



DRAFT

WEDNESDAY-10:00 A.M. OCTOBER 24, 2012 FINANCE COMMITTEE

The Finance Committee of the City Council of the City of Elizabeth City held its monthly meeting on the above date and time in the City Council Chambers of the Municipal Administration Building. Those attending were: Chairperson L. A. Hummer, R. T. Donnelly, L. M. Hill-Lawrence and Mayor J. W. Peel. Others attending were: City Manager R. C. Olson, Finance Director S. E. Blanchard and Deputy City Clerk V. D. White.

Chairperson Hummer established a quorum was present and called the meeting to order at 10:00 a.m. She called for a moment of silent reflection after which she led the Pledge of Allegiance to the Flag of the United States of America.

1} APPROVAL OF AGENDA:

Chairperson Hummer called for a motion to approve the agenda as presented.

City Manager R. C. Olson stated he would like to add two budget amendments, a grant approval for the Catalyst Grant and some obligations and de-obligations of funding.

A motion was made by Mayor J. W. Peel, seconded by Councilman R. T. Donnelly to approve the prepared agenda to include the above noted items. Those voting in favor of the motion were: Peel, Donnelly, Hill-Lawrence and Hummer. Against: None. Motion carried.

2} BUDGET AMENDMENTS:

Chairwoman Hummer called upon City Manager Olson for comments.

Mr. Olson stated we have two budget amendments that we are bringing forward. The first budget amendment is the funding you gave for the Community Support Grants. We need to finish that transaction and to do that we need to do a budget amendment. This is a bookkeeping issue as you have already authorized the contributions. The second one, the North Road Street project we have already executed the change order with Barnhill Construction Company for this dollar amount.

A motion was made by Councilwoman L. M. Hill-Lawrence, seconded by Mayor J. W. Peel to recommend to full City Council



DRAFT

to approve the budget amendment regarding the disbursement of funds to the units receiving the Community Support Grants and the executed change order with Barnhill Construction Company. Those voting in favor of the motion were: Hill-Lawrence, Peel, Donnelly and Hummer. Against: None. Motion carried.

3} AUTHORIZATION – CONSTRUCTION EASEMENT PAYMENT:

Chairperson Hummer called upon City Manager Olson for comments.

Mr. Olson advised that during Phase III of the Roanoke Avenue Drainage project, the City will be required to secure a temporary construction easement from Mr. Tony Rice located at 1024 South Road Street and consists of a brick building, which presently houses a beauty salon operated by Mr. Rice's wife. The City will need to acquire an approximate five foot wide strip of property which runs parallel to Herrington Road consisting of approximately 1,050 square feet. In addition, on the south side of his property the City will need to place a berm, which will prevent his property from being flooded. This tract is approximately 1,500 square feet. On the east side of Herrington Road, the City will need a five foot strip of property the length of the property. The City believes that we have a prescriptive easement on this parcel, since our power poles have been located there for over 50 years. After a series of negotiations with Mr. Rice and his attorney, staff and Mr. Rice have agreed to a \$10,000 payment for all temporary construction easements needed for the project. This equates to \$2.78 per square foot for the easements that are needed. The \$10,000 payment would be paid from the Storm Water Utility Fund. You need to remember that his entire property may need to be acquired by NCDOT or the City because of issues associated with the Harrington Road Bridge.

A motion was made by Mayor J. W. Peel, seconded by Councilman R. T. Donnelly to table this item and schedule a Closed Session to discuss this issue with the full City Council and the City Attorney. Those voting in favor of the motion were: Peel, Donnelly, Hill-Lawrence and Hummer. Against: None. Motion carried.

3} AUTHORIZATION – EXECUTE CDBG INFRASTRUCTURE GRANT:

Chairwoman Hummer called upon City Manager Olson for comments.

Mr. Olson stated what you have in front of you is a CDBG grant agreement with the Department of Community Investment for the water and sewer work on South Road Street. The project does include replacing approximately 3200' of 8



DRAFT

inch water line and 2500' of sewer main. The estimated project cost is \$750,000 of which CDBG is paying 100% at this time. The City will be responsible for all costs over \$750,000. As with all CDBG Grant, CI requires the City to execute a number of agreements in order to receive funding. Pursuant to Grant Agreement 11-C2352 the State has placed the following conditions:

- 1} City must satisfy funding approval conditions by February 25, 2013.
- 2} All funds must be obligated by December 14, 2014.
- 3} All funds must be spent by March 25, 2015.
- 4} All closeout documents must be returned to CI by June 25, 2015.
- 5} All compliance documents must be submitted to CI based on the timetable in Section 30(e) of the grant.

The thing that has limited our ability to take this item to the City Council is the environment assessment. It is at the Clearinghouse as we speak. They will be notifying us once it goes through the Clearinghouse. Then they will give us a notice of publication of the release of funds. Then we can actually go forward. We will need to secure the services of an engineer associated with this project. We can't do that until we have the notice of release of funds from the State.

A motion was made by Councilman R. T. Donnelly, seconded by Councilwoman L. M. Hill-Lawrence to recommend to City Council to authorize Mayor J. W. Peel to execute the Grant Agreement and Funding Approval Letter for CDBG-IF 11-C-2352 and designate the following individuals by title to sign Requisition for Funds forms, Mayor, City Manager, Finance Director and Chief Accountant. Those voting in favor of the motion were: Donnelly, Hill-Lawrence, Hummer and Peel. Against: None. Motion carried.

A motion was made by Mayor J. W. Peel, seconded by Councilwoman L. A. Hummer to recommend to City Council to approve the Budget Amendment for the \$750,000. Those voting in favor of the motion were: Peel, Hummer, Donnelly and Hill-Lawrence. Against: None. Motion carried.

4} MISCELLANEOUS:

Chairwoman Hummer called upon City Manager Olson for comments.

Mr. Olson stated that everything that we are talking about is somehow directly associated with the NC Catalyst Grant that we received for the Middle School project. The first item is a request to de-obligate TDA Funds for the COA Foundation property. If you could remember in February, Council authorizes



staff to submit a grant application in the amount of \$100,000 for the purchase of the Jewell Davenport property. We have not been able to close on that property. COA has not been able to provide us clear title on it. It deals with a Trust Agreement that the Davenport Property is presently under. It does not look at this time that we will be able to go forward and close on that property. For that reason we are requesting Council to de-obligate the TDA funds that we had set aside for this project. That is basically \$25,000 a year over a five year period for a total of \$100,000.

A motion was made by Councilwoman L. M. Hill-Lawrence to recommend to the City Council that they de-obligate the TDA funds for the closing of the COA property. Councilman R. T. Donnelly seconded the motion. Those voting in favor of the motion were: Hill-Lawrence, Donnelly, Hummer and Peel. Against: None. Motion carried.

Mr. Olson stated what we just did we de-obligated \$100,000 of TDA funds. When we prepared the budget this year we put \$75,000 in there for the Middle School site. Since we did not have notification of the grant award he recommended that you withdraw that amount. What he is asking for now is that we submit an application to TDA in the amount of \$75,000 to cover our match for that project. That is the primary reason for the de-obligation of funds.

A motion was made by Mayor J. W. Peel, seconded by Councilman R. T. Donnelly that we recommend to City Council to submit an application to TDA for \$75,000 for the Middle School project. Those voting in favor of the motion were: Peel, Donnelly, Hill-Lawrence and Hummer. Against: None. Motion carried.

Mr. Olson stated that the next item is authorization to execute NC Catalyst Grant 11-C-2372. This grant is almost identical to what we did with South Road Street just a second ago. The only thing that is changed is the number of dates in there. They are as follows:

- 1} City must satisfy funding approval conditions by March 12, 2013.
- 2} All funds just be obligated by January 12, 2015.
- 3} All funds must be spent by April 12, 2015.
- 4} All closeout documents must be returned to CI by July 12, 2015.
- 5} All compliance documents must be submitted to CI based on the timetable in Section 30 (e) of the grant.

These are very standard terms and conditions. These are boiler plate agreements that CI distributes to local units of government. This is an item that



will be placed on the Joint City/County meeting agenda for discussion. We will also need a budget amendment for this entire property.

A motion was made by Councilwoman L. A. Hill-Lawrence, seconded by Councilman R. T. Donnelly to send this item to the Joint City/County meeting in order that both units of government will have the opportunity for discussion. Those voting in favor of the motion were: Hill-Lawrence, Donnelly, Hummer and Peel. Against: None. Motion carried.

A motion was made by Mayor J. W. Peel, seconded by Councilman R. T. Donnelly this item be placed on the next Council Work Session Agenda for consideration at that time. Those voting in favor of the motion were: Peel, Donnelly, Hill-Lawrence and Hummer. Against: None. Motion carried.

Mr. Olson stated that the last item is also a companion item for this and that is the extension of the sub-recipient agreement with the Boys and Girls Club. Now that we are going to be remodeling the Middle School during the end of the winter term and spring term of basically from January through June, the Boys and Girls Club have requested that we extend the Sub-Recipient Agreement for the Hugh Cale facility until July 1, 2013. If you remember several months ago they came before you and asked that you extend it until January 1st. They are now requesting an extension until June 30, 2013 in anticipation of that facility being torn up.

A motion was made by Councilwoman L. M. Hill-Lawrence, seconded by Mayor J. W. Peel to recommend to City Council that they approve the extension of the Sub-Recipient Agreement with the Boys and Girls Club until July 1, 2013. Those voting in favor of the motion were: Hill-Lawrence, Peel, Donnelly and Hummer. Against: None. Motion carried.

5} ADJOURNMENT:

There being no further business to come before the Finance Committee at this time, Chairperson Hummer adjourned the meeting at 10:52 a.m.



DRAFT

Dianne S. Pierce-Tamplen, MMC
City Clerk

Anita Hummer
Chairperson