

April Minutes
Commerce Civic Center
April 10, 2006
6:30 P.M.

The regularly scheduled meeting of the Mayor and Council was held on Monday, April 10, 2006 at 6:30 P.M. in the Commerce Civic Center Commerce Room, 110 State Street. Mayor Charles Hardy called the meeting to order and those in attendance were Mayor Charles Hardy, Mayor Pro Tem Dusty Slater, Councilmen Wayne Gholston, Donald Wilson, Richard Massey, City Manager Clarence Bryant, Attorney John Stell, one member of the press and approximately fifty (50) citizens. Councilman Bob Sosebee came into the meeting at 6:35 P.M.

Councilman Wayne Gholston gave the invocation.

Approval of Minutes

Councilman Richard Massey made a motion, seconded by Mayor Pro Tem Dusty Slater to approve the minutes of the 3/13/06 regular meeting and the 4/3/06 work session minutes as presented.

The vote was unanimous.

Citizens or Delegations – None Scheduled

Mayor Charles Hardy said Councilman Mark Fitzpatrick was on vacation and he did not know where Councilman Bob Sosebee was.

Mayor Charles Hardy asked if there was anyone in attendance that wished to address the council.

Mr. Buddy Harber of Georgia Avenue asked if the council could go over the structure of the loan and the history of it. He asked that it be clarified. Mayor Hardy told Mr. Harber that Mr. Bryant and Steve McKown would be going over that later in the meeting.

Mr. Jim Scott, 4119 Mount Olive Road said he would like to applaud the council and IDA for bringing in the Rooker Company because there was a need for better paying jobs. He asked when the names of the occupants would be available for the structure that was being built. He wanted to know if the City of Commerce would furnish the consumer or if it would be the developer.

Mr. Scott contended that jobs were needed but personally he had a concern regarding the low income families. He stated that those people would like to purchase a home but most of them were just making ends meet. He referred to a raise in the water and tape fees would put them out of any home ownership. The majority of them were making from

\$7.25 - \$14.00 per hour and those wages would not allow people to buy a stick built home. He said that with the increase in fuel cost that did not leave much for families to live on.

Mr. Scott said he agreed with the analysis but the exorbitant fees to be imposed would be abuse and more citizens needed more solid home ownership. He requested that the council review the budget, trim the fat, do departmental consolidation and place a hiring freeze as well as review to see if the plant could be paid for some other way. When growth came on line they would have the new structure and at that time perhaps a modest increase could be made. He said "don't do this to the least or poor of these." Mr. Scott said he welcomed all newcomers and had deep compassion on people in the areas because he rode all over the city. He requested that the Christian principles be brought out.

Mrs. Hazel Benton of Scott Street asked that on behalf of the widows the city should think of them when the rates were raised. She said they would appreciate being considered.

Mrs. Vivian Poe stated that the utility bills were out of sight. She said they could not afford them. She had already paid over \$1,200 this year and it had not even been a cold winter. Mrs. Poe said that did not include her flower shop and she did not know if the mayor and council had a bill that high. She said she could not stop working and she did not want to leave Commerce until the Lord was ready for her.

Mayor Charles Hardy pointed out the manufacturing sites were the good jobs. Distribution jobs were not that good. The prospects would build to their specifications and would not build until a customer was secured. He said the manufacturing companies were the bread and butter.

New Business:

A. Planning Commission Hearing Items:

- (1) Rooker & Associates request for rezoning for annexation, Map 33, Parcel 33, .79 acre from B-2 in the County to M-2 in the City.

Councilman Bob Sosebee made a motion, seconded by Council Donald Wilson to approve the rezoning for annexation from B-2 to M-2.

The vote was unanimous.

Mayor Pro Dusty Slater made a motion, seconded by Councilman Wayne Gholston to approve the annexation of Map 33, Parcel 33 in the city boundaries.

The vote was unanimous.

- 2) Rooker & Associates request for rezoning 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.

Councilman Richard Massey made a motion, seconded by Councilman Donald Wilson to approve the rezoning for annexation from A-2 in the County to M-2 in the City.

The vote was unanimous.

Mayor Pro Tem Dusty Slater made a motion, seconded by Councilman Wayne Gholston to approve the annexation of Map 33, Parcels 18A, 35, 36, 37,37A and Map 20, Parcel 17A into the city boundaries.

The vote was unanimous.

- 3) Rooker & Associates request for rezoning Map 33, Parcel 4A from M-2 to M-2.

Mayor Pro Tem Dusty Slater made a motion, seconded by Councilman Wayne Gholston to approve the rezoning of Map 33, Parcel 4A to M-2.

The vote was unanimous.

B. Commerce Civic Center and Tourism Authority Appointments.

Mayor Pro Tem Dusty Slater said he had talked to someone since the work session and he had hotel/motel experience and he made a motion, seconded by Councilman Donald Wilson to nominate Neal Smith.

Councilman Richard Massey said that Cynthia Newbury had been on the board since it began and he made a motion, seconded by Councilman Bob Sosebee to reappoint Cynthia to the board.

The vote for Neal Smith was three (3); Dusty Slater, Wayne Gholston and Donald Wilson.

The vote for Cynthia Newbury was two (2); Richard Massey and Bob Sosebee.

Neal Smith would replace Cynthia Newbury on the Civic Center Board.

Councilman Donald Wilson made a motion, seconded by Councilman Bob Sosebee to reappoint Jimmy Bray for another four year term.

The vote was unanimous.

Councilman Donald Wilson said he was not being critical but he thought the members should be appointed by wards.

- C. Application to Sell Beer & Wine “Consumption on Premises” – Italia, Inc., 1769 N. Elm Street.

Councilman Bob Sosebee made a motion, seconded by Councilman Wayne Gholston to approve the Beer and Wine Consumption on Premises Occupational Tax for Italia.

The vote was unanimous.

- D. Application to Sell Beer & Wine “Package Sales” – Flying “J”, Inc., 4855 Maysville Road.

Councilman Wayne Gholston made a motion, seconded by Councilman Richard Massey to approve the Beer and Wine Package Sales Occupational Tax for Flying “J”.

The vote was unanimous.

- E. Manhole Rehabilitation Bids – Notice of Award to Griffin Brothers

Griffin Brothers was the only bidder that picked up a package to return the bid. The bid amount was \$33,000 to raise between 50-60 manholes of varying height.

Councilman Bob Sosebee made a motion, seconded by Councilman Richard Massey to accept the bid of \$33,000 from Griffin Brothers.

Mayor Pro Tem Dusty Slater talked about the estimated 5 to be raised 3’ but asked where the estimate was to raise more than the 3’. Bryan Harbin, Water and Sewer Distribution Superintendent responded that in the course of business for the manhole covers raising the manholes were at various depths. For example on South Broad Street at “What a Burger” business the City of Commerce had to dig down 32” to get access to the manhole. He said the cost was based on number of inches to raise and not number of manholes. According to Mr. Harbin the cost was less than one-half for the number of manholes and the amount was average.

Councilman Donald Wilson said he had no problem with the price but the range of 50-100. He said there should be a set figure of manholes.

Mayor Charles Hardy had the bid paperwork and City Manager Clarence Bryant explained the depths. He said the depth would determine the cost and North Broad Street was the first priority because it was the street the LARP funds were awarded for.

The vote was unanimous.

F. Natural Gas Sales Agreement the Jackson Electric Membership Corporation

The gas lines had to be redone and the contract with Jackson Electric Membership was also revised. The cost to Jackson Electric Membership was increased by \$.10 per dth (decatherm).

Mayor Pro Tem Dusty Slater made a motion, seconded by Councilman Wayne Gholston to approve the revised contract with Jackson Electric Membership Corporation.

The vote was unanimous.

City Manager Clarence Bryant said the water and sewer contract with Gold Kist had just been received in the mail. It was also increased by \$.10.

Councilman Bob Sosebee made a motion, seconded by Mayor Pro Tem Dusty Slater to approve the revised contract with Gold Kist.

The vote was unanimous.

G. Peace Place, Inc. Annual Contribution of \$1,400.00

Mayor Charles Hardy said that the Peace Place, Inc. had sheltered over 1,000 women and children and had handled more than 3,300 crisis calls on their 24-hour hotline. They had also provided additional assistance to 424 victims that were not sheltered. The City of Commerce had made the contribution for many years.

Councilman Bob Sosebee made a motion, seconded by Councilman Richard Massey to approve the contribution in the amount of \$1,400 to Peace Place, Inc.

The vote was unanimous.

H. Easement Condemnation on Natural Gas 6" Loop.

Mayor Charles Hardy said the loop at the South end of town to I-85 was the area the line would be placed. He also said there was no change from the list reviewed at the work session. Mayor Hardy then read the list of owner that had not consented to an easement. They were Eugene Ayers, et al, Juanita A. Gardiner, Michele Scheer, et al, Johnny H. Fields and James L. Bouchard, et ux.

Councilman Bob Sosebee made a motion, seconded by Councilman Richard Massey to proceed with the condemnation of those properties listed for the amount of property required for the easements to install the line.

Councilman Donald Wilson asked if the city condemned the properties would they be buying it. The response was only the required amount for the easement would be

purchased. Attorney John Stell advised that a judge and jury would decide what cost would be paid for the properties.

Councilman Bob Sosebee asked if the easements were going down the Georgia Power easement on the high voltage line. The response was affirmative.

The vote was unanimous.

I. New Water & Sewer Retail and Wholesale Rates and Fees

Bryan Harbin, Water and Sewer Distribution Superintendent went over the proposed rates. He went over the charts and explained the structure of the proposed rates. The revenues over expenditures proposed a 3-1/2% to 4% increase and that was spread over all three divisions of Water and Sewer Distribution.

Mr. Harbin said the city would begin to make the payments of \$475,000 on top of the \$650,000 GEFA indebtedness. The two combined would equal \$1.1 million dollars in water and sewer loan payments. The projected revenue required was \$3.3 million to cover the cost. Mr. Harbin said the figures did not include any major projects because they would be funded from SPLOST funds or one GEFA loan in the following year. He did not have a date for the loan to close; however it would include the \$600,000 to meet the debt service and \$500,000 of that amount was on the upgraded wastewater plant. The loan would be \$7.2 million.

Mr. Harbin said when he finished Finance Director Steve McKown would go through the financing. They had looked at options and different scenarios based upon usage. The rate structure was set up to not burden the low end users and there were 28% of the customers that were low end users.

Mr. Harbin said the federal guidelines based the increase upon the per capita income and 1.7% was median income. For those customers using less than 1,600 gallons per month the rates would go down. According to Mr. Harbin the proposed rate would put the City of Commerce in the middle of the surrounding cities. Braselton and Jefferson were in the process of raising their rates.

The proposed rates were as follows:

Water and Sewer Rates
Effective May 1, 2006

Water Rates

<u>Monthly Rate</u>	<u>Inside City Rate</u>	<u>Outside City Rate</u>
Minimum Bill	\$3.00	\$6.00
Per 1,000 Gallons	\$3.85 for each 1,000	\$5.80 for each 1,000

gallons or portion thereof gallons or portion thereof

Sewer Rates

<u>Monthly Rate</u>	<u>Inside City Rate</u>	<u>Outside City Rate</u>
Minimum Bill	\$3.00	\$6.00
Per 1,000 Gallons of water used	\$5.25 for each 1,000 gallons or portion thereof	\$7.90 for each 1,000 gallons or portion thereof

SO ORDAINED THIS 10th day of April, 2006

Charles L. Hardy, Jr., Mayor

Shirley Willis, City Clerk

The proposed wholesale water rates were as follows:

City of Commerce
Wholesale Water Rates
Effective May 1, 2006

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

SO ORDAINED THIS 10th day of April, 2006.

Charles L. Hardy, Jr., Mayor

Shirley Willis, City Clerk

The tap fees proposed were as follows:

City of Commerce
Water & Sewer Tap Fees
Effective April 11, 2006

Water Tap Fees

¾" Meter	\$ 2,500.00
1" Meter	3,000.00
2" Meter	6,000.00
4" Meter*	25,000.00
6" Meter*	40,000.00
8" Meter*	55,000.00

Fire Lines

All fire lines shall include an approved fire line meter and backflow preventer. Tap fees shall be equal to those of the corresponding water tap fees for each meter size. Design and construction costs will be the responsibility of the customer.

Sewer Tap Fees

¾" Meter	\$ 4,000.00
1" Meter	5,000.00
2" Meter	8,000.00
4" Meter*	25,000.00
6" Meter*	40,000.00
8" Meter*	55,000.00

Multi Family (All Meters)	\$ 5,000.00
Plus	\$ 1,000 for each one bedroom unit
	2,000 for each two bedroom unit
	3,000 for each three bedroom unit
	4,000 for each four bedroom unit

Hotel/Motel same as Multi Family

Non Residential same as Residential

*Meter and related accessories must be provided and installed by customer per City of Commerce specifications.

SO ORDAINED THIS 10th day of April, 2006.

Charles L. Hardy, Jr., Mayor

Shirley Willis, City Clerk

With the proposed rates a water and sewer tap would go from \$4,000 to \$6,500.

The gas tap would remain \$200.00 according to Jim Eubanks, Gas Superintendent.

Sammy Highsmith asked what the total indebtedness was and Mayor Charles Hardy said that Steve McKown would explain that later.

At that time Steve McKown said the interest and principal were to be paid this year. Mr. Highsmith asked how the city could say what they owed. Mayor Charles Hardy said that Mr. Bryant and Steve had been working on the budget. They went over the five-year capital budget and if the City of Commerce could not afford to do the project then it wasn't done in that budget year.

Finance Director Steve McKown stated in looking at all the GEFA debt and the money owed on the 2002 Water and Sewer Bonds, the Belt Press at WPCP and the GEFA loans the amount would be \$14.8 million dollars. According to Mr. McKown some interest on the current GEFA had to be capitalized and the City of Commerce had paid off over \$2 million dollars on the project.

He said that the bonds could not be refinanced until 2008 and the discussion was on the GEFA portion of the indebtedness. There were varying maturity dates on the loans that ranged from 2011 up until 2027 because the debt was acquired at different times. He said in proposing the rate structure the population count of low end users was looked at and a rate was devised to place less burden on those customers. Mr. McKown stated the vision was to find a way to pay interest only for five (5) years with no principal and that would extend the payment to eight to nine (8-9) years in the future. The refinancing would help spread the payments until growth came. The total indebtedness as of 3/31/05 was \$11,373,899.

With this refinancing the City would not have to raise rates nearly as high as they would have to and could save \$356,541 per year. In speaking with Merchant Capital the

average percentage on the bonds was 4.359801% and the City of Commerce was fortunate that they were in a position to go to the bond market.

Mr. McKown said the Water and Sewer Fund was beginning to see a crunch. The rates must be changed to be in the middle of the surrounding cities and a motion and second would be needed to restructure the debt and schedule a closing before July 1, 2006.

Mr. Buddy Harber asked about what the bond indebtedness was and the response was the refinancing of the \$4 million water and sewer bonds back in 2002.

Mr. Clifford Slater commented that if the citizens drew the salaries of Steve McKown and Clarence Bryant they would have no problem.

Mayor Charles Hardy asked for a motion to increase the water and sewer rates and the tap fees.

Councilman Bob Sosebee made a motion, seconded by Councilman Richard Massey to approve the rate increases as presented.

Councilman Donald Wilson commented that a thirty-seven (37) year old man had come to him crying that he could not survive with the increased rates because he only made \$8.00 per hour on his job. Councilman Wilson said he gave the man food to eat. He also said that fifty (50) people had called him over the week-end about the increase. He said he understood that the rates would be lower on those customers that used less than 1,600 gallons per month. He emphatically said that with a 20% water loss he was ready to vote.

Mr. Harold Crawford said he lived on Harris Street and his utility bill was \$413.00; however it was down in February and in March.

Shannon Gailey said her electric bill was one-fourth of her salary.

Mr. John Webber said he was a retired pastor he tried to hear, see and understand. His opinion was we must change direction or the City of Commerce was in trouble.

The vote was two for (Bob Sosebee and Richard Massey), three opposed (Wayne Gholston, Donald Wilson and Dusty Slater).

J. Boys & Girls Club Contract for services.

Mayor Charles Hardy said Item J. would be held until the next session.

K. Budget Amendment for Recording Equipment in the Administration Department.

Mayor Charles Hardy said a budget amendment was requested to purchase a new recorder for the meetings. The current one was old and not properly recording. The cost

of the new recorder with speakers, charger, carrying case, software installation and training was \$1,485.00.

Councilman Bob Sosebee made a motion, seconded by Councilman Richard Massey to make the budget amendment for the purchase.

Mayor Pro Tem Dusty Slater said he had found the same set on the internet at a cost less than the package presented.

Mayor Pro Tem Dusty Slater made a motion, seconded by Councilman Bob Sosebee to table the motion for further investigation of the costs.

The vote was unanimous.

L. Activity Reports.

Police Chief John Gaissert gave the police department reports. He said there had been increased activity due to the weather. He had talked to the seniors regarding career day. Also he mentioned aptitude test for police officers.

Councilman Donald Wilson told Police Chief John Gaissert that he had a call that three (3) officers were at Denny's at 3:00 A.M. He also said he was at Flying J and there were three (3) officers there at the same time. He wondered why they ran out of the store and all three cars came back to town like there was a fire and they were driving 70-90 MPH. Police Chief Gaissert responded to Councilman Wilson and told him he would check into that. He then asked for any questions on the activity report.

The Commerce Police Department had 1,892 dispatched calls, 94 walk-in reports at PD, 152 SRO calls for a total of 2,138. The accident reports were 26, 128 incident reports and 68 animal control calls. The traffic citations issued were 79 speeding, 14 suspended license/no license, 11 no insurance, 13 DUI, 4 drunk/disorderly, 1 shoplifting, 3 obstruction, 6 alcohol related, 18 seatbelt/child restraint and 84 other for a total of 233. The arrests were 1 assault/battery, 22 theft/burglary, 1 criminal trespass, 8 felony and 2 misdemeanor drug cases. There had been 25,183 total miles driven.

The Narcotic Department had made the 8 felony and 2 misdemeanor drug cases as well as 6 miscellaneous arrests and seized two vehicles (1999 Ford Ranger and 1985 Chevrolet K10 Truck.)

The Department of Building Inspections had completed 71 inspections for an average of 4 per day. There had been 23 building, 16 electrical, 3 plumbing, 3 sign and 10 mechanical permits issued for a total of \$10,064.00. The building valuation for the fiscal year to date was \$12,697,900 and the calendar year to date valuation was \$4,967,000.

The Building & Housing Inspections Department was 13 new, 50 COP, 122 Utility and 77 Follow up inspections completed. There were 12 letters, 86 walk-ins, 374 calls, 9

junk cars and 8 junk car follow ups. Total activity for the month was 751. Houses at 103 Cross Street, 564 MLK Jr. Drive and 314 Cedar Drive had been demolished by Columbus Rucker and Whit's Construction. There were eight (8) properties waiting for time expiration to be sent to the Chief of Police.

The Commerce Fire Department had answered 35 calls, 16 inside the city limits, 10 in the fire district, 9 outside the fire district. There were 10 structures, 12 grass and woods, 6 alarms, 3 vehicle/wrecks and 4 miscellaneous. Assistance had been received from MFD NFD, JCCI and JFD. The man hours for the period were 861.

The Water and Sewer Distribution was 4 water and 2 sewer new residential and 2 water and 1 sewer non-residential services. The total services replaced were 15 residential water and 1 residential sewer. Also, 2 non residential water service replacement. There were 91 turn ons and 81 turn offs. One hydrant was repaired. There were 62 work orders received and 63 completed. Located received were 264.

The Natural Gas Activity was 2 meters set, 6 meter change outs, 10 meters removed, 9 service calls, 10 leak calls, 321 locates and 14 inspections. The CFH changes were 240 for residential heating, 80 water heating and 350 Commercial heating.

The Electric Department had 5 new homes, 1,000 AMPS load size added, 100 KVA transformer replaced and 605' of underground footage added. The cut ons were 86 and the cut offs were 75.

M. Financial Update

Finance Director Steve McKown reported a stellar month for March. He said the utility bills were being collected from prior months. He said he realized there had been some high utility bills; however the City of Commerce looked at the margin that the city took and it was lowered to help citizens and also the late fees were lowered. The City did what they could to assist the customers with their bills. The City was not out of line in this State or the Union because we cut to the bare bones.

The City did take in more than was spent out because part of the debt financing came in and offset some projects already paid for. According to McKown reconciliation from previous months Y-T-D showed the \$13,000 in the black in the Water and Sewer Fund. The problem was a rate increase must be found to produce more revenue and direction was needed. He said if it weren't for the debt service the City would be in the red.

Mrs. Hazel Benton of Scott Street asked about the swimming pool. City Manager Clarence Bryant said Mr. Erwin was going back to construction and was on the last portion. It was just a matter of completion and would be ready to open for the swim team.

Report from City Manager

City Manager Clarence Bryant had nothing to report.

Report from City Attorney

Attorney John Stell had nothing to report.

New Items Proposed by the Mayor and Council

Mayor Charles Hardy had nothing to report.

Mayor Pro Tem Dusty Slater had nothing to report.

Councilman Wayne Gholston reported that on Woodbine Street at Harold Jones' residence the driveway pipe was torn up and needed to be repaired.

Councilman Donald Wilson said he wanted it to go on record that he did not call anybody regarding the decision he made on the water and sewer rates. Councilman Wilson's next item was if there could be a walking trail made around the lake on Carson Street. City Manager Clarence Bryant told Councilman Wilson that the city had looked at doing a trail at one time but there were a lot of natural springs and it would cost a lot of money to do. Councilman Donald Wilson asked Mr. Bryant if he would look at the cost to get one done.

Councilman Wilson then asked what the process was when an employee was hired. City Manager Clarence Bryant said the position was advertised in the newspaper, posted on the bulletin board and applications were taken. Selected applicants were interviewed and background history checks were done. When an individual was chosen drug tests were taken before an individual began employment.

Mayor Charles Hardy said the council was going into a personnel issue but since Councilman Mark Fitzpatrick was out of town it would be taken up when all council were present.

Councilman Bob Sosebee made a motion, seconded by Councilman Donald Wilson to adjourn the meeting

The vote was unanimous.

Charles L. Hardy, Jr., Mayor

Shirley Willis, City Clerk