



Council Agenda  
May 11, 2020  
5:30pm

*\*Due to COVID-19 precautionary measures, the Washington City Council meeting will be held as a virtual meeting.  
\* The meeting will be streaming live on our Vimeo channel <https://vimeo.com/washingtonnc> as well as Facebook live <https://www.facebook.com/CityOfWashingtonNC/>. Comments can be sent via email to [cbennett@washingtonnc.gov](mailto:cbennett@washingtonnc.gov) prior to the meeting. Please note attendance inside the Council Chambers will be very limited due to the order from Governor Cooper limiting gatherings to 10 people.*

Opening of Meeting

Pledge of Allegiance

Invocation

Roll Call

Approval of minutes from April 13 & 27, 2020 **(page 3)**

Approval/Amendments to Agenda

I. Consent Agenda:

II. Comments from the Public:

III. Public Hearing - Zoning:

IV. Public Hearing - Other:

A. Budget Public Hearing: Fiscal Year 2020-2021 Proposed Budget  
*(Public hearing recessed/left open from 4-27-20 meeting to allow for additional comments)*

V. Scheduled Public Appearances:

VI. Correspondence and Special Reports:


A. Memo – July 4<sup>th</sup> **(page 29)**

VII. Reports from Boards, Commissions and Committees:

VIII. Appointments: None

IX. Old Business:

A. Adopt – Resolution and Authorize Mayor to Execute Civic Center Lease **(page 30)**



City of  
**Washington**  
NORTH CAROLINA  
Council Agenda  
May 11, 2020  
5:30pm

- B. Approve – Joint Use and Improvement Agreement for P.S. Jones Memorial Park  
(page 46)
- C. Discussion – 15<sup>th</sup> Street Engineers
- X. New Business:
  - A. Adopt – Ordinance adding new Chapter 31, Stormwater Utility to the Washington City Code (page 55)
  - B. Adopt – Resolution Authorizing the Mayor to Accept Grant Assistance from NC Department of Environmental Quality Division of Water Infrastructure for Asset Inventory Assessment Grant, Approve Budget Ordinance Amendment, Approve Grant Project Ordinance (page 61)
  - C. Approve – COVID-19 “Thank You” Bonus and Adopt Corresponding Budget Ordinance Amendment (page 66)
  - D. Adopt – Grant Project Ordinance and Authorize the Mayor to Execute the Kate B. Reynolds Charitable Trust Grant Contract (page 72)
  - E. Approve – Cancellation and Refunds for 2020 Summer Program Participants (page 80)
  - F. Approve – Resolution Adopting 2019 Pamlico Sound Regional Hazard Mitigation Plan (page 81)
  - G. Adopt – Budget Ordinance for Fiscal Year 2021, Set Ad Valorem Tax Rate and User Fee Schedule (page 84)
  - H. Discussion – Traffic Calming Efforts on Main Street (Councilmember Kane)
- XI. Any other items from City Manager:
  - A. Discussion – New Horizons Status Update
- XII. Any other business from the Mayor or other Members of Council:
- XIII. Closed Session:
- XIV. Adjourn – Until Monday, June 8, 2020 in the Council Chambers at 5:30pm

The Washington City Council met in a regular session on Monday, April 13, 2020 at 5:30pm in the City Council Chambers at the Municipal Building. Present: Mac Hodges, Mayor; Donald Sadler, Mayor Pro tem; Richard Brooks, Councilmember; Virginia Finnerty, Councilmember; Betsy Kane, Councilmember and William Pitt, Councilmember. Also present: Jonathan Russell, City Manager, Chip Edwards, Attorney and Cynthia S. Bennett, City Clerk. *\*The meeting was held as a virtual meeting. Members physically present: Hodges, Sadler, Brooks; Pitt, Kane and Finnerty accessed the meeting remotely.*

Mayor Hodges called the meeting to order. Mayor Pro tem Sadler led the Pledge of Allegiance and delivered the invocation.

**APPROVAL OF MINUTES:**

*(this item was inadvertently skipped and will be placed on the April 27<sup>th</sup> agenda for approval)*

**APPROVAL/AMENDMENTS TO AGENDA:**

- Add under Other business from Mayor or Other Council Members: Update on recent federal conference call & Discussion of employee hazard pay (Councilmember Pitt)

By motion of Mayor Pro tem Sadler, seconded by Councilmember Brooks, Council approved the agenda as amended.

**CONSENT AGENDA:**

- A. Approve – FEMA Agents & Approve State Disaster Assistance Agreement for COVID-19 Disaster (**copy attached**)

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council approved the Consent Agenda as presented.

**COMMENTS FROM THE PUBLIC:**

Dorian(Dorothe) Miller reviewed her comments with Council and submitted a petition opposing the rezoning request.

Honorable Mac Hodges  
156 Water St  
Washington, NC 27889

Dear Mayor Hodges,

My name is Dorothe Miller. My husband, David, and I attended the March council meeting to oppose the rezoning request of Mr. Steve Fuchs parcel #5685-76-7123, located on Brick Kiln Rd. (also known as "the Wiley Sawmill property")

It is currently zoned RA20, which allows the owner to develop in a myriad of ways, including single family homes.

If the rezoning request to R15S is approved, it allows two family and multi-family (apartment) use, which we are opposed to.

The entire surrounding area--city and county--are all single family homes, including Runyon Hills, Brick Kiln Rd., Smaw Rd. and Honey Pod Farm.

The drainage and flooding issues adjacent properties already experience will only be exacerbated by every square yard of pavement/impervious material used on this particular tract of land.

We have collected over 20 signatures of neighbors on a petition requesting council deny the rezoning and leave it as is at RA20. Due to new rules of social distancing, more signatures were difficult to safely pursue. Enclosed is a copy of the petition.

In closing we ask you to please vote to deny the rezoning request.

Sincerely,



Dorothe and David Miller  
107 Hodges Rd.  
Washington, NC 27889  
(252) 940-1188

THE UNDERSIGNED CITIZENS OF THE CITY OF WASHINGTON AND NEIGHBORING RESIDENTS, RESPECTFULLY REQUEST WASHINGTON CITY COUNCIL TO DENY THE REQUEST OF MR. STEVE FUCHS TO REZONE # 5685-76-7123, A 4.98 acre PARCEL ON BRICK KILN ROAD FROM RA20 TO R15S.

CURRENT RA20 ZONING ALLOWS MR. FUCHS THE ENJOYMENT AND FUTURE DEVELOPMENT OF HIS PROPERTY WHILE PROTECTING SURROUNDING LANDOWNERS FROM ADVERSE DEVELOPMENT.

CURRENT RA20 ZONING ALLOWS MR. FUCHS TO BUILD SINGLE FAMILY HOUSES, AMONG OTHER USES, WHICH IS IN LINE WITH THE ENTIRE SURROUNDING AREA.

IF REZONED TO R15S, THE PROPERTY COULD POTENTIALLY BE DEVELOPED WITH APARTMENTS, MULTIFAMILY AND/OR TWO FAMILY DWELLINGS. THESE TYPES OF STRUCTURES ARE NOT ALLOWED UNDER CURRENT RA20 ZONING.

THIS AREA ALREADY HAS DRAINAGE ISSUES AND DEVELOPMENT OF ANY MAGNITUDE WOULD ONLY ADD TO THOSE PROBLEMS.

NAME	ADDRESS
15. Ashley Oneal	109 Hodges Road
16. James Woodard	106 Hodges Rd
17. Carolyn Woodard	106 Hodges Rd
18. <del>James</del> James	104 Hodges Rd
19. Spynell Spakins	104 Hodges Rd
20. Robert Wain	316 Smau Rd.
21. <del>Robert Wain</del>	312 Smau Rd.
22. <del>Wain</del>	663 Old Bell Hwy
23. Matt Wallace	515 N. Charlotte St
24. <del>Robert Wain</del>	118 Van Hook St.
25.	
26.	
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NAME	ADDRESS
1. David P Miller	102 Hodges Rd. Wash. N.C.
2. Nellie Moore	207 Brick Kiln Rd
3. Joseph McCullough	204 Brick Kiln Rd
4. <del>John</del> John	204 Erik Elm Road
5. <del>Charles</del> Charles	202 Cornelia Rd.
6. <del>David</del> David	102 Hodges Rd Wash.
7. <del>David</del> David	104 Hodges Rd Wash. NC
8. <del>Margaret</del> Margaret	101 Hodges Rd Wash. NC
9. <del>John</del> John	111 Hodges Rd Wash. N.C.
10. <del>John</del> John	111 Hodges Rd Wash. N.C.
11. <del>David</del> David	116 Hodges Rd Wash. NC
12. <del>Melissa</del> Melissa	114 Hodges Rd Wash. NC
13. <del>David</del> David	114 Hodges Rd Wash. NC
14. <del>Robert</del> Robert	116 Hodges Rd Wash. NC

**Steve Fuchs reviewed his comments that were previously emailed to the Council.**

**COMMENTS ON REZONING 4.98 ACRES-STEVEN FUCHS**

Please consider the following statements supporting this rezoning request:

1. This property was operated as Wiley's Lumber Mill for several decades and has been vacant for over 20 years. When the city annexed this property into the Washington City Limits many years ago, this property was zoned RA20 while all the adjoining properties were zoned R15S. It was zoned RA20 because it was a Lumber Mill. If the Lumber Mill had not been there, I feel certain the City of Washington, at the time of annexation, would have zoned the property R15S, the same as all the adjoining properties.
2. Since the property is no longer used as a lumber mill, then it seems appropriate to **expand** the R15S zoning of the adjoining properties to **include** this 4.98 acres as R15S also.
3. If the property is rezoned, this would allow for future development which would correct any drainage problems several neighbors have concerns over, and would greatly increase the City of Washington's tax base. Mr. Riley Bland, with The US Army Corps of Engineers, has inspected the property and indicated the ditches need repairing and that the only wetlands on the property is the small existing pond near the RR Tracks.
4. If the property is rezoned, this would **possibly** allow for some type of affordable housing to be built on the property. Any plans for affordable Housing would **have** to be approved by the City of Washington Planning Department, City of Washington Inspections, and the City of Washington Board of Adjustment as a Special Use. Right now I see **no** affordable housing being built inside the City of Washington and from talking personally with each City Council member on the property, believe that affordable housing is greatly needed in Washington and would be welcomed.
5. The City of Washington Planning Board voted 5-0 **unanimously** to **APPROVE** this rezoning request. The Planning Board, at their meeting in February, heard the exact same testimony, from the exact same individuals, as was given during

the March City Council meeting.

6. The City of Washington Planning Department has stated that this rezoning request is **Compatible** with the existing land uses in the area and meets the intent of the Comprehensive Plan and Future Land Use Map.

7. For over 20 years this property was vacant, over grown, used as a trash dump, and contained a dilapidated single wide mobile home. I bought the property, cleaned it up, graded and seeded the property, and followed the City of Washington Ordinances. All this was done at great expense and many neighbors expressed their appreciation. This rezoning request is **ONLY** asking that the 4.98 acres be zoned the same as the neighbor's property. This is **absolutely compatible** with the surrounding properties and the neighborhood.

8. I understand that a petition might be presented to the City Council. Please note that there are only 7 different adjoining property owners to this property who have direct Standing on this request. There is no sure way to know if petition signatures are **valid** and believe little weight should be given any petition. There is no way to know what the persons who signed a petition were told, what reasons they had to sign, and if they really have any Standing on this request. Any person signing a petition had the **opportunity** to attend the Public Hearing on this rezoning request and voice their views **in person**. I ask that any petition be viewed as hearsay evidence and **not be** strongly considered as you make your decision on this rezoning request.

9. I submit to you this is a **Reasonable** request, that is makes common sense, that it **will not** adversely affect any neighbor or adjoining property owner, that it **will not** adversely affect the Safety or Welfare of the neighborhood, and that this is in the Best interest for the property and the City of Washington. **Please** do not make your decision tonight based on any speculation or supposition as to what the property may or may not be used for, nor make your decision based on the fear of change voiced by a few residents. I respectfully ask that you **Approve** this rezoning request.

Thank You,  
Steven C. Fuchs - Property Owner

Letter submitted by Doris "Dot" Moate:

To: **Members of the City Council, Mayor and City Manager...I request that the letter be read allow on my behalf, since I cannot attend the meeting, and am having some trouble with my computer so do not know for sure if I will be able to use it for virtual streaming on Monday.**

April 8, 2020  
Washington  
City Council  
Mayor Mac Hodges  
Subject: Steve Fuchs Rezoning/Brick Kiln Rd.  
Parcel 5685-76-7123

Mr. Fuchs' request to rezone 4.98 acre parcel of land on Brick Kiln Road, just northeast of its intersection with Whootentown Road.

Current zone: **RA20 (Residential Agricultural).**  
Change to: **R15S (Residential)**

All the parcels joining this property on the north and east side are already Zoned R15S... This request to rezone is consistent with the City's General Plan and other land use requirements.

When recommending a zone change, the Planning Board must consider all uses allowed in that particular district, but cannot approve for any specific use.

Property was originally Wiley's Lumber Mill and was used for a lumber yard for well over 25 years. Since it is no longer a lumber yard, there is no real need to continue to have it as Residential Agriculture. Adjacent properties are all residential (R15S) City water and sewer lines are on property.

As a citizen of this community, for many years- born and raised in this area, I recommend approval of the rezone request, which I feel would be the highest and best use of the property...and would be compatible with the neighboring properties and meet requirements of the General Plan

As a note: The R15S zoning does not allow livestock and agriculture farms and other commercial uses...but allows the same uses as the neighbors.

Thank you for considering my request.

Doris W. Moate

**Letter submitted by Maria Wilson**

**I've attached a letter in support of Steve Fuch's rezoning request that is going to be heard at tonight's City Council Meeting. Please have my letter read at tonight's meeting and distribute a copy to the City Council Members. Can you please send me confirmation that you received my email?**

**Thank you so much for your help. Stay safe and well.**

**Warm regards,**

**Maria**

Washington Office  
239 WEST MAIN STREET  
WASHINGTON, NC 27889  
phone: (252) 975-8010  
fax: (252) 975-8020



Winterville Office  
610-D OLD TAR VILLAGE ROAD  
WINTERVILLE, NC 28590  
phone: (252) 321-5200  
fax: (252) 975-8020

Regarding: Rezoning Request by Steven Fuchs for GPIN 5685-76-7123/REID 42755 located on Brick Kiln Rd. and Whootentown Rd. and formerly the site of the old Wiley Mill.

Dear Council Members,

I sold the old Wiley Mill property to Steven Fuchs in 2018. At the time he purchased it, the property had not been used or maintained for a number of years. It had a substantial amount of vegetation and debris, including an old abandoned trailer and equipment. The debris and overgrowth were unsafe and unattractive and were a cause of concern for neighbors. Mr. Fuchs, at considerable expense, removed the debris and overgrowth and leveled a majority portion of the 4.98 acre site. These improvements have made a substantial difference in the appearance of the area and this is now an attractive and marketable tract.

The property is currently zoned RA20 because of its former use as a lumber mill. Most of the surrounding properties are single family residential homes with R15 S zoning. This property is well-suited for residential development and rezoning it to R15 S would be appropriate and desirable for this area.

As a Beaufort County native and local REALTOR and business owner with over 35 years experience, I see the need daily for attractive, affordable housing in Washington and Beaufort County. In recent years there has been very little new construction, especially in areas that are convenient to local jobs and shopping. There is a great need in Washington and Beaufort County and this site would be ideal for some type of higher-density residential development. Rezoning to R15 S is also a great improvement over the property's former use and should benefit surrounding properties.

Since R15 S zoning surrounds the Wiley Mill site, please consider extending that zoning designation to include the 4.98 acre tract. Doing so is consistent with properties in the surrounding area and also the City of Washington's future land use plan. I fully support and recommend that this rezoning request be approved.

Respectfully,

Maria Wilson, REALTOR, Owner  
Coldwell Banker Coastal Rivers Realty

info@coastalrivers.com  
www.coastalrivers.com

Each Office Is Independently Owned And Operated

**SCHEDULED PUBLIC APPEARANCES: None**

**CORRESPONDENCE AND SPECIAL REPORTS:**

**MEMO - PO's > \$50,000**

(accepted as presented)

The following budgeted purchase orders that are in excess of \$50,000 have been issued:

Amount	Vendor	Description
\$135,422	Cella Ford	(4) Police vehicles

**MEMO – AQUATIC MEMBERSHIPS** (accepted as presented)

TO: Mayor Hodges & Members of City Council

FROM: Kristi Roberson, Recreation Director

RE: Aquatic Memberships

Due to the COVID-19 pandemic the Aquatic Center closed on Friday, March 13 to the public. Staff recommends offering all members an extension on their quarterly and annual memberships. Due to the temporary nature of a monthly membership, staff recommends offering monthly members the opportunity to extend their membership or obtain a refund. All extensions will be based upon reopening the facility to the public.

By motion of Mayor Pro tem Sadler, seconded by Councilmember Brooks, Council authorized extending the membership dues at the aquatic center as well as authorized patrons to obtain a refund (if they so choose) because the center is closed due to COVID-19.

**PUBLIC HEARING 6:00PM – ZONING** - None

**ANNUAL REPORT – GEORGE H. AND LAURA E. BROWN LIBRARY**

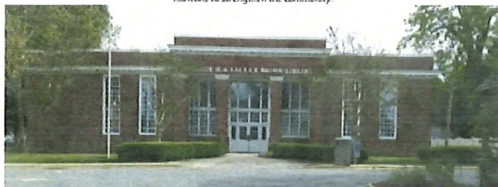
(accepted as presented)



411 Fox Run Drive SE  
Washington, VA 22197  
804.693.6100  
MONDAY - SATURDAY  
10:00 AM - 5:00 PM  
SUNDAY  
Closed

**2019 Annual Report**

The George H. & Laura E. Brown Library provides resources and information to broaden educational and personal horizons to strengthen the community.



**Year in Review 2019**

The George H. and Laura E. Brown Library is the heart of our community and the staff and Trustees are committed to the belief that the library is the place for all the citizens of Washington and Beaufort County to meet and learn. Our library has served Washington, North Carolina, and surrounding communities since 1911. We strive every year to improve our services and resources. 2019 was a busy year and we have accomplished a great deal. We sincerely met our goals and will strive to expand our goals in 2020. Listed below are a few of our accomplishments:

- Included infants and adults in our Summer Library Program
- Increased community partnerships
- Increased Adult Programs
- Increased Children Programs
- Installed new seating with the ability to charge devices
- Completed LSTA Strategic Plan/Space Needs Assessment Grant
- Started a new Young Adult Club



**Year in Review 2019**



The Friends of the Brown Library are supporters of the George H. and Laura E. Brown Public Library. They provide volunteers, advocacy, furnishings, materials, and supplemental funds for projects that are beyond the library's budget. The revenue gained from the Friends Annual Book Sale increased again this year. In 2019 some of the projects that were funded:

- The Summer Library Program
- Software licensing
- Overdrive eBooks
- Archival supplies and equipment for the History Room
- Arceuthy and ProQuest Africa American Heritage
- Technology (Hubs and pad) for Meeting Room
- Binder Board and Paper cutter
- Harry Potter Halloween Party



**Library Board of Trustees**

Steve Meyer, Chairman  
Mara Brown, Secretary  
Laura Ford, Trustee  
Barbara Gillett, Trustee

Rex Gagliano, Vice Chairman  
Janna King, Trustee  
Lena Stone, Trustee  
Richard Wynston, City Council Liaison  
Rethy Kark, City Council Liaison (to 9/2020)

**Library Staff**

Sandra Sivey, Library Director  
Kimberly Davenport, Technical Services Supervisor  
Teresa Paul, Circulation Supervisor  
Jennifer Mills, Technical Services Assistant  
Khanna Clifton, Circulation Assistant

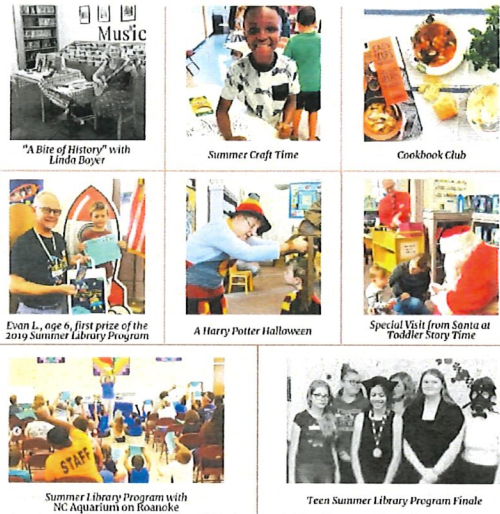
Terry Rollins, Youth Services Supervisor  
Candice Dalton, Reference Specialist/Technology  
Elizabeth Tawant, Technical Services Specialist  
Melba Crocker, Circulation Assistant  
Perry Harper, Custodian

## Brown Library by the numbers



<p><b>77,994</b> Visitors Through Our Doors</p>	<p><b>89,993</b> Items Circulated</p>	<p><b>19,327</b> Registered Cardholders</p>
<p><b>8,847</b> Computer Sessions</p>	<p><b>9,420</b> Program Attendees</p>	<p><b>31,714</b> WiFi Engagement</p>
<p><b>712</b> New Cardholders</p>	<p>Visiting the library remains the most common cultural activity. Americans engage in, exceeding visits to movies, theaters and live sporting events!</p>	

## Brown Library in action



### Digital Services We Provide


### Looking Ahead

#### 2020 Goals

- Provide Adult and Youth programming and resources to meet the needs of our community by evaluating, providing and expanding these services.
- Maximize the existing library space to meet the needs of the library and the community by evaluating all spaces, thinking outside the box and creating usable spaces.
- Meet the needs of the library and the community by requesting funding for needed positions.
- Provide technology infrastructure and support to meet the needs of the community by installing charging stations and offering additional technology programming.



Steve Mosler, Chair; Mara Graves, Secretary; Laura Toth, Trustee; Barbara Grimes, Trustee



Leesa Jones, Trustee; Joanna Rieg, Trustee; Rick Gagliano, Vice Chairman



Roland Wyman, City Council Liaison (2019); Betsy Kane, City Council Liaison Sworn In 12-9-2019

**APPOINTMENTS: NONE**



**OLD BUSINESS:****APPROVE – REQUEST TO REZONE 4.98 ACRES OF LAND ON BRICK KILN ROAD FROM RA20 (RESIDENTIAL AGRICULTURE) TO R15S (RESIDENTIAL)**

*BACKGROUND AND FINDINGS: A request by Steve Fuchs to rezone a 4.98 acre parcel of land on Brick Kiln Road, just northeast of its intersection with Whootentown Road. The property is identified by the Beaufort County Tax Office as parcel #5685-76-7123 and is currently zoned RA20 (Residential Agricultural). The proposed zoning requested is R15S (Residential). The future land use map recommends office and institutional and medium density residential development for this area. The R15S zoning district is considered a low density residential district, however a high density development option does exist as a special use within the R15S district. In Staff's opinion the requested zoning is compatible with the existing land uses in the area and generally meets the intent of the Comprehensive Plan and Future Land Use Map. On February 25, 2020, the Planning Board held a public hearing on the request. After the hearing and discussion, the Board voted unanimously to recommend approval of the rezoning request to City Council.*

Councilmember Finnerty said we should listen to the neighbors, they are opposed to the rezoning. The proposed zoning classification allows multi-family dwellings, which is what concerns the neighbors. Councilmember Kane expressed concerns with the potential increase in traffic if the area is rezoned and multi-family dwellings are developed. Councilmember Pitt noted we need to listen to the citizens/neighbors. Councilmember Brooks felt the zoning should not be changed. Mayor Pro tem Sadler stated all Council members had expressed their concerns and he is ready to make a motion.

By motion of Mayor Pro tem Sadler, seconded by Councilmember Brooks, Council denied the recommendation of the Planning Board to adopt the request from Mr. Steve Fuchs to rezone parcel #5685-76-7123 from RA20 (Residential Agricultural) to R15S (Residential).

**NEW BUSINESS:****APPROVE – ELECTRIC UTILITY RATE REDUCTION**

*BACKGROUND AND FINDINGS: Due to the economic impact of the COVID 19 virus, and the current state of emergency that has been issued it is recommended to provide a 30% rate reduction for the current billing cycle. Efforts to prevent the spread of COVID 19 will impact businesses and residents well into the future. Based on 2019 usage the reduction would be \$685,000. This reduction is intended to decrease the financial burden that many may go through during this time.*

By motion of Councilmember Brooks, seconded by Mayor Pro tem Sadler, Council approved a one-time 30% reduction in the electric utility rate for all customers in the current (April) billing cycle.

**ADOPT – BUDGET ORDINANCE AMENDMENT AND APPROVE SUBSEQUENT PO'S**

*BACKGROUND AND FINDINGS: This Budget Ordinance covers the expense's estimated for the additional maintenance of vehicles/equipment as a result of equipment failures on aged equipment, for the remainder of the current fiscal year (\$65,000). The total estimated maintenance for current FY 19-20 is \$145,000. The original budget of \$76,000 has been increased by \$4,000 through transfers within the fund. The budget ordinance also includes \$646,462 to allow the City to order replacement equipment that is scheduled to be replaced in FY 20-21. This equipment currently has a lead time of 6-9 months from the time the order is placed. If the orders are placed in July, lead times are expected to*

*stretch out to 12-14 months. By replacing this equipment sooner, the maintenance cost for this fund is expected to decrease by approximately \$60,000 for the next fiscal year. The 4th piece of equipment to be replaced with this plan is a non-road worthy 2-ton dump truck, however quotes have not been finalized as of this meeting. All quotes and purchases are through the North Carolina Sheriffs Association bid process and State contract 70A.*

Councilmember Brooks suggested implementing a vehicle replacement plan for all vehicles/equipment, not just General Fund vehicles/equipment.

By motion of Mayor Pro tem Sadler, seconded by Councilmember Brooks, Council adopted the Budget Amendment Ordinance in the amount of \$711,462 and approved subsequent Purchase Orders for the purchase of four replacement pieces of equipment.

Purchase Orders as follows;

Amick Equipment, \$249,685.67 for Front Load Garbage Truck

White's International Trucks, \$288,854.58 for 2 Rear Load Garbage Trucks

**(copy attached)**

**ADOPT – RESOLUTION OF SUPPORT FOR STATE REVOLVING FUNDS FOR THE APRIL 2020 GRANT CYCLE**

*BACKGROUND AND FINDINGS:*

*The City of Washington’s Public Works Department would like to pursue a funding opportunity from the North Carolina Division of Water Infrastructure (DWI) State Revolving Fund to:*

- purchase a new generator for the City’s Water Treatment Plant,*
- flood proof the City’s Wastewater treatment plant lift station No. 9,*
- line pipes for the wastewater collection system that flows to the Runyon Creek outfall which then flows to pump station No. 17.*

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council adopted a resolution of support for State Revolving Funds for the April 2020 grant cycle.

**(copy attached)**

**AUTHORIZE - RELOCATION OF THE PROPOSED LICENSE PLATE AGENCY SITE TO THE FORMER SELECT BANK PROPERTY LOCATED AT 155 NORTH MARKET STREET**

*BACKGROUND AND FINDINGS: The proposed location at 155 North Market Street (former Select Bank property) would allow for adequate parking and accessibility while providing an overall economic benefit for the City in accordance with the comprehensive plan. This site would eliminate the disruption and congestion that would occur if the LPA were to be located at City Hall. The proposal includes a 3-year lease term with a monthly rent of \$1,275/month in year 1 and 3% annual rent escalations in year 2 and 3.*

Mayor Pro tem Sadler asked Council to approve moving the License Plate Agency to the former Select Bank property located at 155 North Market Street instead of having the LPA at City Hall.

Councilmember Finnerty stated she didn't understand why this item is before Council tonight. She noted Council has previously discussed this item in depth and voted to house the LPA at City Hall. She stated it's not a good precedent to bring things back to the table after the item has already been voted on. She asked has something changed since Council voted on this item last time? Mayor Hodges expressed his concerns having the LPA at City hall as well as the amount of money we would spend to rehab the customer service area.

Councilmember Finnerty asked for a cost breakdown of the two locations and suggested Council should listen to staff as we did when Council previously voted to have the LPA at City Hall. Councilmember Pitt agreed that we need to have a detailed review of the figures for both locations. He also noted, there is no need to be in a hurry like we previously were because everything is on hold due to COVID-19. Councilmember Kane asked what the procedure was for re-visiting an item that had previously been voted on.

Attorney Chip Edwards,(filling in for Franz Holscher) stated the vote was 3-2 in favor of City Hall being the location for the LPA. He continued by reviewing different scenarios with Council that would allow for an item to be re-visited.

Councilmember Finnerty stated if Council wasn't ready to approve a location at the previous meeting, then the item should have been tabled.

The City Manager explained the entire process was originally on a fast track in order to meet the State's May 1<sup>st</sup> opening deadline. Unfortunately, now with COVID-19 the entire process has been slowed down and the training has been postponed indefinitely. This has given us the opportunity to review and research this more.

Councilmember Pitt inquired about the former Miracle Ear site on Market Street that was presented by Will Page. He agreed that we are not in any hurry as everything is still on hold due to COVID-19.

**Letter from Will Page regarding License Plate Agency Location:**

*Dear City Manager and City Clerk*

*I read in the proposed agenda for tonight's Council meeting, that Councilman Sadler is proposing the License Agency location be moved to the former Select Bank site at the corner of 2<sup>nd</sup> St and Market St.*

*I am one of the owners of the former Miracle Ear location at 149 N Market St, which is three doors down from (south of) the former Select Bank site. I have proposed this site to the City in the past. My site is probably larger than the select site, in the same shape of upkeep, has the same benefits and liabilities, parking-wise as the Select Bank site, and my proposed rent is \$900.00 a month, or \$375 a month cheaper than the Select site. I think that value wise, it is a superior location. Also. It would require similar up-fit costs to convert to a NC License Agency.*

*Please consider the location at 149 N Market as a superior one to the site being recommended to the Council.*

*Thank you,*

*William H Page, Jr.*

*Page Management LLC and Page Welch LLC*

*153 N Market St.*

*Washington, NC 27889*

Council, by consensus continued this item to allow for additional research on alternative locations as well as cost, logistics, etc.

**PRESENTATION – FY 2020/21 BUDGET**

The City Manager reviewed the budget message with City Council.

*Mayor*  
Mac Hodges

*City Manager*  
Jonathan Russell



*City Council*  
Richard Brooks  
Virginia Finnerty  
Elizabeth A. Kane  
William Pitt  
Donald R. Sadler

April 13, 2020

**RE: FY 2020-2021 Budget Message**

Honorable Mayor and Members of City Council:

Pursuant to Section 159-11 of the North Carolina General Statutes, I am pleased to present the Fiscal Year 2020-21 Budget for your consideration. The budget is balanced, meets the requirements of the North Carolina Local Government Budget and Fiscal Control Act, and adheres to the City’s financial management guidelines.

The FY 2020 Budget totals \$90,482,309 an increase of 7.4% from the current budget, and recommends the City’s tax rate remain at \$.53 per \$100 of taxable valuation. This rate should retain our status as one of the lowest taxed cities in Eastern North Carolina and leave us below our peer group average tax rate statewide.

The most important asset of any organization is its human capital. It is imperative that the City continues to focus on retention of its employees by ensuring that salaries remain competitive with similar positions in other organizations and continues to invest in their training and educational opportunities to maintain effective and efficient operations and customer service. We are proposing a cost of living adjustment of 2.1% based on the Consumer Price Index for the Southeast Class B/C Region in December, 2018 was 2.1% plus fringes.

As a result of conservative expenditures and sound fiscal management, the City has been able to increase its General Fund balance while minimizing risk and increased debt service. Even while maintaining a progressive posture relative to maintaining infrastructure, providing competitive compensation for our staff, and maintaining sufficient reserves, we are able to propose a budget that reflects a static property tax rate while maintaining within the current water, sewer, and electric rate structures that will allow for continued maintenance and improvement of our utility system.

Once adopted by City Council, the budget establishes the direction for all City government programs and services for the coming fiscal year. It represents the synthesis of City Council direction and employee recommendations on how best to accomplish our goals and respond to community needs in accordance with available resources, established policies and sound financial and business practices. With that in mind, the review and adoption of the budget is one of the City Council’s most important roles.

**GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. Expenditures are divided into functional departments in order to present a clear understanding of the costs of providing certain services. Personnel assigned to a specific functional area are paid from that department.

The recommended General Fund budget for FY 20/21 is \$17,701,777. This amount is \$2,247,657 or 11.26% lower than last year. The reason for the decrease is primarily associated with the current allocation of funding for the new Police Station, salaries, and retirements.

General Fund departments include City Council, Administration, Human Resources, Inspections/GIS, Finance, Information Technology, Planning, Non-Departmental, Public Buildings, Ground and Lawn Maintenance, Police, Fire, EMS, Public Works, and Sanitation.

#### **REVENUES**

Ad-Valorem taxes comprises approximately 22.4% of General Fund revenue. The current rate is \$.53 per \$100 of assessed valuation and continues to include \$.01920 designated for the Public Safety Capital Reserve Fund to service the debt on Fire Station #2, and \$.02 to fund the Police Station Capital Project Fund to be used solely for the land acquisition and construction of a new Police Station at an estimated cost of \$4 million. The Police Station Capital Project Fund has a balance of \$1.86 million.

Other Taxes and Licenses as a whole are projected to remain stable and may see some fluctuations due to economic impacts from the COVID-19 virus. Permit and Fee Revenues are projected to increase 7% due to increased residential and commercial development in Washington. Sales and Services revenues are projected to increase 2% due to dock slip expansion and a revised fee schedule for dock rental.

All revenues, which comprise the General Fund, have been forecasted in a conservative manner. Staff has reviewed the estimates for state-collected revenues published every year by the North Carolina League of Municipalities, current economic trends in Eastern North Carolina, current nationwide economic trends and historical data from the City. Fund balance appropriations will provide funding for the construction of the new Police Station. We are optimistic that we will receive grant funding assistance through the Department of Emergency Management along with the Golden Leaf Foundation. The economic uncertainty that may be caused by the COVID-19 virus will be monitored into the upcoming fiscal year and may dictate a reduction in spending outside of budgeted amounts.

#### **GENERAL FUND EXPENDITURE HIGHLIGHTS**

Police Station Construction: We are currently in the planning and design phase of the new police facility. We anticipate to begin the construction of the \$4 million facility at the beginning of 2021 with an estimated 12-18 months' construction period.

Pedestrian Safety Improvement: City Council has made it a priority to improve pedestrian safety throughout the community through improved crosswalks and sidewalks along all of city and state maintained roadways.

Public Safety: Expenditures have increased by \$315,165. An increase in salaries, health insurance, retiree cost, and building maintenance were the major contributors.

#### **ENTERPRISE FUNDS SUMMARY**

In addition to the General Fund, covering all typical government operations, the City operates seven enterprise funds. These enterprises are operated as businesses by having all revenues and expenditures accounted for separately from other functions of the City and by having rates established that cover all expenditures of the enterprise.

Airport Fund: The airport recommended budget is \$815,113 whereas last year's budget was \$670,264 and includes the following significant items:

- A transfer will be made from the General Fund in the amount of \$232,842 whereas last year transfer from the General Fund to operate was \$238,379.
- Airport subsidy has been moved to Economic Development
- Hangar maintenance and grant matching funds account for the increase

Cemetery Fund: The Cemetery Fund recommended budget is \$300,074 which is \$2,486 less than the previous year.

Electric Fund: The recommended budget is \$35,883,449 compared to \$35,337,354 last year which is an increase of \$546,095.

- A wholesale rate decrease of 1% will be passed along to the rate reduction to the customer.
- An Electric transfer to the General Fund was maintained at the same level as the prior year, \$1,312,690.

Water Fund: The Water Fund Budget is \$3,576,900 for this year as compared to last year which was \$3,305,200 and represents a \$271,700 increase in this year’s budget. An increase in fund balance appropriation for material and operational items caused the increase.

Sewer Fund: The Sewer Fund budget is \$3,730,702 for this year whereas last year we had an approved amount for \$3,905,405. Thus, the amount decreased in this budget is \$174,703.

Storm Water Management Fund: The recommended budget is \$1,247,247 for this year. Last year’s appropriation was \$1,001,986. This represents an increase of \$245,261.

Solid Waste Fund: The Solid Waste Fund is budgeted at \$1,541,059 whereas last year the budgeted amount was \$1,416,000 which represents an increase in the amount of \$125,059.

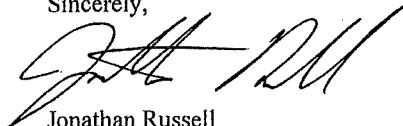
**Summary**

The FY 2021 budget continues the City’s tradition of conservative budgeting. It addresses the critical issues of constructing a new Police Station, maintains a competitive property tax rate, and departmental operating budgets reflect modest increases. The cost of doing business continues to rise and as such, it requires us to assess our current revenue streams and adjust accordingly, while planning for the future.

I would like to thank Matt Rauschenbach, our Chief Financial Officer, Tammy Swindell, our Assistant Finance Director, along with the Finance team and department directors for their flexibility and realistic approach, which was demonstrated in the preparation of the fiscal year 2020-21 recommended budget.

With competitive electric rates, a low property tax rate, the continuation of high levels of service, support for community policing, and reasonable capital investments, I trust the budget meets the City Council’s priorities, and I look forward to the active debate we will have in the coming weeks toward adoption of our FY 2021 Budget.

Sincerely,



Jonathan Russell  
City Manager

**ANY OTHER ITEMS FROM CITY MANAGER:**  
**DISCUSSION – SELECTION OF 15TH STREET ENGINEER**

- Hall Planning and Engineering, Inc.
- Ramey Kemp Associates
- SEPI, Inc.
- Stantec Consulting Services Inc.
- Toole Design Group
- Vaughn and Melton Consulting Engineers

Mayor Hodges read the below letter:

**Letter submitted by Mary Day Mordecai:**

*I am writing on behalf of a large group of citizens that is interested in 15th St. We request that the attached letter, which is signed by 42 residents and business owners, be read aloud during the public comment period at Monday's meeting (April 13) of the City Council.*

*I am copying members of the City Council, the Mayor and the City Manager on this email. Would you ensure that they also have paper copies at the meeting?*

*Many thanks. Mary Day Mordecai*

*We have followed with interest the City's plans to hire a qualified engineering firm to investigate alternative designs for 15<sup>th</sup> Street and to work with the NCDOT to execute a design that is acceptable to both citizens and the City management.*

*We are supportive of this approach. Because the design of 15<sup>th</sup> Street is an issue that has aroused deep engagement from many Washington citizens, we feel that full transparency and a thorough process will be essential for success.*

*As you know, there was major opposition to the design proposed by the NCDOT from businesses and homeowners on 15<sup>th</sup> Street and residents in adjacent neighborhoods. There were many sound reasons for this opposition, which were well articulated in public comments and documents presented to the City Council. We expect that these views will be considered as part of the process.*

*Further, we feel that a robust public process designed to engage new input will be essential. It is therefore crucial that the engineering firm that is hired has proven experience in conducting this kind of public process.*

*The second skill set that appears to be necessary for the chosen engineering firm is a thorough understanding of the Complete Streets approach to the design of city streets. This approach will enable the firm to focus on the multiple uses of 15th Street, improving the safety of drivers, pedestrians and bicyclists, as well optimizing access to businesses, homes and adjacent neighborhoods.*

*The City of Washington is working hard to revitalize and beautify the entire town, making it more appealing to both residents and visitors. Cities all over the country are now successfully using a variety of new street designs that accommodate complex uses while adding to, rather than detracting from, the beauty and livability of the area. A qualified engineering firm would be well versed in these approaches.*

*In our view, these requirements for proven experience in public process and Complete Streets need to be thoroughly articulated and understood before an engineering firm is hired.*

*We would also like to see one or more knowledgeable members of the City Council be deeply engaged in designing the scope of the project and interviewing engineering firm candidates. We understand that the City Council must vote to approve the final selection, but the preliminary work of laying out the scope, interviewing and checking references is essential.*

*Lastly, we request that the public be fully informed about and invited to comment on each step in the process. We thank you for your attention.*

*Signed (with permission) by representatives of a larger group of interested citizens.*

- Dave Alton, Alton Insurance Services, Inc., 15<sup>th</sup> St.  
Tom Atkins, President & General Manager, The Rich Company, 15<sup>th</sup> St. & Hwy. 17  
Liz Barnhardt and Brent Wilson, 110 W. 13<sup>th</sup> St.  
Laura and Tripp Bliley, 1207 Summit Ave.  
Clay Carter, 325 E. Main St.  
Lou Carter, 500 Fairview Ave.  
Mrs. Georgie Clagett, 211 W. 15<sup>th</sup> St.  
John Conway, owner, Beaufort Monument Co., 15<sup>th</sup> St.  
Polk and Cathy Culpepper, 1301 Summit Ave.  
Jane DeVos, 1211 Summit Ave.  
Karen Etheredge and Christine Floyd, 128 W. 12<sup>th</sup> St.  
Sonny and Marla Fields, 1301 N. Respass St.  
Barry Friedland and Kay Mitchell, 1307 Summit Ave.  
Pat Griffin, Properties Down East, 15<sup>th</sup> St.  
Barbara Grimes, 100 Summer Haven Lane  
Nancy M. Hamblin, 103 E. 10<sup>th</sup> St.  
Ed Hodges, 101 E. 10<sup>th</sup> St.  
Grace Lekson, 924 N. Market St.  
Walker Lynch, Bragaw & Co. Insurance, 15<sup>th</sup> St.  
Mary Day Mordecai and Ned Hulbert, 1232 N. Market St.  
Sarah Ninan, 621 W. Main St.  
William Page, Page Management LLC, 15<sup>th</sup> St.  
Charles Phillips, Member/Manager, Midtown Crossing Shopping Center, 15<sup>th</sup> St.  
Greg Purser, 1001 N. Market St.  
Bob Rich, Member, Midtown Crossing Shopping Center, 15<sup>th</sup> St.  
Beth Sloan, business property owner, 15<sup>th</sup> St.  
Robin and Jim Skillen, 118 W. 11<sup>th</sup> St.  
Terry and Debie Speer, 1106 N Respass St.  
William Taylor, Sr. Vice President, First Bank, 15<sup>th</sup> St.  
Tracy Warren and Melonie Grooms, 1308 N. Market St.  
Ryan Whitford, owner, Allstate Insurance, 15<sup>th</sup> St.  
Roland Wyman, 200 Washington Harbor*

Mayor Hodges appointed Councilmember Kane and Mayor Pro tem Sadler to the subcommittee to review and interview the above listed engineering firms.

**ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:  
UPDATE ON RECENT FEDERAL CONFERENCE CALL**

Councilmember Pitt reviewed a recent conference call he participated in regarding COVID-19 and noted he would send a summary of the call to all of the Council members.

**EMPLOYEE HAZARD PAY**

Councilmember Pitt and Councilmember Brooks discussed the possibility of hazard pay (due to COVID-19) for public safety employees and asked the City Manager to review the possibility of this item and bring this back to Council for additional review.

**CLOSED SESSION: NONE**



**ADJOURN**

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council adjourned the meeting at 7:00pm until Monday, April 27, 2020 in the Council Chambers at 3:00pm (virtual meeting)  
\*Budget Workshops begin April 27<sup>th</sup>

(subject to approval of City Council)

s/Cynthia S. Bennett, MMC  
City Clerk

DRAFT

The Washington City Council met in a regular session/budget workshop on Monday, April 27, 2020 at 3:00pm in the City Council Chambers at the Municipal Building. Present: Mac Hodges, Mayor; Donald Sadler, Mayor Pro tem; Richard Brooks, Councilmember; Virginia Finnerty, Councilmember; and Betsy Kane, Councilmember. Also present: Jonathan Russell, City Manager, Chip Edwards, Attorney and Cynthia S. Bennett, City Clerk. Councilmember Pitt was absent at the start of the meeting, but joined at 4:00pm. *\*The meeting was held as a virtual meeting. Members physically present: Hodges, Sadler, Brooks and Pitt; Kane and Finnerty accessed the meeting remotely.*

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

**APPROVAL OF MINUTES**

By motion of Mayor Pro tem Sadler, seconded by Councilmember Brooks, Council approved the March 3 and March 9, 2020 minutes as presented.

**(copy attached)**

**APPROVAL/AMENDMENTS TO AGENDA**

No changes made at this time.

**BUDGET REVIEW**

- **Fund balance position**
- **COVID-19**
  - o FY 2020
  - o FY 2021
- **Continuation budget (existing services)**
  - o General Fund
    - Revenue overview
    - Expenditure overview
    - Fee manual changes
    - Questions
  - o Enterprise Funds
    - Public Works Funds (Water, Sewer, Storm Water, Airport, Solid Waste, Cemetery)
      - Revenue overview
      - Expenditure overview
      - Fee manual changes
      - Questions
    - Electric Fund
      - Revenue overview
      - Expenditure overview
      - Fee manual changes
      - Questions
  - o Internal Service Funds
  - o Capital Project Funds

o **Expansion Budget**

The City Manager explained the budget presented to Council was prepared prior to COVID-19 and we are aware we will have to make reductions or stay in a holding pattern.

Mayor Hodges inquired how much did we get last year in sales tax? Matt Rauschenbach, CFO explained approximately \$2.5million.

Matt Rauschenbach, CFO reviewed the following spreadsheets with City Council.

**General Fund Revenue Summary**

Revenues by Major Source	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	% of Revenue	Reason for change
Ad Valorem Property Taxes	4,598,102	4,542,387	4,493,737	(48,650)	-1%	25%	Valuation less than budgeted prior year
Other Taxes & Licenses	3,294,377	3,063,175	3,453,662	390,487	13%	20%	Addition of License Plate Agency office
Unrestricted Intergovernmental	2,127,346	2,098,410	2,133,146	34,736	2%	12%	Utility franchise tax & PILOT growth
Restricted Intergovernmental	487,017	461,105	427,244	(33,861)	-7%	2%	Prior year intern grant
Permits & Fees	118,273	87,520	119,020	31,500	36%	1%	Building permits from development
Sales & Services	914,797	944,176	850,976	(93,200)	-10%	5%	EMS, library fines and recreation activity fees are down
Investment Earnings	197,929	150,000	165,000	15,000	10%	1%	Increased fund balance invested
Miscellaneous	596,002	102,090	25,300	(76,790)	-75%	0%	Hurricane Florence reimbursement prior year
Transfers From	1,873,735	2,027,985	2,016,610	(11,375)	-1%	11%	
Administrative Charges	2,763,405	2,791,137	2,967,466	176,329	6%	17%	Administrative support of enterprise funds
Long Term Debt Issued	0	0	0	0		0%	No new debt issued, pay as you go capital
Fund Balance Appropriated	0	6,257,464	1,049,616	(5,207,848)	-83%	6%	Airport paving, streetscape, police station, pay go capital
<b>Total</b>	<b>16,970,983</b>	<b>22,525,449</b>	<b>17,701,777</b>	<b>(4,823,672)</b>	<b>-21%</b>	<b>100%</b>	

**Ad Valorem Property Taxes**

The City of Washington’s primary revenue source is Ad Valorem Property Tax and represents 25% of total revenues. The FY 2021 proposed tax reflects no change in rate. The proposed tax rate also includes \$.01924 designated for the Public Safety Capital reserve to service the debt for Fire Station 2 and \$.02 for the Police Station Capital project fund. Beaufort County determines property valuations, bills, and collects real property taxes for the City of Washington as authorized by NC General Statute. Revaluations are conducted every eight years and were last performed in 2018.

Ad Valorem Property Taxes	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Current Year	4,494,407	4,469,387	4,420,737	(48,650)	-1.1%	Valuation less than budgeted prior year
Prior Years	72,870	48,000	48,000	0	0.0%	
Penalties & Interest	30,826	25,000	25,000	0	0.0%	
<b>Total Ad Valorem Tax</b>	<b>4,598,102</b>	<b>4,542,387</b>	<b>4,493,737</b>	<b>(48,650)</b>	<b>-1.1%</b>	

Ad Valorem Property Tax Calculation	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Valuation	863,913,396	869,563,846	860,490,377	(9,073,469)	-1.0%	Valuation less than budgeted prior year
Tax Rate/\$100 Valuation	0.53	0.53	0.53	0	0.0%	
Tax Levy	4,578,741	4,608,688	4,560,599	(48,089)	-1.0%	
Collections	4,494,407	4,469,387	4,420,737	(48,650)	-1.1%	
% Collections	98.16%	96.98%	96.93%	0.0%	0.0%	

**Other Taxes & Licenses**

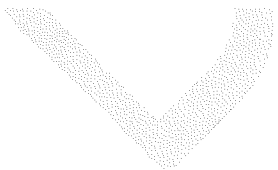
Other taxes and licenses are the next largest revenue source and represent 20% of total revenues. Local sales taxes of 2%, articles 39, 40, & 42, are levied by Beaufort County as authorized by NC General Statute. The State collects all Sales Tax revenue, reviews, removes the State’s portion and distributes the remainder to the County and the municipalities as per the distribution method determined by the County Commissioners (NC General Statute 105-472). The current distribution method is per capita. In 2007 State legislation provided for municipalities to be completely reimbursed for the loss of Article 44 taxes through a “City Hold Harmless” payment. Local occupancy tax of 6%, adopted by a General Assembly Local Act, is collected by businesses providing lodging accommodations, remitted monthly to the City, and distributed to the Washington Tourism Development Authority net of a 3% administrative charge. These funds are the primary revenue source for promotion of tourist and business travel to Washington.

Other Taxes & Licenses	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
License Plate Agency Contract	0	0	360,000	360,000		New revenue source
Article 39 Sales Tax	1,010,150	924,728	950,000	25,272	3%	95% of current year estimate
Article 40 Sales Tax	611,134	555,004	600,000	44,996	8%	95% of current year estimate
Article 42 Sales Tax	480,048	435,775	450,000	14,225	3%	95% of current year estimate
Article 44 Sales Tax	655,176	590,668	650,000	59,332	10%	95% of current year estimate
Privilege License Taxes	981	1,000	1,000	0	0%	
Local Occupancy Tax	438,325	465,000	350,575	(114,425)	-25%	Hurricane Florence impact prior year
Rental Vehicle Tax	25,907	20,000	20,000	0	0%	
Automotive Licenses	45,569	45,000	45,000	0	0%	
PEG Channel Tax	27,087	26,000	27,087	1,087	4%	
<b>Total Other Taxes &amp; Licenses</b>	<b>3,294,377</b>	<b>3,063,175</b>	<b>3,453,662</b>	<b>390,487</b>	<b>13%</b>	

**Unrestricted Intergovernmental**

The Unrestricted Intergovernmental group is the fourth largest revenue component making up 12% of total revenues. Utility franchise tax is the largest component and in previous years was based on 3.09% of the gross receipts derived by electric power companies from sales of electricity within the City. The power companies collected the tax through the sale of electricity to the distributors providing service to the ultimate customer and remitted quarterly to the State. This method of tax was eliminated July 1, 2014 and replaced with an increase in the sales tax rate to consumers from 3% to 7%. The intent of the legislation was to hold municipalities harmless for the change in taxing method. Payment in Lieu of Taxes (PILOT) makes up the majority of the balance of this category. This tax is equivalent to the property taxes that would be paid had the electric, water, sewer, and housing authority businesses been privately owned instead of governmental entities.

Unrestricted Intergovernmental	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Payment in Lieu of Taxes- Electric	161,787	170,649	177,310	6,661	4%	Growth in assets
Payment in Lieu of Taxes- Water	150,631	155,284	157,784	2,500	2%	Growth in assets
Payment in Lieu of Taxes- Sewer	216,404	227,368	229,383	2,015	1%	Growth in assets
Payment in Lieu of Utility Sales Tax	190,000	190,000	190,000	0	0%	
Beer & Wine Taxes	40,771	40,000	40,000	0	0%	Consistent with prior year actual
Utility Franchise Tax	1,264,487	1,209,109	1,234,848	25,739	2%	Consistent with prior year actual
Payment in Lieu of Taxes- Public Housing	42,948	43,000	43,821	821	2%	
Airport Property Tax Grant	39,799	40,000	40,000	0	0%	Transferred to Airport Fund
A.B.C. Board Distributions	16,993	20,000	17,000	(3,000)	-15%	Distribution fluctuations
Court Costs & Fines	3,527	3,000	3,000	0	0%	
<b>Total Unrestricted Intergovernmental</b>	<b>2,127,346</b>	<b>2,098,410</b>	<b>2,133,146</b>	<b>34,736</b>	<b>2%</b>	



**Restricted Intergovernmental**

The Restricted Intergovernmental group makes up 2% of total revenues. The main components in this category are: 1) State reimbursement to offset the cost of providing EMS for Medicaid individuals, 2) Fire and EMS services to the Town of Washington Park, and 3) State funding through the Powell Bill for maintaining and improving municipal streets.

Restricted Intergovernmental	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Intern Grant Funds	0	30,358	0	(30,358)	-100%	1 year grant
Controlled Substance Tax	4,879	5,000	5,000	0	0%	
Seized Funds (Federal)	1,427	0	0	0		
Federal Grant- Vests	1,957	0	0	0		
Governors Crime Commission Grant	0	0	0	0		
Federal Grant- Vests	2,156	1,000	1,000	0	0%	
State Reimbursement for Medicaid EMS	157,375	140,000	140,000	0	0%	
Washington Park Fire/EMS	40,708	41,522	42,352	\$30	2%	Annual inflation adjustment
Historic Preservation Grant	0	0	0	0		
Powell Bill	166,477	160,000	155,667	(4,333)	-3%	Consistent with reductions experienced prior years
State Grant- Library Aid	26,767	8,000	8,000	0	0%	
Library EZ Technology Grant	9,599	0	0	0		Grants are applied for as available
County Contribution- Library	0	0	0	0		
County Contribution- Recreation	20,450	20,000	20,000	0	0%	
County Contribution- Senior	20,000	20,000	20,000	0	0%	
Mid-East Grants- Aging	35,222	35,225	35,225	0	0%	
<b>Total Restricted Intergovernmental</b>	<b>-487,017</b>	<b>-461,105</b>	<b>-427,244</b>	<b>(33,861)</b>	<b>-7%</b>	

**Permits & Fees**

Permits & Fees	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Inspection Fees	4,710	4,000	4,000	0	0%	
Fire Inspection Fees	5,047	1,000	2,000	1,000	100%	Consistent with prior year actual
Fire Permit Fees	1,700	1,500	0	(1,500)	-100%	
Building Permits	104,461	80,000	110,000	30,000	38%	Reflective of increased rehab and development
Development Filing Fees	2,325	1,000	3,000	2,000	200%	Consistent with prior year actual
Homeowners Recovery Fee	30	20	20	0	0%	
<b>Total Permits &amp; Fees</b>	<b>118,273</b>	<b>87,520</b>	<b>119,020</b>	<b>31,500</b>	<b>36%</b>	

**Sales & Services**

Rescue squad charges associated with providing EMS services and recreation related fees are the main areas of revenue for this section.

Sales & Services	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Rents	42,950	43,076	43,076	0	0%	Cell tower lease at Springs Rd. water tank
Admin. Charges Credit Card	1,205	1,000	2,000	1,000	100%	\$5 phone credit card payments
Admin. Charges OS Gas Agency	19,800	15,000	16,500	1,500	10%	
Sale of Surplus Equipment	9,908	5,000	5,000	0	0%	
Sale of Scrap	0	0	0	0		
Municipal Enforcement Citations	2,740	2,000	2,000	0	0%	
Police Services Contracted	25,943	30,000	30,000	0	0%	Consistent with prior year
Fire Contracts	1,442	1,400	1,400	0	0%	
Rescue Squad Charges	567,243	575,000	500,000	(75,000)	-13%	Consistent with prior year and year to date
Mowing & Lot Cleaning Fees	3,246	5,000	5,000	0	0%	Increased collection w/ FT admin position
Demolition Fees	100	1,000	1,000	0	0%	
Paving Assessment	18,798	0	0	0		Paving assessments collected
Paving Assessment Interest	8,169	0	0	0		
Public Works Signs	2,795	5,000	5,000	0	0%	
Public Works Fees	2,500	500	500	0	0%	
Library Fees	9,457	12,000	12,000	0	0%	Transition over 3 year renewals
Library Fines	92	11,000	100	(10,900)	-99%	Consistent with prior year
C.A.T. Revenue	0	0	0	0		
Recreation Activity Fees	19,286	27,000	20,000	(7,000)	-26%	Consistent with prior year
Recreation Rental Fees	65,317	20,000	20,000	0	0%	
Recreation Boat Slip Rental	244	80,500	80,500	0	0%	Near full occupancy, slip expansion & revised fees
Recreation Waterfront Fees	462	600	600	0	0%	Consistent with prior year
Recreation Waterfront Concessions	4,947	1,400	1,400	0	0%	Near full occupancy, slip expansion & revised fees
Recreation Waterfront Electric	550	8,700	8,700	0	0%	Near full occupancy, slip expansion & revised fees
Recreation Waterfront Laundry	75,599	500	500	0	0%	
Aquatic Memberships	24,648	70,000	70,000	0	0%	
Aquatic Center User Fees	393	21,000	21,000	0	0%	Consistent with prior year
Aquatic Center Concessions	3,722	500	500	0	0%	
Aquatic Center Rentals	140	3,000	3,000	0	0%	
Red Cross Lifeguard Class	0	0	0	0		
Recreation Fees Special Events	3,100	4,000	1,200	(2,800)	-70%	Consistent with prior year
<b>Total Sales &amp; Services</b>	<b>914,797</b>	<b>944,176</b>	<b>850,976</b>	<b>(93,200)</b>	<b>-10%</b>	

**Administrative Charges**

Administrative Charges	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Library Trust	1,953	3,000	3,000	0	0%	Interest on Library trust fund
TDA	107,446	167,649	177,414	9,765	6%	Pass through salary & benefit related expense
Civic Center	76,514	91,392	98,299	6,907	8%	Pass through salary & benefit related expense
Sewer Fund	449,081	419,850	452,661	32,811	8%	Administrative support of enterprise funds
Storm Water Fund	426,283	403,416	419,845	16,429	4%	Administrative support of enterprise funds
Electric Fund	1,403,789	1,418,071	1,490,015	71,944	5%	Administrative support of enterprise funds
Airport	30,459	30,771	38,815	8,044	26%	Administrative support of enterprise funds
Sanitation	243,850	231,432	259,118	27,686	12%	Administrative support of enterprise funds
Cemetery	24,029	25,556	28,299	2,743	11%	Administrative support of enterprise funds
<b>Total Administrative Charges</b>	<b>2,763,405</b>	<b>2,791,137</b>	<b>2,967,466</b>	<b>176,329</b>	<b>6%</b>	

**Long Term Debt Issued**

Long Term Debt Issued	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Proceeds From Lease Purchase	0	0	0	0	0%	No new debt issued, pay as you go capital
<b>Total Long Term Debt Issued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	

**Fund Balance Appropriated**

The purpose of having a fund balance is to provide adequate cash flow given the erratic revenue cycle of the City’s operations and natural disaster recovery. According to the North Carolina Local Government Commission, a local government entering a fiscal year with less than 8% unassigned fund balance available (one month’s operating expenses) will not have adequate resources to meet its obligations until it begins receiving property tax payments. Council adopted a resolution in FY 2009-10 recognizing the need to maintain \$2,000,000 unreserved/undesignated fund balance for natural disaster recovery in excess of a 16.7% or two month operating reserve. This amounts to \$3,852,674 for FY 2021.

Fund Balance Appropriated	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Fund Balance Appropriated	0	6,257,464	1,049,616	(5,207,848)	-83%	Police Station capital fund transfer & pay as you go capital
<b>Total Fund Balance Appropriated</b>	<b>0</b>	<b>6,257,464</b>	<b>1,049,616</b>	<b>(5,207,848)</b>	<b>-83%</b>	

**Fund Balance Appropriated Statistics**

Available Fund Balance History

Fiscal Year	Unassigned/Unreserved Fund Balance	% of Expenditures
2004	3,657,762	34%
2005	2,227,199	22%
2006	3,221,790	27%
2007	4,508,319	49%
2008	4,987,976	41%
2009	5,536,430	49%
2010	5,763,532	51%
2011	5,378,942	47%
2012	5,542,226	46%
2013	5,962,328	51%
2014	6,238,713	54%
2015	4,819,600	38%
2016	5,261,097	49%
2017	6,873,791	66%
2018	8,083,367	80%
2019	8,707,967	78%
2020	2,450,503	22%

Use of Fund Balance FY 2020

Description/Action	\$
Initial appropriation	3,063,844
Wayfinding sign project	9,600
Airport runway design project	6,906
Projects not completed carry forward	364,645
PO Carry forward	330,126
Civic Center clerestory window project	32,176
Temporary police station	21,250
WHDA electrical upgrade	85,000
Intern funding	10,765
Civic Center fiber network connection	5,329
Electric Fund contribution towards airport p	(150,000)
Pedestrian facilities inventory	8,000
Airport pavement rehab project	623,125
Kayak access project	17,000
Streetscape project	1,829,698
<b>Total F.B. Appropriation</b>	<b>6,257,464</b>

**Investment Earnings**

Investment Earnings	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Interest Earned	197,929	150,000	165,000	15,000	10%	Increased fund balance invested
<b>Total Investment Earnings</b>	<b>197,929</b>	<b>150,000</b>	<b>165,000</b>	<b>15,000</b>	<b>10%</b>	

**Miscellaneous**

Miscellaneous	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
FEMA Funds- Hurricane	469,038	73,250	0	(73,250)	-100%	Hurricane Florence prior year
In Kind Rental Contribution	0	0	0	0		
Interest Rebates RZEDB	399	340	300	(40)	-12%	Rebate decreases over time along with debt payment
Miscellaneous Revenue	82,753	20,000	20,000	0	0%	
Garbage Collection	8,742	0	0	0		
Library Memorials	26,457	1,500	0	(1,500)	-100%	
Save the Pool	0	0	0	0		
Contributions from Optimist Club	0	0	0	0		
Contributions- Senior Programs & Functions	8,614	7,000	5,000	(2,000)	-29%	
<b>Total Miscellaneous</b>	<b>596,002</b>	<b>102,090</b>	<b>25,300</b>	<b>(76,790)</b>	<b>-75%</b>	

**Transfers From**

Transfers From	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L)	% of Prior Yr.	Reason for change
Public Safety Capital Reserve	166,970	166,970	166,970	0	0%	S.01924 of tax rate for Station 2 debt service
Economic Development	431,580	435,830	424,455	(11,375)	-3%	
Water Fund	71,963	71,963	71,963	0	0%	Powell Bill make whole-DOT Hwy. 17 utility relocation
Sewer Fund	40,532	40,532	40,532	0	0%	Powell Bill make whole-DOT Hwy. 17 utility relocation
Electric Fund	1,162,690	1,312,690	1,312,690	0	0%	Allowed return on investment
<b>Total Transfers From</b>	<b>1,873,735</b>	<b>2,027,985</b>	<b>2,016,610</b>	<b>(11,375)</b>	<b>-1%</b>	

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General Fund Expenditure Summary

4/27/2020

Category	Dept. #	Department	FY 2019 Actual	FY 2020 Budget	FY 2021 Budget	G/(L) vs. FY 2020	% Change	Comments
Admin	010-4110	City Council	54,009	69,503	63,501	(6,002)	-9%	Election expense
Admin	010-4111	Mayor Office	13,053	18,074	17,074	(1,000)	-6%	Election expense
Admin	010-4120	City Manager	373,260	332,676	394,025	61,349	18%	Intern salary, employee development, Pro. Services
Admin	010-4123	Communications	0	65,550	66,641	0		New position PIO and projects
Admin	010-4124	TDA Director	97,951	156,093	163,648	7,555	5%	Salaries
Admin	010-4125	Human Resources	320,503	379,110	388,225	9,115	2%	Recruiting software & computer replacement
Admin	010-4130	Finance Director	534,402	607,180	631,037	23,857	4%	Salaries =TDA and software
Admin	010-4131	Purchasing/w/ise.	162,106	173,294	152,944	(20,350)	-12%	Maintenance- flooring & counter
Admin	010-4132	Information Services	338,910	457,212	509,344	52,132	11%	Capital
Admin	010-4134	Billing Department	148,842	173,798	181,795	7,997	5%	Utility bill printing postage
Admin	010-4135	Customer Service	674,315	750,168	777,057	26,889	4%	Credit card fees, salaries
Admin	010-4136	License Plate Agency	0	0	168,316	168,316		
Admin	010-4150	Legal Services	143,077	143,300	143,300	0	0%	
Public works	010-4260	Municipal Building	197,458	217,146	258,659	41,513	19%	Capital cooling tower
Other	010-4400	Miscellaneous	1,582,790	2,412,954	1,019,080	(1,393,874)	-58%	Transfers-Police Station, Streetscape, Library CPF
Other	010-4650	Economic Development	446,211	435,830	424,455	(11,375)	-3%	Airport subsidy
Other	010-9990	Contingency	0	0	0	0	0%	
Public Safety	010-4310	Police Department	3,084,438	3,746,115	3,810,409	64,294	2%	Veh. Replacement fund, water & electric, retirement
Public Safety	010-4311	E-911 Communications	292,128	349,586	358,412	8,826	3%	Salaries, contract services
Public Safety	010-4340	Fire Department	974,975	1,132,907	1,080,637	(52,270)	-5%	Maintenance and capital
Public Safety	010-4341	EMS	1,886,952	2,034,497	2,103,689	69,192	3%	Salaries & benefits
Admin	010-4350	Code Enforcement/Inspections	241,663	335,627	352,414	16,787	5%	Salaries
Admin	010-4910	Planning/Zoning	340,635	377,255	385,806	8,551	2%	Group insurance, printing and publishing
Public works	010-4250	Garage	123,880	169,146	156,591	(12,555)	-7%	Capital
Public works	010-4510	Street Maintenance	565,571	675,836	749,155	73,319	11%	Traffic lights, salaries & benefits
Public works	010-4511	Powell Bill	205,148	268,004	293,402	25,398	9%	Street paving
Public works	010-4700	Public Works Director	97,585	101,564	91,636	(9,928)	-10%	Salaries
Public works	010-5710	Stomwater	315,340	332,814	0	(332,814)	-100%	Moved to fund 034
Cultural & Leisure	010-6110	Brown Library	503,805	589,316	582,398	(6,918)	-1%	Capital
Cultural & Leisure	010-6120	Recreation Administration	124,642	136,015	140,250	4,235	3%	Salaries
Cultural & Leisure	010-6121	Events & Facilities	256,816	223,156	214,419	(8,737)	-4%	Maintenance
Cultural & Leisure	010-6123	Senior Programs	177,080	243,783	210,394	(33,389)	-14%	Capital, maintenance
Cultural & Leisure	010-6124	Waterfront Docks	91,715	161,158	100,185	(60,973)	-38%	Capital
Cultural & Leisure	010-6125	Civic Center	68,746	158,549	86,973	(71,576)	-45%	Capital
Cultural & Leisure	010-6126	Aquatic Center	326,089	334,678	367,028	32,350	10%	Capital, lockers
Cultural & Leisure	010-6130	Bldg. & Grounds Maintenance	778,372	1,060,742	1,048,421	(12,321)	-1%	Capital
Other	010-6170	Outside Agencies	40,130	40,130	40,130	0	0%	
Other	010-9020	Debt Service	170,584	170,455	170,327	(128)	0%	
Total			15,753,181	19,033,221	17,701,777	(1,331,444)	-7%	

**BUDGET PUBLIC HEARING: 4:00PM**

Mayor Hodges opened the budget public hearing at this time.

There was no one present to speak for the budget public hearing at this time and no comments were received by the City Clerk in advance of the meeting. Council, by consensus, recessed the budget public hearing to allow additional comments from the public. The public hearing will be open for additional public comments at the May 11<sup>th</sup> meeting.

**QUESTIONS:**

The City Manager reviewed the questions received from Councilmember Kane.

**Council Budget Questions/Observations**

1. It was represented to me several times by staff in recent months that the airport was moving toward needing far less subsidy than the close to quarter-million dollars per year that it has received the last two years. I am surprised, therefore, to see that this year a subsidy of \$233K is recommended. I'd like an explanation.

While the goal for the Public Works staff is to make the Airport as self-sufficient as possible, the \$225,000 - \$250,000 yearly transfer from the general fund has been consistent for at least the past 3 budget cycles. Two ways to reduce the amount transferred are to reduce expenditures (reduce services) and increase revenue generated by those that utilize the Airport (property tax for aircraft, hangar rentals and fuel sales). The Airport is a facility that for many years was neglected and allowed to deteriorate to the point that many aircraft owners did not want to hangar their aircraft here. Over the past 5-7



years, the Public Works Department has implemented a philosophy to restore this asset to a condition that people in the aviation community want to be in Washington. Four years ago, the airport had 4-5 empty T-Hangars, today all of the hangars are occupied and there is a waiting list of 10-15, people that want to base their aircraft in Washington. Bringing the facilities up to a standard where Washington can be competitive with surrounding communities is not easy, but will hopefully pay dividends in the end.

2. What is the "Wellness Clinic" under HR? Is this something that is necessary to get a break on health insurance premiums? Employee Wellness Clinic is in partnership with Vidant Health. The clinic is staffed by a Physician Assistant and is located in City Hall. The clinic is open one day a week for employees, retirees and dependents who are covered by the City's healthcare insurance. The clinic provides services for minor sicknesses, allergies, routine physicals, minor injuries, lab work, chronic disease management, tobacco Cessation, required annual fire physicals and immunizations.

Employee Wellness Clinic helps:

- Reduce healthcare costs: Our insurance company isn't billed for the visits, which save the city in premium payments.
- Reduce lost work time and absenteeism: Employees can be seen in 15-30 minutes, average physician appts typically average 2 or more hours with travel time.
- Reduce out pocket expense for employees: Employees aren't charged for the visit.

3. Why is there nothing in the draft budget for implementing the Bicycle Plan?

This is a project that hasn't been supported in the past by Council.

4. We need to set up a small line item for the local match on STIP projects so that we can take advantage of the 80% federal funding (pass-through by NCDOT) available for bike and pedestrian projects. Cities that have a little pot of money ready to go are able to rapidly move forward with projects when they are approved through the STIP. This is a best practices recommended by the NCDOT Bicycle and Pedestrian Division. \$20,000 in this budget, and \$10,000 per year thereafter would put us in a very strategic position to build the larger projects and longer-term needs. (For current / immediate needs to be built with local funds, we should still appropriate the \$200,000 in the expansion budget)

5. Why did Harbor District Alliance go down so much from 19/20 to 20/21 (\$125K to \$40K approx)

Special onetime \$85,000 appropriation in FY2020 for the Farmers Market electrical upgrade.

6. What are the "other ED projects" under Economic Development?

ED projects that develop and request support throughout the year, typically supported in conjunction with the BC Economic Development office.

7. Why is there \$130K less in the "street paving" line item under Powell Bill? (\$414K last year's. \$293,402 this year)

Powell Bill funding comes from the State fuel tax and is set by the State of North Carolina. The "Street Paving" line in this fund is used to resurface streets inside the City's Corporate Limits. Generally, these dollars are saved for 2-3 years and then used for a larger resurfacing project. This allows the City to obtain better pricing by performing a larger project as opposed to smaller projects each year. Last FY, the City funded a large project with money that had been saved over 3 years.

8. I would like to see a line item for a Jacks Creek stream restoration project to go under Economic Development. In this coming fiscal year, this would be to explore a proof of concept / concept plan for a comprehensive restoration of Jacks Creek involving stormwater management, recreational improvements, greenway and active transportation facilities, environmental quality, and neighborhood green space amenity. This would revitalize multiple neighborhoods as "Washington's Second Waterfront" and boost the surrounding neighborhoods, and brownfield locations such as the shirt factory building, improving business opportunities and ad valorem revenues, as well as boosting homeownership and neighborhood quality for residents. The coming fiscal year would need funds for hiring a consultant experienced in urban stream restoration to explore and proof the concept, then to produce a master plan.

FY 21/22 would then include funds for project implementation. It is highly likely that a large majority of the funds needed would consist of grant opportunities such as CWMTF, PARTF and other sources.

I have been having conversations with Sound Rivers about this potential project and they are ready to help.

The City has established a Drainage Capital Project Fund, and sets monies aside each year to help fund a drainage project in the future. There have been several studies performed over the years that have identified over \$20,000,000 in drainage improvements throughout the City that, if completed, would help reduce the likelihood of flooding personal and public property (outside of 8-9 foot storm surges). The goal of Public Works has been to plan for such projects with an emphasis of

improving drainage. Staff is continually searching for funding opportunities through grant and other funding agencies that meets this objective without putting unreasonable financial and regulatory hardships on the City and its residents.

9. Civic Center - Dept request for Capital Outlay was \$193K, manager recommendation was \$0. What was the capital outlay request for?

40,000 Brick preservation

63,800 Flooring repair

48,000 Bathroom repair

41,800 Ballroom repair

10. Aquatic Center - Dept request of \$711K, mgr recommendation \$367K. Capital outlay request of \$363K not in mgr's recommendation. What was the capital outlay request for? The request was to replace the dehumidification with a new system. The most recent purchase to rebuild the unit was not what we received. The unit has never worked properly. We continue to see damage to the structure of the building due to all the moisture (paint, wood beams, mold due to moisture). We continue to have issues with electronic equipment (computers, security system, phones, printers). We realize the request is expensive, but required to continue to maintain our facility.

11. Buildings and Grounds. This million-dollar category covers a huge amount of work that is necessary and appropriate. A large proportion of the funding goes to managing large areas of grass and open space that the City holds. Examples: maintenance/repair of grounds, open areas, parks, shelters, as well as capital outlays to replace mowers, backhoe, tractor, utility-type grounds vehicles and power equipment and so on. These are just factual observations -- here is my point: With so much land including just empty "grass space" in city ownership -- We need to look for ways to use these areas more strategically so that they become "value centers" not just "cost centers" for mowing and maintenance. The waterfront walk is an example of a "cost center" that is also a "value center" in that it boosts community identity and is attractive to visitors who then patronize businesses, or it adds value to the residential districts that are within walking distance of that amenity.

I want to see us exercise our creative vision to find ways to leverage and create value from our city land holdings, particularly around Jacks Creek but also in multiple parts of town, so that we boost the value of neighborhoods and generate business opportunities with our city-held public space. The most obvious one is the green corridor around Jacks Creek that leads naturally to multiple city recreational open spaces from Vets Park to Bobby Andrews and beyond.

To exercise our creative vision for these "grasslands" that are now cost centers, we will need to employ a creative consultant who can help us plan and design that "green necklace" to become a "value center" and not just a "cost center".

So let's have a line item for some consulting services to allow us find the best firm that can help with this strategy, one that has done a great job on similar projects in other cities.

This is a great idea, but we also need to make sure we remember to have enough staff to maintain these projects. It's important to maintain and keep them up. Right now, we are stretched to keep up with the mowing that's required.

12. I think if we can operate a total of \$332,000 in two departments -- Airport and Waterfront Docks -- dedicated to serve aviators and boaters, we should also have a new staff position and a couple of hundred thousand dollars that is dedicated to serving people who walk, bike, and use mobility aids throughout our city.

Don't misunderstand: I think we have an excellent airport and waterfront docks. I love that we are a city that has these amenities that set us apart. At the same time, there are many, many, many more walkers and bike users resident in Washington. And this is economic development. We can be the city of a terrific and totally safe walking and biking experience, for only the amount of money that is currently subsidizing the airport each year.

I would like to create a new staff position dedicated to our active transportation network (sidewalks, bike paths, greenways, and street crossing facilities) and to our network of public space (our streets).

What if, like the Harbormasters, we had a person devoted completely to our city-wide public spaces and network of active transportation paths? And to oversee the systematic planting of street trees to ensure that the network is shaded and beautiful?

This connection all over town would be just as big an economic development boost to the city as our aviation and nautical facilities. And a world-class network would benefit literally every single resident and business in our city, as well as visitors.

13. I would like to see us offer a rooftop solar program for residents and businesses, such as other electric utilities have, where the capital costs of the rooftop or on-site solar panels are carried by the utility and the customer can lease them (making the on-site system more affordable up front). Can we take some of our electric fund and use it to explore how we would implement this program? For example, we could ask a consultant to examine the ElectricCities purchase and contract rules to find how this could be allowed by our contract with Duke -- or perhaps there is another ElectricCity already doing this

kind of program, and we need a consultant to take a look at that example and then help us set up our own, similar program.  
 We can engage ElectriCities to evaluate and compare similar programs.

14. I see that \$271,651 goes from the electric fund to the city Economic Development Fund. How much is the cap on that?  
 See response to #15 below.

15. How much of the electric fund is permitted to be used for other, non-electric related (or not directly related) expenditures by the city? What are the categories of expenditures that we can use it for?

Electric fund transfers to other funds are limited to the greater of 3% of gross fixed assets or 5% of gross revenues.

\$2,230,316 Transfer limit (3% of assets)

-2,106,549 Transfers in proposed budget

\$ 123,767 Additional transfer available

16. Can we use some of our electric fund to undertake some significant programs to reduce carbon emissions? For example, can we fund electricity conservation programs that would serve our customers and help them reduce their utility bills? (If we are already doing this to some extent, could we do it on a bigger scale or advertise it more and get more customers using it?) Could we use money from the electric fund to implement a shade-tree / street-tree planting program that would cool the city by shading yards and buildings?

Could the electric fund pay for a systematic street-tree planting program if it is designed to select the right tree for the right place (for example, suitable trees for planting in proximity to power lines, and other trees for planting away from power lines)

We can engage ElectriCities to evaluate and compare similar programs.

General Observation:

Finally, looking at the big picture -- overall it seems to me we have an increasing number of capital facilities that have over time become large operational obligations. I think if I see a risk overall in our draft budget, it is that we are teetering on the edge of having more yearly operational costs than we can manage -- unless we begin to re-evaluate our approach to capital projects. As we consider multiple capital projects we have got to make sure we will have the ability over the next 1, 5, 10, 20 years to also \*operate\* them.

This is why (for example) I want to make sure that the "acres of grass" we own are something really more valuable than just "grass." This is why we need to promote value improvements in housing and make sure that people (as they grow in resources) are able to "move up" within Washington neighborhoods, not just "move out".

This is why we have got to make sure that the quality of life in Washington is such that people are not driven out of their homes by traffic, crime, noise, neglect, neighboring nuisance properties, etc. because if people are driven to move OUT, that is a cycle of disinvestment that drives our revenues DOWN. Thus, every dime we RE-INVEST in our own people and businesses and neighborhoods will be well spent, if it turns more of Washington into a value center for people and enterprise. This is why we have to carefully consider the obligations that we (Washington people) fund that other jurisdictions take advantage of. We are on a terrible trajectory if we continue to fund, with millions of dollars of Washington funds, facilities that are mostly utilized by non-residents and businesses outside of the city. This is just math and it is only fair to our residents and businesses.

Mayor Hodges asked if the City received reimbursements from Hurricane Matthew? Matt Rauschenbach, CFO responded, yes, the city's claims for Matthew have been 100% reimbursed. We still have some outstanding reimbursements from Hurricane Florence – electric utility reimbursement and the police station (temporary police station). We are also finishing up the final claim with the old police station, within the next week or so we should get a clear picture from FEMA for a final estimate for the old police station claim.

Mayor Pro tem Sadler inquired about the Economic Development on the expenditure summary sheet presented earlier. Matt Rauschenbach, CFO reviewed page 51 in the budget.

Account Number	Account Description	19/20 Budget	19/20 YTD Activity	20/21 Department Request	20/21 Manager Recommends	20/21 Council Approved	+/ Budget
<b>Department: 4650 - Economic Development</b>							
010-4650-0400	PROFESSIONAL SERVICES	1,402	1,401	5,000	5,000		3,598
010-4650-4501	ED PROJECTS	49,001	34,690	60,000	60,000		10,999
010-4650-4503	HARBOUR DISTRICT ALLIANCE	125,176	115,132	40,176	40,176		-85,000
010-4650-4506	ESTUARIM PAYMENTS	17,067	17,067	12,960	12,960		-4,107
010-4650-4507	ARTS COUNCIL PAYMENT	13,368	13,368	13,368	13,368		0
010-4650-4508	CHRISTMAS PARADE	972	972	972	972		0
010-4650-6125	CIVIC CENTER SUBSIDY	35,000	23,333	35,000	35,000		0
010-4650-6127	CIVIC CENTER MAINTENANCE	53,289	49,155	15,000	15,000		-38,289
010-4650-6128	CIVIC CENTER INSURANCE	9,137	8,832	9,137	9,137		0
010-4650-9280	AIRPORT SUBSIDY	244,219	244,219	249,085	232,842		-11,377
	<b>Total</b>	<b>548,631</b>	<b>508,169</b>	<b>440,698</b>	<b>424,455</b>		<b>-124,176</b>

Mayor Pro tem Sadler asked how much money does the airport generate? Mr. Rauschenbach reviewed and noted this will be discussed in detail on Tuesday when Enterprise Funds are reviewed.

Mayor Pro tem Sadler inquired about the fee change for electrical change of service from \$50 to \$100. Mike Weldin, Chief Building Inspector reviewed the reasoning for the changes in the fee schedule, noting this is for changing out their electrical supply, not if someone moves from one place to another. Councilmember Finnerty asked if the fees are in-line with other municipalities? Mike Weldin, stated most of the other municipalities were \$75-\$125.

**AMENDMENTS TO AGENDA**

By motion of Councilmember Kane, seconded by Councilmember Finnerty, Council amended the agenda to add closed session under NCGS 143-318.11 (a)(3) Attorney/Client Privilege.

By motion of Councilmember Kane, seconded by Councilmember Finnerty, Council agreed to go into closed session at under Attorney/Client Privilege at 4:50pm.

By motion of Mayor Pro tem Sadler, seconded by Councilmember Pitt, Council agreed to come out of closed at 5:40pm.

**ADJOURN**

By motion of Councilmember Pitt, seconded by Councilmember Kane, Council adjourned the meeting at 5:45pm until 3:00pm on April 28, 2020 in the Council Chambers at the Municipal Building.

(subject to approval of City Council)

s/Cynthia S. Bennett, MMC  
City Clerk



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memorandum

DATE: May 11, 2020  
TO: Mayor Hodges and City Council  
FROM: Kristi Roberson, Recreation Director  
RE: July 4<sup>th</sup> 2020

In March of 2012 City Council authorized the City Manager to sign the Release, Hold Harmless and Indemnification agreement with Bridge Harbor, LLC. City Council also authorized the City Manager to sign the Agreement with East Coast Pyrotechnics, INC. The Manager was authorized to sign these agreements for future years as long as the release or agreement did not change. Due to the COVID-19 Pandemic, there are multiple facets of this process that are not falling into place.

Staff recommends reallocating the 2020 July 4<sup>th</sup> Firework funds to assist the Chamber of Commerce with their 2020 Summer Festival Celebration. The Summer Festival is tentatively scheduled for September.

- The Recreation Department currently does not have a contract because the company does not currently have a driver that can transport explosives at this time. Drivers are required to have a Federal CDL license for explosives. These drivers have not been able to renew their licenses because of COVID-19 closures of re-licensing agencies.
- Washington Tourism Development Authority has supported this recommendation by sending an email, last week, stating that they do not feel comfortable supporting July 4 fireworks with a gathering. They were able to reschedule their band to support another community event later this fall.
- Staff is discussing options with other Recreation Departments and many anticipate canceling their 2020 July 4<sup>th</sup> Celebration too.
- Staff is concerned about safety of participants. Traditionally, traffic and safe use of our facilities is a challenge during "good" times. Our fireworks viewing area is a wide- open area with multiple points of entry. The city easily has 5,000-10,000 spectators during the July 4<sup>th</sup> show.



## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Jonathan Russell, City Manager  
**Date:** May 6, 2020  
**Subject:** Authorize Mayor to Execute Civic Center Lease  
**Applicant Presentation:** N/A  
**Staff Presentation:** N/A

**RECOMMENDATION:**

I move that City Council approve the resolution which authorizes the Mayor to execute the lease agreement for the Civic Center with the TDA.

**BACKGROUND AND FINDINGS:**

The current one-year lease expires on June 30, 2020. The proposed lease for a one-year term fixes the City subsidy at \$35,000/year and includes a 50/50 profit sharing provision between the two entities based on the change in net assets as reported in the independent auditor's report.

**PREVIOUS LEGISLATIVE ACTION**

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**

Resolution  
Lease

**RESOLUTION AUTHORIZING THE LEASE OF CERTAIN REAL PROPERTY  
AND APPROVING THE LEASE OF SAID REAL PROPERTY PURSUANT TO  
NORTH CAROLINA GENERAL STATUTE § 160A-272**

**WHEREAS**, the City of Washington (hereinafter may be referred to as "City") owns the building located at 110 North Gladden Street, Washington, North Carolina commonly known as the Civic Center (hereinafter may be referred to as "Civic Center" or "Premises").

**WHEREAS**, North Carolina General Statute § 160A-272 authorizes a city to lease any property owned by a city for such terms and upon such conditions as the council may determine so long as the council determines the property will not be needed by the city for the term of the lease and the council approves a resolution authorizing the execution of the lease (no public notice is required for resolutions authorizing leases for terms of one year or less).

**WHEREAS**, the City of Washington Tourism Development Authority (hereinafter referred to as "TDA") is a Public Authority under the Local Government Budget and Fiscal Control Act whose purpose is to promote travel and tourism – to advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, and engage in similar promotional activities that attract tourists or business travelers to the area.

**WHEREAS**, TDA has occupied, operated and managed the Civic Center for a number of years.

**WHEREAS**, TDA has leased the Premises from the City for a number of years, has negotiated with the City, and desires to lease said Premises from the City for at least another year, which Premises will be operated as well as managed by TDA and utilized to further TDA's above stated purposes.

**WHEREAS**, said Premises currently are surplus to the City's needs and its City Council desires to lease the same.

**WHEREAS**, the City Council is convened in a regular meeting.

**NOW THEREFORE**, the City Council for the City of Washington resolves as follows.

1. The Premises are hereby declared to be surplus to the needs of the City for the term of the proposed lease.
2. The City Council hereby approves the attached lease, authorizes the City Manager to further negotiate the same, if necessary, and authorizes the Mayor to execute the same.

Adopted this \_\_\_ day of \_\_\_\_\_, 2020.

---

**Jay MacDonald Hodges, Mayor**  
**City of Washington**

**Attest:**

---

**Cynthia S. Bennett, City Clerk**  
**City of Washington**



**NORTH CAROLINA  
BEAUFORT COUNTY**

**THIS LEASE AND MANAGEMENT AGREEMENT** (“Lease”) is made and entered into as of the 1<sup>st</sup> day of July, 2020 by and between the **CITY OF WASHINGTON**, a body politic and corporate existing under the laws of the State of North Carolina, (“City”) and the **CITY OF WASHINGTON TOURISM DEVELOPMENT AUTHORITY**, a Public Authority under the Local Government Budget and Fiscal Control Act, (“TDA”) (collectively may be referred to as the “Parties”).

**WITNESSETH**

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

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

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

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

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

**WHEREAS**, for the last fourteen (14) years, the Parties have been parties to Lease and Management Agreements, the most recent of which expires on June 30, 2020.

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

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

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

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

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

1. **TERM.** The term of this Lease shall be for a period of one (1) year and will begin as of the 1<sup>st</sup> day of July, 2020 and shall end at 12:00 o'clock midnight on the 30<sup>th</sup> day of June, 2021, subject to the provisions herein.
2. **RENT.** As consideration for the leasehold interest granted herein for this term, TDA shall manage as well as operate the Civic Center and supervise all Civic Center staff, as that term is more specifically provided for hereinbelow.
3. **ALLOCATION BY THE CITY.** The City agrees to allocate \$35,000.00 as part of this Lease to assist TDA in the operation of the Civic Center and, to that end, agrees to pay TDA the sum of \$2,916.67 per month on or before the 10<sup>th</sup> day of each month beginning as of the 10<sup>th</sup> day of July, 2020. During the City's budget process, TDA may make specific requests to address maintenance items other than those described in Section 13. Within its recognized budget constraints, the City will use its best efforts to provide funding to address such maintenance items.
4. **PROFIT SHARING.** The change in the net financial position of the Civic Center as reported in the independent auditor's report for the term of this Lease will be shared equally between the City and TDA, whether a profit or a loss. If a profit, TDA will provide the City with a copy of said report along with a payment representing one-half of that profit to the City by October 31, 2021. If a loss, TDA will provide the City with a copy of said report along with a request for payment representing one-half of that loss to the City by October 31, 2021. The City shall provide said payment to TDA within thirty (30) days of the City's receipt of such request. This provision shall survive the expiration, but not the early termination, of this Lease.

- 4.A. **ADMINISTRATIVE EXPENSE FEE.** TDA shall pay the City an administrative expense fee for the 2020/2021 fiscal year. This administrative expense fee is an allocation of the City's general administrative departments. The City's Chief Financial Officer shall calculate the administrative expense fee and provide TDA with a statement(s) describing the same. TDA shall pay or otherwise satisfy said fee within thirty (30) days of TDA's receipt of such statement(s).
5. **CIVIC CENTER STAFF.** The employment of the TDA Director and all Civic Center staff, including the specifics of all relevant employment terms and relationships, shall be governed by an Interlocal Agreement entered into between the Parties, which Interlocal Agreement is, or shall be, incorporated herein by reference as if fully set forth.
6. **SOUND RIVERS, INC. LEASE.** The present lease between the City and SRI of the first floor entrance dedicated to SRI, the stairway dedicated to SRI, and the second story of that portion of the building commonly known as the Old Depot shall remain a direct lease between those entities and TDA shall have no responsibility for the operation, maintenance, or liability associated with those premises so leased or any activities conducted thereon except as specifically provided for herein. The City may continue such lease as well as renew the same for so long as the City desires. However, in the event the lease between the City and SRI is terminated and not renewed, then, in that event, TDA shall have the right of first refusal to include such space within the property leased hereunder, unless the City decides to use such space for City purposes.
7. **DEFAULT.**
- a. The occurrence of one or more of the following events (hereinafter called "Events of Default") shall constitute a default by TDA:
    - i. Failure to perform any provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to TDA and
    - ii. Dissolution of TDA.
  - b. The occurrence of one or more of the following events of default shall constitute a default by the City:
    - i. Failure to perform any provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to the City.
8. **REMEDIES UPON DEFAULT.**
- a. The City shall have the absolute right upon default by TDA to enter the Premises without notice to vacate (any such right to which is hereby waived by TDA) and re-let them, changing any and all locks on the Premises, all without being liable for forcible entry, trespass, or other tort.

- b. TDA shall have the absolute right upon default by the City to vacate the Premises, return all keys to the City and have no further obligation to manage and operate the Civic Center.
  - c. In the event either party shall exercise the above described remedies upon default, TDA shall promptly deliver to the City any and all of TDA's records, including bookings, necessary for the City to continue the management and operation of the Civic Center.
9. **WAIVER.** No course of dealing or any delay on the part of either party in exercising any rights it may have under this Lease shall operate as a waiver of any of its rights hereunder nor shall any waiver of any prior default operate as a waiver of any subsequent default or defaults and no express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated.
10. **USE OF PREMISES.** TDA shall use the Premises to further the purposes of TDA as stated in its by-laws as well as for such purposes as may be associated generally with comparable civic centers in similar communities and with comparable regional activities. TDA shall be responsible for the entire management of said facility and shall have the right to establish reasonable regulations and policies, including any and all rates applicable to rent the same and for activities taking place within the same. TDA shall be responsible for promoting said facility.
11. **DISCRIMINATION.** TDA, in its use, improvement, or operation of the Premises and facilities of the Civic Center, shall not, on the grounds of race, color, sex, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by law and shall otherwise use the Premises in compliance with all other requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and as said regulations may be amended.
12. **OWNERSHIP OF CONTENTS.** On July 1, 2006, the City conveyed the contents then located in the Civic Center to TDA and presented TDA with a Bill of Sale for the same. The Parties acknowledge that ownership of the contents located in the Civic Center at the expiration of the term, earlier termination, or expiration of any subsequent term, as the case may be, shall revert to and/or become the property of the City without compensation therefor and as further consideration for this Lease. In this regard, TDA shall present a Bill of Sale for the same to the City at such time.
13. **MAINTENANCE.** The City shall be responsible during the term of this Lease for major structural maintenance of the Civic Center structure and building including decking, flooring, roofing, HVAC, plumbing and electrical systems. TDA shall be responsible for all other maintenance whatsoever in connection with said facility. Notwithstanding the foregoing, in the event a maintenance or repair

issue or need arises, TDA may contact the City Manager's office concerning said issue or need and, if the City is capable of assisting TDA in addressing the issue or need with minimal cost or manpower, in its sole discretion, the City will provide such assistance to the extent such assistance does not produce a major disruption in the City's normal operations as well as responsibilities and so long as such assistance is practicable and within the City's then current budget constraints. Nothing herein shall be construed to limit TDA's maintenance obligation(s) as described herein. The City shall maintain the landscaping and parking areas in connection with its routine maintenance of the Peterson Building.

14. **ASSIGNMENT AND SUBLETTING.** TDA shall not assign this Lease or sublet the Premises without the prior written consent of the City.

15. **UTILITIES AND OTHER SERVICES.** TDA shall be responsible for and pay any and all charges for utilities as may be incurred on the Premises, including those above referenced premises leased to SRI by the City, during the term of this Lease. TDA shall not use or permit in the Premises any electrical device which, in the opinion of the electrical provider, will overload the building's electrical circuits.

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

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

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

17. **CITY'S RIGHT OF ENTRY.** The City Manager or his designee shall have the right to enter and to grant licenses to others to enter the Premises for such lengths

of time as the City shall deem reasonable a) to inspect the Premises; b) to exhibit the Premises to prospective tenants or purchasers of the Premises; c) after reasonable notice to the TDA, to make alterations, additions, improvements and repairs to the Premises or to the building and to store necessary materials, tools and equipment for such alterations or repairs; d) after reasonable notice to TDA, for any purpose which the City shall deem necessary for the operation and maintenance of the Premises, including building, and the general welfare and comfort of its tenants; e) after reasonable notice to TDA, for the purpose of removing from the Premises any placards, signs, fixtures, alterations or additions not permitted by this Lease or applicable regulation; and f) after reasonable notice to TDA, to abate any condition which constitutes a violation of any covenant or condition of this Lease.

18. **USAGE BY AND RATE FOR THE CITY.** TDA agrees to allow any appropriate individual, group, or entity of the City to use the Premises as long as the same is not already reserved. Any such use by the City or its affiliates shall be consistent with the policies and procedures established by TDA. TDA agrees, as part of its rate structure, to provide a special rate for use by any appropriate individual, group, or entity of the City, which special rate shall not exceed 33% of the then current, full rate charged to other users of the Premises.
19. **INDEMNIFICATION OF THE CITY.** TDA agrees to indemnify and defend the City and to save harmless the City, and the tenants, licensees, invitees, agents, servants and employees of the City against and from any and all claims by or on behalf of any person, firm or corporation arising by reason of injury to person or property occurring on the Premises or in the building occasioned in whole or in part by any act or omission on the part of TDA or any employee, representative, agent, assignee or subtenant of TDA, including any individuals who are actually City employees but who regularly perform functions for, are assigned duties by, or are supervised by TDA such as TDA Director and Civic Center staff or by reason of any unlawful use of the Premises or by reason of any breach, violation or non-performance of any covenant in this Lease on the part of TDA to be observed or performed, and also by reason of any matter or thing growing out of the occupancy or use of the Premises by TDA or any one holding under TDA. TDA agrees to pay the City promptly for all damage to the Premises or the building, which is not covered by insurance, and for all damage to tenants or occupants caused by TDA's misuse or neglect of the Premises or the building or of its or their apparatus and appurtenances and TDA agrees in any event to reimburse and compensate the City as additional rent within five (5) days of rendition of any statement to TDA by the City for expenditures made by the City or for fines sustained or incurred by the City due to non-performance or non-compliance with or breach of or failure to observe any term, covenant or condition of this Lease upon TDA's part to be kept, observed, performed or complied with.

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

20. **INDEMNIFICATION OF TDA.** The City agrees to indemnify and defend TDA and to save harmless TDA, including all tenants, licensees, invitees, agents, servants, and employees of TDA against and from any and all claims by or on behalf of any person, firm or corporation arising by reason of the City's negligent failure to adequately perform major structural maintenance of the Civic Center structure and building, including decking, roofing, flooring, HVAC, plumbing, and electrical systems. The indemnification provisions of this Section 20 shall not apply to any condition unless and until TDA provides the City written notice that, in TDA's opinion, major structural maintenance is required for the Civic Center structure and building, including decking, roofing, flooring, HVAC, plumbing, and electrical systems.

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

TDA shall not do or cause to be done or permit on the Premises anything deemed extra hazardous and TDA shall not use the Premises or the building in any manner which will cause an increase in the premium rate for any insurance in effect on the Premises, building, or part thereof. If, because of anything done, caused to be done, permitted or omitted by TDA or its agents, servants or employees, the

premium rate for any kind of insurance in effect on the Premises shall be raised, TDA shall pay the City on demand the amount of any such increase in premium. If the City demands that TDA remedy the condition which caused any such increase in an insurance premium rate, TDA shall remedy such condition within five (5) days after receipt of such demand.

22. **FIRE OR OTHER CASUALTY.** In the event that before or during the term of this Lease, the Premises or the building shall be damaged by fire or other casualty which renders the building, the Premises or any part of the building or the Premises untenable, the City shall, within twenty (20) days of the City Manager's actual knowledge of such fire or casualty, have the right to either 1) serve written notice upon TDA of the City's intent to repair said damage or 2) if said damage renders so much of the Premises untenable that repair would not be feasible in the City's discretion, or if said damage shall have been occasioned by the act or omission of TDA, its servants, agents, members or employees, serve written notice upon TDA that this Lease is terminated. If the City shall elect to repair such damage, such repairs shall be commenced as soon as practicable after such election and the City shall pursue such repairs diligently.

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

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

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

As to the City:

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



25. **INTEGRATION AND BINDING EFFECT.** The entire agreement, intent and understanding between the City and TDA is contained in the provisions of this Lease and any stipulations, representations, promises or agreements, written or oral, made prior to or contemporaneously with this Lease shall have no legal or equitable effect or consequence unless reduced to writing herein. This Lease shall be governed by and construed pursuant to the laws of the State of North Carolina.
26. **COMPLIANCE BY TDA WITH GOVERNMENTAL REGULATIONS.** TDA shall comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties foreseen and unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Premises or any part thereof, or any of the adjoining property, or any use or condition of the Premises or any part thereof. TDA shall comply with any and all local, State, Federal or other rules and regulations as well as all applicable environmental rules and regulations. In the performance of any acts required of or permitted by TDA under any provision of this Lease, TDA shall obey and comply with all lawful requirements, rules, regulations, and ordinances of all legally constituted authorities, existing at any time during the continuance of such performance, in any way affecting the Premises or the use of the Premises by TDA, including but not limited to all wetland regulations, CAMA regulations, or other governmental setbacks. Such compliance shall include compliance by TDA with requirements of the Occupational Safety and Health Act, and all amendments thereto, as the same applies to TDA's use of the Premises.

*(Signatures On Following Page)*

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

**PRE-AUDIT CERTIFICATE**  
**CITY OF WASHINGTON**

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

\_\_\_\_\_  
Matt Rauschenbach, Chief Financial Officer  
City of Washington

**PRE-AUDIT CERTIFICATE**  
**WASHINGTON TOURISM DEVELOPMENT AUTHORITY**

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

\_\_\_\_\_  
Fred Watkins, III  
Treasurer

**ATTEST:**

**CITY OF WASHINGTON**

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

By: \_\_\_\_\_ (SEAL)  
Jay MacDonald Hodges, Mayor

**WASHINGTON TOURISM  
DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_ (SEAL)  
Kathleen Simpson, Chairperson

**NORTH CAROLINA  
BEAUFORT COUNTY**

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

Witness my hand and notary seal this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

**NORTH CAROLINA  
BEAUFORT COUNTY**

I, \_\_\_\_\_, a Notary Public of the State and County aforesaid, certify that CYNTHIA S. BENNETT personally appeared before me this day and acknowledged that she is City Clerk of the CITY OF WASHINGTON, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by JAY MACDONALD HODGES, its Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

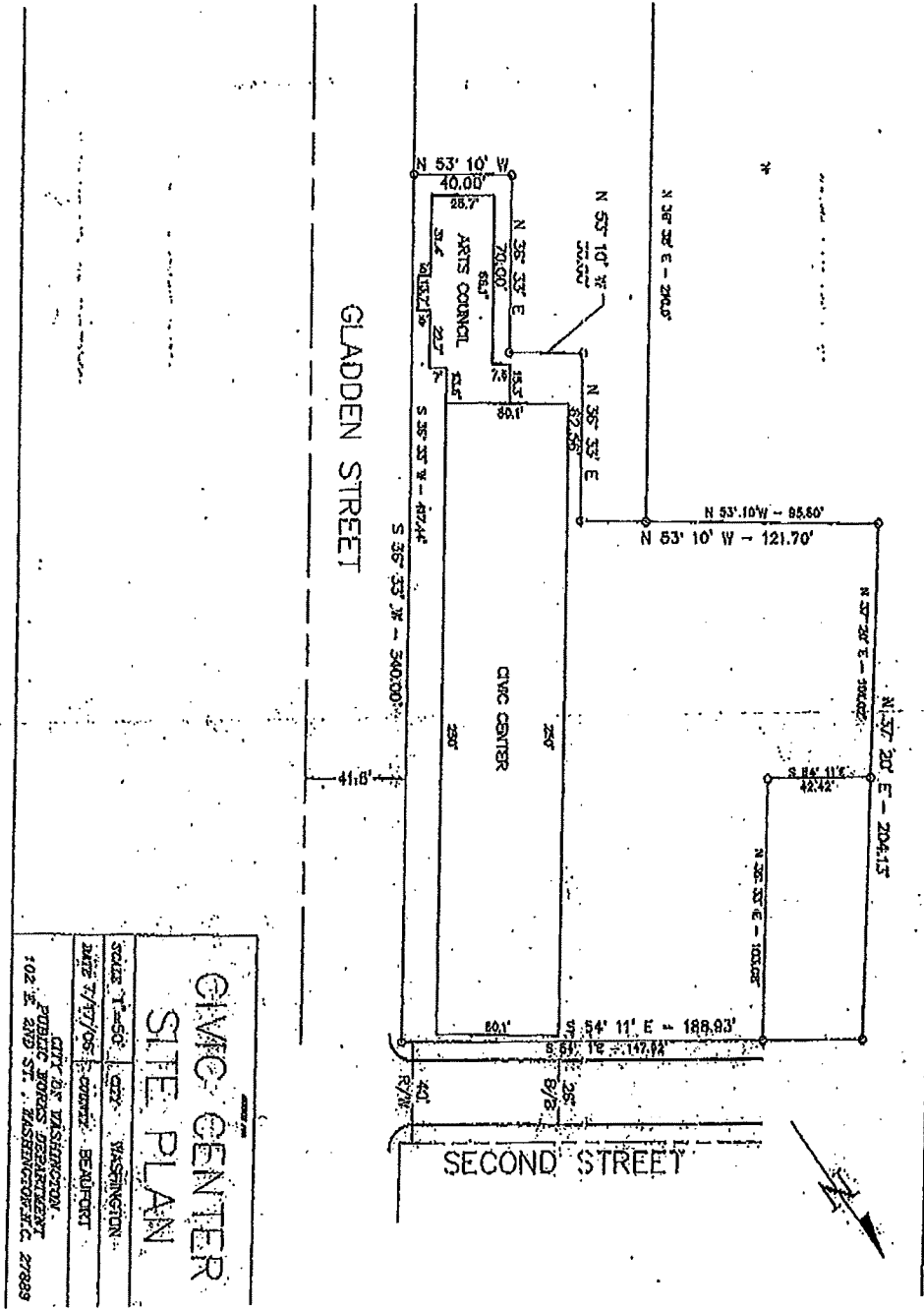
Witness my hand and notary seal this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

**EXHIBIT "A"**

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

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



**CIVIC CENTER  
SITE PLAN**

Scale 1"=50'	CITY	WASHINGTON
Date 7/17/05	Zone	BEAUFORT
CITY OF WASHINGTON PUBLIC WORKS DEPARTMENT 102 E. 2ND ST. WASHINGTON, D.C. 20004		



## REQUEST FOR CITY COUNCIL ACTION

---

**To:** Mayor Hodges & Members of the City Council  
**From:** Jonathan Russell, City Manager  
**Date:** May 6, 2020  
**Subject:** Joint Use and Improvement Agreement – P.S. Jones Memorial Park  
**Applicant Presentation:** N/A  
**Staff Presentation:** N/A

**RECOMMENDATION:**

I move that City Council authorize the Mayor to enter into the proposed agreement with the Beaufort County Board of Education for the improvement and joint use of P.S. Jones Memorial Park.

**BACKGROUND AND FINDINGS:**

In addition to the funding that the City Council committed toward the development of P.S. Jones Memorial Park, the City of Washington has obtained grant funds through Kate B. Reynolds Charitable Trust to support this park improvement project. The improvement and joint-use agreement proposal is pending for the Beaufort County School Board of Education’s approval.

**PREVIOUS LEGISLATIVE ACTION**

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**

**STATE OF NORTH CAROLINA  
COUNTY OF BEAUFORT**

**JOINT USE AGREEMENT**

This Joint Use Agreement (hereinafter referred to as "Agreement") for the joint use of approximately 4.5 acres of designated playing fields on the Ed Tech Center campus more specifically described hereinbelow is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2020, by and between the CITY OF WASHINGTON (hereinafter referred to as "City"), and the BEAUFORT COUNTY BOARD OF EDUCATION (hereinafter referred to as "Board") (collectively may be referred to herein as the "Parties").

**WITNESSETH**

**THAT WHEREAS**, the Parties recognize that joint cooperation and action between the Board and the City shall ensure that the best facilities and services are provided to the citizens of Beaufort County with the least expenditure of public funds;

**WHEREAS**, the Parties are mutually interested in quality education and recreation programs for Beaufort County students and citizens;

**WHEREAS**, the Parties are authorized to enter into agreements with each other to do any and all things necessary or convenient to aid and cooperate in the cultivation of citizenship by providing quality programs and facilities;

**WHEREAS**, the Board owns certain real property at 820 North Bridge Street, Washington, North Carolina which is known as the campus of the Beaufort County Ed Tech Center;

**WHEREAS**, the Parties desire to enter into an agreement for the joint use of the designated playing fields on the Ed Tech Center campus more specifically described hereinbelow for the benefit of the school and the community;

**WHEREAS**, the Board desires to permit the City to use the designated playing fields on the Ed Tech Center campus more specifically described hereinbelow when said playing fields are not being used by the Board;

**WHEREAS**, the City desires to assist the Board with maintenance of the designated playing fields on the Ed Tech Center campus more specifically described hereinbelow;

**WHEREAS**, community use of school property and facilities is encouraged by the Community Schools Act, North Carolina General Statute (N.C.G.S.) 115C-203 et seq.; and

**WHEREAS**, the Parties are authorized to enter into this Agreement pursuant to the provisions of N.C.G.S. 115C, Article 13; N.C.G.S. 115C-518; N.C.G.S. 115C-524(b); and N.C.G.S. 160A-274.

**NOW, THEREFORE**, pursuant to N.C.G.S. 115C, Article 13, N.C.G.S. 115C-524(b), and N.C.G.S. 160A-274 and in consideration of the above-stated desires of the Parties and such other mutual promises and covenants as are hereinafter set forth, the receipt and legal sufficiency of which consideration are hereby acknowledged, the Board and the City do hereby agree as follows.

1. **Property Description.**

The Beaufort County Ed Tech Center campus is located at 820 North Bridge Street Washington, North Carolina. The above referenced designated playing fields are shown generally on Attachment "A" and are hereinafter referred to as "Playing Fields".

2. **Term.**

This Agreement shall run from July 1, 2020 thru June 30, \_\_\_\_.

3. **Enhancements, Modifications, Renovations, or New Construction.**

The Board may make any enhancements, modifications, renovations, or new construction

on the Playing Fields necessary for educational programming needs. The Board may make such enhancements, modifications, renovations, or new construction in its sole discretion and without approval from the City; however, the Board shall notify the City that it is making such improvements.

The City shall be responsible for any enhancements, modifications, renovations, or new construction for City needs; however, no such improvements may be made by the City without the Board or Board designee's prior written approval. After the Board approves the plans and schedule for such improvements proposed by the City, the City shall proceed with such improvements at its expense.

4. **Ownership.**

All future improvements made to or upon the Playing Fields shall be the property of the Board unless the Parties agree otherwise in writing.

5. **Appropriate Use.**

Use of the Playing Fields shall be consistent with the proper care and preservation of public school property as required by N.C.G.S. 115C-524.

6. **Joint Use and Scheduling.**

The Parties agree that the use of the Playing Fields shall be in accordance with the following conditions and provisions.

A. **Administrative Control.**

The Superintendent of the Beaufort County Schools or designee shall have administrative control over the Playing Fields at all times.

B. **Use and Scheduling.**

Use of the Playing Fields shall be in accordance with the following conditions and provisions.

- (1) The Board shall have first priority of use at all times of the Playing Fields for school system activities.
- (2) For the purposes of this Agreement, City's use of the Playing Fields shall be defined as those programs that the City initiates, perpetuates, or the City assists for the benefit of third parties per agreement with the City.



- (3) For the purposes of this Agreement, third party use is defined as non-Board and non-City use. This provision shall not be construed to prohibit the allowance of use of the playing fields by third parties who contract with the City for the third party's recreational use; said third party use shall be allowed and City agrees to provide any such third party contract to the Board upon the request of the Board.
- (4) The Parties shall maintain on-going, open, reciprocal communication while acting in good faith to build a positive reciprocal relationship.
- (5) Each party hereto shall designate one person as the point-of-contact for communication with the other party. The respective points-of-contact and/or other responsible members shall:
  - (a) Communicate as needed to confirm or update usage and maintenance schedules;
  - (b) Be responsible for making participants aware of any cancellations or rescheduling of municipal activities; and
  - (c) Be aware of special circumstances such as emergency weather conditions.

C. **Inclement Weather.**

The Board may make decisions on when to close the Playing Fields due to inclement weather. The City shall comply with the Board's inclement weather determinations and will not access the Ed Tech Center campus when the same is closed due to inclement weather.

D. **Supervision and Security.**

- (1) The City shall provide for appropriate supervision and adhere to all applicable Board rules and policies while using the Playing Fields.
- (2) The City shall be responsible for providing sufficient and appropriate security for its programs, activities, and events.
- (3) In the event of damage attributed to City use or maintenance of the Playing Fields, the City shall restore such damage at least to its condition immediately before such damage.
- (4) Allowed third parties shall provide their own supervision and security per agreement with City.

E. **Fees/Charges.**

Except as expressly stated in this Agreement, there shall be no additional fees and/or charges associated with the City's use of the Playing Fields unless mutually agreed upon.

F. **Income from City Programs.**

The Parties agree that the income and revenues generated from City's use that are subject to this Agreement shall be retained by the City.

G. **Income from School Programs.**

The Parties agree that the income and revenues generated from Board use that are subject to this Agreement shall be retained by the Board.

H. **Concession Operations.**

- (1) The Board or its operating agent has the right to operate concessions on the Playing Fields when the same are being used for Board purposes and the proceeds shall be retained by the Board.
- (2) The City or its operating agent or allowed third parties have the right to operate concessions on the Playing Fields when the same are being used for City purposes and the proceeds shall be retained by the City and / or the allowed third parties.

7. **Housekeeping, Routine/Preventive Maintenance and Major Repair or Life Cycle Maintenance.**

A. **General Guidelines.**

- (1) The City shall be responsible for general cleanup of the Playing Fields after City use to maintain acceptable appearance and required safety levels.
- (2) The City shall be responsible for routine grass maintenance, including mowing and trimming of the Playing Fields.
- (3) All mowing and clean-up of debris will be completed by area rather than by task, meaning that all required work in one area will be completed on the same day and before moving on to the next area.
- (4) Nothing herein shall be construed to require the City to remedy any condition of the Playing Fields that is not attributable to the City's use or maintenance of the Playing Fields.

8. **Insurance.**

The Parties shall maintain at all times during the term of this Agreement and during any and every extension thereof public liability insurance in the amount of \$1,000,000/\$2,000,000, or the minimum required by North Carolina State Law, covering personal injury for each accident or occurrence growing out of their respective use or maintenance of the Playing Fields and at least \$1,000,000 or the minimum required by North Carolina State Law to cover property damage growing out of each accident or occurrence. Participation by the City in the North Carolina League of Municipalities (IRFFNC) or its equivalent and participation by the Board in the North Carolina School Board's Trust or its equivalent will satisfy the Parties' respective requirements for liability insurance. Board and City are each responsible for insuring the replacement value of their respective fixtures and personal property.

9. **Open to Beaufort County Residents.**

The City agrees to provide its program services within the space available to all residents of Beaufort County.

10. **Nondiscrimination.**

The City shall not discriminate against any employee or applicant for employment because of race, color, creed, sex, age, religion, or national origin. Neither the City nor its employees shall discriminate against any person or organization on the basis of race, color, creed, sex, age, religion, or national origin by refusing to furnish such person or organization services or privileges offered to or enjoyed by residents of Beaufort County, nor shall the City or their employees publicize the facilities provided hereunder in any manner that would directly or

inferentially reflect negatively on any person because of race, color, creed, age, sex, religion, or national origin. Nothing contained herein shall be construed to prohibit the City from adopting a disparate fee schedule based upon residency.

11. **Termination.**

Each party may terminate this Agreement at any time upon written notice.

12. **Notices.**

All notices, requests, approvals, or consents required to be given hereunder shall be in writing and hand delivered or sent by certified mail, return receipt requested, postage prepaid, and addressed as follows:

Board:           The Board of Education  
                  Beaufort County Public School System  
                  321 Smaw Road  
                  Washington, NC 27889

City:             City of Washington  
                  Jonathan Russell, City Manager  
                  PO Box 1988  
                  Washington, North Carolina 27889

or to such other address as either party may specify in the manner hereinabove prescribed.

13. **Severability.**

In the event any term or provision of this Agreement shall be adjudged to be partially or completely invalid or unenforceable, then such term or provision shall be severed from this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14. **Non-Assignment.**

The City may not assign this Agreement. The City may use the Playing Fields only as provided for in this Agreement and shall not allow any other person, organization, or corporation to use the Playing Fields without the express written permission of the Board, which may be provided by the Board to the City via email or fax from \_\_\_\_\_ to \_\_\_\_\_.

15. **Entire Agreement.**

The Parties agree that this document constitutes the entire agreement between the Parties and may only be modified by a written mutual agreement signed by the Parties. To the extent that there is any conflict between the terms of this Agreement and any prior understanding or agreement between the Parties, the terms of this Agreement shall control.

16. **Agreement in Counterparts.**

This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Beaufort County Board of Education has caused this Agreement to be signed by its Chair, attested to by its Superintendent/Secretary, and sealed with its corporate seal, and the City has caused this Agreement to be signed by its Mayor attested to by its Clerk, and sealed with its corporate seal, by order of the respective governing boards duly given as of the day and year first written above.

**PRE-AUDIT CERTIFICATE**

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

\_\_\_\_\_  
Matt Rauschenbach, Chief Finance Officer  
City of Washington

**PRE-AUDIT CERTIFICATE**

This Agreement has been pre-audited in the manner required by the School Budget and Fiscal Control Act.

\_\_\_\_\_  
Willie Mack Carawan, Jr., School Finance Officer  
Beaufort County Board of Education

BEAUFORT COUNTY BOARD OF EDUCATION

By: \_\_\_\_\_ (SEAL)  
Carolyn Walker, Chairwoman

ATTEST

By: \_\_\_\_\_ (SEAL) (Affix Corporate Seal)  
Matthew Cheeseman, Superintendent/Secretary

CITY OF WASHINGTON

By: \_\_\_\_\_ (SEAL)  
Jay MacDonald Hodges, Mayor

ATTEST

By: \_\_\_\_\_ (SEAL) (Affix Corporate Seal)  
Cynthia Bennett, City Clerk

**NORTH CAROLINA  
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid, hereby certified that Matthew Cheeseman appeared before me this day, and being duly sworn by me, acknowledged that he is Superintendent/Secretary of the Beaufort County Board of Education, and that by authority duly given and as the act of the Board the forgoing instrument was signed by its Chair, sealed with its corporate seal and attested by him as its Superintendent/Secretary.

Witness my hand and notary seal this \_\_\_\_\_ day of \_\_\_\_\_, 2020 .

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**NORTH CAROLINA  
BEAUFORT COUNTY**

The undersigned, a Notary Public of the County and State aforesaid hereby certified that Cynthia Bennett personally appeared before me this day, and being duly sworn by me acknowledged that she is Clerk of the City of Washington, and that by authority duly given and as the act of the City, the forgoing instrument was signed by its Mayor, sealed with its corporate seal and attested by her as its Clerk.

Witness my hand and notary seal this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

# ATTACHMENT "A"





## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Adam Waters, Public Works Director  
**Date:** May 11, 2020  
**Subject:** Adopt an Ordinance adding new Ch. 31 – Stormwater Utility  
**Applicant Presentation:** N/A  
**Staff Presentation:** N/A

### **RECOMMENDATION:**

I move that Council adopt an Ordinance adding a new Chapter 31, Stormwater Utility, to the Washington City Code.

### **BACKGROUND AND FINDINGS:**

The purpose of this chapter is to establish the Stormwater Utility requirements of the City of Washington to include structural, natural stormwater and drainage systems of all types owned and maintained by the City of Washington. The cost to maintain and operate the Stormwater Utility shall be financed with revenues from the Stormwater Service Fees.

### **PREVIOUS LEGISLATIVE ACTION**

### **FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

### **SUPPORTING DOCUMENTS**

Ordinance

AN ORDINANCE TO ADD NEW CHAPTER 31, STORMWATER UTILITY  
TO THE WASHINGTON CITY CODE

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

Section 1. That a new Chapter 31, Stormwater Utility, be adopted and added in its entirety to the City of Washington's City Code Book of Ordinances.

Section 2. All ordinances or parts of ordinance in conflict herewith are hereby repealed.

Section 3. This ordinance shall become effective July 1, 2020.

This, the 11<sup>th</sup> day of May, 2020

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MAYOR

ATTEST:

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CITY CLERK



## Chapter 31

### STORMWATER UTILITY

Sec. 31-1	Purpose
Sec. 31-2	Definitions
Sec. 31-3	Jurisdiction, Billing and Collection
Sec. 31-4	Complaints Regarding Bill
Sec. 31-5	Adjustment of Bill

## CHAPTER 31 – STORMWATER UTILITY

### Sec. 31-1. Purpose

The purpose of this chapter is to establish the Stormwater Utility requirements of the City of Washington to include structural, natural stormwater and drainage systems of all types owned and maintained by the City of Washington and the cost to maintain and operate the Stormwater Utility shall be financed with revenues from the Stormwater Service Fees.

- a. Stormwater poses a serious threat to the public's health, safety, and welfare. This threat cannot be eliminated entirely. Factors affecting this threat which are beyond the city's control include: frequency and intensity of precipitation events; the topography in and around the city; the types of soils and other geologic structures found in and around the city; body of law established under state and federal authority concerning water rights generally and including but not limited to navigable and non-navigable waters, surface waters, and underground waters; unauthorized interference with the city's storm water drainage system; the design and maintenance of those portions of the storm water drainage system constructed or maintained by others, including private parties and other government entities; and the amount of impervious surfaces associated with a given level of development.
- b. The management of stormwater can reduce the above described threat through the following:
  - (1) Constructing, operating and maintaining needed facilities;
  - (2) Regulating and controlling the use and development of land to reduce the adverse effects of storm water as described in Chapter 30 - Stormwater Management;
  - (3) Equitably and adequately funding the stormwater utility program by a Stormwater service fee that is related to the volume and quality of stormwater runoff from developed land.

### Sec. 31-2. – Definitions

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates otherwise:

- a. *City* shall mean the City of Washington.
- b. *Commercial-Other and nonresidential* shall mean any developed land not fitting the definition of a residential-single family unit. It includes, but is not limited to, land upon which there are residential structures that contain more than one unit, such as duplexes, triplexes, townhouses, condominiums, apartments, boardinghouses; churches; institutional buildings, whether public or private; commercial, office, and industrial buildings; parking lots, driveways, and private streets; and land containing improvements under construction or impervious surfaces that are not structures, with the exception of city streets.
- c. *Developed Land* shall mean property altered from a natural state by construction or installation of more than 200 square feet of impervious surfaces.
- d. *Equivalent Residential Unit (ERU)* – The average impervious surface area on a single family residential parcel. The ERU for the City of Washington is equal to three thousand one hundred sixty-four (3,164) square feet of impervious area.

- e. ***Impervious Surface*** shall mean those areas within developed land which prevent or significantly impede the infiltration of stormwater into the soil. Common impervious surfaces include, but are not limited to, roof tops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas, brick or concrete pavers, and other surfaces which prevent or significantly impede the natural infiltration of stormwater into the soil like asphalt, gravel or clay.
- f. ***Property Owner*** shall mean the person or firm that own(s) parcel(s) that have impervious area to which a stormwater service fee is charged.
- g. ***Public Works Director*** shall mean the Director of the City of Washington's Public Works Department or his designee.
- h. ***Residential- Single Family*** shall mean developed land containing one or more structures which are designed to provide living quarters for one family (attached-townhome or detached dwelling) and shall include houses, manufactured homes, and mobile homes located on an individual parcel of land.
- i. ***Stormwater*** shall mean that portion of rainfall that runs off the property; such as, roofs, land, and paved surfaces, and does not soak into the ground.
- j. ***Stormwater and drainage systems*** shall mean natural and structural channels, swales, ditches, swamps, rivers, streams, creeks, branches, reservoirs, ponds, drainage ways, inlets, catch basins, pipes, head walls, storm sewers, lakes, and other physical works, properties and improvements which transfer, control, convey or otherwise influence the movement of Stormwater runoff.
- k. ***Stormwater Service Fee*** shall mean the portion of stormwater service fee applicable to the parcel of developed land which is generally reflective of a parcel's impact on the cost of providing services and facilities to properly control stormwater runoff quantity and quality. The service rate charge will vary from one parcel of developed land to another based upon the amount of impervious surfaces. This fee will be in the form of an Equivalent Residential Unit (ERU).

### Sec. 31-3. – Jurisdiction, Billing and Collection

- a. All parcels within the corporate city limits that have impervious area shall be charged a monthly Stormwater Service Fee.
  - (1) All Residential –Single Family land parcels will be billed monthly per the current fee schedule.
  - (2) All Commercial – Other and nonresidential detached land parcels monthly per the current fee schedule.
- b. Stormwater Service Fees shall be applied per customer. The owner of each parcel of developed land, however, shall be ultimately obligated to pay such Stormwater Service Fee if it is not paid by the customer.
- c. Each commercial property or residential property that does not have a current utility account with the City of Washington will be billed directly to the owner of the parcel. In other words, the landowner becomes the customer.
- d. Where there is a mix of non-residential and residential uses on the same land parcel and/or in the same building, the non-residential use shall be billed at the non-residential rate and the residential use shall be billed at the residential rate established by the City Council.

- e. Every bill shall be due when mailed to the customer by the due date on the bill and penalties for not paying shall be imposed per the city's current fees.
- f. The total revenues generated by the Stormwater service charge fees will be used to pay stormwater expenses of City owned and maintained stormwater drainage system components and principal and/or interest on debt related to the capital maintenance and/or construction of stormwater system components owned by and operated by the City of Washington, as are reasonably necessary, for the improvements and enhancements of the stormwater and drainage systems throughout the City as deemed appropriate by City Council.
- g. A schedule of stormwater service fees shall be adopted by the City Council and made a part of the minutes of the meeting in which the action was taken. Certified copies of the fee will be on file in the office of the City Clerk and the office of the Director, and copies shall be made available upon request. The rates shall be reviewed and adjusted by the City Council, as needed, or upon recommendations of the City Manager.
- h. Only drainage ways owned and maintained by the City of Washington shall be operated and/or maintained with revenues from the Stormwater Service Fees identified in this Chapter.

#### Sec. 31-4. – Complaints Regarding Bill

- a. A customer having a complaint about a Stormwater Service Fee charged to his/her account shall file a written or verbal notice with the City of Washington Customer Service Department. The Public Works Director will review the account and determine if an adjustment is due based upon such evidence as he/she deems appropriate.

#### Sec. 31-5. – Adjustment of Bill

- a. If the City determines that it has overcharged or undercharged a customer on account of its error, the City shall refund or recover the difference subject to the following:
  - (1) The adjustment period shall be limited to the lesser of the actual period during which the error occurred or twelve (12) months; and
  - (2) The amount of adjustment shall be determined by the Public Works Director based upon such evidence as her/she deems appropriate; and
  - (3) Any overcharge may be either refunded or credited to the customer and any undercharge shall be billed to the customer.



## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Adam Waters, Public Works Director  
**Date:** 5/11/2020  
**Subject:** Adopt a Resolution Authorizing the Mayor to Accept Grant Assistance from NC Department of Environmental Quality Division of Water Infrastructure for Asset Inventory Assessment Grant, Approve budget amendment, Grant Project Ordinance.

**Applicant Presentation:** N/A  
**Staff Presentation:** Adam Waters

### RECOMMENDATION:

I move that Council adopt a resolution authorizing the Mayor to accept grant assistance from the NC Department of Environmental Quality Division of Water Infrastructure for an Asset Inventory Assessment, Approve Budget Amendment, Grant Project Ordinance.

### BACKGROUND AND FINDINGS:

At the September 9, 2019 City Council meeting, Council authorized the Mayor to request grant assistance from the NC Department of Environmental Quality Division of Water Infrastructure. The Asset Inventory and Assessment Grants were created to fund water and wastewater projects. The Grant has a limit of \$150,000 per application over three years. Funds are used to inventory the existing water system and document the condition of the inventoried item in our infrastructure.

The City of Washington has been awarded this grant in the amount of \$150,000. The match percentage for this grant is 5% or \$7,500. In-kind services will apply as part of the match.

### PREVIOUS LEGISLATIVE ACTION

N/A

### FISCAL IMPACT

Currently Budgeted  Requires additional appropriation  No Fiscal Impact

### SUPPORTING DOCUMENTS

Attached Resolution

**RESOLUTION BY WASHINGTON CITY COUNCIL**

**WHEREAS,** the North Carolina General Statutes Chapter 159G has created Asset Inventory and Assessment grants to eligible units of government with meeting their infrastructure needs, and

**WHEREAS,** the North Carolina Department of Environmental Quality has offered a State Reserve Grant in the amount of \$150,000 to perform asset inventory and assessment work, and

**WHEREAS,** the City of Washington intends to perform said project in accordance with the agreed scope of work,

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON:**

That City of Washington does hereby accept the State Reserve Grant offer of \$150,000

That the City of Washington does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That Mac Hodges, Mayor, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Adopted this the 11<sup>th</sup> day of May, 2020 at Washington, North Carolina

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Mac Hodges, Mayor

ATTEST:

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Cynthia S. Bennett  
City Clerk

(SEAL)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2019-2020**

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

Section 1. That the following account numbers in the Non Departmental and Contingency departments of the Water Fund appropriations budget be increased or decreased in the amounts indicated to provide the local match for the Water Asset Inventory Grant.

030-6610-9276	Transfer to Capital Project Fund	\$ 7,500
030-9990-9900	Contingency	(7,500)

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. This ordinance shall become effective upon its adoption.

Adopted this the 11th day of May, 2020.

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**A GRANT PROJECT ORDINANCE FOR  
WATER ASSET INVENTORY  
GRANT # H-AIA-D-20-0192  
CITY OF WASHINGTON, N.C.  
FOR FISCAL YEAR 2019-2020**

**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 grant project is hereby established:

Section 1. The project authorized is for the NC Division of Water Infrastructure Environmental Quality Grant for a water asset inventory and assessment grant.

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

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

204-8240-0400	Professional Services	\$157,500
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Section 4. The following revenue is anticipated to be available to complete this project:

204-3480-0521	State Grant Funds #H-AIA-D-20-0192	\$150,000
204-3980-3000	Transfer from Water Fund	<u>7,500</u>
	Total	\$157,500

Section 5. The Finance Director is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to satisfy the requirements of the grant agreements.

Section 6. Funds may be advanced by the Water Fund for the purpose of making payments as due. Reimbursement requests should be made to the grant agencies in an orderly and timely manner.

Section 7. The Finance Director is directed to report, on a monthly basis, on the financial status of each project element in Section 3 and on the total grant 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 grant project in every budget submission made to the City Council.



Section 9. Copies of this grant project ordinance shall be furnished to the City Clerk, and to the Budget Officer, and to the 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.

This the 11<sup>th</sup> day of May, 2020.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Hodges and Members of City Council  
**From:** Jonathan Russell, City Manager  
**Date:** May 5, 2020  
**Subject:** COVID-19 “Thank You” Bonus  
**Applicant Presentation:**  
**Staff Presentation:**

**RECOMMENDATION:**

I move that the City Council approve a one-time “Thank you” bonus for employees who have been working in many high-risk positions, along with support staff delivering basic services to the City of Washington during the Covid-19 health crisis and adopt the corresponding Budget Ordinance Amendment.

**BACKGROUND AND FINDINGS:**

Our first responders are out on the frontlines protecting the public and responding to calls across the city. The vast majority of our staff have been working on the frontlines providing the city with basic services, despite the public health crisis. Because of the employee’s dedication to their jobs and to the community, they accepted this challenge with courage and professionalism. The “thank you” bonus will be paid based on the following:

- Essential Personnel (high risk exposure)                      \$600 full-time, \$300 part-time
- Mission Critical (moderate risk exposure)                      \$500 full-time, \$250 part-time
- Support Mission Critical (little to no exposure)                      \$200 full-time, \$100 part-time

There are 206 employees who will receive a one-time “thank you” bonus at the following cost:

\$ 87,800	Thank You Bonus
<u>15,726</u>	Fringe Benefits
\$103,526	Total

**PREVIOUS LEGISLATIVE ACTION**

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**

Budget Ordinance Amendment

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2019-2020**

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

Section 1. That the following accounts of the General Fund revenue budget be increased or decreased by the respective amounts indicated:

010-3991-9910	Fund Balance Appropriated	\$68,148
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Section 2. That the following accounts of the General Fund appropriations budget be increased or decreased by the respective amounts indicated for expenditures related to the Thank You compensation for Covid-19 essential services personnel:

010-4125-0200	Salaries	\$ 700
010-4130-0200	Salaries	200
010-4135-0200	Salaries	1,600
010-4250-0200	Salaries	1,500
010-4260-0200	Salaries	900
010-4310-0200	Salaries	19,000
010-4311-0200	Salaries	1,000
010-4340-0200	Salaries	19,100
010-4350-0200	Salaries	500
010-4510-0200	Salaries	2,600
010-4511-0200	Salaries	700
010-4700-0200	Salaries	1,300
010-4910-0200	Salaries	200
010-6120-0200	Salaries	1,400
010-6121-0200	Salaries	750
010-6123-0200	Salaries	600
010-6124-0200	Salaries	500
010-6126-0200	Salaries	1,750
010-6130-0200	Salaries	3,500
010-4125-0500	FICA Taxes	54
010-4130-0500	FICA Taxes	16
010-4135-0500	FICA Taxes	123
010-4250-0500	FICA Taxes	115
010-4260-0500	FICA Taxes	69
010-4310-0500	FICA Taxes	1,454
010-4311-0500	FICA Taxes	77
010-4340-0500	FICA Taxes	1,462
010-4350-0500	FICA Taxes	39
010-4510-0500	FICA Taxes	199
010-4511-0500	FICA Taxes	54

010-4700-0500	FICA Taxes	100
010-4910-0500	FICA Taxes	16
010-6120-0500	FICA Taxes	108
010-6121-0500	FICA Taxes	58
010-6123-0500	FICA Taxes	46
010-6124-0500	FICA Taxes	39
010-6126-0500	FICA Taxes	134
010-6130-0500	FICA Taxes	268
010-4125-0700	Retirement Contributions	72
010-4130-0700	Retirement Contributions	21
010-4135-0700	Retirement Contributions	164
010-4250-0700	Retirement Contributions	154
010-4260-0700	Retirement Contributions	92
010-4310-0700	Retirement Contributions	1,942
010-4311-0700	Retirement Contributions	103
010-4340-0700	Retirement Contributions	1,953
010-4350-0700	Retirement Contributions	52
010-4510-0700	Retirement Contributions	266
010-4511-0700	Retirement Contributions	72
010-4700-0700	Retirement Contributions	133
010-4910-0700	Retirement Contributions	21
010-6120-0700	Retirement Contributions	144
010-6121-0700	Retirement Contributions	77
010-6123-0700	Retirement Contributions	62
010-6124-0700	Retirement Contributions	52
010-6126-0700	Retirement Contributions	179
010-6130-0700	Retirement Contributions	<u>358</u>
	Total	\$68,148

Section 3. That the following accounts of the Electric Fund revenue budget be increased or decreased by the respective amounts indicated:

035-3991-9910	Fund Balance Appropriated	\$ 6,136
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Section 4. That the following accounts of the Electric Fund appropriations budget be increased or decreased by the respective amounts for expenditures related to the Thank You compensation for Covid-19 essential services personnel:

035-7222-0200	Salaries	\$ 500
035-7230-0200	Salaries	800
035-7251-0200	Salaries	2,400
035-8370-0200	Salaries	1,000
035-8375-0200	Salaries	500
035-7222-0500	FICA Taxes	39
035-7230-0500	FICA Taxes	62
035-7251-0500	FICA Taxes	184
035-8370-0500	FICA Taxes	77

035-8375-0500	FICA Taxes	39
035-7222-0700	Retirement Contributions	52
035-7230-0700	Retirement Contributions	82
035-7251-0700	Retirement Contributions	246
035-8370-0700	Retirement Contributions	103
035-8375-0700	Retirement Contributions	<u>52</u>
	Total	\$ 6,136

Section 5. That the following accounts of the Water Fund revenue budget be increased or decreased by the respective amounts indicated:

30-9990-9900	Contingency	\$ 14,503
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Section 6. That the following accounts of the Water Fund appropriations budget be increased or decreased by the respective amounts indicated to for expenditures related to the Thank You compensation for Covid-19 essential services personnel:

030-7220-0200	Salaries	\$ 100
030-7250-0200	Salaries	1,100
030-8100-0200	Salaries	8,900
030-8140-0200	Salaries	1,700
030-8180-0200	Salaries	500
030-7220-0500	FICA Taxes	8
030-7250-0500	FICA Taxes	85
030-8100-0500	FICA Taxes	681
030-8140-0500	FICA Taxes	131
030-8180-0500	FICA Taxes	38
030-7220-0700	Retirement Contributions	11
030-7250-0700	Retirement Contributions	113
030-8100-0700	Retirement Contributions	910
030-8140-0700	Retirement Contributions	174
030-8180-0700	Retirement Contributions	<u>52</u>
	Total	\$ 14,503

Section 7. That the following accounts of the Sewer Fund revenue budget be increased or decreased by the respective amounts indicated:

032-3991-9910	Fund Balance Appropriated	\$ 3,657
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Section 8. That the following accounts of the Sewer Fund appropriations budget be increased or decreased by the respective amounts indicated to for expenditures related to the Thank You compensation for Covid-19 essential services personnel:

032-8200-0200	Salaries	\$ 1,700
032-8210-0200	Salaries	1,200
032-8230-0200	Salaries	200

032-8200-0500	FICA Taxes	131
032-8210-0500	FICA Taxes	92
032-8230-0500	FICA Taxes	16
032-8200-0700	Retirement Contributions	174
032-8210-0700	Retirement Contributions	123
032-8230-0700	Retirement Contributions	<u>21</u>
	Total	\$ 3,657

Section 9. That the following accounts of the Airport Fund revenue budget be increased or decreased by the respective amounts indicated:

037-3991-9910	Fund Balance Appropriated	\$ 354
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Section 10. That the following accounts of the Airport Fund appropriations budget be increased or decreased by the respective amounts indicated to for expenditures related to the Thank You compensation for Covid-19 essential services personnel:

037-4530-0200	Salaries	\$ 300
037-4530-0500	FICA Taxes	23
037-4530-0700	Retirement Contributions	<u>31</u>
	Total	\$ 354

Section 11. That the following accounts of the Cemetery Fund revenue budget be increased or decreased by the respective amounts indicated:

039-3991-9910	Fund Balance Appropriated	\$ 2,358
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Section 12. That the following accounts of the Cemetery Fund appropriations budget be increased or decreased by the respective amounts indicated to for expenditures related to the Thank You compensation for Covid-19 essential services personnel:

039-4740-0200	Salaries	\$ 2,000
039-4740-0500	FICA Taxes	153
039-4740-0700	Retirement Contributions	<u>205</u>
	Total	\$ 2,358

Section 13. That the following accounts of the Solid Waste Fund revenue budget be increased or decreased by the respective amounts indicated:

038-9990-9900	Contingency	\$ 8,370
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Section 14. That the following accounts of the Solid Waste Fund appropriations budget be increased or decreased by the respective amounts indicated to for expenditures related to the Thank You compensation for Covid-19 essential services personnel:

038-4710-0200	Salaries	\$ 7,100
038-4710-0500	FICA Taxes	544

038-4710-0700

Retirement Contributions  
Total

726  
\$ 8,370

Section 15. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 16. This ordinance shall become effective upon its adoption.

Adopted this the 11th day of May, 2020.

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**MAYOR**

**ATTEST:**

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**CITY CLERK**



## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Kristi Roberson, Parks & Recreation Manager  
**Date:** May 11, 2020  
**Subject:** Adopt Grant Project Ordinance and Authorize the Mayor to Execute the Kate B. Reynolds Charitable Trust Grant Contract (Grant No. 2020-075)

**Applicant Presentation:** N/A  
**Staff Presentation:** N/A

**RECOMMENDATION:**

I move City Council adopt the grant project ordinance and authorize the Mayor to execute the Kate B. Reynolds Charitable Trust Grant Contract.

**BACKGROUND AND FINDINGS:**

The City has committed \$130,000.00 in the 2020-2021 budget year. In addition, the Kate B. Reynolds grant will provide and additional \$82,500.00. The funds will provide a playground at PS Jones Memorial Park.

**PREVIOUS LEGISLATIVE ACTION**

none

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**

Grant Project Ordinance & Contract



**A GRANT PROJECT ORDINANCE FOR  
PSJM PARK PLAYGROUND  
GRANT # 2020-075  
CITY OF WASHINGTON, N.C.  
FOR FISCAL YEAR 2019-2020**

**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 grant project is hereby established:

Section 1. The project authorized is for the Kate B. Reynolds Charitable Trust Grant for a playground at the PS Jones Memorial Park.

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

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

119-4932-4502	Construction	\$82,500
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Section 4. The following revenue is anticipated to be available to complete this project:

119-3479-1200	Kate B. Reynolds Trust Grant #2020-075	\$82,500
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Section 5. The Finance Director is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to satisfy the requirements of the grant agreements.

Section 6. Funds may be advanced by the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grant agencies in an orderly and timely manner.

Section 7. The Finance Director is directed to report, on a monthly basis, on the financial status of each project element in Section 3 and on the total grant 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 grant project in every budget submission made to the City Council.

Section 9. Copies of this grant project ordinance shall be furnished to the City Clerk, and to the Budget Officer, and to the 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.

This the 11<sup>th</sup> day of May, 2020.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

**Kate B. Reynolds Charitable Trust  
Grant Agreement with City of Washington  
Grant No. 2020-075**

This Grant Agreement (“Agreement”) made by and between Wells Fargo Bank, N.A., as trustee of the Kate B. Reynolds Charitable Trust (“Trust”) and City of Washington (“Organization”) outlines the terms and conditions governing the Organization’s use of the Grant.

This Grant is identified as Grant No. **2020-075**. Please use this identifier in all communications pertaining to the Grant.

- Purpose.** The Grant is being distributed to the Organization only for the following purposes:  
Capital funds to enhance a park in an underserved neighborhood in Beaufort County to further promote active living options for the community.

It is agreed that the Grant (together with any income from the investment of Grant funds) will be used only for grant purposes described above, as specified further in the final budget and Grant Application attached as Exhibit A to this Agreement. To the extent there is a conflict among them, the following order of priority indicates which document controls: (i) this Agreement, (ii) then the attached final budget, (iii) then the attached Grant Application. Any modification to this Agreement or of the funded program requires the written approval of the trustee, which the trustee in its discretion may or may not provide.

- Amount of Grant.** A grant to the Organization in the amount of \$82,500 has been approved (“Grant”). No more than \$7,500 of this total can be used for indirect expenses, leaving \$75,000 to be applied to the above specific charitable purpose.
- Payment Schedule.** The Grant will be disbursed as follows, provided the Organization is in compliance with the terms and conditions of this Agreement at the time of payment. The trustee may in its sole and absolute discretion modify the timing or the amount of any payment and will notify the Organization in writing of any changes.

AMOUNT	PAYABLE AFTER	CONTINGENT UPON
\$82,500	4/1/2020	Return of signed Grant Agreement and notice that the organization is ready for funds

- Required Reports; Trust Contact.** Electronic reports using the Trust online web portal will be submitted to the Trust as requested by the trustee. Expenditure reports signed by an appropriate authorized representative of the Organization must be provided as an attachment to the electronic report. The trustee may require annual certified public accounting audits for the duration of the Grant period or other additional documents to verify statements in any report. All items required to be sent to the trustee per this Agreement should be submitted electronically via the [web portal](#). **If you have any questions, please contact:**

Debra Hall, Grants Manager, at [debra@kbr.org](mailto:debra@kbr.org) or 336-397-5513

Web Portal Link: <https://www.grantrequest.com/Login.aspx?sid=1009>

5. **Trust Contact.** Except as noted in Paragraph 4 above, the Organization's official contact for matters relating to this grant is:

Adam Linker, Program Officer  
Kate B. Reynolds Charitable Trust  
336-397-5500; 800-485-9080  
[adam@kbr.org](mailto:adam@kbr.org)

6. **Record Maintenance, Inspection & Retention.** The Organization must maintain records of receipts and expenditures and make its books and records available to the trustee for inspection at reasonable times. The trustee may monitor and conduct an evaluation of operations relating to the Grant, which may include a site visit by the trustee.

7. **Prohibited Activities.** So that the Trust may comply with applicable law, including the Internal Revenue Code (the "Code"), it is understood that the Grant will not be used for any of the following purposes:

- A. To carry on propaganda, or otherwise to attempt to influence any legislation (within the meaning of Section 4945(d)(1) of the Code);
- B. To influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive (within the meaning of Section 4945(d)(2) of the Code);
- C. To make grants to individuals for travel, study or other similar purposes (such as scholarships, fellowships, or grants for research), unless such grants satisfy the requirements of Section 4945(g) of the Code;
- D. To make any grant to any other organization (other than to public charities or exempt operating foundations) which does not comply with the requirements of Section 4945(d)(4) of the Code; or
- E. To undertake any activity for any purpose other than the charitable purposes specified in Section 170(c)(2)(B) of the Code.

8. **Return of Unused Funds.** Any portion of the Grant (including any income earned on invested Grant funds) that is unexpended at the completion of the project or March 24, 2026 (whichever occurs first) must be promptly returned to the Trust, unless the Organization receives express notice to the contrary from the Trust.


9. **Tax-Exempt Status.** The Grant is contingent upon the Organization maintaining its public charity status described in Section 501(c)(3) and 509(a)(1), (2) or (3) of the Code. It is understood that the Organization will promptly notify the trustee if:

- A. The IRS changes the Organization's tax-exempt status;
  - B. There is an issue pending before any office of the IRS that could result in any changes to the Organization's tax-exempt status;
  - C. The Organization intends to engage in a substantial and material organizational change (including any proposed termination of the Organization during the Grant period) that could impact the Organization's tax-exempt status.
10. **No Assignment or Delegation.** The Organization may not transfer or otherwise assign its rights or delegate any of its obligations under this Agreement without the prior written approval of the trustee.
11. **Other Required Notifications.** The Organization must promptly notify the trustee if the Organization will be unable to expend any portion of the Grant or if any portion of the Grant is used for a purpose inconsistent with this Agreement.
12. **Publicity.** If the Organization wishes to publicize the Grant, the Organization will incorporate information contained in the attached "News Release Guidelines for Grantees" into any such publicity. The Organization agrees to send a draft of any such press release or other publicity that materially deviates from such Guidelines to the trustee for review and approval before publication. The Organization may send any publicity that follows such Guidelines for review as well if desired.
13. **Right to Modify or Revoke.** The trustee, in its sole discretion, reserves the right to discontinue, modify or withhold any distributions or require a total or partial refund of the Grant if:
- A. The Organization has not complied with the terms and conditions of this Agreement. This includes, but is not limited to, compliance with the requirement that the trustee timely receive any written reports and that the written reports contain the necessary information.
  - B. If such action is necessary to protect the purpose and objectives of the Grant or the charitable purposes of the Trust; or
  - C. If such action is necessary as required by law.
14. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.
- The party signing below on behalf of the Organization represents that such party has the power to bind the Organization and upon request will provide a corporate resolution or other similar documentation evidencing that the signer has the ability to enter into agreements and bind the organization such signer represents.
15. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto and supersedes any and all prior oral and written agreements and understandings. If a court of competent jurisdiction holds any provision of this Agreement invalid, void, or unenforceable, the remaining provisions nevertheless shall continue in full force and effect without being impaired or invalidated in any way.

16. **Execution.** By executing this grant agreement, the Organization agrees to the terms and conditions of this Agreement. *Failure to abide by the terms and conditions of this Agreement may cause distribution delays or cause the Grant to be terminated, resulting in forfeiture of any remaining distributions, in the discretion of the trustee.*

**SIGNED:**

Wells Fargo Bank, N.A., as Trustee  
of the Kate B. Reynolds Charitable Trust

By:   
Printed Name: Audrey Johnson  
Title: Trustee Representative

Date: 4-14-2020

**SIGNED:**

City of Washington

**Check one:**

We are ready to receive and use the funds for the purpose granted.

We will request the funds in writing when we are ready to receive and use them for the purpose granted.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Kate B. Reynolds Charitable Trust Program Budget

**Organization Name** City of Washington - P.S. Jones Memorial Park

**Request ID** 2020-075

Revenue	Year 1	Year 2	Year 3	Total
Kate B. Reynolds Charitable Trust	\$75,000			\$75,000
City of Washington	\$130,000			\$130,000

**Total Revenue** \$205,000 \$0 \$0 \$205,000

Expenses	Project Cost Year 1	Grant Request Year 1	Trust Year 1 Recommendation	Project Cost Year 2	Grant Request Year 2	Project Cost Year 3	Grant Request Year 3
Play Equipment	\$145,000	\$75,000	\$75,000				
Shipping/Install	\$ 30,000						
Pour in Place Surfacing	\$ 30,000						
Trust Indirect Funds			\$ 7,500				

**Total Expenses** \$205,000 \$75,000 \$82,500 \$0 \$0 \$0 \$0  
**Difference** \$130,000 -\$7,500 \$0 \$0 \$0

**You must explain each revenue and expense line item listed in the narrative sections (see tabs below).**

Notes: Do not include indirect expenses. For most programmatic projects, the Trust will add indirect funds at 10% up to a maximum amount of \$50,000. Although space is allotted for a three-year budget, proposed projects can be for a one, two or three-year period.



# REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Kristi Roberson, Parks & Recreation Manager  
**Date:** May 11, 2020  
**Subject:** Cancel and Refund 2020 Summer Program Participants  
**Applicant Presentation:** N/A  
**Staff Presentation:** N/A

**RECOMMENDATION:**

I move City Council approve the Recreation Department to cancel all 2020 Summer Programs offered through the Events and Facilities Division and allow staff to refund money to participants.

**BACKGROUND AND FINDINGS:**

Due to the COVID-19 pandemic and guidelines being issued through the CDC, we do not feel as though we can offer a quality program to our participants. Transportation is not allowed and children will be required to wear masks. In addition, we do not know what the guidelines will be for the facilities we planned to visit. We may attempt to offer swim lessons during late July or August, depending on the guidelines issued. At this time, we have not held registration for swim lessons.

**PREVIOUS LEGISLATIVE ACTION**

none

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**





## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Mike Dail, Community & Cultural Services Director  
**Date:** May 4, 2020  
**Subject:** Approve Resolution Adopting 2019 Pamlico Sound Regional Hazard Mitigation Plan  
**Applicant Presentation:** N/A  
**Staff Presentation:** Mike Dail, Community & Cultural Services Director

**RECOMMENDATION:**

I move that the City Council approve a resolution to adopt the 2019 Pamlico Sound Regional Hazard Mitigation Plan.

-OR-

I move that the City Council deny a resolution to adopt the 2019 Pamlico Sound Regional Hazard Mitigation Plan.

**BACKGROUND:**

The Pamlico Sound Regional Hazard Mitigation Plan is drafted to assist in the protection of the people and the property of the Pamlico Sound Region from the effects of natural and human-caused hazards and to maintain eligibility for mitigation funding from the Federal Emergency Management Agency (FEMA). Having this plan in place also contributes to the City of Washington’s FEMA CRS rating which helps to reduce Federal Flood Insurance rates for property owners. The plan was last adopted in 2015. The new plan is the 2019 update that has been developed over a year long process which included public participation. The Pamlico Sound Region includes the counties of Beaufort, Craven, Pamlico and Carteret and all participating cities and towns within those counties. A copy of the 653 page plan along with other pertinent information can be found at [www.pamlicohmp.com](http://www.pamlicohmp.com).

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)     Requires additional appropriation     No Fiscal Impact

**SUPPORTING DOCUMENTS**

Resolution



**RESOLUTION OF THE CITY OF WASHINGTON  
FOR THE PAMLICO SOUND REGIONAL HAZARD MITIGATION PLAN**

**WHEREAS**, The City of Washington is vulnerable to an array of natural hazards that can cause loss of life and damages to public and private property; and; and

**WHEREAS**, the County and participating municipal jurisdictions desire to seek ways to mitigate situations that may aggravate such circumstances; and

**WHEREAS**, the development and implementation of a hazard mitigation plan can result in actions that reduce the long-term risk to life and property from hazard hazards; and

**WHEREAS**, it is the intent of the City Council of the City of Washington to protect its citizens and property from the effects of natural hazards by preparing and maintaining a local hazard mitigation plan; and

**WHEREAS**, it is also the intent of the City Council of the City of Washington to fulfill its obligation under North Carolina General Statutes, Chapter 166A: North Carolina Emergency Management Act and Section 322: Mitigation Planning of the Robert T. Stafford Disaster Relief and Emergency Assistance Act to remain eligible to receive state and federal assistance in the event that a declared disaster affecting the City of Washington; and

**WHEREAS**, the City of Washington actively participated in the planning process of the Pamlico Sound Regional Hazard Mitigation Plan and has prepared a regional hazard mitigation plan with input from the appropriate local and state officials; and

**WHEREAS**, the North Carolina Division of Emergency Management and the Federal Emergency Management Agency have reviewed the Pamlico Sound Regional Hazard Mitigation Plan for legislative compliance and have approved the plan pending the completion of local adoption procedures;

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

1. Adopts the Pamlico Sound Regional Hazard Mitigation Plan; and
2. Vests Flood Plain Manager, Community & Cultural Services Director with the responsibility, authority, and the means to:

- (a) Inform all concerned parties of this action.
  - (b) Cooperate with Federal, State and local agencies and private firms which undertake to study, survey, map, and identify floodplain or flood-related erosion areas, and cooperate with neighboring communities with respect to management of adjoining floodplain and/or flood-related erosion areas in order to prevent aggravation of existing hazards.
3. Appoints Flood Plain Manager, Community & Cultural Services Director to assure that, in cooperation with the other participating jurisdictions, the Hazard Mitigation Plan is reviewed annually and every five years as specified in the Plan to assure that the Plan is in compliance with all State and Federal regulations and that any needed revisions or amendments to the Plan are developed and presented to the City Council of the City of Washington for consideration.
4. Agrees to take such other official action as may be reasonably necessary to carry out the objectives of the 2020 Pamlico Sound Regional Hazard Mitigation Plan.

Adopted this 11th day of May 2020.

\_\_\_\_\_  
Jay MacDonald Hodges, Mayor

ATTEST:

\_\_\_\_\_  
Cynthia Bennett, City Clerk



## REQUEST FOR CITY COUNCIL ACTION

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**To:** Mayor Hodges & Members of the City Council  
**From:** Matt Rauschenbach, C.F.O./Administrative Services Director  
**Date:** May 6, 2020  
**Subject:** Adopt Budget Ordinance for Fiscal Year 2021, Set Ad Valorem Tax Rate and User Fee Schedule  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

**RECOMMENDATION:**

I move that City Council adopt the Budget Ordinance for Fiscal Year 2021, set the 2020 Advalorem Tax rate at \$0.53 per \$100.00 value with \$.01924 designated for the Public Safety Capital Reserve and \$.02 towards the Police Station Capital Project Fund, and set the user fee schedule included in the appendix of the budget.

**BACKGROUND AND FINDINGS:**

Attached is the Budget Ordinance for Fiscal Year 2021, totaling \$94,275,269. This ordinance appropriates the following amounts in the funds listed for operational expenses during the fiscal year:

General Fund	\$17,928,489
Water Fund	3,578,751
Sewer Fund	3,728,730
Storm Water Management Fund	1,247,382
Electric Fund	35,984,478
Airport Fund	815,113
Solid Waste Fund	1,535,059
Cemetery Fund	330,398
Library Trust Fund	3,000
Cemetery Trust Fund	9,000
Public Safety Capital Reserve Fund	166,970
Water Capital Reserve Fund	6,000
Sewer Capital Reserve Fund	1,900
Workers Compensation Fund	127,900
Vehicle Replacement Fund	1,326,000
Facility Maintenance Fund	130,000
CDBG-NR #14-D-2971 Fund	775,000
Streetscape Project	4,092,178
Havens Garden Pier Grant	98,000
Downtown Revitalization Grant	50,000

Police Station Capital Project Fund	2,780,381
Financial Software Capital Project Fund	400,000
Façade Grant	20,000
Way Finding Capital Project Fund	172,638
Library Expansion Project	2,000
Castle Island CDBG Grant	500,000
Kayak Access Grant	68,127
EPA Brownfield's Grant Fund	300,000
DOT Bridge #3 Pipeline Relocation Fund	2,281,962
Water Capital Project Fund	65,600
Wastewater Asset Inventory Grant	157,500
Sewer Plant Expansion Fund	250,000
Storm Water Project Fund	783,334
Electric Project Fund	3,825,493
DOT Hwy 17 Relocation Fund	2,881,805
Airport Runway Design	458,017
Airport Rehabilitation Grant	460,121
Corporate Hangar Design Grant	702,696
Taxiway/Apron Pavement Grant	3,299,677
Pavement Rehab Grant	<u>2,931,570</u>
Grand Total	\$94,275,269

**PREVIOUS LEGISLATIVE ACTION**

Budget workshop discussions

**FISCAL IMPACT**

Currently Budgeted (Account )  Requires additional appropriation  
 No Fiscal Impact

**SUPPORTING DOCUMENTS**

Annual budget  
Budget Ordinance

CITY OF WASHINGTON, NORTH CAROLINA  
BUDGET ORDINANCE FOR FISCAL YEAR 2021

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

**Section 1.** The following amounts are hereby appropriated for the operation of the City of Washington government and its activities for the fiscal year beginning July 1, 2020, and ending June 30, 2021, according to the following schedules:

Schedule A. General Fund

General Government

City Council	63,501
Mayor	17,074
City Manager	396,486
Communications	67,354
TDA Director	165,074
Human Resources	390,499
Finance	634,898
Purchasing	154,370
Information Systems	509,614
Billing	182,865
Customer Services	782,926
License Plate Agency	170,455
Planning/Zoning	389,472
Code Enforcement	356,305
Legal	143,300
Economic Development	424,455
Miscellaneous	917,427
Debt Service	170,327
Contingency	0

Public Safety

Police	3,843,498
E-911 Communication	362,027
Fire	1,088,158
Emergency Medical Services	2,124,516

Public Works

Administration	93,095
Municipal Building	259,792
Equipment Services	158,730
Street Maintenance	955,486
Powell Bill	295,377
Street Lighting	0
Storm Water Improvements	0

Cultural and Leisure

Brown Library	586,972
Recreation Administration	140,963
Recreation Events & Facilities	215,132
Senior Programs	211,820
Waterfront Docks	100,185
Civic Center	87,686
Aquatic Center	367,741
Building & Grounds	1,060,779
Outside Agencies	<u>40,130</u>
Total General Fund Appropriations	\$17,928,489

Schedule B. Water Fund

Debt Services	0
Miscellaneous	1,062,300
Administration	109,104
Water Meter Services	187,425
Water Treatment	1,621,032
Water Distribution Maintenance	341,504
Water Distribution Construction	257,386
Contingency	<u>0</u>
Total Water Fund Appropriations	3,578,751

Schedule C. Sewer Fund

Debt Service	231,329
Miscellaneous	1,037,465
Administration	104,334
Wastewater Collection Maintenance	308,523
Wastewater Collection Construction	238,190
Wastewater Treatment	1,395,027
Wastewater Stations	413,862
Contingency	<u>0</u>
Total Sewer Fund Appropriations	3,728,730

Schedule D. Storm Water Management Fund

Debt Service	419,085
Operations	757,189
Nutrient Control	71,108
Contingency	<u>0</u>
Total Storm Water Management Fund Appropriations	1,247,382

Schedule E. Electric Fund

Debt Service	0
Miscellaneous	3,971,512
Administration	460,618
Utility Communications	345,247
Electric Meter Services	686,406
Purchase Power	22,728,795
Substation Maintenance	578,107
Load Management	585,626
Power Line Maintenance	2,681,467
Power Line Construction	3,946,700
Contingency	0
Total Electric Fund Appropriations	<u>35,984,478</u>

Schedule F. Airport Fund

Operational Expenses	815,113
Contingency	0
Total Airport Fund Appropriations	<u>815,113</u>

Schedule G. Solid Waste Fund

Debt Service	116,842
Solid Waste Operations	1,417,193
Contingency	1,024
Total Solid Waste Fund Appropriations	<u>1,535,059</u>

Schedule H. Cemetery Fund

Debt Service	0
Operational Expenses	330,398
Contingency	0
Total Cemetery Fund Appropriations	<u>330,398</u>

Schedule I. Library Trust Fund

Administration Charges to General Fund for Library Operations	<u>3,000</u>
Total Library Trust Fund Appropriations	3,000



Schedule J. Cemetery Trust Fund

Administration Charges to Cemetery Fund for Operations	<u>9,000</u>
Total Cemetery Trust Fund Appropriations	9,000

Schedule K. Public Safety Capital Reserve Fund

Transfer to General Fund	<u>166,970</u>
Total Public Safety Capital Reserve Fund Appropriations	166,970

Schedule L. Water Capital Reserve Fund

Reserved for Future Capital Projects	<u>6,000</u>
Total Water Capital Reserve Fund Appropriations	6,000

Schedule M. Sewer Capital Reserve Fund

Reserved for Future Capital Projects	<u>1,900</u>
Total Sewer Capital Reserve Fund Appropriations	1,900

Schedule N. Internal Service Fund

Worker's Compensation Claim Payments	<u>127,900</u>
Total Internal Service Fund Appropriations	127,900

Schedule O. Vehicle Replacement Fund

Vehicle Replacement Fund	<u>1,326,000</u>
Total Vehicle Replacement Fund Appropriations	1,326,000

Schedule P. Facility Maintenance Fund

Facility Maintenance Fund	<u>130,000</u>
Total Facility Maintenance Fund Appropriations	130,000

Schedule Q. CDBG-NR #14-D-2971 Fund

CDBG-NR #14-D-2971	<u>775,000</u>
Total CDBG-NR #14-D-2971 Appropriations	775,000

Schedule R. Streetscape Project Fund

Streetscape Fund	<u>4,092,178</u>
Total Streetscape Project Fund Appropriations	4,092,178

Schedule S. Havens Garden Pier Grant

Havens Garden Pier Grant	<u>98,000</u>
Total Havens Garden Pier Grant Appropriations	98,000

Schedule T. Downtown Revitalization Grant #2018

Downtown Revitalization Grant #2018	<u>50,000</u>
Total Downtown Revitalization Grant #2018 Appropriations	50,000

Schedule U. Police Station CPF

Police Station CPF	<u>2,780,381</u>
Total Police Station CPF Appropriations	2,780,381

Schedule V. Financial Software CPF

Financial Software CPF	<u>400,000</u>
Total Financial Software CPF Appropriations	400,000

Schedule W. Facade Grant

Facade Grant	<u>20,000</u>
Total Facade Grant Appropriations	20,000

Schedule X. Wayfinding Project

Wayfinding Project	<u>172,638</u>
Total Wayfinding Project Appropriations	172,638

Schedule Y. Library Expansion Project

Library Expansion Project	<u>2,000</u>
Total Library Expansion Project Appropriations	2,000

Schedule Z. Castle Island CDBG Grant

Castle Island CDBG Grant	<u>500,000</u>
Total Castle Island CDBG Grant Appropriations	500,000

Schedule A1. Kayak Access Grant Fund

Kayak Access Grant Fund	<u>68,127</u>
Total Kayak Access Grant Fund Appropriations	68,127

Schedule B1. EPA Brownfield's Grant Fund

EPA Brownfield's Grant Fund	<u>300,000</u>
Total EPA Brownfield's Grant Fund Appropriations	300,000

Schedule C1. DOT Bridge #3 Pipeline Relocation Fund

DOT Bridge #3 Pipeline Relocation	<u>2,281,962</u>
Total DOT Bridge #3 Pipeline Relocation Appropriations	2,281,962

Schedule D1. Water Capital Project Fund

Water Capital Project Fund	<u>65,600</u>
Total Water Capital Project Fund Appropriations	65,600

Schedule E1. Wastewater Asset Inventory Grant

Wastewater Asset Inventory Grant	<u>157,500</u>
Total Wastewater Asset Inventory Grant Appropriations	157,500

Schedule F1. Sewer Plant Expansion Fund

Sewer Plant Expansion Fund	<u>250,000</u>
Total Sewer Plant Expansion Fund Appropriations	250,000

Schedule G1. Stormwater Project Fund

Stormwater Project Fund	<u>783,334</u>
Total Stormwater Project Fund Appropriations	783,334

Schedule H1. Electric Project Fund

Electric Project Fund	<u>3,825,493</u>
Total Electric Project Fund Appropriations	3,825,493

Schedule I1. DOT Hwy 17 Relocation Fund

DOT Hwy 17 Relocation Fund	<u>2,881,805</u>
Total DOT Hwy 17 Relocation Fund Appropriations	2,881,805

Schedule J1. Airport Runway Design

Airport Runway Design	<u>458,017</u>
Total Airport Runway Design Appropriations	458,017

Schedule K1. Airport Rehabilitation Grant

Airport Rehabilitation Grant	<u>460,121</u>
Total Airport Rehabilitation Grant Appropriations	460,121

Schedule L1. Corporate Hanger Design Grant

Corporate Hanger Design Grant	<u>702,696</u>
Total Corporate Hanger Design Grant Appropriations	702,696

Schedule M1. Taxiway/Apron Pavement Grant

Taxiway/Apron Pavement Grant	<u>3,299,677</u>
Taxiway/Apron Pavement Grant Appropriations	3,299,677

Schedule N1. Pavement Rehab Grant

Pavement Rehab Grant	<u>2,931,570</u>
Pavement Rehab Grant Appropriations	2,931,570

Total Appropriations for all Funds \$94,275,269

Section 2. It is estimated that the following revenue will be available during the year beginning July 1, 2020, and ending June 30, 2021 to meet the foregoing appropriations

Schedule A. General Fund

Ad Valorem Taxes	4,493,737
Other Taxes & Licenses	3,453,662
Unrestricted Intergovernmental Revenue	2,133,146
Restricted Intergovernmental Revenue	457,602
Permits & Fees	119,020
Sales and Services	850,976
Investment Earnings	165,000
Miscellaneous	25,300
Transfers From	2,116,610
Administrative Charges	2,970,005
Long Term Debt Issued	0
Fund Balance Appropriated	<u>1,143,431</u>
Total General Fund Revenues	17,928,489

Schedule B. Water Fund

Water Charges	94,300
Sales and Services	3,100,000
Interest Earnings	72,000
Miscellaneous	500
Installment Note Proceeds	0
Rents	37,400
Transfer from Water Capital Reserve	0
Fund Balance Appropriated	274,551
Total Water Fund Revenues	<u>3,578,751</u>

Schedule C. Sewer Fund

Wastewater Charges	36,100
Sales and Services	3,300,000
Interest Earnings	44,000
Assessments	1,596
Miscellaneous	1,000
Fund Balance Appropriated	346,034
Total Sewer Fund Revenues	<u>3,728,730</u>

Schedule D. Storm Water Management Fund

Interest Earnings	16,000
Storm Water Charges	1,190,382
Interest Rebates (RZEDB)	34,000
Other Fees	7,000
Fund Balance Appropriated	0
Total Storm Water Management Fund Revenues	<u>1,247,382</u>

Schedule E. Electric Fund

Electric Charges	34,188,162
Sales and Services	485,300
Interest Earnings	303,900
Miscellaneous	178,000
Fund Balance Appropriated	558,215
Administration Charges from Other Funds: Water	198,347

Sewer	<u>72,554</u>
Total Electric Fund Revenues	35,984,478

Schedule F. Airport Fund

Rentals	100,571
Sales & Services	290,700
Miscellaneous	1,000
Grants	190,000
Transfer from General Fund:	
General Fund	232,842
Fund Balance Appropriated	<u>0</u>
Total Airport Fund Revenues	815,113

Schedule G. Solid Waste Fund

Interest Earnings	6,000
Solid Waste Tax	6,000
Fees	1,523,059
Fund Balance Appropriated	<u>0</u>
Total Solid Waste Fund Revenues	1,535,059

Schedule H. Cemetery Fund

Interest Earnings	500
Sales & Services	166,000
Adm. Charges from Cemetery Trust	9,000
Transfer from Electric Fund	154,898
Fund Balance Appropriated	<u>0</u>
Total Cemetery Fund Revenues	330,398

Schedule I. Library Trust Fund

Interest Earnings	<u>3,000</u>
Total Library Trust Fund Revenues	3,000

Schedule J. Cemetery Trust Fund

Interest Earnings	<u>9,000</u>
Total Cemetery Trust Fund Revenues	9,000

Schedule K. Public Safety Capital Reserve Fund

Transfer from General Fund	166,970
Fund Balance Appropriated	<u>0</u>
Total Public Safety Capital Reserve Fund Revenues	166,970

Schedule L. Water Capital Reserve Fund

Impact Fees	0
Interest Earnings	6,000
Fund Balance Appropriated	<u>0</u>
Total Water Capital Reserve Fund Revenues	6,000

Schedule M. Sewer Capital Reserve Fund

Impact Fees	
Interest Earnings	1,900
Fund Balance Appropriated	<u>0</u>
Total Sewer Capital Reserve Fund Revenues	1,900

Schedule N. Internal Service Fund

Worker's Compensation Fund	<u>127,900</u>
Total Internal Service Fund Revenues	127,900

Schedule O. Vehicle Replacement Fund

Vehicle Replacement Fund	<u>1,326,000</u>
Total Vehicle Replacement Fund Revenues	1,326,000

Schedule P. Facility Maintenance Fund

Facility Maintenance Fund	<u>130,000</u>
Total Facility Maintenance Fund Revenues	130,000

Schedule Q. CDBG-NR #14-D-2971 Fund

Grant Funds	750,000
Transfer from General Fund	<u>25,000</u>
Total CDBG-NR #14-D-2971 Revenues	775,000



Schedule R. Streetscape Project

Transfer from General Fund	2,429,698
Transfer from Water Fund	373,295
Transfer from Sewer Fund	96,816
Transfer from Stormwater Fund	269,889
Transfer from Electric Fund	909,881
Interest Earned	<u>12,599</u>
Total Streetscape Project Revenues	4,092,178

Schedule S. Havens Garden Pier Grant

Havens Garden Pier Grant	<u>98,000</u>
Total Havens Garden Pier Grant Revenues	98,000

Schedule T. Downtown Revitalization Grant #2018

Downtown Revitalization Grant #2018	<u>50,000</u>
Total Downtown Revitalization Grant #2018 Revenues	50,000

Schedule U. Police Station CPF

Police Station CPF	<u>2,780,381</u>
Total Police Station CPF Revenues	2,780,381

Schedule V. Financial Software CPF

Financial Software CPF	<u>400,000</u>
Total Financial Software CPF Revenues	400,000

Schedule W. Facade Grant

Facade Grant-Transfer from General Fund	<u>20,000</u>
Total Facade Grant Revenues	20,000

Schedule X. Wayfinding Project

Wayfinding Project	<u>172,638</u>
Total Wayfinding Project Revenues	172,638

Schedule Y. Library Expansion Project

Transfer from General Fund	<u>2,000</u>
Total Library Expansion Project Revenues	2,000

Schedule Z. Castle Island CDBG Grant

Castle Island CDBG Grant	<u>500,000</u>
Total Castle Island Project Revenues	500,000

Schedule A1. Kayak Access Grant Fund

Kayak Access Grant Fund	<u>68,127</u>
Total Kayak Access Grant Fund Revenues	68,127

Schedule B1. EPA Brownfield's Grant Fund

EPA Brownfield's Grant Fund	<u>300,000</u>
Total EPA Brownfield's Grant Fund Revenues	300,000

Schedule C1. DOT Bridge #3 Pipeline Relocation Fund

DOT Reimbursement	<u>2,281,962</u>
Total DOT Bridge #3 Pipeline Fund Revenues	2,281,962

Schedule D1. Water Capital Project Fund

Water Capital Project Fund	<u>65,600</u>
Total Water Capital Project Fund Revenues	65,600

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Wastewater Asset Inventory Grant	<u>157,500</u>
Total Wastewater Asset Inventory Grant Revenues	157,500

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Sewer Plant Expansion Fund	<u>250,000</u>
Total Sewer Plant Expansion Fund Revenues	250,000

Schedule G1. Stormwater Project Fund

Transfer from Stormwater Fund	<u>783,334</u>
Total Stormwater Project Fund Revenues	783,334

Schedule H1. Electric Project Fund

Electric Project Fund	<u>3,825,493</u>
Total Electric Project Fund Revenues	3,825,493

Schedule I1. DOT Hwy 17 Relocation Fund

DOT Hwy 17 Relocation Fund	<u>2,881,805</u>
Total DOT Hwy 17 Relocation Fund Revenues	2,881,805

Schedule J1. Airport Runway Design

Airport Runway Design Revenues	<u>458,017</u>
Total Airport Runway Design Revenues	458,017

Schedule K1. Airport Rehabilitation Grant

Airport Rehabilitation Grant	<u>460,121</u>
Total Airport Rehabilitation Grant Revenues	460,121

Schedule L1. Corporate Hanger Design Grant

Corporate Hanger Design Grant Fund	<u>702,696</u>
Total Corporate Hanger Design Grant Fund Revenues	702,696

Schedule M1. Taxiway/Apron Pavement Rehab Grant

Taxiway/Apron Pavement Rehab Grant Fund	<u>3,299,677</u>
Total Taxiway/Apron Pavement Rehab Grant Fund Revenues	3,299,677

Schedule N1. Pavement Rehab Grant

Pavement Rehab Grant Fund	<u>2,931,570</u>
Total Pavement Rehab Grant Fund Revenues	2,931,570

Total Estimated Revenues for all Funds \$94,275,269

**Section 3.** There is hereby levied the following rate of tax on each one hundred dollars (\$100.00) valuation of estimated taxable property listed for taxes as of January 1, 2020, for the purpose of raising the revenues from property taxes, as set forth in the foregoing estimates, and in order to finance the foregoing appropriations:

General Fund  
Total Rate per \$100 of  
Valuation of Taxable Property .53

Such rate of tax is based on an estimated total assessed valuation of property tax for the purpose of taxation of \$860,490,377 with an estimated rate of collections of ninety-seven percent (97.00%). A general reappraisal of real property was undertaken in 2018 resulting in a revenue neutral tax rate of \$.5291. The rate adopted is \$.53.

**Section 4.** Some estimates of revenue other than the property tax exceed the amount actually realized in cash from each source in the preceding fiscal year, but the facts warrant the expectations that in each case the estimated amount will actually be realized in cash during the budget year.

**Section 5.** Appropriations are authorized by department totals. The Finance Officer is authorized to reallocate departmental appropriations among various line item objects of expenditures and revenues as necessary during the budget year. The City Manager is authorized to reallocate

appropriations among the various departmental totals of expenditures within the General Fund, Water Fund, Sewer Fund, Electric Fund, Storm Water Management Fund, Airport Fund, Solid Waste Fund, and Cemetery Fund as allowed by North Carolina General Statute 159-15. Any such transfers between departments shall be reported to the City Council at its next regular meeting following the transfer and shall be entered into the official minutes of the City of Washington.

**Section 6.** Copies of this ordinance shall be filed with the Finance Director of the City of Washington, to be kept on file by him for his direction in the disbursement of City funds.

**Section 7.** All ordinances or parts of ordinances in conflict herewith are hereby repealed.

**Section 8.** This ordinance shall become effective July 1, 2020.

Adopted this the 11th day of May, 2020.

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MAYOR

ATTEST:

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CITY CLERK