



AGENDA

Henderson City Council Special Called Meeting
Monday 24 July 2017, 12:00 noon
R. G. (Chick) Young, Jr. Council Chambers, Municipal Building
134 Rose Avenue
Henderson, North Carolina

Mayor and City Council Members

Mayor Eddie Ellington, Presiding

Councilmember Marion B. Williams
Councilmember Sara M. Coffey
Councilmember Michael C. Inscoe
Councilmember D. Michael Rainey

Councilmember Melissa Elliott
Councilmember Garry D. Daeke
Councilmember Fearldine A. Simmons
Councilmember George M. Daye

City Officials

Frank Frazier, City Manager
D. Rix Edwards, City Attorney
Esther J. McCrackin, City Clerk

I. CALL TO ORDER

II. ROLL CALL

III. PUBLIC HEARINGS

- a)* Continuance of a Public Hearing Relative to Amending the Contract for Funding Under the Housing and Community Development Act of 1974; *and* 2) Consideration of Approval of Resolution 17-54, Awarding a Contract to H. G. Reynolds for the Newton Dairy Road, Birch & Bobbitt Project; *and* 3) Approval of Resolution 17-55, Amending the Contract with McGill Associates for Said Project; *and* 4) Approval of Ordinance 17-28, FY 18 BA #2, Amending the CIP Budget for the Newton Dairy Road, Birch & Bobbitt CDBG Project. (CAF 17-71-A)

- Resolution 17-54
- Resolution 17-55
- Ordinance 17-28

b) Holding a Public Hearing Relative to the Funding of the Former Municipal Building Renovation Project; *and* Consideration of Approval of 2) Resolution 17-45, Acceptance of a Commercial Loan to Fund the Renovation of the Former Municipal Building in the Amount of \$830,000; *and* 3) Resolution 17-46, Awarding the Contract for the Renovation of the Former Municipal Building to Danco Builders, Inc., in the Amount of \$645,883; *and* 4) Resolution 17-51, Authorizing an Amendment to the Contract with Kilian Engineering, Inc. for Additional Work for Said Project; *and* 5) Resolution 17-52, Authorizing Filing of Application with the Local Government Commission for Approval of the Financing Agreement; *and* 6) Ordinance 17-26, Amending the Budget of the Old Municipal Building Capital Improvement Project (CIP) to reflect the \$830,000 Commercial Loan. (*CAF 17-63-A*)

- Resolution 17-45
- Resolution 17-46
- Resolution 17-51
- Resolution 17-52
- Ordinance 17-26

c) Consideration of Approval of Resolution 17-36, Authorizing a Lease Agreement Extension by and Between the City of Henderson (City) and Green Rural Redevelopment Inc. (*CAF 17-49*)

- Resolution 17-36

IV. ADJOURNMENT

City Council Minutes

Special Called Meeting

24 July 2017

PRESENT

Mayor Eddie Ellington, Presiding; and Council Members Marion B. Williams, Sara M. Coffey, Michael C. Inscoe, Garry D. Daeke, and George M. Daye

ABSENT

Council Members D. Michael Rainey, Melissa Elliott and Simmons

STAFF PRESENT

City Manager Frank Frazier, City Attorney D. Rix Edwards, City Clerk Esther J. McCrackin, Finance Director Joseph Fuqua, Assistant to City Manager Paylor Spruill, Engineering Director Clark Thomas, Development Services Director Corey Williams, and Fire Chief Steve Cordell.

CALL TO ORDER

The 24 July 2017 Special Called Meeting of the Henderson City Council was called to order by Mayor Eddie Ellington at 12:00 Noon in the R. G. “Chick” Young, Jr. Council Chambers, Municipal Building, 134 Rose Avenue, Henderson, NC.

ROLL CALL

The City Clerk called the roll and advised Mayor Ellington a quorum was present.

PUBLIC HEARING

Continuance of a Public Hearing Relative to Amending the Contract for Funding Under the Housing and Community Development Act of 1974; and Consideration of Approval of Resolution 17-54, Awarding a Contract to H G Reynolds for the Newton Dairy Road, Birch & Bobbitt Project; and Approval of Resolution 17-55, Amending the Contract with McGill Associates for Said Project; and Approval of Ordinance 17-28, FY18 BA #2, Amending the CIP Budget for the Newton Dairy Road, Birch & Bobbitt CDBG Project. (*Reference: CAF 17-71-A; Resolutions 17-54, 17-55 and Ordinance 17-28*)

(Clerk’s Note: Council Member Daye arrived at 12:10 p.m.)

City Manager Frazier reminded Council that this is a continuation of the Public Hearing that was held on July 10, 2017. He stated that a corrected resolution noting Alternative 1 had been placed at their seat and advised Council that if Alternate 1 was ultimately approved, there was no need to take action on the amendment to the McGill contract that was included with this CAF and other resolutions. He then asked Mr. Doug Chapman from McGill Associates to present more

information on this project. Mr. Chapman said this public hearing is being held due to the change in the scope of the project. There were three alternatives to the original agreement for consideration and the staff recommends Alternate 1 that removes the generator, flow meter and SCADA pump from the project and allows for the completion of the project within the timeframe required according to the CDBG requirements. This alternative will require the use of \$418,230 from rate stabilization.

There was a very lengthy discussion that focused mainly on whether or not the project should include the annexation of Birch/Bobbitt streets. The overall concerns centered on whether the annexation would be beneficial to the City, could the City require the property owners to connect to City water, what the ramifications would be if this area is not annexed. Other concerns centered on the fact that annexing additional properties would stretch the already thin public safety/public works departments. Council asked Development Services Director Corey Williams how many of the properties to be annexed belonged to the City and/or County. It was stated that if these properties are foreclosed on they should become County owned property since they are currently outside the city limits. Mr. Williams said he did not know exactly but guessed there were probably 5-6. There was also discussion about how many were rental properties and if any would have to be demolished.

City Manager Frazier reminded Council that one of the reasons for annexation was to avoid the additional costs required by the State regarding the placement of the sewer lines. NCDOT requires active shoring be provided due to the depth of the sewer to be installed. He reminded Council that the City annexed Dorsey Place for the same reason. He said if Council chose not to continue with this project, they needed to understand the pump station at Newton Dairy Road will require approximately \$500,000 in repairs/replacement in the very near future.

The Manager stated that much of the data being discussed had been provided in previous correspondence and asked that the same data be re-copied and distributed to Council prior to ending this discussion about the alternatives.

Mayor Ellington closed the Public Hearing and asked for Council's pleasure.

Council Member Daeke moved to HOLD OFF on Annexing Birch/Bobbitt streets but to approve Resolution 17-54. *Awarding a Contract to H G Reynolds for the Newton Dairy Road, Birch & Bobbitt Project; and Ordinance 17-28, FY18 BA #2, Amending the CIP Budget for the Newton Dairy Road, Birch & Bobbitt CDBG Project.* Motion seconded by Council Member Williams, and APPROVED by the following vote: YES: Williams, Coffey, Inscoe, Daeke and Daye. NO: None. ABSTAIN: None. ABSENT: Rainey, Elliott and Simmons.

(Clerk's Note: As the Manager stated above, no action was needed by Council on Resolution 17-55)

Acceptance of a Commercial Loan to Fund the Renovation of the Former Municipal Building in the Amount of \$830,000, Awarding the Contract for the Renovation of the Former Municipal Building to Danco Builders, Inc., in the Amount of \$645,883, Authorizing an Amendment to the Contract with Kilian Engineering, Inc., for Additional Work for Said Project, Authorizing Filing of Application with the Local Government

Commission for approval of the Financing Agreement and Amending the Budget of the Old Municipal Building Capital Improvement Project to reflect the \$830,000 Commercial Loan. (Reference: CAF 17-63-A; Resolutions 17-45, 17-46, 17-51, 17-52 and Ordinance 17-26)

City Manager Frazier explained funding of the demolition portion was approved first to alleviate the unknowns such as the existence of asbestos and possible other environmental issues. Action today will award the renovation portion of the project to Danco Builders, Inc., and allow the City to file an application with the Local Government Commission (LGC) to approve the financing of the project through a loan with BB&T. He said the amendment to the Kilian agreement is the only portion of this action that does not have to be approved by the LGC. Manager Frazier said part of the increase in the project cost had to do with adding more fire station components to the renovation and noted that this was the first major renovation to this station in a number of years

Council Member Inscoe asked if the \$830,000 loan rate was based for private use of the renovated building. Mr. Spruill responded that was correct. (Clerk's Note: During the regular meeting, Assistant to the City Manager Paylor Spruill explained the interest on the loan depended on whether the building would be used for public or private use.)

With no other discussion, Mayor Ellington opened the Public Hearing by asking if anyone was present who wished to speak in favor of the proposed resolutions and funding mechanisms. No one came forward so Mayor Ellington then asked if anyone was present who wished to speak in opposition. No one came forward. Mayor Ellington then closed the Public Hearing and asked for Council's pleasure.

Council Member Inscoe moved to Approve Resolution 17-45, *Acceptance of a Commercial Loan to Fund the Renovation of the Former Municipal Building in the Amount of \$830,000*, Resolution 17-46, *Awarding the Contract for the Renovation of the Former Municipal Building to Danco Builders, Inc., in the Amount of \$645,883*, Resolution 17-51, *Authorizing an Amendment to the Contract with Kilian Engineering, Inc., for Additional Work for Said Project*, Resolution 17-52, *Authorizing Filing of Application with the Local Government Commission for Approval of the Financing Agreement* and Ordinance 17-26, *Amending the Budget of the Old Municipal Building Capital Improvement Project to reflect the \$830,000 Commercial Loan*. Motion seconded by Council Member Daye, and APPROVED by the following vote: YES: Coffey, Inscoe, Daeke, Daye and Williams. NO: None. ABSTAIN: None. ABSENT: Rainey, Elliott and Simmons.

Authorizing a Lease Agreement Extension by and Between the City of Henderson and Green Rural Redevelopment Inc. (Reference: CAF 17-49)

City Manager Frazier reminded Council this Public Hearing was tabled from the last regular meeting as Council had questions regarding the lease and no one was present to answer.

Council Members Williams and Coffey both expressed concerns regarding the existing lease with Green Rural. Ms. Williams said she has talked with Ms. Diana Lewis at the USDA regarding hoop houses and expressed concerns regarding the upkeep of the property, responsibilities regarding removal of the hoop house once the lease expires and how the produce is being distributed.

There was discussion regarding these concerns and others. The Attorney advised 1) the USDA needs to know about these concerns; 2) let the USDA handle these concerns and 3) he advised no action be taken on this request.

Council's consensus was to take no action on this request as recommended by the City Attorney and the Public Hearing was not held.

At this time City Attorney Edwards called for a Closed Session to provide further information regarding this request.

Council Member Coffey moved for Council to convene in closed session pursuant to G.S. §143-318.11(a)(3) for an Attorney-Client Privilege Matter. Motion seconded by Council Member Williams, and unanimously approved.

Council Member Inscoe moved for Council to convene in open session. Motion seconded by Council Member Daye, and unanimously approved.

With no further business, Mayor Ellington asked if Council was prepared to adjourn

ADJOURNMENT

Council Member Inscoe moved for adjournment. Motion seconded by Council Member Daeke, and unanimously approved. The meeting adjourned at 1:14 p.m.

Eddie Ellington
Mayor

ATTEST:

Esther J. McCrackin, City Clerk