

**REGULAR MEETING
CITY COUNCIL OF THE CITY OF NASHVILLE
COUNTY OF BERRIEN
MAY 26, 2009**

INVOCATION: Mitchell Moore

PLEDGE: Pledge of Allegiance was led by Mayor Pro-Tem Michael Richbourg

WELCOME: Mayor Pro-Tem Michael Richbourg

ROLL CALL: Members of the City Council present included Mayor Pro-Tem Michael Richbourg, Aldermen Dick Perryman, Bill Turner, Billy Retterbush, Scott Stalnaker, and Darrin Davis.

STAFF PRESENT: John Reynolds, Chief John Clayton, Peter Schultz, Capitan Chuck Edwards, Henry Yawn, City Manager Mandy Luke, and City Attorney Mitchell Moore.

OTHERS PRESENT: Randall Milton, John Hunkele, Nichole Robinson, Carolyn White, Bobby Roberts, Frank Watts, Fern Turner, and Mike Sirmans.

ADOPTION OF MINUTES FROM PREVIOUS MEETINGS: City Attorney Mitchell Moore asked to change a word in the minutes. He said on page number two under item number three Alderman Turner made a motion to accept not except the bid. Alderman Perryman made a motion to adopt the minutes from the previous meeting with the change. The motion was seconded by Alderman Retterbush, and the motion carried unanimously.

ADOPTION OF FORMAL AGENDA- Mayor Pro-Tem Michael Richbourg asked to add as item number three on the Agenda, John Hunkele, who will be updating the Council on the Sewage Treatment Plant. Alderman Turner asked if the item could be swapped with item number two. Alderman Turner made a motion to approve the formal agenda with the changes. Alderman Perryman seconded the motion, and the motion carried unanimously.

NEW BUSINESS

1. FY 2008 Audit Report - Mike Sirmans of Meeks, Roberts, Ashley, Sumner, and Sirmans presented the Council the completed fiscal year 2008 audit report. He told the group the general fund had a balance of \$802,906 at year end. This is an increase of \$18,962 from fiscal year 2007. So the general fund produced revenues for the 2008 fiscal year. The water and sewer fund had net assets of \$3,606,134 at year end with a net income of \$53,449. This is an increase from fiscal year 2007 in net assets for the water and sewer fund. The gas fund had net assets of \$1,574,328 at year end with a net loss of \$52,124. This decrease from fiscal year 2007 in net assets for the gas fund. The water and sewer fund and the gas fund are enterprise funds for the City of Nashville. When the two are combined the net income of \$53,449 and the net loss of \$52,124, the enterprise funds combined actually have a

net income of \$1,325. So, they actually break even. Mike said this is not bad considering the struggling times of our economy in this day and time. He also wanted to commend Mandy Luke and her staff for all their hard work. Mandy and her staff have a good working relationship. Mike also wanted to thank the Council for the opportunity to handle the City's FY 2008 audit.

2. Update on the Waste Water Treatment Plant- John Hunkele said we had a meeting in February with EPD to discuss the plans for our wastewater treatment project. EPD wanted us to add additional items to our project that would cost about \$1.5 million more than we had already anticipated. Mayor Harper sent a letter to the person over the one that we met in February. Mayor Harper requested that EPD take another look at our plans and see if we can lower our cost. In response to this letter, EPD is willing to look at it again. A meeting is scheduled for Monday, June 1, 2009. The meeting will be at 11:00 a.m. at City Hall. EPD wants to look at the project site. EPD will look at the possibility of allowing us to factor in using our current LAS along with running the wastewater back through the plant until it can be discharged. This would allow us to reduce the size of the plant. Pete May with Coastal Engineering may not be able to attend the meeting. The City needs a representative at the meeting to address any financial issues that may arise. Another issue to discuss is our funding of the project through GEFA or USDA. USDA has a 2.75% 40 year loan with no closing costs as far as we know at the moment. However, we do not know if USDA will allow us to include any costs that occur before the loan begins like GEFA allows. GEFA has two options: (1) 3.81% through the GA FUND with a 1% closing cost and 20 year term or (2) 3% through SRF with a closing cost of 2% and a 20 year term also. If the 40 year term loan with USDA is obtained, we are looking at a total interest cost of about \$4.5 million over the term of the loan. With GEFA it would be about \$3 million with the 3.81% loan and \$2.3 million with the 3% loan over the 20 year term. Because of the extended term of USDA, you would incur about \$1.5 - \$2 million more in interest compared to the term of GEFA. Annual payments would be about \$290,000 with USDA for 40 years, about \$500,000 with GEFA at 3.81% and \$460,000 with GEFA at 3% interest. Mandy Luke commented this does not include our current loan we have with USDA with a payment of about \$140,000-\$145,000 per year. John Hunkele said we might be able to roll over our current loan with USDA into the new loan but there are a lot more strings attached to the USDA loan because it is a federal program. With this we would incur more environmental reviews along with additional engineering reports. Our closing costs would be about \$70,000 with the GEFA 3.81% loan and \$140,000 with the GEFA 3% loan. We are not sure yet about any closing costs with USDA. Billy asked about the stimulus package and John Hunkele said that we are still on the list but we don't need to rely on the stimulus money. We do not want to apply for a grant because they have requirements that your average sewer bill start at \$43; in which is a lot more than ours now even with the recent increase. We need to apply soon for the loan. We need to weigh our options and make a decision on which way we want to go. The GEFA money is easy because there are not as many strings attached. Alderman Davis made the statement that we could go with USDA because of the lower interest rate and no closing cost and still pay it within 20 years. We could pay extra every month toward the principal. He asked if when you add in the additional costs, it would still be cheaper going this route instead of going with GEFA. Mayor Pro-Tem Richbourg asked John Hunkele to get Mandy some more information so we can make our decision. John Hunkele said he would and commented that one of our concerns is the out of pocket expense we have

already incurred with this project. The Council commended John Hunkele on the great job he was doing.

3. First reading of the Hotel Motel Tax Ordinance- Mitchell Moore told the group to look over the drafted Ordinance provided for each of them in the Agenda packet. Under State Law 15-2-21 the 5% tax money collected will go toward promoting tourism. The hotels will be notified and a copy of the Ordinance should be posted. Alderman Turner said under State law 15-2-23 the exemptions for this tax are not very clear. Mitchell said he would look into it but doesn't think the hotels will fall into any current exemptions. With no other questions, Mitchell said this will constitute the first read of this Ordinance.

REPORTS

4. City Manager's/Finance Director's Report – Mandy Luke told the group, per the e-mail sent to each one of them, Houston and Company ran the figures on the City's Health Insurance and they came back at a higher rate with Principle, we were advised to continue to use our current provider which is Nippon, but increase the deductible to \$1,500.00, which \$500.00 of that will be reimbursed to the employee if the total paid is over \$1,000.00. She said Houston & Company requested that the City change our insurance administrators from Whiddon Insurance located in Fitzgerald, to Houston and Company which is located in Nashville. Mandy said Mitchell Moore looked into this matter and since we are under no contract with Whiddon Insurance the City would be safe to change insurance administrators. She said the Council needs to ratify this request so Nippon can be notified of this change in administrators. Alderman Davis made a motion to change administrators. The motion was seconded by Alderman Turner and the motion carried with Alderman Perryman abstaining from the vote. Mandy said the next item she would like to discuss is the financing of the mower Council voted on in the last meeting. She said Nashville Tractor can't finance the mower under a group entity. The financing can only be done for an individual. GMA, however, has approved the amount to purchase the mower at 3.61% for three years. Council needs to vote on allowing me to enter into a lease agreement with GMA on the mower. Alderman Davis discussed the different bids on the mowers provided for Council at the last meeting, and which one would be the better purchase. Mitchell Moore pointed out the vote on the purchase of the mower was completed at the last meeting. Alderman Perryman made a motion to give Mandy the authority to enter into the lease agreement with GMA. Alderman Turner seconded the motion and the motion carried unanimously.

5. Department Heads' Report- John Reynolds told the group FEMA is going to pay \$50,000.00 for the two new pumps at the main lift station, but they informed me it would take six to eight weeks to get the money. He said some other Cities and Counties he spoke to have been waiting over a year for their money. He added the Council approved the purchase of the pumps for the other lift station in the previous Council meeting and per FEMA the City will be reimbursed the \$17,000.00 for the three pumps. He wanted to know if Council wants to go ahead and approve the purchase of pumps at the main lift station. Mayor Pro-Tem Richbourg said we really don't have a choice because the pumps need to be purchased no matter if FEMA sends the money to us or not. The group discussed

the pumps and the reimbursement from FEMA. The group also discussed how the pumps would be funded. Alderman Perryman made a motion to purchase the pumps for the main lift station. Alderman Retterbush seconded the motion and the motion carried unanimously.

6. City Attorneys' Report- Mitchell Moore said he checked with the City insurance company about issuing permits allowing yard sales on the City vacant property located off Marion Avenue. He said our insurance company did not encourage this because the City's insurance rates would increase. He commended Alderman Turner for trying to help the City create revenue. Alderman Turner requested Captain Edwards to check on the removal of the semi which is parked on some of the City's property. The semi has been parked all weekend in the parking lot of the old Nashville Grocery. Captain Edwards said he will check on it. Mitchell also updated the group on TTL. He said the last update he received from TTL on the extraction which we avoided was under the levels, and per the email I received it looks as if we are going to be okay because the levels were fine.

PUBLIC COMMENTS/GENERAL COMMENTS FROM COUNCIL

Randall Milton asked the group if anyone has researched the health advisory on spraying for mosquito's. He said Council discussed the health advisory that was issued in which Berrien County was mentioned. Council also discussed maybe doing some aerial spraying several weeks ago. Mandy said yes she has found only one person who is licensed and can do the aerial spraying, but have not made contact with him yet. She first wanted to find out about this health issue before contacting this individual. Mandy said she spoke to the FEMA representative about this issue and according to FEMA before this can be a health issue we first must go through a step by step process, such as trapping mosquito's for a certain amount of time, or standing in one area and seeing how many mosquito's bite. She said there is a long process we have to go through before the City's mosquito issue can be designated as a health advisory, so we can get the assistance to spray. She added, in some areas the assistance given to City's was pellets which only killed the larva of the mosquito not the adult mosquito.

Carolyn White told the Council how upset she was about the last two water bills she received. She said the billing cycle for the first water bill was for six weeks, and the second bill she received was for four weeks. Each of the bill amounts are very close to the same. She did not understand why or how this could be. Mayor Pro-Tem told Ms. White the water rates have increased so the bill amount will be higher. Mandy Luke explained why Ms. White's bills were so similar. She said the first bill in question will show readings from January 30th to March 5th, and it reflects an extra week because Ms. White transferred from one residence to another. The second bill in question reflects readings from February 5th to March 5th, but due to the flood and the internets (Mediacom) main header being under water the bills could not be processed so everyone's bills will have five to six weeks worth of reads on them. Ms. White was still unsatisfied with the explanation. Mayor Pro-Tem Richbourg told Ms. White this is the explanation and nothing more can be done about the issue.

Bobby Roberts commented on the cleaning of Adam Houston's pond.

Alderman Stalnaker said Mandy is going to check with April and see if there is some sort of financial assistance for Ms. White. He said the gas department has

some resources or assistance program which can be applied for and we are going to find out if the same thing can be done for water and sewer.

Alderman Davis updated Mandy and John about contacting Propex Fabrics. He said he has been unable to reach anyone about meeting with Council in reference to the water situation before our regular scheduled meeting. John Reynolds said he has to go out to Propex to shut off a valve that is leaking first thing in the morning so he will talk with them then. Alderman Davis said he will be there as well.

Mayor Pro-Tem Richbourg informed the Council about GMA's conference which is scheduled for June 19th through June 22nd packets are in their boxes so don't forget to pick them up. He also commented on Ms. White's water bill situation. We as a City are going to have to relax our rules a little because times are getting hard. We have no control over what we are mandated to do or charge but we do have control over the fines, penalties, cut on's, and cut off's. Alderman Stalnaker informed the group why he was late attending the Council meeting. He said Cathy Helms held a meeting at the D.A.'s office concerning several grants that are available through CJCC. The City's and County were asked to attend this meeting. He said the grant money set aside for the Alapaha Judicial Circuit is \$289,000.00, and the amount set aside for the City of Nashville is \$12,876.00. Alderman Stalnaker said me and the Chief attended this meeting to find out what we need to do in applying for the grants because it is first come first served basis.

ADJOURNMENT

There being no further business to conduct, Alderman Turner made a motion to adjourn the meeting at 7:35 p.m. Alderman Perryman seconded the motion and the motion carried unanimously.

Mayor Travis Harper

Alderman Bill Turner

Alderman Dick Perryman

Alderman Darrin Davis

Alderman Billy Retterbush

Alderman Scott Stalnaker

Alderman Michael Richbourg

ATTEST

Johnny Hall, City Clerk