront Docks Certified as a North Carolina Clean Marina

RALEIGH — The Washington Waterfront Docks in Washington, N.C. is the latest facility to be certified as a North Carolina Clean Marina, a designation given to marinas that go beyond minimum regulatory requirements. The Clean Marina program illustrates how marina operators can help safeguard the environment by using management and operation techniques that exceed environmental requirements. To earn the certification, the marina's owners prepare spill prevention plans and conduct safety and emergency planning. Marina operators also control boat maintenance activities to protect water quality. Clean Marina is a voluntary program that began in the summer of 2000. Marina operators who choose to participate must complete an evaluation form about their use of specific best management practices. If a marina meets criteria developed by the Division of Coastal Management, it will be designated as a Clean Marina. Such marinas are eligible to fly the Clean Marina flag and use the logo in their advertising. The flags signal to boaters that a marina cares about the cleanliness of area waterways. Clean Marina is a nationwide program developed by the National Marine Environmental Education Foundation, a nonprofit organization that works to clean up waterways for better recreational boating. The foundation encourages states to adapt Clean Marina principles to fit their own needs. The North Carolina program is a partnership between the Division of Coastal Management, N.C. Boating Industry Services, the N.C. Marine Trade Association, the Albemarle-Pamlico National Estuary

Program, N.C. Sea Grant, the U.S. Power Squadron, U.S. Coast Guard Auxiliary and N.C. Big Sweep. For more information, contact Pat Durrett with the Division of Coastal Management at 252-808-2808. (end memo)

MEMO – REPORTING OF REALLOCATION OF FUNDING

(begin memo) The following reallocations of funding between divisions within the General Fund, Water Fund, Sewer Fund, Storm Water Fund, and Electric Fund have been approved by the Acting City Manager in order to cover overspent departments with inter-departmental funds, thus avoiding additional appropriations:

General Fund:

- Decreased Billing Department by \$28,000
- Decreased Miscellaneous Department by \$65,000
- Decreased Police Department by \$108,000
- Decreased Fire Department by \$15,000
- Decreased Code Enforcement/Inspections by \$12,000
- Decreased Planning/Zoning by \$11,409

Total Departmental Decreases - General Fund \$239,409

- Increased Legal Services Department by \$20,000
- Increased Municipal Building Department by \$5,750
- Increased E-911 Communications Department by \$8,325
- Increased EMS Department by \$19,975
- Increased Street Maintenance Department by \$8,000
- Increased Recreation Administration Department \$9,715
- Increased Senior Programs Department \$16,200
- Increased Waterfront Docks Department by \$4,000
- Increased Civic Center Department by \$2,744
- Increased Debt Service Department by \$144,700

Total Departmental Increases General - Fund \$239,409

Water Fund:

- Decrease Miscellaneous Non-Departmental by \$4,600
- Increase Water Maintenance Department by \$4,600

Sewer Fund:

- Decrease Miscellaneous Non-Departmental by \$5,000
- Decrease Wastewater Construction Department by \$16,800

Total Departmental Decreases – Sewer Fund \$21,800

- Increase Debt Service Department by \$8,400
- Increase Lift Station Department by \$13,400

Total Departmental Increases Sewer Fund - \$21,800

Storm Water Fund:

- Decrease Nutrient Control Department by \$3,000
- Increase Debt Service Department by \$3,000

Electric Fund:

- Decrease Miscellaneous Non-Departmental by \$9,925
- Increase Electric Director Department by \$9,925 (end memo)

HUMAN RELATIONS COUNCIL

Scheduled Public Appearances: Lloyd May & Andrea McGhee

Mr. May voiced a discussion he had with the Spanish population where they were not aware of the Load Management program. Mr. May is requesting assistance from the Human Relations Council in filling the void with getting the word out concerning the Load Management System. There are two Hispanic Board members on the Human Relations Council (Board members Castro and Barr) who agreed in assisting with the translation of documents. Mr. Connet suggested that Board members Castro and Barr may wish to consider having community meetings in which staff could attend and present documents addressing the issues Mr. May is referring to. Ms. McGhee shared the following avenues the City uses for advertising: WITN, Partnering with ECU, Video's both summer and winter months, Pursuing Spanish edition of both video's, City Peg channel, City Website (Mr. Connet inquired as to the Latino access to the web) Ms. McGhee requested assistance in translating the print ad, flyers and posters for the Latino community. Suggested strategies that could be implemented suggested by Board member Castro: Stores, Churches Board member Castro emphasized this is where you can reach the majority of the Latino population and Councilman Mercer stated we need to be in their church where someone can translate, Presentations, Word of mouth, Ms. Castro stated that the City may wish to invest in an answering machine that would include both English and Spanish. Chair Roberson concluded the discussion and made the following suggestion short term we can assist by initially translating the documents and getting those out to the churches. Long term, develop the program as we go along.

Amending By-Laws Page 4— Section 6

Addendum to the by-laws to be added to page 4 Section 6 reads: Nor shall they use their membership on the Human Relations Council as a means of promotion for personal gain, their private business or vocation. Violation of this provision shall be grounds for removal from the Human Relations Council. This action item shall be presented to City Council at their July meeting by Council Liaison, William Pitt for Council's approval.

Agenda Format discussion:

- *Update Multicultural Festival:
- * Posters, flyers and programs
- * Sponsorship letter

Fair Housing Forum Discussion Rescheduled for June 21, 2011 and on target.

Plaque Presentations:

- *Pete Connet Appreciation of all the support offered as Ex-officio to the Board
- *Betty Randolph Excessive contributions to the success of HRC projects
- *Reverend David Moore Excessive contributions to the success of HRC projects

- *Resignation letter of Board member Zapata
- *Budget Allocation of \$400 plus
- *Discuss All reminders

FINANCIAL REPORTS

Council accepted the report as presented.

APPOINTMENTS – TO VARIOUS BOARDS, COMMISSIONS, AND COMMITTEES

By motion of Councilman Moultrie, seconded by Councilman Davis, Council reappointed Jane Allgood to the Planning Board, term to expire June 30, 2014.

By motion of Councilman Moultrie, seconded by Councilman Davis, Council reappointed Robert Henkel to the Enlarged Planning Board, term to expire June 30, 2014.

Mayor Jennings recommended filling two of the three positions and recommended reappointing Jerry Creech and appointing Ed Hodges to fill Scott Sipprell's position.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council reappointed Jerry Creech to the Historic Preservation Commission term to expire June 30, 2014.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council appointed Ed Hodges, Jr. to the Historic Preservation Commission to fill the expiring term of Scott Sipprell, term to expire June 30, 2014.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council reappointed Florence Lodge to the Human Relations Council, term to expire June 30, 2014.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council reappointed Ann Barbee Cherry to the, term to expire June 30, 2014.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council appointed Susan Murell to fill the unexpired term of Clemencia Zapata, term to expire June 30, 2012.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council reappointed Dee Congelton to the Animal Control Appeal Board, term to expire June 30, 2014.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council reappointed Tucker Talley to the Animal Control Appeal Board, term to expire June 30, 2014.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council reappointed Dallas Congelton(inside) to the Washington Electric Utilities Advisory Commission term to expire June 30, 2014. Correction was made later in the meeting after it was realized that Mr. Congelton did not want to be reappointed. Therefore, by motion of Councilman Pitt, seconded by Councilman Moultrie, Council appointed Reid Brody to the Washington Electric Utilities Advisory Commission, to fill the expiring term of Dallas Congleton, term to expire June 30, 2014.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council reappointed Don Wilkinson(Washington Park) to the Washington Electric Utilities Advisory Commission, term to expire June 30, 2014, subject to the concurrence of the Washington Park Board.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council reappointed Ric Miller (Bath) to the Washington Electric Utilities Advisory Commission term to expire June 30, 2014. Correction was made later in the meeting after it was realized that Mr. Miller did not want to be reappointed. Subsequently, there were no additional applications presented to represent the Town of Bath, therefore this position will remain vacant until further applications are received.

Mayor's Certificate of Appointment to the Washington Housing Authority: Pursuant to state law, I hereby appoint Tom Payne as a member of the Washington Housing Authority to fill the expiring term of Tim Ware. As provided by law, this appointment is subject to Council approval. Tom Payne's term will expire June 30, 2016.

*Remaining appointments will be made on August 8th.

APPROVE – PURCHASE ORDERS >\$20,000 (moved from Consent Agenda)

Requisition #9758, Asplundh Tree Expert Co, \$174,554, tree trimming contract services.
Account 35-90-8380-4501.

Requisition #9780, Rivers & Associates, \$158,500, engineering services for Main & Respass lift station project. Account 73-90-8000-0410.

Requisition #9762, Miller Supply Co, \$205,506, A.M.R. water meters for change outs and new installations. Account 30-90-7250-7000.

Councilman Mercer asked if the tree trimming contract (Asplundh) was placed out for bids? Mr. Rauschenbach stated no this contract was not bid out and we can rebid before the budget sessions next year. Councilman Mercer stated he thought this was discussed during the budget workshops and that staff was directed to go out for bids. Other Council members noted the item was discussed but does not

recall directing staff to rebid the contract this year and stated this operation should not be done in house. Keith Hardt, Electric Director stated Electricities does a joint contract every year in December and awards contracts in January. Due to the rural nature of our system, the majority of the tree trimming is done in rural areas. The current contract and makeup of the crew does not have direct supervision because they know our area and the growing cycle. The group is under general supervision, which is a cost saving effort. It takes five years to trim the entire system. Councilman Mercer inquired if we could renew the contract through December and then re-evaluate. Council, by consensus approved the purchase order in the amount of \$87,277 for six month contract.

Councilman Mercer inquired about the purchase order for AMR meters in the amount of \$205,506 and the individual amount of meters. Did we go out for bids for the meters? Allen Lewis, Public Works Director stated no we did not bid as there is only one vendor in NC that supplies this meter so we can continue with standardizing our products. The cost of the meters have actually gone up \$5 per meter but being there was a substantial amount being ordered the price remained at \$147 each. The amount of 1498 meters depends on the number of meters in a case.

Councilman Mercer stated we have had numerous discussions regarding bidding projects and we need to establish a bidding policy. Mayor Pro tem Roberson stated the City's Purchasing Agent should address this. Mr. Rauschenbach explained we follow the state statute guidelines regarding purchasing.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the following purchase orders:

Requisition #9758, Asplundh Tree Expert Co, \$174,554, tree trimming contract services.
Account 35-90-8380-4501. Amount approved: \$87,277 for a six month contract.

Requisition #9780, Rivers & Associates, \$158,500, engineering services for Main & Respass lift station project. Account 73-90-8000-0410.

Requisition #9762, Miller Supply Co, \$205,506, A.M.R. water meters for change outs and new installations. Account 30-90-7250-7000.

**ACCEPT & ADOPT – THE RECOMMENDATION OF THE PLANNING BOARD
AND ADOPT THE ORDINANCE TO AMEND CHAPTER 20, ARTICLE 1, OF THE
CITY CODE (GRAFFITI)**

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson the adoption of the graffiti ordinance was continued until the regular meeting in August.

**APPROVE & AUTHORIZE – ACTING CITY MANAGER TO EXECUTE CHANGE
ORDER # 2 FOR PHASE 1 FESTIVAL PARK TO WIMCO (\$1,164.08) FOR NEW
CONTRACT AMOUNT (\$128,074.53)**

The Festival Park Planning Committee asked Mark Smith, Project Architect, to review the need for an upgrade to one electrical 50 Amp outlet for the stage. This change is now being recommended at a cost of \$603.90. A second review showed a need for the adding of(5) 4" PVC pipes under the walk/driveway for future needs. The recommended cost is \$560.18. We believe that the \$1,164.08 cost of these two change orders can be absorbed in the current project budget.

Original Contract Price	\$126,910.45
Change Order #2	\$ 1164.08
New Contract Price	\$128,074.53

Councilman Mercer stated that during last month's discussion, Council authorized staff to proceed with change orders for Phase I as long as they fall under \$10,000. That directive would apply to this request and does not require Council action.

APPROVE & AUTHORIZE – ACTING CITY MANAGER TO EXECUTE A CHANGE ORDER FOR PHASE 1 FESTIVAL PARK TO MARK SMITH, ARCHITECT (\$1057.75) FOR NEW CONTRACT AMOUNT (\$20,417.75)

The Festival Park Planning Committee asked Mr. Smith, Project Architect, to design a change for the added light bar attachment, \$367.50 and to design a change for elevation/roof alternates, \$262.50. The printing cost for the changes, \$220.00, reflects his cost plus 10% for handling. The extra trips to Washington incurred travel costs totaling \$207.75. These change orders can be absorbed in the current project budget.

Original Contract Price	\$19,360.00
Change Order	\$ 1,057.75
New Contract Price	\$20,417.75

Councilman Mercer stated that during last month's discussion, Council authorized staff to proceed with change orders for Phase I as long as they fall under \$10,000. That directive would apply to this request and does not require Council action and is approved.

APPROVE & AUTHORIZE – ACTING CITY MANAGER TO EXECUTE A CHANGE ORDER FOR PHASE 2 FESTIVAL PARK TO MARK SMITH, ARCHITECT (\$588.29) FOR NEW CONTRACT AMOUNT (\$25,538.29)

This change order is for printing cost associated with Phase 2, Festival Park, \$588.29. These costs reflect the Architect's cost plus 10% for handling. This change orders can be absorbed in the current project budget.

Original Contract Price	\$24,950.00
Change Order	\$ 588.29
New Contract Price	\$25,538.29

By motion of Councilman Mercer, seconded by Councilman Pitt, Council approved and authorized the Acting City Manager to execute a change order for Phase 2, in the amount of \$588.29 to Mark Smith Architect for a new contract amount of \$25,538.29.

Recess 6:45pm-7:00pm

APPROVE – TO ALLOW TYPE V CONSTRUCTION IN WASHINGTON'S PRIMARY FIRE DISTRICT – FESTIVAL PARK RESTROOM FACILITIES

John Rodman, Planning Director stated the proposed restroom facilities for Festival Park have been rated as Type V construction and are planned to be located within Washington's Primary Fire District as defined by City Code. Type V construction is defined by the materials that are used in construction and are not 100% non-combustible materials. According to NC G.S. 160A-436 Type V construction is not permitted within the primary fire district of any city except upon the permit of the local inspection department, approved by the City Council and by the Commissioner of Insurance.

The Department of Insurance and the Office of the construction of the facilities on June 15, 2011 based on of the facilities from the adjacent buildings.

Mayor Pro tem Roberson asked if there was an architect for this project and are they going to charge us for all of these changes? Mr. Rodman stated yes there is an architect and no, we shouldn't be charged.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council approved the construction of the Festival Park restroom facilities, rated as Type V construction, in the Primary Fire District.

APPROVE & AUTHORIZE – THE MAYOR TO EXECUTE A MUNICIPALITY RESOLUTION AS REQUIRED BY THE NC DEPARTMENT OF INSURANCE FOR VERIFICATION OF SERVICE

John Rodman stated that pursuant to G. S. 58-2-40, and G. S. 58-36-10 (3), the Insurance Commissioner authorized the standard known as Administrative Procedures Code Section .0500, Initial Certification Re-Inspection of Fire Departments. The result of this action was the development of requirements by which all fire departments will be certified with a 9S rating (effective 1987) for insurance grading purposes. This provides for the eligibility of the department's personnel to participate

in the Fireman's Pension Fund and the Firemen's Death Benefit Act and the fire department's participation in the Firemen's Relief Fund. The "S" attached to the 9 classification designates that fire department as having met the current, minimum standards for a rated class 9 or split 9 fire department in North Carolina, (Ref.: G.S. 86-25; G.S. 58-84-1; G.S. 143-166-1).

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved and authorized the City Council approve and authorize the Mayor to execute the attached resolution as required by the North Carolina Department of Insurance for verification of service. This is part of the State 9S inspection for all Beaufort County fire departments. This inspection is not the regular insurance rating inspection for our individual department.

VERIFICATION FROM MUNICIPALITY RESOLUTION

WHEREAS, The Washington Fire-Rescue-EMS Department of the City of Washington serves as an Agency of the City; and

WHEREAS, The Washington Fire-Rescue-EMS Department of the City of Washington has requested confirmation of this Agency relationship; and

WHEREAS, This Agency's relationship is long-standing and generally acknowledged.

NOW, THEREFORE, Be it resolved, that the City of Washington does hereby confirm this Agency's relationship and does verify by this Resolution that relationship.

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

**s/N. Archie Jennings, III
Mayor**

**ADOPT – RESOLUTION AUTHORIZING THE DESIGNATION OF THE BOWERS-TRIPP
HOUSE TO HISTORIC LANDMARK STATUS**

John Rodman stated that since the state enabling legislation requires that a designation report be prepared before a local landmark is designated, some local preservation commissions use a National Register nomination as the basis for the local designation report. The Bowers-Tripp house was placed in the National Register of Historic Places in 1998. Local Landmark designations apply to individual buildings, structures, sites, areas, or objects which are studied by the Historic Commission and judged to have historical, architectural, archaeological, or cultural value. Designation is an honor, meaning the community believes the property deserves recognition and protection. Owners of landmarks are eligible to apply for an annual 50% property tax deferral as long as the property's important historic features are maintained. Recapture penalties may apply if the owner destroys the property or damages its historic value.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the resolution designating the Bowers-Tripp house as a local historic landmark.

**RESOLUTION
LOCAL LANDMARK DESIGNATION
BOWERS-TRIPP HOUSE**

WHEREAS, local landmark designations apply to individual buildings, structures, sites, areas, or objects which are studied by the Historic Commission and judged to have historical, architectural, archaeological, or cultural value; and,

WHEREAS, landmark designation is an honor, meaning the community believes the property deserves recognition and protection; and,

WHEREAS, the Bowers-Tripp House has been placed in the National Register of Historic Places by the Division of Archives and History; and,

WHEREAS, the Washington Historic Preservation Commission during their regular scheduled meeting on July 5th 2011 held a public hearing on the proposed designation; and,

WHEREAS, the Washington Historic Preservation Commission voted in favor of the landmark designation and to forward a favorable recommendation on the designation to City Council for the purpose of reviewing the designation; and,

WHEREAS, after review and consideration of the landmark designation the City Council of the City of Washington has no opposition to the designation of the Bowers-Tripp House as a local historic landmark;

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Washington hereby authorizes the Mayor to certify that the property meets the criteria for listing as a local historic landmark as established by North Carolina G.S. 160A-400.5.

Adopted this the 18th day of July, 2011.

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

**s/N. Archie Jennings, III
Mayor**

AWARD – CONTRACT TO W. O. WHITE, LLC FOR EXTERIOR FIRE PROTECTION SYSTEM IMPROVEMENTS AT IMPRESSIONS (\$134,985)

Allen Lewis, Public Works Director stated Council approved a lease agreement with Impressions Marketing at the March 14, 2011 Council meeting which included several maintenance items to be performed. One of these items was exterior fire protection system improvements. On June 9, bids were received for the work. A bid tab is attached. It is recommended that W. O. White, LLC be awarded this work in the amount of \$134,985.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council authorized the Manager to sign a contract with W. O. White, LLC, in the amount of \$134,985 for exterior fire protection system improvements at Impressions, as well as the corresponding purchase order.

ACCEPT & AUTHORIZE – ACCEPT BID, AWARD CONTRACT TO STOCKS & TAYLOR AND AUTHORIZE ACTING CITY MANAGER TO SIGN CONTRACT (\$145,750 WITH AN ADDITIONAL \$7,300 AS A 5% CONTINGENCY) FOR PHASE 2 IN THE “FESTIVAL” PARK PARTF PROJECT

Philip Mobley, Parks and Recreation Director explained the “Festival” Park Planning Team continues to work on the scope of recommendations from the Land Design’s Plan. Phase will consist of the construction of the restrooms, walkway, landscaping and irrigation. We met with Washington Historic Preservation Committee and have been approved with a Certificate of Appropriateness to construct restroom facilities for Phase 2 of the Festival Park. Councilman Mercer inquired if the landscaping will be subcontracted out and Mr. Mobley stated it would.

1/19/2010	Public Hearing to adopt Addendum to Parks and Recreation Master Plan
9/13/2010	Council Accepted PARTF Grant and Adopted Budget Ord. Amendment \$295,125.
12/13/2010	Contract with Mark Smith Architect to design Phase I
6/23/2011	Contract with Mark Smith Architect to design Phase 2

By motion of Councilman Davis, seconded by Councilman Moultrie, Council approved the purchase order, accepted the bid and authorized the Acting City Manager to sign a contract with Stocks & Taylor Construction Inc., in the amount of \$145,750 and with an additional \$7300 as a 5% contingency for Phase 2 in the “Festival Park” project.

Mayor Jennings thanked staff and the Festival Park committee for their dedication to this project.

APPROVE – AMENDED BY-LAWS UNDER ARTICLE III, PAGE 4-SECTION 6 OF THE WASHINGTON/BEAUFORT COUNTY HUMAN RELATIONS COUNCIL

Councilman Pitt explained the Washington/Beaufort County Human Relations Council at a regular meeting held Tuesday, May 10, 2011 discussed adding language to clarify the By-Laws addressing any issues that may arise regarding abuse or violation of appointments as a board member. It is recommended that the following language be added to amend the By-Laws under Article III, Page 4- Section 6: Nor shall they use their membership on the Human Relations Council as a means of promotion for personal gain, their

private business or vocation. Violation of this provision shall be grounds for removal from the Human Relations Council.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council accepted the recommendation of the Washington/Beaufort County Human Relations Council and approve the amended By-Laws under Article III, Page 4-Section 6.

APPROVE – UNCOLLECTIBLE ACCOUNTS RECEIVABLE WRITE-OFF POLICY

Matt Rauschenbach, CFO explained that although the City has established and implemented procedures to collect delinquent amounts due, there are occasions when amounts cannot be collected. This policy's purpose is to establish uniform methods for collecting aged accounts as well as guidelines for determining when delinquent accounts receivable should be considered an uncollectible debt and establish proper authorization for removal or write-off of the receivable from the City's balance sheet. The desired result of this policy is to fairly state the value of accounts receivable on the City's financial statements. The City Attorney was asked to review the policy for any possible conflicts with the City Code.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council approved the attached policy for the write-off of uncollectible accounts receivable.

**City of Washington
Policy for Write-off of Uncollectible Accounts Receivable**

Purpose:

Although the City has established and implemented procedures to collect delinquent amounts due, there are occasions when amounts cannot be collected.

This policy's purpose is to establish uniform methods for collecting aged accounts as well as guidelines for determining when delinquent accounts receivable should be considered an uncollectible debt and establish proper authorization for removal or write-off of the receivable from the City's balance sheet. The desired result of this policy is to fairly state the value of accounts receivable on the City's financial statements.

Scope:

This policy applies to all delinquent accounts owed to any department of the City of Washington including, but not limited to, utility charges, fees, fines, assessments, claims, damages, loans, taxes, penalties, interest, and other charges as authorized by law.

Procedure:

All or some of the following actions, when practical or available as a remedy by law, will be taken to collect outstanding account balances:

1. **Disconnection of services (utilities)**
2. **Transfer of old balances to new accounts (utilities)**
3. **Apply deposits to outstanding balances (utilities)**
4. **Demand letters**
5. **NC Debt Set Off Program**
6. **Third party collection agency**
7. **Attachment/Garnishment**
8. **Small Claims Court**
9. **Judgments**
10. **Liens**
11. **Foreclosure**
12. **Close business (privilege license)**

The finance department with the assistance from other departments will make every effort to collect delinquent accounts receivable amounts owed to the City. It is only after all reasonable avenues to collect the debt have been utilized and exhausted will the bad debt be considered uncollectible and qualify for write-off.

The Finance Director or his designee will identify, usually on an annual basis, delinquent accounts meeting one or more of the below criteria and produce a listing of accounts including name, account number, invoice date, delinquent amount due, and reason for write off.

Criteria for determining uncollectible accounts for write-off:

1. **Statute of Limitations:** The statute of limitations for collection of the debt has expired.
2. **Bankruptcy:** The account has been discharged through bankruptcy court.
3. **Deceased:** The debtor is deceased with no estate.
4. **Court Judgment Refused:** The debt cannot be substantiated in Court.
5. **Unjustifiable Cost:** The amount of the uncollectible account is less than \$50 or the cost of collection exceeds the recoverable amount.
6. **Untraceable:** The customer has provided false information, left the area, or cannot otherwise be located or identified.

The Finance Director shall have the authority to determine which accounts will be written off and direct the Finance staff to adjust the accounts receivable amounts accordingly. Write-offs are to be reported to the City Council in summary form and shall include the date of the write-off, the category or type of write-off (ie. sewer assessment, electric utility, water utility, lot mowing, etc.), and the amount of the write-off. This information shall be furnished no less than one time per year.

This policy in no way shall affect the City's ability to collect or accept payments once an account has been written off. Payments received on such accounts will be recorded as revenue in a bad debt recovered account.

ADOPT – FINAL BUDGET ORDINANCE AND PROJECT/GRANT ORDINANCE AMENDMENTS FOR FY 10/11

Councilman Mercer made a motion to continue this item until August so Council can review the year end financial statements. Motion died for lack of a second.

Mr. Rauschenbach explained this is in order to true up the financial records for the fiscal year, funding needs to be reallocated among the various funds, departments, and line items in order to keep certain cost centers from being overspent at year end. This was accomplished without further appropriation of fund balances.. The interim financial statements will be sent out later this week.

By motion of Councilman Moultrie, seconded by Councilman Pitt, Council adopted the final budget ordinance and project/grant ordinance amendments for FY 10/11. Councilman Mercer opposed.

AN ORDINANCE TO AMEND THE BUDGET ORDINANCE AND CAPITAL PROJECT/GRANT ORDINANCES OF THE CITY OF WASHINGTON, NC FOR THE FISCAL YEAR 2010-2011

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

General Fund

Section 1. That the following account in the Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased in the amount shown to allow for a transfer to the Cemetery Fund:

10-00-4400-3900	Transfer to the Cemetery Fund	\$60,000
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Section 2. That the following account in the Miscellaneous Non-Departmental portion of the General Fund appropriations budget be decreased in the amount shown to partially cover the transfer to the Cemetery Fund:

10-00-4400-6200	Transfer to Capital Project Fund	\$(33,700)
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Section 3. That the following account in the Fire Department portion of the General Fund appropriations budget be decreased in the amount shown to partially cover the transfer to the Cemetery Fund:

10-10-4340-0200	Salaries	\$(26,300)
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Cemetery Fund

Section 4. That the following revenues in the Cemetery Fund be increased in the amounts shown to cover anticipated expenses for the remainder of FY 10/11:

39-90-3980-1000	Transfer from General Fund	\$3,025
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Section 5. That the following accounts in the Operations portion of the Cemetery Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for the remainder of FY 10/11:

39-90-4740-0200	Salaries	\$500
39-90-4740-0800	Unemployment Compensation	2,300
39-90-4740-1300	Water & Electric Services	100
39-90-4740-1700	Maint/Repair Vehicles	100
39-90-4740-3300	Departmental Supplies	25
	Total	<u>\$3,025</u>

Electric Fund

Section 6. That the following accounts in the Electric Director portion of the Electric Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 10/11:

35-90-7220-0203	Salaries – Hwy 17 Reimbursable	\$36,750
35-90-7220-0407	Hwy 17 Bypass North	58,000
35-90-7220-0411	Hwy 17 Relocation – 2510C	400,000
35-90-7220-1401	Travel – Hwy 17 Reimbursable	2,300
		<u>\$497,050</u>

Section 7. That the following account in the Purchase Power portion of the Electric Fund appropriations budget be increased in the amount shown to cover the June, 2011 purchase power bill:

35-90-8320-4800	N.C. Eastern Power Agency	\$1,255,000
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Section 8. That the following revenues in the Electric Fund be increased in the amounts shown to cover anticipated expenses for the remainder of FY 10/11:

35-90-3500-3605	Highway 17 Reimbursements	\$497,050
35-90-3710-5100	Sale of Electricity	<u>1,255,000</u>
	Total	1,752,050

Airport Fund

Section 9. That the following account in the Airport Operations portion of the Airport Fund appropriations budget be increased in the amount shown to cover anticipated expenses for FY 10/11:

37-90-4530-3101	Fuel Purchases	\$10,000
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Section 10. That the following revenue in the Airport Fund be increased in the amount shown to cover anticipated expenses for the remainder of FY 10/11:

37-90-3453-0000	Fuel Sales	\$10,000
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Storm Water RZEDB Project Fund

Section 11. That the following line items in the Storm Water RZEDB Project Fund appropriations budget be increased or decreased in the amounts shown to cover expenses for FY 10/11:

58-90-5710-0400	Professional Services	\$1,000
58-90-5710-7100	Easement Acquisition	338
58-90-5710-4500	Construction	(1,338)
	Total	<u>\$0</u>

Festival Park Project Fund

Section 12. That the following line items in the Festival Park Project Fund appropriations budget be increased or decreased in the amounts shown to cover expenses for FY 10/11:

62-40-6120-0400	Planning & Design	\$36,000
62-40-6120-8000	Construction	(36,000)
	Total	<u>\$0</u>

Police Station Project Fund

Section 13. That the following line items in the Police Station Project Fund appropriations budget be increased or decreased in the amounts shown to cover expenses for FY 10/11:

64-10-4310-0400	Legal Fees	\$15,000
64-10-4310-9900	Contingency	(15,000)
	Total	<u>\$0</u>

Section 14. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 15. This ordinance shall become effective upon its adoption.

Adopted this the 18th day of July, 2011.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

AWARD – CONTRACT FOR LABOR AND EQUIPMENT FOR THE LIGHTNING RETROFIT PROJECT AND APPROVE PURCHASE ORDER FOR SAME

Allen Lewis and Franz Holscher gave a brief history of this project. The contractor, LPS Bowden Electric, whom Council awarded the contract to at the May 23, 2011 council meeting, withdrew their bid the day before we were to have a preconstruction conference. This request is to award a contract for the labor, material and equipment to install energy efficiency upgrades in up to six (6) municipally owned buildings as well as approving the purchase order for the contract amount. The second low bidder on that round was Nova lighting from Charlotte in the amount of \$182,864.67 for work to be done solely at the Impressions building, per the new lease. If funds remain available after bidding the direct fired heat pump project at this same location, we may add additional buildings to the project, pending Council approval.

Councilman Mercer questioned that the scope of the project has changed and the focus is now on the Impressions Building. Mr. Rauschenbach explained we are obligated to perform the repairs at the Impressions building under the new lease as grant funds become available. Mayor Pro tem Roberson asked if the granting agency was okay with changing the scope of the project? Mr. Rauschenbach advised they were okay with this. Mayor Jennings stated we have become contractual obligated to perform the repairs at Impressions which include lighting as well as the direct fired heat pump project.

**Energy Efficiency in Government Buildings Grant (EEGBG)
Lighting Retrofit Project Component
Grant Funds Available: \$176,000**

I. History and Status of Bids

A. First Bid Opening.

1. RFP advertised
2. Bids received: March 17, 2011.
 - a. 3 bids received.
 - b. 2 were non-responsive (did not meet the requirements of the RFP).
 - c. Electrical Services Limited of Washington was the lone responsive bidder but submitted a price of \$277,087.30 that was \$100,000 more than the funds available.
3. Staff recommendation: reject all bids and allow staff to re-advertise.
4. City Council Action – April 11, 2011 – Via approval of the Consent Agenda, Council approved staff's recommendation to reject all bids and allow staff to re-advertise bids.
 - a. Minutes only use the catchline given to the item on the Agenda outline, which was "Authorize – Readvertisement of RFP for ARRA lighting retrofit."
 - b. Request for City Council Action dated March 31, 2011, to which the Agenda item referred, recommended the following motion: "I move that council reject all bids submitted for the Request for Proposals (RFP) associated with Washington's Lighting Retrofit Project and allow staff to re-advertise the RFP."
 - i. City may wish to consider providing more description in the minutes for items approved through the Consent Agenda, such as listing the recommended motion. Otherwise, the only official record of City Council's action, as in this case, may be to the Request for City Council Action in the meeting agenda, which might not be preserved as an official record of the City Council's actions.

B. Second Bid Opening

1. RFP/IFB posted on City's website: April 15, 2011.
2. Pre-Bid Meeting: April 21, 2011.
3. Bids Received: April 28, 2011.
 - a. 5 bids submitted by the deadline.
 - b. Lowest bidder, Electrical Service Limited (ESL) of Washington, did not acknowledge the need for performance and payment bonds as required in the RFP.
 - c. Second lowest bidder, CS Lighting, Inc. of Richmond, Va., did not have a NC electrical contractor's license.
 - d. Third lowest bidder was responsive and responsible, but the bid exceeded the amount of funds available for the project.
4. Staff recommendation – Reject all bids and re-advertise IFB.
 - a. Lowest - ESL (\$207,590, a reduction from its \$277,087.30 bid in round one) – reject bid as non-responsive (did not acknowledge bond requirements or include the costs associated with the bonds).
 - i. Contractor protested. Staff investigated and stood by its decision. No performance or payment bond attached to bid as required by IFB and the expense of providing such bonds was not reflected in the bid price.
 - b. Second lowest - CS Lighting, Inc. (\$238,319) – reject bid as not responsible due to lack of NC electrical contractor's license as required by NCGS 87-43.
 - c. Third lowest - bid exceeded the amount of funds available for the project.
5. City Council Action.
 - a. May 2, 2011 – Reject all bids and allow Council to take action on this matter at the May 23, 2011 meeting. **Minutes do not state if Council authorized staff to re-advertise bids.**

C. Third Bid Opening.

1. Revised IFB posted on City's website May 6, 2011.

- a. Draft forwarded to Franz for review on May 5th.
 2. Bids Received: May 19, 2011.
 - a. 4 bids received.
 - b. LPS Bowden Electric (LPS) was low bidder at \$167,915.
 - c. Nova Lighting was second lowest bidder at \$206,877.
 - d. ***ESL, the local firm that was the low bidder from round 2, apparently did not submit a bid in round 3 as the bid tabulation only lists four bids, and ESL was not among them.***
 3. Staff Recommendation: Award bid to LPS.
 4. City Council Action - May 23, 2011 - Authorized Manager to sign a contract with LPS for labor, materials and equipment to install energy efficient upgrades in six (6) municipally owned buildings.
- D. Resolution of Withdrawal of Bid Awarded in Third Bid Opening.
1. LPS retracted its bid on June 30, 2011, the date the contract was scheduled to be signed.
 - a. They had not executed the contract.
 - b. Said steel and materials prices had increased beyond what was quoted for the project.
 - c. Communicated via an email to Bianca.
 2. NCGS § 143-129.1 procedure for withdrawal of bid appears to be inapplicable because this bidding procedure was not a formal bidding procedure under NCGS § 143-129.
 3. The State Energy Office (SEO) has agreed that a plan to perform the base work (at the Impressions building) and the work at the other buildings as alternates was acceptable given that this represented the third round of bidding.
 4. My office has received various communications from the City that express a desire to find a way to work with the low bidder from round two, ESL, whose bid was rejected along with the other bids that were rejected in round two.
 - a. SEO expressed concerns about whether negotiating directly with ESL would comply with state and local procurement laws. SEO also indicated that, if this approach were legal and meets local procurement policies, it would also meet the minimum two bid requirement of the grant.

II. Options

- A. Attempt to force LPS to honor their bid (there is no bond in place). This option is not recommended for a variety of reasons.
- B. Negotiate with Nova Lighting (lowest remaining bidder from round three) to bring the cost of the project within the funds available.
- C. Reject all bids from round three because, among other things, all remaining bids exceed the funds available for the project. Solicit a fourth round of bids using the informal process. Make changes in the project plans and specifications as may be necessary to bring the cost of the project within the funds available.
 1. Council may need to formally suspend the applicability of the bidding procedures currently contained in its Purchasing Manual policy.
- D. I do not believe that it would be legally acceptable to negotiate directly with ESL as their bid was rejected in round two and the City subsequently underwent a third round of bidding. If the City negotiated directly with ESL, it would expose itself to the possibility of a successful legal challenge from disappointed bidders and/or contractors

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council awarded a contract for labor and equipment for the lighting retrofit project to NOVA lighting, in the amount of \$182,864.67 and approved a purchase order for this amount. Councilman Mercer opposed the motion.

ADOPT – RESOLUTION TO REJECT MERGING BEAUFORT COUNTY COMMUNITY COLLEGE WITH ANOTHER COMMUNITY COLLEGE

Councilman Davis, Pitt and Roberson advised they were employees of BCCC and wanted Council to be aware of this in case of potential conflict of interest. Council saw no potential for conflict and allowed the three to vote on this resolution.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council adopted the resolution to reject merging Beaufort County Community College with another community college.

**RESOLUTION TO REJECT MERGING
BEAUFORT COUNTY COMMUNITY COLLEGE
WITH ANOTHER COMMUNITY COLLEGE**

WHEREAS, the State of North Carolina recently commissioned a study which recommends the merger of Beaufort County Community College with another community college within 30 miles of its campus; and

WHEREAS, Beaufort County Community College has faithfully served the citizens of Beaufort, Hyde, Tyrrell, and Washington Counties for 44 years; and

WHEREAS, Beaufort County Community College has a vital role within its service area, not only as an educational leader, but also as a partner in economic and community development; and

WHEREAS, Beaufort County Community College provides a separate benefit as a major economic engine for Beaufort County, and

WHEREAS, merging Beaufort County Community College with another community college will have a devastating impact and even further diminish the constituents of four Tier I counties through loss of priority for access to literacy, learning, and workforce development; and

WHEREAS, merging Beaufort County Community College with another community college would diminish the local support of and loyalty to the College and its Foundation; and

WHEREAS, merging Beaufort County Community College with another community college would decimate the ability of the citizens of Beaufort County to operate the College in a way that best meets the needs of their community; and

WHEREAS, the state's study ignored and utterly disregarded the aforementioned benefits of Beaufort County Community College to its service area and the loss thereof resulting from a merger; and

WHEREAS, the state's study failed to recognize and include the significant costs at the local level to implement a merger of Beaufort County Community College with another community college; and

WHEREAS, the state's study failed to consider and include the accreditation issues and possible legal ramifications resulting from a merger of Beaufort County Community College with another community college;

NOW, THEREFORE, BE IT RESOLVED, that the Washington City Council do(es) hereby request that the NC legislature reject the state study's recommendation to merge Beaufort County Community College with another community college.

Adopted this the 18th day of July, 2011.

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

**s/N. Archie Jennings, III
Mayor**

COMPREHENSIVE TRANSPORTATION PLAN

John Rodman, Planning Director invited Council to an upcoming comprehensive transportation plan meeting with the Planning Board on July 26th at 7:00pm to discuss transportation priorities and needs.

**CLOSED SESSION – UNDER § NCGS 143-318.11(A)(6) PERSONNEL AND
NCGS § 143-318.11(A)(1) DISCLOSURE OF CONFIDENTIAL INFORMATION AND
NCGS § 143-318.10(E) PUBLIC RECORDS ACT**

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council agreed to enter into closed session at 7:45pm under § NCGS 143-318.11(a)(6) Personnel and NCGS § 143-318.11(a)(1) Disclosure of Confidential Information and NCGS § 143-318.10(e) Public Records Act.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council agreed to come out of Closed Session at 8:15pm.

**STATEMENT OF STEPHANIE GODLEY RESIGNATION AND RELEASE
AGREEMENT FOR COUNCIL MINUTES**

A motion was made by Councilman Moultrie and seconded by Councilman Davis to allow the statement of Stephanie Godley's resignation and release agreement to be read into the minutes. Motion carried.

Councilman Pitt read the following statement into the minutes: As required by North Carolina General Statute § 143-318.11(a)(3), and to the extent allowed by North Carolina General Statute § 160A-168, the City of Washington announces the terms of the Resignation and Release Agreement it has entered with Stephanie Godley. In accordance with the specific terms of said Agreement, the City paid or will pay Ms. Godley, in addition to wages from her last payroll period, consideration of various types totaling \$4,591.33. In exchange, the City received, among other things, a full release of claims between Ms. Godley and the City. The City denies any liability to Ms. Godley.

ADJOURN

Mayor Jennings thanked Council members for each of them signing up for re-election.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council adjourned the meeting at 8:25pm until August 8, 2011 at 5:30pm in the Council Chambers at the Municipal Building.

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