



OCTOBER 4, 2016, CITY COUNCIL MEETING

The City Council of the City of Clinton, North Carolina, met in regular session at 7:00 PM on October 4, 2016, in the City Hall Auditorium. Mayor Starling presided. Councilmembers Strickland, Turlington, Becton, and Stefanovich were present.

Mayor Pro Tem Harris was absent.

Also present was City Attorney Tim Howard, Howard and Bradshaw, PLLC.

Also present were City Manager Shawn Purvis; City Clerk Elaine F. Hunt; Planning Director Mary Rose; Public Works Engineer Russell Byrd; Finance Director Kristin Stafford; Fire Chief Scott Phillips; Recreation Director Jonathan Allen; Police Chief Jay Tilley; Senior Planner Lyle Moore; Public Works Director Jeff Vreugdenhil; and David Wall, Athletic Director.

Human Resource Director Lisa Carter was absent.

Melvin Henderson, of the Sampson Weekly; and Chris Berendt, of the Sampson Independent, were also present.

Mayor Starling called the meeting to order. He called upon Ms. Glenda Underwood to give the invocation.

CITY COUNCIL

Upon a motion made by Councilmember Strickland, seconded by Councilmember Stefanovich, the minutes of the September 6, 2016, regular city council meeting, were unanimously approved.

RECOGNITION – MR. TRAVIS ANDERSON

Public Works Director Jeff Vreugdenhil introduced a very special person to the group—Travis Anderson. He stated that there are approximately 222 A-Well Operators in the state;

however, Travis Anderson was recognized by individuals outside the State of North Carolina and selected as “A-Well Operator of the Year.” Mr. Vreugdenhil stated that Mr. Anderson received his award at a North Carolina Water Operators Association Ceremony in Raleigh on September 28th. He further stated that Mr. Anderson holds every certification that one can possess in North Carolina. Mr. Vreugdenhil commended Mr. Anderson for being a person of integrity and one most deserving of the honor.

Mayor Starling informed the group that currently, the City of Clinton has approximately ten (10) wells. He praised staff and stated that our wells are far superior to most towns and we have no water issues within the City. He concluded by stating that at last month’s city council meeting, City Council approved to invest funds for more wells.

Mr. Anderson appeared before City Council, introduced his dad and son, and was presented a plaque by Mayor Starling. The group applauded Mr. Anderson and the Mayor thanked him for all his hard work and efforts.

RECOGNITION – DIXIE YOUTH BASEBALL MINOR LEAGUE ALL-STAR TEAM

Mr. David Wall, Athletic Director, appeared before City Council to recognize the Dixie Youth Baseball Minor League All-Star Team who won District 7 Tournament defeating North Duplin 5 to 1. He introduced Head Coach Terry Smith, Assistant Coaches Sam Underwood and Charles Sessoms, as well as the players: Alex Evans, Dawson Smith, Nelson Vann, Finn Howard, Cooper Sessoms, Manny Guerreo, Walker Spell, Logan Carter, Will Bass, Landen Pearson, Matthew Hill, and Aaron Smith. All were in attendance. Mayor Starling requested the group to come upon the Council’s platform for a picture.

PRESENTATION – ABC BOARD

ABC Board member Perry Solice appeared before City Council. Mr. Solice stated that Ms. McCullen was unable to come, due to illness. He gave an update regarding the ABC Store which included the installation of new cash registers, new counters, more part time workers, etc.

Mr. Solice asked Chief Tilley to come forth and he presented a check to law enforcement in the amount of \$8,356. Next, Mr. Solice asked Mayor Starling to come forth and he presented a check to the City of Clinton in the amount of \$278,400. Also, Mr. Solice presented the annual audited financial statements to Mayor and City Council. He thanked the City of Clinton for the excellent service that they provide.

Mayor Starling thanked Mr. Solice and the others for their hard work and contributions to the City of Clinton.

PUBLIC HEARING -- OATHS

Oaths were given at the October 4, 2016, city council meeting to: Dr. Ted Bauman, Planning and Zoning Director Mary Rose, Senior Planner Lyle Moore, Dr. Mack Herring, Ms. Tammy Tilghman, and Rob Brewster.

P & Z – 202 TOMAHAWK TRAIL – TED BAUMAN

Mayor Starling opened a public hearing on a request by Ted Bauman, for a conditional use permit to construct a single, attached accessory apartment to the existing accessory building located at 202 Tomahawk Trail, in an RA-20 Residential District.

Senior Planner Lyle Moore presented the following findings:

1. The property under consideration contains approximately 1.59 acres.
2. Ted Bauman has signed the application as the owner.
3. The property is currently zoned RA-20 Residential.
4. The applicant has provided a scaled site plan showing the proposed construction meeting the requirements of the Clinton LDO. **(SEE ATTACHMENT 1)** Also included was a location map. **(SEE ATTACHMENT 2)**
5. Per Section 4.2.1 of the Clinton Land Development Ordinance, lots shall have 150 percent of the minimum square footage required for the zoning district. Also, if detached, the new apartment must remain 20' from the existing primary dwelling.
6. Appendix C of the Clinton 2035 Comprehensive Plan identifies the lack of apartments as an area of concern in all zoning districts.
7. All property owners within 100' of the subject property were notified by mail of the public hearing to be held before City Council on October 4, 2016. Mr. Moore stated that there has been no opposition from the Planning Board.

Mr. Moore presented a Certificate of Recommendation from the City of Clinton Planning Board signed by Chairperson Donald Summerlin.

Dr. Ted Bauman spoke briefly concerning the proposed construction. He stated that if this request is approved, the apartment would be for his mother who currently lives with them. He presented the following letter from Mr. Frank Butler, of Butler & Faircloth Real Estate, Inc., regarding the effect of adding an in-law suite at 202 Tomahawk Trail:

BUTLER & FAIRCLOTH REAL ESTATE, INC.

REALTORS⁷ - APPRAISERS - AUCTION FIRM - CONSULTANTS

P. O. BOX 9 - 301 EAST MAIN STREET
CLINTON, NORTH CAROLINA
28329-0009

FRANK F. BUTLER, SRA, GRI
REAL ESTATE BROKER - LICENSE # 29852
CERTIFIED GENERAL REAL ESTATE APPRAISER A382

TELEPHONE:
910-592-2103
FAX) 910-592-6080

September 27, 2016

Dr. Ted Bauman
202 Tomahawk Trail
Clinton, NC 28328

RE: In-law suite addition to garage building at 202 Tomahawk Trail. Tax Parcel 12-01248360-01.

Dear Dr. Bauman:

You requested that I look at your plans for a proposed additional living quarters to be added to your detached garage building at your residence located at 202 Tomahawk Trail, Clinton, NC 28328 and provide you with my opinion as to whether or not this addition may adversely affect the prices of adjoining residential property.

An appraisal of each adjoining residential property before the addition is made and again as though the addition has been completed would be necessary to determine if in fact the addition would have an adverse effect on these adjoining properties; however, an appraisal(s) is beyond the scope of my analysis. No values have been estimated.

Having lived in Coharie since 1979 and having been active in the brokerage and appraisal of residential property in the Coharie and Fox Lake neighborhoods since 1976, I am aware of other residential dwellings in the neighborhood that also have attached and detached additional living quarters known commonly as accessory units (in-law suites, granny suites/flats, guest quarters or apartments); thus, your desire to build additional living quarters for your mother is not uncommon in this market and many markets. Over the years I have not heard of any objections from neighbors of these additional living quarters and I have not found any market data that shows any negative impact to adjoining property caused by these additional living quarters.

Below are addresses of some of the properties in the neighborhood that have either an attached or detached additional living quarters and/or finished game rooms/offices which are adaptable to living quarters.

115 Vista Drive has a large two-story three car detached garage building with second floor finished area that is designed for use as a rec room, office/study or potential additional living quarters with a great room (kitchen plumbing and appliance roughins), a full bath and central HVAC.

300 Inverness Dr. has an attached 1 ½ story in-law suite containing about 1,256 sq. ft. with 4 rooms, 2 bedrooms and 2 ½ bathrooms.

102 W. Arrowhead Dr. has a detached two-story garage with living quarters on the second floor.

203 Tomahawk Trail has a 1 ½ story detached building of which the first floor is not additional living area but is finished and heated and cooled and has roughins for possible future conversion to additional living area.

304 Fox Lake Dr. has a detached 947 sq. ft. in-law suite designed and built specifically for this purpose and includes a kitchen/den, 1 bedroom and 1 bath.

201 Fox Lake Dr. has living quarters with a kitchen above the garage with an entrance from the house and a separate outside entrance and designed for visiting family and friends.

206 Fox Lake Drive has a walkout basement separate from the main floor living area and it has living quarters to include a kitchen.

182 Clark Place at Boykin Lakes has an attached second floor in-law suite with kitchen/den, bedroom and bathroom.

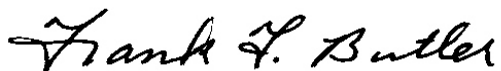
There are several other houses in the area that have finished living areas above the garage to include a bedroom and full bathroom indicating there has been demand in the area for additional living space for visiting family and friends.

Over many years my agents and I listed and sold houses in this neighborhood and we do not recall an occasion when potential buyers have objected to the presence of additional living quarters on an adjoining or neighboring property. This is probably due to the higher price range of houses in the neighborhood and because these living quarters tend to blend in nicely with or compliment the main dwelling and are generally landscaped and well maintained. Furthermore, the additional living quarters were built for an elderly parent or parents, boomerang children (adult child living at home), for visiting in-laws or guests and were not built for rental income. These additional living quarters appear to also be adaptable to other uses such as a home office, study, or recreation area for children and/or adults.

Additional living quarters occupied by other than family, relatives or guests, say as a rental unit would certainly raise objections by residents in the neighborhood and rightly so because it would be out of character for neighborhood. As previously mentioned, based on my familiarity with housing prices in the neighborhood, I have not found any market data that would indicate that there would be a negative impact on adjacent or nearby dwellings as a result of the presence of existing attached and/or detached accessory units. It is more likely the planned addition will affect your property rather than adversely affecting nearby properties. I expect the most probable selling price of your property will not increase dollar for dollar by the cost of the additional living quarters. Potential buyers may or may not need the additional living quarters and may not be willing to pay the full cost of it, but your motivation for building this accessory unit is not whether it increases dollar for dollar the most probable selling price of your property but its usefulness to you and your family which is the primary reason accessory units are built. That being said, with our aging population real estate professionals expect there will be more demand by baby boomers for houses with additional living quarters to provide alternative living arrangements for their parents or adult children. As demand increases for accessory units, so should the return on this type of investment.

Please feel free to contact me should you have any questions.

Very truly yours,

A handwritten signature in black ink that reads "Frank F. Butler". The signature is written in a cursive, flowing style.

Frank F. Butler, GRI

Dr. Bauman stated that Dr. Mack Herring is the neighbor who would be most affected and he has no concerns. Dr. Mack Herring stood and confirmed that he has no problems with the approval of the request.

Mr. Moore asked City Council to approve the request by Ted Bauman to construct a single, attached accessory apartment to the existing accessory building located at 202 Tomahawk Trail, in an RA-20 Residential District.

No one else appeared to be heard, and the hearing was closed.

Councilmember Turlington asked to be recused from voting because Dr. Bauman is a neighbor. Upon a motion made by Councilmember Becton, seconded by Councilmember Stefanovich, it passed unanimously to allow Councilmember Turlington to recuse herself from casting a vote.

Mayor Starling read Standard 1: If completed as proposed, the development will comply with all of the requirements of this Ordinance. He then called for a vote on whether the requested use would meet this standard. Three voted that the standard would be met. No one voted no.

Mayor Starling read Standard 2: The use will not materially endanger the public health or safety. He then called for a vote on whether the requested use would meet this standard. Three voted that the standard would be met. No one voted no.

Mayor Starling read Standard 3: The use will not substantially injure the value of adjoining or abutting property. He then called for a vote on whether the requested use would meet this standard. Three voted that the standard would be met. No one voted no.

Mayor Starling read Standard 4: The use will be in harmony with the area in which it is to be located. He then called for a vote on whether the requested use would meet this standard. Three voted that the standard would be met. No one voted no.

Mayor Starling read Standard 5: The use will be in general conformity with the Land Development Ordinance, thoroughfare plan, or other plan officially adopted by the Council. He then called for a vote on whether the requested use would meet this standard. Three voted that the standard would be met. No one voted no.

Upon a motion made by Councilmember Stefanovich, seconded by Councilmember Becton, and with the incorporation into the minutes of the following Certificate of Recommendation, which was executed on September 26, 2016, a conditional use permit was

unanimously approved for Ted Bauman to construct a single, attached accessory apartment to the existing accessory building located at 202 Tomahawk Trail, in an RA-20 Residential District:

**Certificate of
Recommendation**

**Conditional Use Permit -
CU-9-16-1**

In accordance with the provisions of the Clinton Land Development Ordinance, on Monday, September 19, 2016, the City of Clinton Planning Board unanimously (6-0) recommended approval of Conditional Use Permit 9-16-1 to permit the development of a single, attached accessory apartment to the existing accessory building located at 202 Tomahawk Trail by Dr. Ted Bauman in an R-20 Residential District, further identified by Parcel Identification 12024836001. This recommendation was based upon the following findings of fact as related to the corresponding conditional use standard:

**Conditional Use
Standards**

1. **If completed as proposed, the development will comply with all of the requirements of this Ordinance.**
FACT: *The facts and site plan presented during the Board meeting demonstrate the proposed development as presented meets all requirements of the Clinton Land Development Ordinance.*

2. **The use will not materially endanger the public health or safety; and,**
FACT: *The facts as presented during the Planning Board meeting demonstrate the proposed use would not materially endanger public health or safety.*

3. **The use will not substantially injure the value of adjoining or abutting property; and,**
FACT: *The facts as presented during the Planning Board meeting demonstrate the proposed use would not substantially injure the value of adjoining or abutting property.*

4. **The use will be in harmony with the area in which it is to be located; and,**
FACT: *The facts as presented during the Planning Board meeting demonstrate the proposed use will be in harmony with the area in which it is to be located due to the fact the proposed use, residential accessory dwelling, is similar to the adjoining properties current uses.*

5. **The use will be in general conformity with the Land Development Ordinance, thoroughfare plan, or other plan officially adopted by the Council.**
FACT: *The facts as presented during the Board meeting demonstrate the proposed development is in general conformity with the Clinton Land Development Ordinance, thoroughfare plan, or other plan officially adopted by the Council. Appendix C in the Clinton 2035 Comprehensive Plan that identifies the lack of apartments as an area of concern in all zoning districts. This property has access to both City water and sewer.*

Approved by:
Donald Summerlin, Planning Board Chair

Date

Planning Director:
Mary M. Rose

Date

A Certificate of Approval, similar to the above Certificate of Recommendation will be delivered to Mayor Starling to execute, affirming the approval of this request by City Council, and will be filed in the City Clerk's office.

P & Z – 510 COMMERCE STREET – TAMMY TILGHMAN

Mayor Starling opened a public hearing on a request by Tammy Tilghman, for a conditional use permit to construct a billboard at 510 Commerce Street, in an I-2 Heavy Industrial District.

Senior Planner Lyle Moore presented the following findings:

1. The property under consideration contains approximately 23.26 acres.
2. John Clark has signed the application as the owner.
3. The property is currently zoned I-2 Heavy Industrial.
4. The requirements of Section 4.9.3 of the Clinton Land Development Ordinance will apply to the proposed billboard. A location map was included. **(SEE ATTACHMENT 3)**
5. Section 5 M. Future Land Use and Development Consideration of the Clinton 2035 Comprehensive Plan identifies this area as a Primary Industrial Area and the uses permitted in this area of Clinton should be developed as such.

Mr. Moore stated that the property belongs to Sampson Bladen Oil & LP.

Mr. Rob Brewster appeared before City Council and introduced himself as Ms. Tilghman's business partner. He stated that he has been a bail bondsman for 18 years working in Sampson and surrounding counties.

Mr. Brewster stated that if City Council approves, the signs proposed location will be on a currently occupied industrial site, adjoining the Sampson County Jail site and vacant property. He further stated that the proposed sign would only be visible from the Sampson County Detention Center site and the adjoining property to the east that is vacant. It was noted that the billboard would be approximately 10 feet high from the ground.

Mr. Lyle Moore presented a Certificate of Recommendation from the City of Clinton Planning Board signed by Chairperson Donald Summerlin.

Mr. Moore asked City Council to approve the request by Tammy Tilghman to construct a billboard at 510 Commerce Street, in an I-2 Heavy Industrial District.

No one else appeared to be heard, and the hearing was closed.

Mayor Starling read Standard 1: If completed as proposed, the development will comply with all of the requirements of this Ordinance. He then called for a vote on whether the requested use would meet this standard. Four voted that the standard would be met. No one voted no.

Mayor Starling read Standard 2: The use will not materially endanger the public health or safety. He then called for a vote on whether the requested use would meet this standard. Four voted that the standard would be met. No one voted no.

Mayor Starling read Standard 3: The use will not substantially injure the value of adjoining or abutting property. He then called for a vote on whether the requested use would meet this standard. Four voted that the standard would be met. No one voted no.

Mayor Starling read Standard 4: The use will be in harmony with the area in which it is to be located. He then called for a vote on whether the requested use would meet this standard. Four voted that the standard would be met. No one voted no.

Mayor Starling read Standard 5: The use will be in general conformity with the Land Development Ordinance, thoroughfare plan, or other plan officially adopted by the Council. He then called for a vote on whether the requested use would meet this standard. Four voted that the standard would be met. No one voted no.

Upon a motion made by Councilmember Stefanovich, seconded by Councilmember Strickland, and with the incorporation into the minutes of the following Certificate of Recommendation, which was executed on September 26, 2016, a conditional use permit was unanimously approved for Tammy Tilghman to construct a billboard at 510 Commerce Street, in an I-2 Heavy Industrial District:

**Certificate of
Recommendation**

**Conditional Use Permit -
CU-9-16-2**

In accordance with the provisions of the Clinton Land Development Ordinance, on Monday, September 19, 2016, the City of Clinton Planning Board unanimously (6-0) recommended approval of Conditional Use Permit 9-16-2 to permit construction of a billboard located at 510 Commerce Street by Tammy Tilghman in an I-2 Heavy

Industrial District, further identified by Parcel Identification 12104348001. This recommendation was based upon the following findings of fact as related to the corresponding conditional use standard:

Conditional Use Standards

- 1. **If completed as proposed, the development will comply with all of the requirements of this Ordinance.**
FACT: *The facts as noted in the meeting minutes and presented during the Board meeting demonstrate the proposed development as presented meets all requirements of the Clinton Land Development Ordinance.*
- 2. **The use will not materially endanger the public health or safety; and,**
FACT: *The facts as presented during the Planning Board meeting demonstrate the proposed use would not materially endanger public health or safety due to the applicant’s intention to install a security fence around the sign if the proposed development is permitted.*
- 3. **The use will not substantially injure the value of adjoining or abutting property; and,**
FACT: *The facts as presented during the Planning Board meeting demonstrate the proposed use would not substantially injure the value of adjoining or abutting properties due to one adjoining tract being vacant and the Sampson County Detention Center being located on the other adjoining property.*
- 4. **The use will be in harmony with the area in which it is to be located; and,**
FACT: *The facts as presented during the Planning Board meeting demonstrate the proposed use will be in harmony with the area in which it is to be located due to the fact the proposed sign will only be visible from the Sampson County Detention Center and the adjoining property is vacant.*
- 5. **The use will be in general conformity with the Land Development Ordinance, thoroughfare plan, or other plan officially adopted by the Council.**
FACT: *The facts as presented during the Board meeting demonstrate the proposed development is in general conformity with the Clinton Land Development Ordinance, thoroughfare plan, or other plan officially adopted by the Council. Section 5 M. Future Land Use and Development Consideration of the Clinton 2035 Comprehensive Plan identifies this area as a Primary Industrial Area and the uses permitted in this area of Clinton should be developed as such.*

Approved by:
Donald Summerlin, Planning Board Chair

Date

Planning Director:
Mary M. Rose

Date

A Certificate of Approval, similar to the above Certificate of Recommendation will be delivered to Mayor Starling to execute, affirming the approval of this request by City Council, and will be filed in the City Clerk’s office.

REVENUE BOND ORDER –WATER PLANT EXPANSION PROJECT

Finance Director Kristin Stafford stated that at its September 6th city council meeting, City Council approved the construction contracts for this water plant expansion project. She stated that approval of the bond order within the agenda packet will authorize the City of Clinton to issue revenue bonds and revenue funding bonds for improvements to the water and sewer

system of the City. It was stated that the funds will provide interim financing until the close of the project at which time a USDA loan will pay off the bond notes and become our debt instrument. The cost of the bond will be the capitalized interest during the construction period of the project, which is expected to be 12-18 months. This interest was included in the FY2016-2017 Water & Sewer Budget -- \$125K.

City Manager Purvis stated that the official notification will be given on tomorrow; however, based on the received proposals for revenue bond financing services from banking institutions, PNC Bank is the most economical option. He further stated that PNC Bank presents the lowest accrued interest payment and origination fee. PNC Bank will require an estimated accrued interest payment of \$70,800.

Upon a motion made by Councilmember Stefanovich, seconded by Councilmember Becton, it passed unanimously to approve a revenue bond order for the financing of an interim water plant expansion project.

REVENUE BOND ORDER –WATER PLANT EXPANSION PROJECT

Finance Director Stafford stated that this item correlates with the previous item. City Council is asked to adopt a resolution that directs the City to perform the necessary requirements for the issuance of revenue bonds.

Upon a motion made by Councilmember Turlington, seconded by Councilmember Strickland, the following Note Resolution passed unanimously:

RESOLUTION OF
THE CITY COUNCIL OF THE CITY OF CLINTON, NORTH CAROLINA
PROVIDING FOR THE ISSUANCE OF A
\$5,994,000 WATER AND SEWER REVENUE BOND ANTICIPATION NOTE
OF THE CITY OF CLINTON, NORTH CAROLINA

WHEREAS, the Bond Order hereinafter described was approved on October 4, 2016 and is in force and effect approving the issuance of water and sewer revenue bonds of the City of Clinton, North Carolina (the “City”);

WHEREAS, the City desires to finance various improvements to the City’s water system, including expansion of the water treatment plant and related transmission line improvements (the “Project”) as permitted by Section 159-161 of the General Statutes of North Carolina, as amended;

WHEREAS, the City desires to finance a portion of the Project through the issuance of \$5,994,000 Water and Sewer Revenue Bonds (the “Bonds”), which are Initial Bonds under the Bond Order, and will initially finance the Project through the issuance of a Note (as defined herein);

WHEREAS, PNC Bank, National Association (the “*Bank*”) has agreed to purchase the Note in the principal amount of \$5,994,000 to evidence a loan to the City, which sum will be applied to the payment of a portion of the cost of the Project and the United States of America has agreed to purchase the Bonds in the aggregate principal amount of \$5,994,000 after completion of the Project, all of the proceeds of which will be applied to the repayment of the principal amount of the Note;

WHEREAS, the Local Government Commission of North Carolina (the “*LGC*”) is expected to approve the application of the City for approval of the Bonds as required by Section 159-85 of the General Statutes of North Carolina, as amended, and the issuance and private sale of the Bonds at its October 4, 2016 meeting;

WHEREAS, the LGC is expected to approve the issuance and private sale of the Note (as defined herein) under the provisions of Article 9 of Chapter 159 of the General Statutes of North Carolina, as amended, at its October 4, 2016 meeting.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Clinton, North Carolina (the “*City Council*”), as follows:

For purposes of this Resolution, the following words have the meanings ascribed to them below:

“*City Council*” means the City Council of the City.

“*Bond Order*” means the Bond Order authorizing the Bonds adopted by the City Council on October 4, 2016 and effective thereon.

“*City*” means the City of Clinton, North Carolina, and its successors or assigns.

“*Note*” means the City’s \$5,994,000 Water and Sewer Revenue Bond Anticipation Note.

The City shall issue its Note in the total aggregate principal amount not to exceed \$5,994,000.

The Note is being issued to provide funds to pay a portion of the funding to finance various improvements to the City’s water system, including expansion of the water treatment plant and related transmission line improvements (the “*Project*”) pursuant to and in accordance with the Bond Order.

Unless otherwise changed by a certificate delivered at closing by the Finance Director, the Note shall be dated October 12, 2016 and shall mature on May 30, 2018, at which time the principal shall be due and payable. It shall bear interest at the rate of 1.18% per annum, which interest shall be payable on October 12, 2017 and at the maturity of the Note and shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No interest coupons shall be attached to the Note. The principal amount of the Note may not be prepaid prior to the Maturity Date.

The Note will be payable as to both principal and interest to PNC Bank, National Association and both the principal of and interest on the Note shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Note shall be sold to the Bank at a purchase price of \$5,994,000, such purchase price and the interest rate set forth above being in the best interests of the City.

The Note, which shall be in the form attached hereto as Exhibit A, shall bear the original or facsimile signatures of the Mayor of the City and the City Clerk. An original or facsimile of the seal of the City is to be imprinted on the Note.

Unless otherwise changed by a certificate delivered at closing by the Finance Director, the proceeds of the Note shall be deposited into an account to be held by the City. The moneys held in such account shall be used to pay the costs of the Project or costs incurred in connection with the issuance of the Note. Funds in such account shall be invested by the City in compliance with Section 159-30 of the North Carolina General Statutes, as amended, with interest earnings to be applied to the costs of the Project.

The City designates the Note as a "qualified tax-exempt obligation" eligible for the exception from the disallowance of the deduction of interest by financial institutions allocable to the cost of carrying tax-exempt obligations in accordance with the provisions of Section 265(b)(3) of the Code. The City does not reasonably anticipate issuing more than \$10,000,000 of qualified tax-exempt obligations pursuant to such Section 265(b)(3), including all entities which issue obligations on behalf of the City and all subordinate entities of the City, during calendar year 2016 and will not designate more than \$10,000,000 of qualified tax-exempt obligations pursuant to such Section 265(b)(3) during calendar year 2016.

The Mayor, the City Manager, the Finance Director and the City Clerk, each acting on behalf of the City, are hereby authorized and directed to cause the Note to be prepared and to execute the Note and deliver it to the Bank.

The Mayor, the City Manager, the Finance Director and the City Clerk, each acting on behalf of the City, are authorized and directed to execute and deliver for and on behalf of the City any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the documents contemplated hereinabove or as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

12. Upon the occurrence and during the continuation of an Event of Default (as defined in the Bond Order), all amounts due shall accrue at the PNC Base Rate plus 3.0% (the "*Default Rate*"). The PNC Base Rate equal the greatest of (i) the PNC Prime Rate; (ii) the Federal Funds Open Rate plus 0.5%; (iii) the Daily LIBOR Rate plus 1.00%. The "*PNC Base Rate*" means the greater of (i) the interest rate per annum announced from time to time by the Bank as its then prime rate, which rate may not be the lowest rate then being charged commercial borrowers by the Bank, (ii) the Federal Funds Open Rate plus 0.5% per annum, or (iii) the Daily LIBOR Rate plus 1.0%. "*Federal Funds Open Rate*" means, for any day, the rate per annum determined by the Bank in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the "*Open Rate*" for federal funds transactions as of the opening of business for federal funds transactions among members of the Federal Reserve System arranged by federal funds brokers on such day; provided, however, that if such day is not a business day, the Federal Funds Open Rate for such day shall be the Open Rate on the immediately preceding business day, or if no such rate shall be quoted by a federal funds broker at such time, such other rate as selected by the Bank in accordance with its usual procedures. Any change in the rate of interest based on the prime rate or the Federal Funds Open Rate shall be effective on the effective day of such change in the prime rate or the Federal Funds Effective Rate, respectively. The "*Daily LIBOR Rate*" means the rate per annum equal to the London Interbank Offered Rate ("*LIBOR*"), or a comparable or successor rate which rate is approved by the Bank, as published on the applicable Bloomberg screen page (or such other commercially

available source providing such quotations as may be designated by the Bank from time to time) at or about 11:00 a.m. (London time) for dollar deposits being delivered in the London interbank market for deposits in dollars with a term of one (1) day.

13. The City agrees to deliver or otherwise make available to the Bank, its audited financial statements within 210 days of the end of the fiscal year during the life of the Note.

14. If the City fails to take the steps necessary to maintain the Note’s tax-exempt status, in addition to the principal and interest due and payable on the Note, the City shall be obligated to pay to the Bank an amount equal to the positive difference, if any, between the amount of interest that would have been paid during the period of taxability if the Note had borne interest at a taxable rate and the interest actually received by the Bank with respect to the Note.

ORDINANCES—BUDGET

Finance Director Kristin Stafford briefed City Council regarding this item. She stated these budget amendments are to keep the general ledger balanced in various line items and to reflect expenditures more accurately. She further stated that there are no net changes in the General Fund or Water & Sewer Fund; however, there is an increase of \$13,100 in the Downtown Fund for the wayfinding project that carried into FY2016-2017. She stated that the project ordinance is to make adjustments for the Water Expansion Project.

Upon a motion made by Councilmember Strickland, seconded by Councilmember Becton, the following amendment #2016.10.01 was unanimously adopted:

**Budget Ordinance Amendment
Fiscal Year 2016-2017 Budget**

#2016.10.01

BE IT ORDAINED by the City Council of the City of Clinton, NC, that the following amendment be made to the Annual Budget Ordinance for the fiscal year ending June 30, 2017, is hereby amended as follows:

Section 1. To amend the Water & Sewer Fund, the expenditures are to be changed as follows:

| <u>Account #</u> | <u>Account Title</u> | <u>Increase</u> | <u>Decrease</u> | <u>Total</u> |
|------------------|---------------------------|-----------------|-----------------|--------------|
| 30-6600-0401 | Professional Service | \$16,500 | | |
| 30-6600-4501 | Maint/Repair Lines | | \$16,500 | |
| | | _____ | _____ | |
| | TOTAL EXPENDITURES | \$16,500 | \$16,500 | \$0 |

Section 2. To amend the Downtown Fund, the expenditures are to be changed as follows:

| <u>Account #</u> | <u>Account Title</u> | <u>Increase</u> | <u>Decrease</u> | <u>Total</u> |
|---------------------------|----------------------|-----------------|-----------------|-----------------|
| 71-6910-7300 | Projects | \$13,100 | | |
| | | _____ | _____ | |
| TOTAL EXPENDITURES | | \$13,100 | \$0 | \$13,100 |

Section 3. To amend the Downtown Fund, the revenues are to be changed as follows:

| <u>Account #</u> | <u>Account Title</u> | <u>Increase</u> | <u>Decrease</u> | <u>Total</u> |
|-----------------------|----------------------|-----------------|-----------------|-----------------|
| 71-3990-0000 | Fund Balance | \$13,100 | | |
| | | _____ | _____ | |
| TOTAL REVENUES | | \$13,100 | \$0 | \$13,100 |

Section 4. Copies of this budget amendment shall be furnished to the City Clerk, City Manager, and Finance Director for their direction.

Upon a motion made by Councilmember Strickland, seconded by Councilmember Becton, the following capital project ordinance amendment **#2016.10.02** was unanimously adopted:

**CAPITAL PROJECT ORDINANCE AMENDMENT
Water Production Plant Expansion**

2016.10.02

BE IT ORDAINED by the City Council of the City of Clinton, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance adopted September 4, 2012, amended April 2, 2013, and June 21, 2016, is hereby amended as follows:

Section 1. The expenditures are to be changed as follows:

| <u>ACCOUNT #</u> | <u>ACCOUNT TITLE</u> | <u>INCREASE</u> | <u>DECREASE</u> | <u>TOTAL</u> |
|------------------|----------------------|-----------------|-----------------|--------------|
| 44-7140-0400 | Engineering & Design | \$ 13,143 | | |
| 44-7140-0800 | Legal | 49,000 | | |
| 44-7140-0900 | Miscellaneous | 26,000 | | |

| | | | | |
|--------------|---------------------------|--------------------|------------|--------------------|
| 44-7140-7300 | Construction | 4,643,196 | | |
| 44-7140-7405 | Property Acquisition | 3,000 | | |
| 44-7140-8000 | Contingency | 199,761 | | |
| | | | | |
| | TOTAL EXPENDITURES | \$4,934,100 | \$0 | \$4,934,100 |

Section 2. The revenues are to be changed as follows:

| <u>ACCOUNT #</u> | <u>ACCOUNT TITLE</u> | <u>INCREASE</u> | <u>DECREASE</u> | <u>TOTAL</u> |
|------------------|-----------------------|--------------------|-----------------|--------------------|
| 44-3040-0000 | USDA Loan | \$4,734,100 | | |
| 44-3040-0100 | USDA Grant | 200,000 | | |
| | | | | |
| | TOTAL REVENUES | \$4,934,100 | \$0 | \$4,934,100 |

Section 3. Copies of this budget amendment shall be furnished to the City Clerk, City Manager, and Finance Director for their direction.

FY 2016-2017 CDBG COMMERCE FELLOWS GRANT – BUILDING COMMUNITY THROUGH CAPACITY AND KNOWLEDGE -- RESOLUTION

City Manager Purvis stated that administrative guidelines and policies are required by the NC Department of Commerce for administering CDBG projects. He stated that these polices for various grants are already in place, but must be readopted for each CDBG project. He asked that the following Fair Housing Resolution, as well as the administrative guidelines and policies be adopted indicating all required documents are approved by the City Council to utilize this grant funding:

**CITY OF CLINTON
NORTH CAROLINA**

FAIR HOUSING RESOLUTION

WHEREAS, the City of Clinton seeks to protect the health, safety and welfare of its residents; and

WHEREAS, citizens seek safe, sanitary, and habitable dwellings in all areas of the City; and

WHEREAS, the City of Clinton finds the denial of equal housing opportunities because of

religion, race, color, sex, familial or handicap status, or national origin legally wrong and socially unjust; and

WHEREAS, the denial of equal housing opportunities in housing accommodations is detrimental to public welfare and public order; and

WHEREAS, the City of Clinton finds the practice of discrimination against a citizen in housing a denial of his equal rights and his equal opportunity to seek a better living and develop community pride.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Clinton, North Carolina, that:

- Section 1. The City of Clinton has declared it an official policy of the City of Clinton that there shall not be discrimination in the terms or conditions for buying or renting housing in the City of Clinton.
- Section 2. All business groups and individual citizens of the City are urged to respect and implement this policy.
- Section 3. The City Manager, or his designate, of the City of Clinton is the official authorized by the City to (1) receive and document complaints regarding housing discrimination in the City; and (2) refer such complaints to the Human Relations Board of Commissioners for investigation, conciliation, and resolution.

Upon a motion made by Councilmember Strickland, seconded by Councilmember Stefanovich, it passed unanimously to adopt the Fair Housing Resolution, as well as the administrative guidelines and policies indicating all required documents are approved by the City Council to utilize this grant funding.

PARKS AND RECREATION -- CHAPTER 18. ARTICLE II. ADVISORY COMMITTEE SEC. 18-16. CREATED, COMPOSITION; TERMS; COMPENSATION ORDINANCE AMENDMENT

Parks and Recreation Director Jonathan Allen stated that the Recreation Advisory Board requests that City Council approve an amendment changing the times of its meetings and the ex-officio/liason of the Board. Mr. Allen stated that currently, the Board meets each month at 7:00 PM and attendance has been low. He stated that the Board feels that if the times were changed, attendance might improve. Also, he stated that the Director serves as the ex-officio/liason. He further stated that the ordinance was adopted, prior to a recreation director being in place at the Recreation Department.

Upon a motion made by Councilmember Strickland, seconded by Councilmember Becton, the following amendment passed unanimously:

Ordinance #2016.10.03

BE IT ORDAINED by the City Council of the City of Clinton, North Carolina, that the Clinton City Code of 1987 is hereby amended by revising, **Chapter 18**, and changes highlighted in red, shall read as follows:

**PARKS AND RECREATION
ARTICLE I. IN GENERAL**

Secs. 18-1 – 18-15. Reserved

ARTICLE II. ADVISORY COMMITTEE†

Sec. 18-16. Created; composition; terms; compensation.

There is hereby created the recreation advisory committee of the Clinton Recreation Department which shall be composed of seven (7) members. The advisory committee members are to be citizens and residents of the city. All appointments shall be made by the city governing body. In order that the city is represented geographically throughout, it is suggested that five (5) of the seven (7) appointees represent electoral districts with the councilman/woman from that district recommending the appointee. Two (2) at large positions to be recommended by the mayor. Each member shall be appointed for a term of three (3) years or until his/her successor is appointed and qualifies. Terms expire on a rotational basis. Vacancies occurring otherwise than by expiration of terms shall be **filled** by the mayor with the approval of the city council for the expired terms. All members shall serve without compensation. The city manager **or his/her designee** shall serve as **the** ex-officio member of the committee. The city manager **or his/her designee** shall serve as liaison between council and shall attend the meetings of the committee. (Code 1975, § 18-11; Ord. No. 94.11.3, 11-1-94; Amend. of 10-6-98)

Sec. 18-17. Meetings—Time and place.

Regular meetings of the recreation advisory committee shall be held **bimonthly** at **6:00** p.m. by the committee on a day agreed upon by the committee in the Royal Lane Main Office or agreed-upon place. (Code 1975, § 18-12; Ord. No. 94.1.4, 11-1-94; Amend. of 10-6-98; Ord. No. 2005.12.05, 12-6-2005)

STREET CLOSINGS – HALLOWEEN ON THE SQUARE

Upon a motion made by Councilmember Strickland, seconded by Councilmember Stefanovich, it passed unanimously to close Main Street from Wall Street to Lisbon Street and the parking lot at the west end of the Sampson County Courthouse from 2:00 PM until 8:30 PM on Monday, October 31, 2016, for the “2016 Halloween on the Square Event.”

ANNEXATION – 180 OVERLAND ROAD – SPIRIT OF LIFE CHURCH

City Manager Purvis stated that property owners are required to petition for voluntary annexation. It was noted that property owners of Spirit of Life Church, are requesting that their property located at 180 Overland Road, be annexed. Mr. Purvis asked City Council to direct City Clerk Hunt to investigate the sufficiency of the petition presented to staff. He further stated that Ms. Hunt will report back to them at the November 2016, city council meeting.

Upon a motion made by Councilmember Stefanovich, seconded by Councilmember Becton, the following resolution directing the clerk to investigate the sufficiency of a petition for annexation received from property owners of Spirit of Life Church, passed unanimously:

RESOLUTION DIRECTING THE CITY CLERK TO INVESTIGATE A PETITION RECEIVED UNDER G.S. 160A-31

WHEREAS, a petition requesting annexation of an area described in said petition was received on September 22, 2016, by the City Council of the City of Clinton, N. C.; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Clinton deems it advisable to proceed in response to this request for annexation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Clinton that:

The City Clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify as soon as possible to the City Council the result of her investigation.

APPOINTMENT(S)

Notification of appointment/reappointment was given for the Library Board. Currently, Mrs. Brenda Nordin is the appointee. This appointment is for a two-year term.

At the November 2016 city council meeting, City Council will be asked to make the appointment/reappointment.

REPORTS

The code enforcement, fire, and personnel reports were acknowledged.

STAFF REPORTS

There were no staff reports for the October 4, 2016, city council meeting.

CITY MANAGER REPORTS

City Manager Purvis stated that City Council has received his monthly report and he stands ready to address any concerns.

He mentioned that under “Staff reports”, “Calendar brief” was listed. He stated that here we were planning to brief City Council on the upcoming events for the weekend. He concluded that the events probably would not take place.

City Manager Purvis reported that City Council was given the FY2016-2017 CIP and Budget Schedule. He asked City Council to consider adopting this document at its December city council meeting.

PUBLIC COMMENTS

No one appeared for public comments.

CONTINUATION

Upon a motion made by Councilmember Becton, seconded by Councilmember Strickland, it passed unanimously to continue this meeting until October 18, 2016, at 6:00 PM for the purpose of a strategic planning workshop.

The October 4, 2016, city council meeting ended at approximately 7:42 PM.

Elaine F. Hunt, City Clerk, MMC, NCCMC

Lew Starling, Mayor