

April Minutes  
Mayor and Council Work Session  
Commerce City Hall Conference Room  
April 3, 2006  
6:00 P.M.

The regularly scheduled work session of the Mayor and Council was held on Monday, April 3, 2006 at 6:00 P.M. in the City Hall Conference Room, 27 Sycamore Street. The work session was called to order by Mayor Charles Hardy. City Clerk Shirley Willis called the roll and those in attendance were Mayor Charles Hardy, Mayor Pro Tem Dusty Slater, Council members Wayne Gholston, Donald Wilson, Bob Sosebee and Richard Massey, City Manager Clarence Bryant, Water and Sewer Superintendent Bryan Harbin, Finance Director Steve McKown and one member of the press.

Mayor Charles Hardy said he had one thing before the agenda items were covered. That was the evaluation form on the city manager. He passed out the forms and asked that the council fill them out and get them back to him. A time was set to discuss them and it would be an executive session immediately following the council meeting on April 10, 2006 and then adjourn the meeting.

The other item of Mayor Hardy was that at the Mayor's meeting that day most of the meeting was about Arcade continuing to pursue their case with the Water and Sewer Authority.

Mayor Hardy said the group met at Jefferson's new facility across the bypass and it was very nice.

Mayor Hardy then turned the work session over to City Manager Clarence Bryant to go over the agenda items.

City Manager Clarence Bryant covered the items as follows:

1. Planning Commission Hearing Items.
  - A. Rooker & Associates – Zoning for Annexation – Map 33, Parcel 33, from B-2 in the County to M-2 in the City.
  - B. Rooker & Associates – Zoning for Annexation – Map 33, Parcels 18A, 35, 36, 37, 37A and Map 20, Parcel 17A from A-2 in the County to M-2 in the City.
  - C. Rooker & Associates – Rezoning Request for property on Map 33, Parcel 4A from M-2 to M-2.

2. Commerce Civic Center and Tourism Authority Appointments – Cynthia Newbury’s and Jimmy Bray’s terms both expired in March, 2006.

The council requested that the creation of the Civic Center and Tourism Authority be checked for the manner in which the board members were appointed and the terms. A list would be included in the council agenda package.

3. Application to Sell Beer & Wine Consumption on Premises – Italia, Inc., 1769 N. Broad Street.
4. Application to Sell Beer & Wine Package Sales – Flying J on the Maysville Road (formerly the Williams Travel Center location).
5. Manhole Rehabilitation Bids – Low bidder – Griffin Brothers at \$33,000.

City Manager Clarence Bryant said in the bid tabulation the range of manholes was between 50 and 100. The bid was made on dollars per manhole. Some would have to be raised more than others from 1” to 2”.

Councilman Donald Wilson asked if that bid included any work on Little Street. Mr. Bryant told Councilman Wilson that Little Street had drains and not manholes. Councilman Bob Sosebee said that cost seemed to be lower than anticipated.

Councilman Donald Wilson asked if Griffin Brothers was the only bidder and Water and Sewer Superintendent said four bid packages were picked up but Griffin was the only bid returned.

Mayor Pro Tem Dusty Slater asked about the range being \$3.50 - \$3.60 per manhole. Water and Sewer Superintendent Bryan Harbin said it was based on a unit price and not per manhole but an average number of manholes.

6. Natural Gas Sales Agreement with Jackson electric Membership Corporation

City Manager Clarence Bryant said the contracts with Jackson EMC and Gold Kist had changed. There had been a \$.10 add on to offset the cost of the gas main relocation.

Mr. Bryant updated the council about the relocation at the water tank and said it would not have to be done because negotiations had been done with DOT and the construction would be done on the existing right-of-way.

City Manager Clarence Bryant said that the sidewalk bids were still being worked on.

7. Peace Place, Inc. Contribution of \$1,400.

Mr. Bryant had received the request for the annual contribution from the City.

8. Easement Condemnations on Natural Gas Proposed 6" Main (Six parcels, five owners).

Mr. Bryant said that authorization would be required from the council to do the condemnations. He passed around a list of the properties involved. He said by Monday maybe some of those would settle to prevent condemnation.

9. Habitat Construction on April 15<sup>th</sup> on Brookwood Avenue house.

The mayor and council would be volunteers on April 15, 2006 from 9:00 A.M. until 12:00 Noon – 12:30 P.M. to assist in the hanging of sheetrock. Mr. Richard Chambers had set up the time and date for the volunteering.

10. Water and Sewer Financing and Refinancing Options.

City Manager Clarence Bryant said the City staff had gone back to the bond market to gather information on the refinancing of the GEFA debt and he called on Bryan Harbin Water and Sewer Superintendent to give a report.

Mr. Harbin said after the retreat he came back and looked at the low end users options. He had prepared Option 4 for a proposal in the rate package. Under Option 4 the meter administration charge and debt surcharge had been removed. However; he went up on the per thousand charge by 9%. He passed out a handout with the same information presented at the Retreat but with Option 4 included. Mr. Harbin said that with Option 4 included it would be a break even situation and have no depreciation recovery.

According to the proposed Option the 2,000 gallon customer's charge would go from \$20.00 to \$24.50. The 1,000 gallon and below users bills would actually drop because the cost was distributed over all the users and the rates were based on usage.

Councilman Bob Sosebee's opinion was that he liked the option because it did not penalize the lower end users on fixed incomes.

City Manager Clarence Bryant said that what the city probably would do before the growth came would be to keep these rates for a two year period before a minute increase was made.

Mr. Harbin talked about the wholesale buyers and proposed to implement a wholesale rate as follows:

## Usage

0 to 1,000,000 Gallons	\$3.00 per gallon
Minimum	\$3,000.00 per month
1,000,001 to 5,000,000 Gallons	\$2.90 per gallon
5,000,001 to 10,000,000 Gallons	\$2.80 per gallon
10,000,001 Plus	\$2.70 per gallon

Mr. Harbin said the rates were somewhat lower than the cost to produce the water and they were included in the rate package.

Another item proposed by Mr. Harbin was an increase in tap fees. The current tap fees were: Water, \$1,500 and Sewer, \$2,500. Proposed rates would be water \$2,500 and sewer \$4,000.

Mayor Charles Hardy asked what the effective date would be and Mr. Harbin said as soon as it was voted on. He did update the council that Brentwood still had 7-8 on the old cost that were already paid for and had not been made.

Mr. Harbin brought to the attention of the council that hotels and motels were the same rate as multi-family rates.

Mr. Harbin said that based on fees and rates the City would be in good shape because the rates were based on zero growth. (There was very little growth this year)

Mr. Bryant said that with the Chatham Development and the Industrial Park coming on line there would be an increase in the revenue.

Finance Director Steve McKown talked about the debt service. He reported that there was currently \$1.1 debt service per year. If the debt was back loaded it would reduce the debt by \$300,000. That would require refinancing all of the GEFA debt of \$11.3 million. The refinancing could be done through Merchant Capital and all debt with the exception of the 2002 bonds could be included.

Councilman Bob Sosebee said he favored that plan and let from three to five years of growth come to help offset the repayment. Steve McKown stated that a 4.4% arbitrage rate was included. The City would have \$1.2 million in the bank and have a variable rate over 25 years versus 20 years. The interest rate during the first five years would range from 3.5 to 3.7 percent. At the end of that time the rate would go up because of the backload. In the year 2008 the 2002 bonds could be refinanced and all debt rolled together. Mr. McKown said he would rather handle the refinancing this way. More interest would be paid but it would spread the debt over new growth and not cost the current customers.

Mr. Harbin said that option would allow some depreciation recovery.

City Manager Clarence Bryant said some projects were on a “must be done” basis and could not be put off until the next budget year. Mr. Harbin said the city could possibly work out a deal and the first payment would not be projected to be made until the first quarter of 2007.

City Manager Clarence Bryant said guidance was needed from Council and also a timeframe to complete the financing/refinancing. Finance Director Steve McKown was directed to get back with Merchants Capital the following day for information.

Mr. Harbin said that Option 4 would have to be adopted with an immediate effective date. Mr. Bryant thanked the gentlemen for the rate options proposal.

Mr. Harbin had one other item of interest and that was the problem with Davis Brothers Pond. He said grease was the culprit for the City at the pond. He named a company, Boca Industries that had taken over the grease trap business and named several cities that had utilized their services. One was Newnan and Bryan visited Newnan to observe how the company worked.

Mr. Harbin suggested that the City of Commerce send out RFP’s for bids to take over the grease trap business. The company would do all the work from inspections to pumping and they would work directly with the restaurants. It would be good for the city and for the restaurants per Bryan Harbin and the City would bill the customers. He was waiting to see a rate schedule. He would get the information and also get an RFP for the City to use. He said he had seen some improvements and they were better but not good.

#### 11. Boys & Girls Club Contract

Mayor Charles Hardy reminded the council that at the retreat they had talked about a contract to get a Boys and Girls Club started in Commerce. The City had agreed to get a contract and John Stell and the Boys and Girls Club attorney were working together to prepare a contract.

A question was made as to when the City of Commerce would close the department they had in the building. The decision was to close at the end of June. According to Mayor Hardy the expected date to open the club would be July 1, 2006.

#### 12. New Recording Equipment

City Manager Clarence Bryant talked about a meeting with DECA and the quote received to purchase new recording equipment. The current recorder was quite old and the service was not as efficient as it should be. Mr. Carl Freling of DECA had shown a digital recorder and transcription kit to him and Shirley. The data could be downloaded into the

PC and transcribed from there. The quote to purchase the system was \$1,485.00 and Mr. Bryant recommended a budget amendment be made and make the purchase.

### 13. Activity Reports.

City Manager Clarence Bryant said the activity reports would be included in the agenda packages.

### 14. Financial Report

City Manager Clarence Bryant said the financial report would be included in the agenda package.

Mayor Charles Hardy asked if any of the council members had any items.

Councilman Richard Massey asked about the attendance at the 5<sup>th</sup> District Listening Sessions.

It was determined that Councilmen Donald Wilson, Dusty Slater, Wayne Gholston and Richard Massey would attend the April 27, 2006 meeting in Auburn and Mayor Charles Hardy, City Manager Clarence Bryant and Councilman Mark Fitzpatrick would attend the meeting on May 10, 2006 in Union Point.

There was no further business and the work session was adjourned.

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Charles L. Hardy, Jr., Mayor

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Shirley Willis, City Clerk