



**CALLED MEETING**

The Regular Meeting of the Hogansville City Council was held on Thursday, June 21, 2018. The meeting was called to order by Mayor Stankiewicz at 6 p.m.

Present were Mayor Bill Stankiewicz, Council Member Reginald Jackson, Council Member Marichal Price, Council Member Fred Higgins, Council Member George Bailey, and Council Member Theresa Strickland. Also present were City Clerk Lisa Kelly, and Chief of Police Brian Harr.

**BUSINESS**

1. MEAG Validation Petition | Complaint & Answer. CM stated reps from MEAG are here to discuss the purpose the item. Pete Degnan stated MEAG plans to file a petition to approve request to increase the project amounts to allow for new bonds. In order for MEAG to issue bonds, must go to court and have approval of the increased ceiling. Four projects involved in this project are from back in the 70's and early 80's and need updated ceiling increase. Not due to additional costs but instead every time bonds are issued done aggressively. Need to go in and refinance bonds for debt service. Hogansville and other 48 cities must be named as a party the proceedings. Asking Council to consider allow city attorney to accept service of the petition and file a response to the petition. MEAG provides proposed sample document. Twenty days from filing of petition, will be able to go into the market and refinance and save the cities money. It does not have anything to do with Vogtle projects but does allow MEAG to take advantage of improvements in the market. Mayor confirmed MEAG cannot go above the ceiling, to which Degnan confirmed. Milliron stated the motion should authorize the Mayor to acknowledge the petition and verify the City's answer to the validation proceedings. Motion by Jackson to approve, seconded by Higgins. Carried 5-0
2. MEAG Power Service Contract Amendment. CM stated the City has received the amendment that will save about 100k for engineering report. Staff recommends approval. Motion by Higgins to approve, seconded by Bailey. Carried 5-0
3. GEFA – Interim Financing. This item is stricken from the agenda.
4. Elm Street Bridge – Bid Discussion. CM gave an overview of the project from flooding in 2015. Bids came in at 351k but submittals done through FEMA and awarded as a historic bridge from the WPA era. Budget allocated at 124k from FEMA. Still owed 78k from FEMA. City has expended approximately 17k in fees so far and this will create a shortfall in funds.

Can only cover 30.4% of project costs. Borrowed time on this bridge as it is eroding badly. Should move forward with closing that bridge until repairs can be made. If no federal funding is used we do not have to preserve the historic structure. As it stands the bridge will be elevated, repaired, and put back in place. We could send the federal funds back and restore not as historic and will be at a lower price. If money is refunded how do we pay for it? Holding three years of LMIG funds previously allocated for Pine Street paving. 185k of LMIG money. Have remaining 32k in SPLOST. Total of 292k that could be used toward project. 250k to be used for the project moving forward. No other paving would be possible. Would need to hold off on paving for the new CDBG until 2019 paving money comes in. Council can look to move forward with project as it is with SPLOST and LMIG funds, abandon the historical factor of the bridge, or do nothing and close bridge to vehicular traffic. Will reach out to delegates to explore additional grant or LMIG money. FEMA will not allow additional funds at the late date. Need Council input with a plan. Jackson if we know what we will be looking at abandoning the historical value? Not sure but can estimate and put out to bid. 292k, total available now as FEMA project, back out 124k of FEMA money and refund, only leave \$139,520. What will be time frame of closure. CM – Depends on money. 2019 LMIG funds are down from 2018. GDOT and senator may be available to lock in four years of LMIG. Mayor confirmed the bid id 350K, FEMA 124k, spent 17k, leaving \$210k from bid amount. If we can bring in non-historic project for less than 210k, then that is the way to go. Funding is a different question. Can't afford to restore unless other funding comes in. Historic value comes from RR railing. Why should we restore a bridge that the historical value cannot be seen. CM explained the current condition of the bridge and the need to close the bridge as early as Monday. Mayor asked if there were any chance it would be more expensive to do it non-historic? Replace instead of salvage will absolutely be lower. Mayor does not think there is an option to permanently close that bridge, it would be a traffic nightmare, Chief confirmed. Bailey made a motion to restore non-historic / Higgins. Strickland asked what is the estimated cost and what are our funding options. Should take a look at Oak Street costs. Strickland would hate to make it non-historic and it not really save the City any money. Engineer can give an estimate. Motion by Strickland to table / Price. Carried 3-2 with Higgins / Bailey opposing.

5. Utility Rates. CM provided proposed rates for el, w, ww, and gas phase I rates given by ECG. Assured waiting on approval, USDA wanted to remind the council of bond covenants for USDA loan. Council has agreed to approve and implement ww rated prior to groundbreaking of the project. Previously we were told the interim funding would cover until the plant was 90% complete. Signed off on covenants and in order to move forward with project, must adopt and implement rates sufficient to cover costs. USDA is concerned water and ww are combined. Looking at budget submitted. Assured looking at over funding and ability to pay. Strickland asked where the paperwork is that was submitted to USDA. She would like to see paperwork. Mayor stated they approved based on the cost of the project at the time, bids are higher and had to go back to Assured and get additional ok. Issues were raised at that time. Strickland stated she is concerned .... Mayor rate changes and cost have gone up. CM stated according to May 26, 2017, cost overrun loan goes back to 2013, submitted info to City with cost

overrun. Because the cost went up by 2.025M it is affecting the rate requirement. Jackson confirmed Assured is the one holding up the project and approval process. The insurer has the right to approve all debt for the City, including subordinated debt. Spent 100s of hours providing information over the course of the last year. If they do not approve the loan, we lose the financing and 2.5M grant. 1.6 lost from Meriwether due to time constraints. EPD has us under consent but we still must build plant and would be impossible for the City at 8M cost. Assured is in driver's seat. Jackson stated the only increase he would support is with 3.7% ww and water and they will still hold this over our heads. Only six payments left on these bonds at approximately 3M. Leasesback is paying the principal and the City only pays interest. Jackson asked about phase I. ECG showed a 5 year plan. Really handcuffed, engineer reached out to PF Moon, lower bidder, agreed to hold bid for 90 days; USDA wants to close, PF Moon held for 6 months, building costs are escalating at 3-4%. New bid cost would be 5% increase. USDA, what is going on, PF Moon would need to rebid, Assured will start the clock over. FDIC is expecting two interest rate escalation. Jackson confirmed we really don't have a choice. CM stated they want to see the rate increase, bond resolution to meet covenants of \$215k, in order for Assured to make their final decision. Not committing to years 2-5. Assured is looking at numbers and outcome of tonight. If council takes no action then we will not get approval. Jackson asked if we were to just do water and ww would that satisfy them? Not sure but thinks it will satisfy their concerns. Not only looking at rates but overall financials of the water and ww departments. Jackson still recommends w / ww. Staff recommends the w, ww – phase I and come back and look at el and gs at a later date. Strickland asked about increase only security lights in electric. CM – Trying to do the right thing but boxed in from every angle; not a good position to be in. Puts us in a better situation and addressing three of the utilities. Taxpayers are currently paying for people to have security lights. Ony gas is affected is wholesale and can be dealt with later. Motion by Jackson to iplemtn by July 1 phase I increase in w, ww, and security lights. Price asked about how we break even on sanitation. CM –Would like to have a work session on sanitation and come to Council with research. Need to go back to charter to change and correct some issues. Strickland brought up apartments and the amount of furniture being picked up. Commercial properties should be looked at as a whole and be responsible for their sanitation as a whole. C&C and our ordinances differ with allowances for pick-up. Rewrite has to occur and needs to be a priority. Motion by Jackson / Strickland – Carried 5-0. Strickland asked how soon this information can be provided to the customers. CM stated we should probably generate a letter to all customers with the information.

6. Adoption of the Proposed 2018/2019 Budget. Based on Monday's meeting, backed off allincrease in utilities, all utility departemnts increases was removed. To make up for it, taking out of ECG contract to include 4-12kv conversion. Multiple conversations with MEAG and waiting for official response. Because of action tonight will wait to adjust the numbers in the budget. Mayor suggests putting these in the budget. Would like council to see actual document. Strickland stated she is blown away with our hands being tied and will really hurt our citizens with the implementation July 1 and not much time for notification. Jackson asked about why

training is so high for CM. CM stated his contract allows for training but since he has been here not charged the city anything for training, travel, dues, vehicle, etc. Working to finish certifications and continue education. Serves as PW and utilities director. He gave an overview of his certifications and training requirements. Strickland stated in the contract there is two dues and limited training. Concerned that the contract only mentions two trainings. Entitled to reasonable local training. Jackson confirmed that he was certified this last year at no cost to the city but will require continuing education. Need clarification from attorney subject to adjustment with answered questions. Strickland asked when we change a person from hourly to salary, what does that do for job responsibilities, what happens when taken to salary and make sure we aren't missing anything. Mayor stated federal law requires overtime except employees and there are income requirements. 80% of time must be done in management and supervision. Jackson confirmed the employee still must spend 20% of their in non-administrative work in the field, for instance. Strickland hoped Todd would be here since we are taking several employees up to salary. CM stated we reviewed FLSA and are already working in an exempt status. Current professional or managerial positions. Does not make sense that state certified employee manages employees and professional position. Exactly why certified management. Strickland asked if PW is certified. Department head and manages everyone in that department and eligible for exempt status. Strickland want other things answered from the attorney. Mayor suggested review asked for Strickland suggested waiting until next council meeting. Charter governs that a budget be adopted by July 1. CM clarified current budget would roll over as new budget. Price asked if we can have another called meeting. Mayor stated GMA conference will affect scheduling. Everyone should return on the 27<sup>th</sup>. Mayor concerned that questions cannot be answered by next Wednesday. Price needs a little more time to look at the budget. Budget schedule was specified and talked about tonight to adopt the budget. Price did not know all these items were going to be on the budget and all the items to consider. Strickland stated the bottom line is we want o be careful and do the best job for the citizens. Motion to call a meeting the week of the 27<sup>th</sup> to adopt the budget, Wednesday at 5pm, called meeting / Price. Carried 5-0.

7. Ribbon Cutting for courts should be for both courts. Wednesday June 27 at 10am. The meeting location is Green Ave. Doesn't know why anyone would oppose both ribbon cuttings. Signs on Pine Street, people parking on the grass and need PD presence.
8. Sad evening passed away Chrales Crodhammer passed away.

There being no further business to come before the Mayor & Council of the City of Hogansville at this time, on a motion by Council Member Strickland and dually seconded by Council Member Bailey, the meeting was adjourned at 7:37pm.

Respectfully,

DRAFT only -- Not for approval 7/2/18

Lisa E. Kelly, CMC  
City Clerk  
City of Hogansville

*June 21, 2018*