

SPECIAL MEETING
Litchfield City Council - City Council Room
November 14, 2014 - 6:00 PM

Mayor Smith called the meeting to order at 6:07 PM.

Roll Call: Present – Mayor Edwin Smith, Councilpersons Jessica Bills, Rick Siebert, Dan Efstathiou, OR Smith, Brenda Thomas and Don Bannick.

Absent –

Also Present – City Manager- Douglas Terry, Clerk-Susan Ballinger, Mary Burns, Alan Seybert and Kelly Gampel -Index.

Discussion regarding purchase of 928 Anderson Road Building – Clerk, Ballinger informed the board that she was presented with three (3) written request from board members to hold a special meeting regarding the decision made at the September Regular Council Meeting adopting Resolution 2014-15 authorizing a loan from TIFA to the City of Litchfield for the purchase of the building located at 928 Anderson Road. Councilwoman, Bills stated she felt that there are still some unanswered questions and after speaking with Manager, Terry a full appraisal was done on the 928 Anderson Rd. building which came in at \$210,000.00 and stated the actual purchase price of the building was \$150,000.00 by its current owner. Councilwoman, Bills would like to renegotiate the purchase price and she believes there are a lot of other things to consider not saying the purchase shouldn't go through but for now Councilwoman, Bills would like to see this be tabled for three months. Councilwoman, Thomas stated the problem with it being tabled for more than 120 days the city would have to pay for another appraisal. Councilwoman, Bills stated then we could table this for two months and feels there are unanswered questions. Manager, Terry stated at the last regular meeting he had reported to the board with an appraisal of the Day Care Building located at 181 Simpson Drive which came in at \$225,000.00 and that appraisal was done in May 2014. Manager, Terry stated that this past summer it came to his attention that the 928 Anderson Road building was up for sale and felt this would be a good building for Department of Public Works and entered into talks about possible purchase. Manager, Terry stated he was unaware of what the purchase price was for Mr. Jack Smith. Manager, Terry used the Day Care's appraisal (Nolan Building). Manger, Terry stated the previous purchase price was just recently brought to his attention so Manager, Terry withheld proceeding with the final sale until we clarify any answers and at the same time the city ordered an appraisal to be done on the 928 Anderson Road Building that is in your agenda packet and this appraisal came in at \$210,000.00. Manager, Terry asked the board if they felt it was in the city's best interest to pursue this purchase. Councilman, Bannick asked if the ground had been checked for any contamination. Manager, Terry stated yes, there is an environmental report in your packet. Mayor, Smith asked what questions need to be answered. Councilwoman, Bills doesn't feel the city should pay \$225,000.00 for a building that was purchased previously for \$150,000.00. Mayor, Smith stated you don't buy something based on a previous purchase price, it depends on whether a person has a need for it and if it meets those needs and if you want it bad enough then buy it. Mayor, Smith stated the city could wait if the board would like to and that he spoke with Jack Smith and the price will stand as is and not be lowered. Councilwoman, Thomas feels that it's a good price for the building. Councilwoman, Bills asked is the city into the rental business. Manager, Terry stated the timing of this came about when one of our companies's approached the city asking to rent some space from the city that was secure and had controlled ingress/egress. At the same time the city was made aware of the 928 Anderson Rd. building and the idea was to try and accommodate that company at the same time the city would be doing things on the property preparing for the Department of Public Works, so no the city is not in the rental business. Manager, Terry stated the unique part of this was that this building adjoins a piece of property that was going to be fenced in for a storage area and having one location for all DPW property except for Christmas decorations that will remain at their current building. Also, the current building heats with wood and so a problem is that the city has to find warm storage for certain public works equipment and equipment was

being scattered throughout the city and the idea was this building doubled in size of what the city currently has plus is adjoins up to the city's well house property which also gives the city an opportunity to have a bigger storage building and yard. The property is located in a central location and on a main highway. As indicated before a new building with 3 large bay, approximate 12,000 square feet, 6 doors for driving through purpose would cost approximately \$800,000.00 up to 1.3 million, so \$225,000.00 for a 12,000 square foot building setting on 2.2 acres is why it makes it a good public works building. Councilman, Bannick stated he doesn't feel Manager, Terry has to apologize for anything but it's the boards job to watch out for the public money and Councilman, Bannick doesn't want to pay over for what the building is appraised for and asked if there are any other offers on this building by anyone else. Manager, Terry stated he is not aware of any other offers for the building. Councilman, Siebert stated that Hi-Lex is interested in short term storage and Hi-Lex currently has equipment in the Spec building and Manager, Terry informed Hi-Lex that pending council's approval the city might be able to accommodate and might be able to rent them some space for up to maybe (1) year. Other than that Hi-Lex rents Hawkes trailers and can continue to do so. Councilman, Siebert wants to make sure the board is not under the idea that the building is being bought because Hi-Lex is going to rent. Also, the rent could potentially pay for the building although nothing has been agreed upon to date yet. Mayor, Smith stated he feels this is an excellent opportunity but whatever the board feels is right to do is fine.

Councilman, Bannick motioned to rescind the motion to adopt Resolution 2014-15 originally made at the Regular Council Meeting of October 21, 2014, Seconded by Councilwoman, Bills.

A Roll Call Vote was taken by Clerk, Ballinger: Councilman, Smith – No, Councilman, Efstathiou – No, Councilwoman, Bills – Yes, Councilman, Siebert – No, Councilwoman, Thomas – No, Councilman, Bannick – Yes, and Mayor, Smith – No. Motion Fails due to lack of support.

Votes: Nays – 5 Ayes – 2 Absent- none

Adjournment – Councilman, Smith moved to adjourn at 6: 30pm, seconded by Councilman, Efstathiou Motion Carried.