

City of Hogansville

City Council

Special Called Meeting Agenda

Thursday, June 17, 2021 – 6:00 pm



Meeting will be held at Hogansville City Hall

Mayor: <i>William C. Stankiewicz</i>	2021	City Manager: <i>Jonathan H. Lynn</i>
Council Post 1: <i>Reginald Jackson</i>	2021	Assistant City Manager: <i>Lisa E. Kelly</i>
Council Post 2: <i>Marichal Price</i>	2021	City Attorney: <i>Alex Dixon</i>
Council Post 3: <i>Mandy Neese*</i>	2023	Chief of Police: <i>Jeffrey Sheppard</i>
Council Post 4: <i>Mark Ayers</i>	2023	
Council Post 5: <i>Toni Striblin</i>	2023	* Mayor Pro-Tem

SPECIAL CALLED MEETING

Call to Order – 6:00 pm

Business

1. USDA Letter of Conditions – Community Facilities Program for Furniture, Equipment for New City Hall

Adjourn



June 10, 2021

Honorable William C. Stankiewicz, Mayor
City of Hogansville
400 E. Main Street
Hogansville, GA 30230-1136

Dear Mayor Stankiewicz,

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. This letter is not to be considered loan and grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a direct Community Facilities loan not to exceed \$30,000 and a grant not to exceed \$30,000. The loan and grant will be administered by USDA, Rural Development.

These loan and grant funds will be utilized to purchase new furniture and equipment for the new City Hall, located at 111 High Street, Hogansville, GA 30230. Any changes in project costs, source of funds, scope of services, or any other significant changes in the project or City must be reported to and approved by Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be reason to discontinue the processing of your request. The proposed funding for this project is set forth on the attached copy of Form RD 1942-14, "Association Project Fund Analysis."

If Rural Development makes the loan, you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or at the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. Form RD 1942-46, "Letter of Intent to Meet Conditions," will be used to exercise your choice of the lower interest rate.

The conditions are outlined below:

- A. **Organization:** Consideration for this loan and grant is based on the City of Hogansville being properly created as a legal entity in accordance with the laws of the State of Georgia.

Rural Development • Georgia State Office
355 E. Hancock Ave, RM 304 • Athens, GA 30601
Voice (706) 546-2171 • TDD (706) 546-2034 • Fax (855) 452-0958

USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

B.	<u>Maximum Amount of Loan to be Considered:</u>	\$30,000
	<u>Maximum Amount of Grant to be Considered:</u>	\$30,000
	<u>Contribution Required by the City:</u>	\$0

- C.** **Grant Agreement:** Attached is a copy of Form RD 3570-3, "Community Facilities Grant Agreement" for your review. You will be required to execute a completed form at the time of grant closing.

The City of Hogansville (the Grantee) understands the requirements for receipt of funds under the Community Facilities Grant program. The grantee assures and certifies that it is in compliance with all applicable laws, regulations, Executive Orders, and other generally applicable requirements, including those set forth in the "Agreement for Administrative Requirements for Community Facilities Grants," 7 CFR parts 3015, 3016, or 3019, and the Letter of Conditions.

The Grantee understands that any property acquired or improved with Federal grant funds may have use and disposition conditions which apply to the property as provided by 7 CFR parts 3015, 3016, or 3019 in effect at this time and as may be subsequently modified.

The Grantee understands that any sale or transfer of property is subject to the interest of the United States Government in the market value in proportion to its participation in the project as provided by 7 CFR parts 3015, 3016, or 3019 in effect at this time and as may be subsequently modified.

- D.** **Repayment Schedule:** The loan will be repayable over a period not to exceed five (5) years from the date of loan closing. The first payment will be due one year from the date of loan closing and will be a fully amortized installment of both principal and interest. All annually payments will be due on the same date of each succeeding month for the life of the loan, with each being a fully amortized installment of both principal and interest. If the loan is closed on the 29th, 30th or 31st day of the month, the due date of the installment will be the 28th day of the month. Interest will accrue on the basis of a 365-day year. For planning purposes, the payment is projected to be \$6,412 per year based on an interest rate of 2.250%.

In addition to the funds needed to pay the principal and interest on the note each year, the City must also collect sufficient revenues to create and maintain the required reserve fund. Such reserve fund will require the monthly deposit of funds equivalent to ten percent of the amount needed to pay the monthly installment of principal and interest on the note. Monthly deposits to the reserve fund in the above described amount are required until the fund has accumulated an amount equal to that needed to pay the principal and interest on the note for

the next succeeding year. For planning purposes, the monthly reserve deposit will be \$54 until you have accumulated \$6,412.

You will participate in the PREAUTHORIZED DEBIT (PAD) payment process. This will allow for your payment to be electronically debited from your account on the day your payment is due. The Tamika Lucas, Area Specialist with Newnan Rural Development Office will provide more information on this payment process and provide the required form.

E. Security Requirements: The loan will be evidenced by a Promissory Note, and Financial Statement, Form UCC-1 and Security Agreement.

F. General Requirements:

1. Prior to the closing of the loan and grant, it will be necessary for our Area Office to conduct a Compliance Review. Your office's full cooperation will be necessary in accomplishing this certification and review. During the review, the representative of the Area Office will complete and execute Form RD 400-8, "Compliance Review." The nondiscrimination posters "And Justice for All" and "Equal Employment Opportunity" are to be displayed at your office and facilities.
2. Prior to the approval of the loan and grant, you will have certified on at least two different occasions as to your inability to finance this project from your own resources or other credit at reasonable rates and terms. This was based on prevailing private and cooperative rates and terms in or near your community for loans for similar purposes and periods of time. By accepting this loan and grant, you are also agreeing to refinance the unpaid balance if at any time in the future it should appear to Rural Development that you are able to obtain loans for such purposes from responsible cooperative or private sources at reasonable rates and terms.
3. Your funding needs will be reassessed before loan and grant closing. The reassessment will include the necessary revisions to the loan and grant docket and the Letter of Conditions. The reassessment and revisions will be based on revised project costs and Rural Development regulations effective at the time the loan and grant was approved. Any grant funds not needed to complete the proposed project will be deobligated.
4. This financial assistance is subject to your compliance with the Title VI of the Civil Rights Act of 1964 and the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act (ADA) of 1990.

5. Any City contributions shall be considered as the first funds expended. After providing for all authorized costs, any remaining Rural Development project funds will be considered Rural Development grant funds and refunded to Rural Development.
6. Adequate insurance coverage should be maintained. You are encouraged to consult with your attorney and insurance agent to determine the amount of coverage you should maintain to protect the financial interest of the City and Rural Development.
7. Audit Requirements - The following management data will be required from you on an annual basis and be submitted to the Agency as specified below:
 - a) A borrower that expends \$750,000 or more in federal financial assistance per fiscal year shall submit an audit performed in accordance with the requirements of Omni Circular 200.501. As described above, the total federal funds expended from all sources shall be used to determine federal financial assistance expended. Projects financed with interim financing are considered federal expenditures.
 - b) A borrower that expends less than \$750,000 in Federal financial assistance per fiscal year and an outstanding Agency loan balance of \$1,000,000 or more shall submit an audit performed in accordance with Generally Accepted Government Auditing Standards, (GAGAS).
 - c) A borrower that expends less than \$750,000 in Federal financial assistance per fiscal year and has an outstanding Agency loan balance of less than \$1,000,000 may submit a management report, which includes at a minimum a Balance Sheet and an Income and Expense Statement.

Annual Budget and Projected Cash Flow: Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. You should submit two copies of Form RD 442-2, Statement of Budget, Income and Equity, (Attachment No. ____), Schedule 1, page 1; and Schedule 2, Projected Cash Flow. The only data required at this time on Schedule 1, page 1, is Columns 2 & 3. All of Schedule 1, page 2 and Schedule 2, Projected Cash Flow will be required. You may submit annual budgets on other financial statements for cash flow projections rather than Form RD 442-2. With the submission of the annual budget, you will be required to provide

a current rate schedule, a current listing of the Board or Counsel members and terms.

Quarterly Reports – Borrowers receiving their first loan from RD, will be required to submit two copies of Form RD 442-2, Schedule 1, page 1, columns 2-6, as appropriate, and page 2. You may submit historical quarterly financial statements on a format other than Form RD 442-2. This information should be received in the servicing office thirty days after the end of each of the first three quarters of the fiscal year.

8. If there is more than one source available for the type of furnishings and equipment to be purchased, the City will obtain offers from more than one source to promote free and open competition for this proposal.
9. Positive efforts shall be made by the City to utilize small, minority-owned, and woman-owned business sources. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts to be performed utilizing loan and grant funds.
10. Awards made under this program are subject to the provisions contained in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2013, P. L. No. 112-55, Division A, Sections 738 and 739, regarding corporate felony convictions and corporate tax delinquencies. To comply with these provisions, ALL applicants must complete attachment Representation Regarding Felony Conviction or Tax Delinquent Status For Corporate Applicants paragraph (1) of this representation, and all corporate applicants also must complete paragraphs (2) and (3) of this representation.
11. **System for Award Management** – You will be required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done on-line at: <http://sam.gov>. This registration must be renewed and revalidated every twelve (12) months for as long as there are Agency funds to be expended. To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the “Help” section at <http://sam.gov>).

G. Use of Remaining Funds: All loan funds will be used as initially planned. Remaining funds may be used for eligible loan purposes, provided that the use will not result in major funds that are not needed will be applied as an extra payment on the Rural Development indebtedness.

H. Owner and Attorney Responsibilities: Attachments A and B are the requirements (action items) to be met by each respective party to reach the ultimate closing of the loan and grant. All parties should work together, along with the Rural Development Specialist, in meeting these requirements in a timely manner.

If the conditions set forth in this letter are not met within 180 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application. Rural Development will meet with the City officials and attorney and any other parties that may be involved in the project one month after the date of Form RD 1942-46, "Letter of Intent to Meet Conditions." The purpose of this meeting will be to determine the progress that has been made in complying with the "Letter of Conditions" and to review the goals and the timetable for completing work on the conditions that have not yet been satisfied. Additional meetings for the same purpose will be held at 30-day intervals.

If you desire that further consideration be given to your application the following forms need to be executed: Forms RD 1942-9, "Loan Resolution Security Agreement"; RD 1942-46, "Letter of Intent to Meet Conditions;" 400-1, "Equal Opportunity Agreement;" 400-4, "Assurance Agreement;" 442-7, "Operating Budget;" 1940-1, "Request for Obligation of Funds"; Form AD-1047, "Certification Regarding Debarment, Suspension and Other Responsibility Matters – Primary Covered Transactions;" AD-1049, "Certification Regarding Drug Free Workplace Requirements (Grants) Alternative 1 – For Grantees Other Than Individuals;" "Certification for Contracts, Grants, and Loans" and 1910-11, "Applicant Certification Federal Collection, Suspension and Other Responsibility Matters."

You will have the full cooperation of this Agency. If we can be of any further assistance to you, please let us know. All inquiries and responses to this Letter of Conditions should be made to Tamika Lucas, Area Specialist at (770) 253-2555, Extension 106 or by e-mail at tamika.lucas@usda.gov.

Sincerely,

JOHN E. STANEK
Community Programs Director

Attachments: A – Owner's Responsibilities
B – Attorney's Responsibilities

ASSOCIATION PROJECT FUND ANALYSIS

CASE NUMBER ST CO BORROWER NO. 11-041-00000594 Source of Funds: <input type="checkbox"/> 1 - Insured <input checked="" type="checkbox"/> 2 - Direct Type of Submission: <input type="checkbox"/> 1 - Initial <input checked="" type="checkbox"/> 2 - Subsequent Type of Assistance: <input type="checkbox"/> 1 - Loan <input type="checkbox"/> 2 - Grant <input checked="" type="checkbox"/> 3 - Loan & Grant Type of Organization: <input checked="" type="checkbox"/> 1 - PBTE <input type="checkbox"/> 2 - Non - TE Date of Application: 03-01-2019 Date Loan and/or Grant Approved: 05-03-2021	TYPE OF LOAN AND/OR GRANT: <input type="checkbox"/> 1 - Domestic Water System <input type="checkbox"/> 2 - Waste Disposal Systems _____ <input type="checkbox"/> A Sewage Collection _____ <input type="checkbox"/> B Sewage Treatment _____ <input type="checkbox"/> C Solid Waste Disposal _____ <input type="checkbox"/> D Storm Drainage <input type="checkbox"/> 3 - Recreation <input type="checkbox"/> 4 - Grazing <input type="checkbox"/> 5 - Cooperatives <input type="checkbox"/> 6 - Indian Tribes or Tribal Corporations <input type="checkbox"/> 7 - RC&D <input type="checkbox"/> 8 - Watershed (PL-566) <input type="checkbox"/> 9 - Flood Prevention (PL-534) <input checked="" type="checkbox"/> 10 - Community Facilities <input checked="" type="checkbox"/> 11 - Grants (PL-92-419) <input type="checkbox"/> 12 - B&I (Insured)	FINANCE USE ONLY <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%;">LN</td> <td style="width:33%;">CR</td> <td style="width:33%;">FY</td> </tr> <tr> <td>MA</td> <td>DP</td> <td></td> </tr> </table> Land Shifted: _____ Acres in Project Recreational Visitor Day Capacity _____ Annual Number of users directly benefiting from this action: Residential _____ Other _____	LN	CR	FY	MA	DP	
LN	CR	FY						
MA	DP							

NAME OF APPLICANT: Hogansville, City of ADDRESS: 400 East Main St., Hogansville GA 30230 NAME OF COUNTY: Troup

ITEM	FUND ANALYSIS — (ALL AMOUNTS IN HUNDREDS OF DOLLARS)				TOTALS
	CASH CONTRIBUTION	OTHER	RD/FSA GRANT	RD/FSA LOAN	
1. Development					\$0.00
2. Land and Rights					\$0.00
3. Legal Services					\$0.00
4. Architectural Eng. and Planning Service					\$0.00
5. Interest					\$0.00
6. Equipment			\$30,000.00	\$30,000.00	\$60,000.00
7. Contingencies					\$0.00
8. Testing/Inspection					\$0.00
9. Initial O&M					\$0.00
10. Initial Reserve					\$0.00
11. TOTAL	\$0.00	\$0.00	\$30,000.00	\$30,000.00	\$60,000.00

ATTACHMENT A – Owner’s Responsibilities

This attachment does not replace the Letter of Conditions, but is an integral part of it.

All items listed in Attachment B are also your responsibilities, as owner, in addition to the following items:

- 1. A quorum of the City Council must convene at a meeting called by the Mayor and adopt Form RD 1942-9, “Loan Resolution Security Agreement”.

- 2. Form AD-1047, “Certification Regarding Debarment, Suspension and Other Responsibility Matters – Primary Covered Transaction” must be executed by the Mayor. If the Mayor is unable to certify to any of the statements in this certification, the Mayor must attach an explanation to the proposal. The City agrees by executing this form, it will not knowingly enter into any transactions with persons debarred, suspended, declared ineligible or voluntarily excluded from participation in this project unless authorized by Rural Development. The City further agrees by executing this form that it will include Form AD-1048, “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions”, a copy of which is attached, without modification, in all transactions in this project. The City will obtain and maintain in its files an executed copy of Form AD-1048 for each participant providing services for this project in excess of \$25,000

- 3. The Mayor must execute Form RD 1910-11, “Applicant Certification Federal Collection Policies for Consumer or Commercial Debts” indicating his understanding of actions the Federal government may take in the event that the City fails to meet its scheduled loan payments.

- 4. Section 504 of the Rehabilitation Act of 1973, as amended, applies to all Federally Financed Programs and Activities. In order to comply with the law, it is your responsibility as recipients of Federal financial assistance to make your “programs and activities” accessible to and useable by persons with disabilities. You should conduct a self evaluation immediately, and if necessary, develop a transition plan for the removal of any structural barriers. The self evaluations must be conducted with the assistance of persons or organizations that are knowledgeable about accessibility issues such as an architect, etc. In addition to structural barriers, policies and procedures must be reviewed. These self evaluations are to be submitted to the Area

Office within 30 days of the date of this letter. If structural barriers are found, these will need to be removed prior to loan/grant closing.

- 5. Prior to loan and grant closing, the City must provide and obtain approval from the Rural Development Office for its accounting and financial reporting system, including the required Agreement for Services with its auditor. Management reports will furnish the management with a means of evaluating prior decisions and serve as a basis for planning future operations and financial conditions.
- 6. Form RD 442-2, "Statement of Budget, Income and Equity" (Schedule 1, "Statement of Budget, Income and Equity" and Schedule 2, "Projected Cash Flow") and Form RD 442-3, "Balance Sheet" will be utilized in submitting management data to Rural Development.
- 7. Form AD-1049 "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I for Grantees Other Than Individuals" must be executed by the Mayor. By execution of this form the City is agreeing to establish and maintain drug-free workplace with its employees.
- 8. Evidence of adequate insurance and fidelity bond coverage must be provided to Rural Development prior to loan and grant closing. The use of deductibles may be allowed by Rural Development, provided you have adequate financial resources to cover potential claims requiring payment of the deductible.

The following guideline should be observed in obtaining/maintaining fidelity bond coverage:

All persons who have access to your funds are to have fidelity bond coverage. This coverage may be provided either for all individual positions or persons or through blanket coverage that will adequately protect the interest of you and Rural Development. Rural Development will normally expect the amount of coverage to approximate the total amount of the annual principal and interest payment for the Rural Development loans. Form FmHA 440-24, "Position Fidelity Schedule Bond" or similar forms may be used in writing the coverage.

Rural Development may require changes in insurance and fidelity bond coverage as it may determine is necessary to adequately protect the government's financial interest.

- 9. The City is to appoint one member of its governing body to serve as liaison with Rural Development. This person should be knowledgeable

of the project and available to work with Rural Development and the City's attorney.

- 10. The attached "Certification for Contracts, Grants, and Loans", RD Instructions 1940-Q, Exhibit A-1, must be executed by the Mayor and returned to Rural Development. The City must also require that the language of this certification be included in the award documents for all contracts and subcontracts exceeding \$100,000. The recipient of such contracts and subcontracts must complete and submit to the City a certification. The City must retain these certifications in its files and make them available for Rural Development examination upon request.

- 11. Furnish a current list of the Council members with their terms of office, and samples of their signatures.

Attachment B — Attorney's Responsibilities
(Community Facilities)

This attachment does not replace the Letter of Conditions, but is an integral part of it:

- 1. Execute a Legal Services Agreement with the applicant for providing the necessary legal services for the proposed project (4 copies). Rural Development guidelines should be used in preparing this Agreement. (Provide within 15 days)
- 2. Issue a certification as to any judgments and/or litigation pending or outstanding against the applicant. This should include an opinion on the effect that such litigation might have on the security liens, (if applicable) that will secure the loan. (3 copies) A similar certification must be furnished to Rural Development at loan closing and prior to the release of each advance of loan funds from the Finance Office.
- 3. Cooperate with Rural Development in assisting applicant with the closing of the loan.
- 4. Prepare Security Agreement and Financing Statement on UCC-1 and file with Clerk of Court.
- 5. Provide detailed loan/grant closing certification pursuant to loan closing instructions provided by USDA Office of General Counsel. (3 copies)