



FEBRUARY 19, 2013, CITY COUNCIL MINUTES

SPECIAL MEETING CIP WORKSHOP

The City Council of the City of Clinton, North Carolina, met in a special meeting at 6:00 PM on February 19, 2013, in the City Hall Training Room. Mayor Starling presided. Councilmembers Becton, Turlington, Stefanovich, Strickland, and Mayor Pro Tem Harris were present. Also present were City Manager Connet, Fire Chief Adon Snyder, Planning and Community Development Director Mary Rose, City Clerk Elaine F. Hunt, Police Chief Jay Tilley, Parks and Recreation Director Jonathan Allen, Assistant City Manager-Finance Director Shawn Purvis, and Kristin Stafford, Accounting Operations Manager.

Human Resource Manager Lisa Carter and Public Works Director Jeff Vreugdenhil were absent.

Chris Berendt, of the Sampson Independent, was present.

City Clerk Elaine F. Hunt blessed the meal and the meeting began.

City Manager Connet gave the purpose of the meeting and soon after, asked Mr. Purvis to give his presentation.

Mr. Purvis distributed the attached Capital Improvement Plan FY13-14 to FY17-18 handout to everyone and explained each page in depth. (SEE ATTACHMENT ONE which is incorporated by reference and hereby made part of these minutes.) He compared the City of Clinton's financial condition to its peers. Upon reviewing the General Fund overview, Mr. Purvis stated that it is in a stable financial condition; however, sustainability is the issue facing the Fund. He further stated that low growth and a slow economy contribute to revenue growth that lags expenditure growth based on inflation.

City Council was briefed on proposed short-term and long-term General Fund Projects, as well as proposed short-term and long-term Water and Sewer Fund Projects. Mr. Purvis informed City Council that at the February 5, 2013, city council meeting, they adopted a **RESOLUTION TO REQUEST LOCAL LEGISLATION TO ALLOW THE CITY OF CLINTON THE PERMISSION TO CONSTRUCT CERTAIN FACILITIES UTILIZING THE DESIGN-BUILD**

PROCESS . He stated this Resolution originated so that renovations might be performed at the Public Works Facilities. He stated that we have Public Works Facilities renovations proposed that will total approximately \$380K.

Mr. Purvis stated that the Water and Sewer Fund is in sound financial condition. He stated that debt service for several projects will come off the books over the next three years. Mr. Purvis acknowledged that the size of the upcoming proposed projects and the future capital needs must be balanced to ensure the financial sustainability of the fund.

City Council had a few questions regarding the presentation. Brief discussions took place regarding:

- transiting the old Caison Building into a public safety building; and
- the number of tennis courts actually necessary; and
- what renovations will take place at the Public Works Facility if City Council approves.

Mr. Connet stated that the break room will be enlarged, a storage room will be built, and a larger room will be added so that the privacy of individuals purchasing cemetery lots will be available. Mayor and City Council thanked Mr. Purvis for the thorough and early delivered presentation.

115 WEST LEE STREET

City Manager Connet briefed City Council on the house located at 115 West Lee Street. He stated that he had been contacted by two interested parties; however, one could not afford the payments of \$604.00 per month. He stated that the payment amount is based upon the Jacobs Street Apartments rentals. City Manager Connet recommended the following to City Council:

- \$62,000 financed for 144 months at 4% interest rate
- Monthly payment at \$604.11 (Payments include insurance cost)

He stated that in order to sell this house and meet the requirements of the NC General Statutes, the City must follow NC G. S. 160A-269 negotiated offer, advertisement and upset bid process. He further stated that this process requires the bidder to put down 5%, the City to publish a notice and wait ten (10) days for an upset bid. Mr. Connet stated that our interested party does not have the 5% down payment which totals \$3,100; therefore, he recommended the process of lease/sell and the following:

- 1) Advertise a Public Hearing for the March 5, 2013, City Council meeting declaring our intent to lease the house for one (1) year. Include in the advertisement that 50% (fifty percent) of the monthly rent will be credited to the 5% (five percent) down payment.

- 2) Following the public hearing enter into an agreement with the tenant for a one (1) year lease with the stipulation that she can make an offer to purchase the house on March 5, 2014, and 50% (fifty percent) of her rent over the last twelve (12) months will be credited towards the 5% (five percent) down payment.
- 3) If an offer to purchase the house for \$62,000 (sixty-two thousand dollars) is made on March 5, 2014, and the City Council accepts that offer, the City will advertise that a bid has been received and upset bids will be accepted for a ten (10) day period. The upset bid advertisement should stipulate that any bidder must agree to live in the house for the term of the twelve (12) years or give the City of Clinton the first right to purchase the house to promote affordable housing in District 5. If no additional bid is received, the house will be sold to the tenant using a lease purchase arrangement. If there is an upset meeting the aforementioned criterion, the City will follow the process until there is no upset bid.

City Manager Connet recommended putting this item on the March 5, 2013, city council agenda under Public Hearings. It was the consensus of City Council to put on the March 5, 2013, city council agenda.

Being no further discussion, upon a motion by Mayor Pro Tem Harris, seconded by Councilmember Stefanovich, and unanimously passed, the meeting adjourned at 7:37 PM.

Elaine F. Hunt, MMC, City Clerk

Lew Starling, Mayor