

**TOWN OF HILDEBRAN
WESTERN PIEDMONT
COUNCIL OF
GOVERNMENTS,
CONFERENCE ROOM A1**

**JULY 8, 2016
5:30 P.M.**

**SPECIAL MEETING
MINUTES**

*Mayor Cook announced that Attorney Dill has advised that there is a quorum present and the meeting can proceed as scheduled.

CALL TO ORDER Mayor Cook called the special meeting to order at 5:36 p.m.

**COUNCIL
PRESENT** The following members of the Board were present: Mayor Virginia Cook, Council Members Brenda Banks and Barbara Lowman. Lee Lowman and Jody York were absent. There is one vacant seat.

STAFF PRESENT The following staff members were present: Administrator Thomas Drum, Attorney Redmond Dill, Town Clerk Alice Sanders and Finance Officer Fredrick Rankins.

**CITIZENS
PRESENT** See attached sheet. No one from the media was in attendance.

INVOCATION Wendell Hildebrand led a prayer.

**ADOPTION OF
AGENDA** Council Member B. Lowman made a motion to adopt the agenda. All voted in favor.

**ORDER OF
BUSINESS:
FINAL DECISION
REGARDING
PURCHASE OF
BANK BUILDING** Attorney Dill reported that the structural inspection was previously provided to the Board and that other tests that were performed were fine, which included: radon, asbestos, termites and mold. A cost estimate from Moss Marlow is provided to repair the issues found by Hicks Inspections. The total cost estimate was \$12,500, of which \$8,000 involves repairing the parking lot. Many of the items will be addressed with the rehabilitation of the building. He stated that there was no structural reason not to move forward.

Mayor Cook stated that \$200,000 has been set aside for renovations but it may not cost that much to retrofit the building. The purchase price is \$219,500 which will be financed with BB&T. Attorney Dill stated that he needs to contact the realtor and the bank's attorney in order to move forward or not. It will take 45 days to close.

Council Member B. Lowman asked if the inspection reports were public records and Attorney Dill stated that they were public and were available at Town Hall. Ms. Lowman also asked about replacing the

current A/C unit. Mr. Drum stated that the current unit can heat and cool but does not zone and may not be comfortable to everyone.

Mayor Cook reported that the architect fee for the floor layouts was \$500.

Mr. Drum stated that he asked for revisions to the layout to include: the copier to be moved to a central location, a small window be added in each office and that additional storage be provided. He stated that a range of \$150,000 to \$200,000 was given to retrofit the building, but it would be closer to \$200,000. The first payment would most likely be next fiscal year.

Council Member Banks made a motion to buy the First Citizens bank building. All voted in favor.

CONSIDER
RESOLUTION TO
FINANCE BANK
BUILDING

Mr. Drum suggested that the Board approve a rate not to exceed 2.5% in case the interest rate has changed since the quote. Council Member B. Lowman made a motion to approve the resolution with BB&T to finance the bank building, for 59 months, with the prevailing rate not to exceed 2.5%. All voted in favor.

QUOTES TO ERECT
FENCE BETWEEN
AUDITORIUM AND
METHODIST
CHURCH

Mayor Cook reported that the Board approved a quote to erect a fence between the auditorium and Hildebran United Methodist Church with American Fence Co. of Hickory, LLC at the June meeting in the amount of \$2,991. Another quote has been obtained from Fister Fence with a smaller end post for \$1,891. Council Member B. Lowman asked why the fence was being purchased. Mayor Cook replied that the church had asked for the fence due to trash and increased traffic due to the fire. Council Member Banks asked what the difference was between the post sizes and Mayor Cook replied that it was the difference between a standard fence and a commercial fence.

Mr. Drum stated that he would typically not bring this back to the Board since the Town would be saving \$1,100, but due to the fact that the end posts were different sizes, he decided to ask the Board.

Council Member Banks made a motion to approve the contract with Fister Fence to provide 200' of chain link fence in the amount of \$1,891. All voted in favor.

Council Member Banks made a motion to rescind the vote from the June 27, 2016 regular meeting approving a contract with American Fence Co. of Hickory, LLC in the amount of \$2,991. All voted in favor.

CONSIDER
REFUND TO HHDA
FOR FY 15/16
LEASE RENT

Mayor Cook reported that Hildebran Heritage & Development Association (HHDA) paid its lease rent for FY 2015/2016 at the beginning of the lease, and to date, has not been refunded its rent since the fire. Council should consider refunding the rent in the amount of \$600 for the four months that it was not allowed in the building. Wendell Hildebrand requested that the lease be extended four months and eight days at the old rate since they have not been able to go into the museum for four months to check on their artifacts or to check for mold.

Mayor Cook stated that the Board needed to consider the refund for \$600 since they have not been able to enter the building due to the fire. Council Member B. Lowman asked if HHDA rent money was refunded when the East Burke Senior Center was refunded its rent money and it was confirmed that it was not done at that time.

Council Member B. Lowman made a motion to refund \$600 to HHDA for rent money for the four months since the fire. All voted in favor. Attorney Dill suggested that a per-day rate be determined and then multiply that amount by the number of days that HHDA has been displaced since the fire and refund that amount. Council Member Banks made a motion to rescind the vote to refund HHDA \$600 for rent. All voted in favor.

Council Member B. Lowman made a motion to refund HHDA rent based on a per-day amount from the date of the fire to June 30, 2016. All voted in favor.

Council Member B. Lowman stated that HHDA needs to be allowed to enter its leased rooms. HHDA pointed out that the security alarm code has been changed. Mr. Drum stated that the premises have been inspected for asbestos initially and he revisited the issue with the person who did the inspection. The inspector stated that they did do inspections for asbestos but did not test during extreme conditions. They did not stir up dust or create an environment where there possibly could be something that they did not detect with just their wipes. The inspector had concerns that the Town should not allow people in the premises until they do testing of that nature and until they provide an inspection of the actual tiles, etc. that might be existing still in the Town Hall building due to some of the inspections of the old school building showing tiles and chalkboards, etc. with asbestos containing materials in them.

Mr. Drum also stated that HHDA had addressed the Town a few months ago about concerns over mold conditions in the building. At that point in time, Becca and Bob went in the rooms and looked around to be sure there was no mold. There was concern over seepage

in the bricks which turned out to be a calcium product that comes out in the bricks. There was an inspection by the staff in those rooms to be sure there was not any mold. The Town has bought humidity monitors to make sure there are no humidity problems in the facility. The security code was changed for security reasons to secure the building for public safety reasons. After talking to the environmental inspector, Mr. Drum stated he is antsy about letting people go in the building until more testing is done after stirring up the air. He opined that someone could probably walk around in the building without the air stirred up due to the test but stated that the Town has to be very careful in situations like this. He stated that HHDA is correct in its statement that Town staff entered the leased premises but there was a reason for that action.

Council Member B. Lowman asked when HHDA can expect to be able to enter the premises. Mr. Drum replied that someone from HHDA could go in with a Town staff member on Monday to resolve HHDA's concerns. Mr. Drum was instructed to ask Ms. Isenhour to contract Mr. Lail or Mr. Childers on Monday to set up a time to enter the leased premises. Mr. Drum advised HHDA not to remove anything simply because there could be particles still on items, even though a swipe test has been done, but to only inspect to be sure everything is there and in good condition. Mr. Drum stated that he will contact Ms. Isenhour or Mr. Bivens and either or both will enter the building with the HHDA representative.

REVIEW AND
APPROVE HHDA
FY 2016-2017
LEASE

Mayor Cook stated that Mr. Drum will address the letter dated June 29, 2016 from Johnny Childers, Vice-President, HHDA. Mr. Drum stated that HHDA should not be charged for rent for time that it was not in the building due to the fire, evidenced by the motion just made by the Board to refund rent.

Ms. Sanders stated that the letter claims that the new lease refers for the first time to the space it leases as "The Auditorium Business Center". She stated that she reviewed the past two leases and "The Auditorium Business Center" was listed on each lease and there had not been a change. She also stated that HHDA has already provided its 990 form and its certificate of insurance and the lease is ready to sign.

Mr. Drum stated that there is some discrepancy regarding rental rates. HHDA stated that \$1.50 per square foot is not a discounted rate. It was determined that the commercial rental rates in the Town were \$4.00 to \$7.00 per square foot. The Board decided to charge \$1.50 per square foot essentially because no commercial entity in the near future will be renting the Town's facilities. The fee structure was created for the existing entities that were renting the facilities which were

nonprofits, governments or schools. There is no set business rental fee at this point, only the \$1.50 fee for nonprofits, governments or schools. If the Town would have a lot of interest in those facilities by for-profit entities, then the Board should probably explore a higher rate.

Mr. Drum addressed HHDA's statement that it rents room 103. He stated that he sent a letter to HHDA because staff found a concern in a room about pipes and the letter listed room 103 by mistake. It was confirmed that HHDA leases rooms 102, 104, 105, 106, 107 and 108.

Mr. Drum addressed HHDA's statement that the expired lease was violated by the Town when staff entered its rooms without giving HHDA reasonable notice. He stated that the staff entered the rooms after an HHDA representative approached the Town about concerns of mold and seepage from the bricks.

Mr. Drum stated that due to the hectic moments that has happened from the fire, staff has not reviewed the leases to see that a notification is required to inform tenants about entering the leased premises.

Mayor Cook addressed the challenge that the Town owns the alarm system in the basement of the auditorium. Ms. Sanders stated that HHDA has provided two invoices, and returned checks for payment of these invoices, for the purchase and installation of the alarm system.

Mr. Hildebrand asked why HHDA is required to prove a nonprofit status to lease the rooms in the auditorium. Mayor Cook replied that it was an IRS requirement. He asked if other nonprofits were required to meet these requirements and Mayor Cook confirmed that all nonprofits have to meet these requirements, as well as provide proof of insurance.

Mayor Cook stated that the HHDA lease will need to be revised to reflect the change in the alarm system ownership. Mr. Hildebrand stated that he felt that since HHDA has not had use of the premises for four months under the old rate, he felt that HHDA should have use of the premises at the old rate for four months, when the new lease begins. Council Member B. Lowman replied that the Board decided to refund those four months of rent. She stated that other renters were not compensated for having been out of their facilities, other than refunded money for the time that they were out of their space, and she did not feel it was fair to give HHDA extra consideration when the other renters were not given any extra consideration.

Council Member B. Lowman made a motion to make a revision to the HHDA lease to reflect the change of ownership to HHDA for the

alarm system. Mr. Drum suggested that specific changes to the lease be made. He suggested that the lease be changed to require a notice from the Town to HHDA in order for Town staff to enter the leased premises, that HHDA allow the Town to inspect the premises, if necessary, and that HHDA be in control of its alarm system. He stated that the reason the Town has the code is to be able to enter the building to use the restrooms or to rent the other parts of the building. It was the consensus that the Town may not enter the leased rooms (rooms 102, 104, 105, 106, 107 and 108) unless notice is provided to HHDA. The security system should only be used for the rented rooms. It was decided that an HHDA representative, either Mr. Lail or Mr. Childers, should only be allowed in the building, with a Town representative, until the fire issue is resolved. Ms. Isenhour will give HHDA the alarm code. Mr. Hildebrand asked if someone besides Mr. Lail or Mr. Childers could enter the building if they were out of town and Attorney Dill stated that he preferred Mr. Hildebrand since he was a general contractor. Ms. Sanders stated that Attorney Dill will provide the appropriate wording for the lease revision. Mr. Drum wanted to make it clear that nobody should enter the premises without a Town representative, until the building is cleared, or when the lease starts and rent is paid. Mayor Cook stated that the insurance is in agreement to Mr. Drum's statement, due to liability, and that all security expenses for the building have been paid for by the Town's insurance. Attorney Dill suggested that the lease be revised and to table this topic until the July 25, 2016 regular meeting. Mayor Cook asked Mr. Drum to send a letter to Mr. Lail and Mr. Childers informing them that the lease will be revised and forthcoming.

Mr. Hildebrand asked if the air conditioning was turned on in the building. Mr. Drum stated that he thought it had been turned on last week. Attorney Dill advised Mr. Hildebrand to wear a painter's mask for protection, just in case.

CALL PUBLIC
HEARING FOR
MINIMUM
STANDARDS FOR
OCCUPANCY
ORDINANCE

Mayor Cook stated that the Board made a motion to call a public hearing for the Minimum Standards for Occupancy Ordinance at the June 27th meeting, and after discussion, a vote was not taken. Council Member B. Lowman made a motion to call a public hearing for the Minimum Standards for Occupancy Ordinance for the July 25, 2016 regular meeting to be held at 7:00 p.m. at the Western Piedmont Council of Governments. All voted in favor.

FINAL DECISION
ABOUT
FIREWORKS AND
SEPTEMBER
FESTIVAL

Mayor Cook stated that a decision from the Board needs to be made about holding a fireworks show and a festival on September 24, 2016. After discussion, Council Member B. Lowman made a motion to not hold the festival or fireworks in September 2016 and to hold the fireworks at the next event. All voted in favor.

ANNOUNCEMENTS Mr. Drum reviewed with the Board the statutes concerning the voluntary satellite annexation request that the Town received at the last meeting. The statutes state that if a petition comes before the Board for voluntary satellite annexation, the Board shall direct the Clerk to certify the sufficiency of the petition and shall hold a public hearing. The Board chose to take no action at the June regular meeting and he stated that the Board must take the above actions before a decision is made by the Board. This topic will be added to the July 25, 2016 regular meeting.

ADJOURNMENT All business being concluded, Council Member B. Lowman made a motion to adjourn the meeting at 6:30 p.m. All voted in favor.

ATTEST I attest these are the approved minutes of the Board.

Alice Sanders, Town Clerk

Virginia Cook, Mayor