

CITY OF HIAWASSEE
CITY COUNCIL MEETING
HELD ON JUNE 2, 2009

SUMMARY OF CITY COUNCIL ACTIONS

THE FOLLOWING IS A SUMMARY OF ITEMS PRESENTED AND ACTION TAKEN AT THE JUNE 2, 2009 MEETING OF THE HIAWASSEE CITY COUNCIL. THE OFFICIAL MINUTES OF THE MEETING WILL BE PREPARED IN ACCORDANCE WITH STATE LAW BY THE CLERK.

THIS SUMMARY IS INTENDED AS A SERVICE TO THE PUBLIC TO ADVISE INTERESTED PARTIES OF THE UNOFFICIAL ACTIONS OF THE CITY COUNCIL PENDING TRANSCRIPTION OF THE OFFICIAL MINUTES. IN THE EVENT OF CONFLICT, THE OFFICIAL MINUTES AS APPROVED BY THE CITY COUNCIL IS THE LEGAL RECORD OF THE ACTIONS OF THE CITY COUNCIL.

**AVAILABLE TO THE PUBLIC
WITHIN FORTY EIGHT HOURS OF COUNCIL MEETING**

TO: MAYOR, CITY COUNCIL, CLERK, PRESS &
INTERESTED PARTIES
FROM: RICK STANCIL, MANAGER
DATE: 06-03-09

THE MAYOR CALLED THE COUNCIL MEETING TO ORDER AT 4:00 P.M. ELECTED OFFICIALS IN ATTENDANCE: BARBARA MATHIS, MAYOR; JUNIOR CHASTAIN, COUNCILMAN, JOAN CROTHERS, COUNCILMAN; ANNIE JOHNSON, COUNCILMAN; HOWARD CUNNINGHAM, COUNCILMAN AND JANET ALLEN, COUNCILMAN. A QUORUM WAS PRESENT. STAFF IN ATTENDANCE: STEPHANIE MCCONNELL, CITY ATTORNEY AND RICK STANCIL, CITY MANAGER.

MAYOR'S REPORT.

- 1) THE MAYOR REPORTED ON THE GEORGIA MOUNTAIN MOONSHINE CRUIZ-IN, TO BE HELD ON AUGUST 13-15, 2009. THE MAYOR, POLICE CHIEF JIMMY WRIGHT AND RICK STANCIL HAVE BEEN ATTENDING PLANNING MEETINGS REPRESENTING HIAWASSEE. THIS WILL BE A MAJOR EVENT FOR THE CITY AND COUNTY.

- 2) THE MAYOR RECOGNIZED KELLY WAGONER, WOLVERTON & ASSOCIATES, THE PROJECT MANAGER FOR THE LOCAL LOWES PROJECT.

CLERK AGENDA ITEMS.

- 3) THE MAYOR ASKED FOR APPROVAL OF THE MINUTES FROM THE PRIOR COUNCIL MEETING AS PREVIOUSLY PROVIDED TO THE COUNCIL. UPON MOTION MADE AND SECONDED, THE MINUTES WERE APPROVED.
- 4) THE MAYOR THEN ASKED FOR APPROVAL OF THE APRIL FINANCIAL STATEMENTS IN THE COUNCIL FILES AS PREVIOUSLY PROVIDED TO THE COUNCIL. THE FINANCIAL STATEMENTS WERE APPROVED WITHOUT QUESTION.

CITY MANAGERS REPORT AND ANNOUNCEMENTS

- 1) GEFA/ARRA FUNDING.

THE GEFA CWSRF APPLICATION, PART 2, FOR SANITARY SEWER SYSTEM IMPROVEMENTS HAS BEEN SUBMITTED TO THE STATE. THE APPLICATION IS AVAILABLE FOR REVIEW DURING NORMAL BUSINESS HOURS AT CITY HALL.

- 2) SERVICE DELIVERY AREA AGREEMENT.

THE CITY HAS HAD NO ACTION ON THE CITY'S PROPOSED SERVICE DELIVERY AREA AMENDMENTS. THE CITY'S REQUEST HAS BEEN SUBMITTED TO THE COMMISSIONER AND TO THE TOWNS COUNTY WATER AND SEWER AUTHORITY ("AUTHORITY"). THE CITY HAS ADVISED THE COMMISSIONER, THE AUTHORITY AND THE TOWNS COUNTY INDUSTRIAL AUTHORITY THAT THE CITY NEEDS FINANCIAL SUPPORT TO PROVIDE ANY EXPANSION OR IMPROVEMENT IN CAPACITY OF THE CITY SEWER PLANT.

THE CITY COUNCIL HAS INSTRUCTED THE MAYOR, CITY MANAGER AND CITY ATTORNEY THAT NO SEWER SERVICE CAN BE PROVIDED IN THE COUNTY UNTIL THE CITY RECEIVES FINANCIAL ASSISTANCE. THE ONE EXCEPTION WILL BE LOWES DUE TO ITS JOB CREATION. THE CITY WILL NEED TO ALLOCATE OR ASSIGN SEWER CAPACITY FROM THE CITY'S RESERVES FOR FUTURE CITY GROWTH.

THE CITY'S PERMIT TO EXPAND THE SEWER PLANT WILL END THIS YEAR. DUE TO THE FAILURE TO RECEIVE FINANCIAL SUPPORT, THE CITY CANNOT APPLY FOR ADDITIONAL ARRA FUNDING. ARRA WOULD FUND 70% OF THE EXPANSION COSTS.

THE CITY CANNOT PROVIDE COMMERCIAL SEWER SERVICE WITHIN THE COUNTY INCLUDING THE INDUSTRIAL PARK WITHOUT SEWER PLANT EXPANSION. THE AUTHORITY HAS ADVISED THE CITY THAT IT WILL BUILD ITS OWN WATER AND SEWER PLANT IN THE COUNTY. STAFF HAS RECOMMENDED THAT THE CITY CONSIDERS THE TERMINATION OF ANY EXPANSION OF COUNTY SEWER SERVICE IN LIGHT OF THE AUTHORITY'S ANNOUNCEMENT.

COMMITTEE REPORTS

THE PLANNING COMMITTEE MET ON MONDAY, JUNE 1, 2009 AT 2:00 PM AT CITY HALL. VICE-CHAIRMAN, JOAN CROTHERS, CALLED THE MEETING TO ORDER. ATTENDING THE MEETING WERE BARBARA MATHIS, MAYOR, JOAN CROTHERS, COUNCILMAN, RICK STANCIL, MANAGER, WILLIAM SCOTT, MEMBER, HUGH HOODENPYLE, MEMBER, REID DYER, HAYES-JAMES, AND BOB CRAWFORD AND CHRIS SWETT, CITY RESIDENTS. A QUORUM WAS PRESENT.

PLANNING COMMITTEE AGENDA ITEMS

NEW BUSINESS:

- 1) REVIEW OF GEFA CWSRT APPLICATION PART 2 WITH PROPOSED WATER AND SEWER RATE STRUCTURE.

THE COMMITTEE RECEIVED A BRIEFING ON THE PART 2 APPLICATION FROM THE MANAGER. THE COMMITTEE SPENT A GOOD DEAL OF TIME REVIEWING THE ARRA FINANCIAL INFORMATION. THE COMMITTEE DISCUSSED THE NEED FOR ADDITIONAL REVENUE FROM WATER & SEWER SERVICE TO MEET STATE AND FEDERAL REQUIREMENTS TO RECEIVE ARRA FUNDING. THE REPORT SHOWS THE IMMEDIATE NEED TO RAISE \$100,000.00 TO MEET ARRA-GEFA.

2) UPGRADE OF SEWER LINE ADJOINING ARENCIBIA PROPERTY.

THE COMMITTEE RECOMMENDED THAT THE CITY PAY UP TO AND NOT TO EXCEED \$5,000.00 FOR THE UPGRADE OF THE SEWER LINE LOCATED IN THE STATE RIGHT OF WAY. THE SEWER LINE WILL BE UPGRADED TO A 10 INCH SEWER LINE. THE DETAILS OF THE PROJECT AND FINAL COSTS WILL BE SET BY AGREEMENT WITH THE DEVELOPER AND RECOMMENDED BY THE MAYOR AND MANAGER.

3) TOWNS COUNTY INDUSTRIAL PARK CAPACITY REPORT.

THE MANAGER REVIEWED HIS PRIOR MEMORANDUM WITH THE COMMITTEE. THE COMMITTEE VOICED ITS OPPOSITION TO TAKING ANYONE OFF SEWER TO ALLOCATE SEWER CAPACITY TO ANOTHER PARTY. THE COMMITTEE DID NOT OBJECT TO PRIVATE LANDOWNERS LOCATED WITHIN THE INDUSTRIAL PARK ASSIGNING PART OF THEIR INDIVIDUAL CAPACITY TO THE DEVELOPMENT AUTHORITY WITH THE CONSENT OF THE COUNCIL. AN ASSIGNMENT WOULD NEED TO BE FILED IN THE PUBLIC RECORDS AND THE CITY HELD HARMLESS.

OLD BUSINESS.

1) HWY. 64 PARTNERSHIP DEVELOPMENT.

NO NEW REPORT.

2) CORN PROPERTY APPLICATION.

THE COMMITTEE RECOMMENDED THAT NO ALLOCATION SHOULD BE MADE FROM THE CITY RESERVE OTHER THAN LOWES. THE COMMITTEE FELT THAT UNTIL FINANCIAL ASSISTANCE WAS RECEIVED FOR SEWER SERVICE IN THE COUNTY, THAT NO EXPANSION OF SEWER SERVICE COULD BE PROVIDED.

3) LOWES APPLICATION.

DISCUSSION WAS HELD REGARDING SERVICE TO THE PROJECT. THE CONSENSUS WAS THAT THE BENEFITS OUTWEIGHED THE FINANCIAL LOSS TO THE CITY FROM LOWES CONNECTION.

THE COMMITTEE RECOMMENDS THAT ALL APPLICABLE CONNECTION FEES BE CHARGED AND THAT THE ENGINEERING AND INSTALLATION BE DONE PURSUANT TO THE CITY

SPECIFICATIONS AND REQUIREMENTS. THE COMMITTEE RECOMMENDED THAT THE CITY USE 1,100 GALLONS PER DAY FROM THE CITY RESERVES FOR THIS PURPOSE.

4) WHOLESALE WATER LITIGATION.

THE MANAGER REPORTED THAT THE EXPERT HIRED BEGAN THE WATER AND SEWER COST ANALYSIS AS PART OF THE ARRA ANALYSIS.

5) 2009 & 2010 BUDGET RECOMMENDATIONS.

THE MAYOR AND MANAGER PRESENTED BUDGET RECOMMENDATIONS TO THE PLANNING COMMITTEE. A MEMO FROM THE CITY MANAGER WAS DISTRIBUTED WHICH GAVE A GENERAL REVIEW OF THE TWO BUDGETS. THE COUNCIL WILL HAVE A FIRST READING ON JUNE 2 AND THE COMMITTEES AND COUNCIL WILL HAVE A MONTH TO REVIEW PRIOR TO ADOPTION. COMMENTS FROM THE PUBLIC HEARING WILL BE PROVIDED TO THE COMMITTEE AND THE COUNCIL FOR REVIEW.

OPERATIONS AND FINANCE COMMITTEE

THE OPERATIONS AND FINANCE COMMITTEE MET ON MONDAY, JUNE 1, 2009 AT 3:30 PM AT CITY HALL. CHAIRMAN ANNIE JOHNSON CALLED THE MEETING TO ORDER. ATTENDING THE MEETING WERE BARBARA MATHIS, MAYOR, ANNIE JOHNSON, COUNCILMAN, JANET ALLEN, COUNCILMAN, RICK STANCIL, MANAGER, BOB CRAWFORD, MEMBER, AND CHRIS SWETT, CITY RESIDENTS. A QUORUM WAS PRESENT.

OLD BUSINESS.

1) APPALACHIAN REGIONAL COMMISSION GRANT AND FUNDING OF CITY MATCH.

THE COMMITTEE RECEIVED A BRIEFING ON THE PART 2 APPLICATION FROM THE MANAGER. THE COMMITTEE SPENT A GOOD DEAL OF TIME REVIEWING THE ARRA FINANCIAL INFORMATION.

THE COMMITTEE DISCUSSED THE NEED FOR ADDITIONAL REVENUE FROM WATER & SEWER SERVICE TO MEET STATE AND

FEDERAL REQUIREMENTS TO RECEIVE ARRA FUNDING THE ARRA REPORT SHOWS THE IMMEDIATE NEED TO RAISE \$100,000.00 TO MEET ARRA-GEFA REQUIREMENTS. THE CONSENSUS WAS THAT THIS REVENUE NEEDS TO BE RASIED PRIMARILY FROM COUNTY SEWER USERS.

2) EMERGENCY WATER PLANT CAPITAL COST.

THE MANAGER DISTRIBUTED A PROPOSED LETTER TO GENE MITCHELL, CHAIRMAN, TOWNS COUNTY WATER AND SEWER AUTHORITY, WITH THE CITY'S CALCULATION OF EMERGENCY COSTS. THE CITY MANAGER IS PROVIDING INFORMAITON TO THE AUHORITY AS REQUESTED AND IS OPTIMISTIC THAT AGREEMENT WILL BE REACHED SHORTLY.

3) BROADBAND WIRELESS.

THE MANAGER BRIEFED THE COMMITTEE ON A PROPOSAL TO SUBMIT A BROADBAND WIRELESS CONCEPT FOR ARRA FUNDING. THE PROPOSAL WOULD BE A DUPLICATE OF THE ONE PREVIOUSLY SUMMITTED TO THE STATE. THE NEW PROPOSAL WOULD INCLUDE LAW ENFORCEMENT AND SECURITY CAMERA COMPONENTS.

THE CITY CANNOT FUND ANY ADDITIONAL LOCAL MATCH REQUIREMENT DUE TO THE NEED TO FUND THE THREE SEWER PROPOSALS. OUR ARRA ANALYSIS SUPPORTS A WAIVER REQUEST. THE COMMITTEE SUPPORTS THE SUMITTAL OF A WIRELESS PROPOASAL WITH WAIVER REQUEST.

NEW BUSINESS.

1) GEFA CWSRF APPLICATION, PART 2, REPORT AND ANALYSIS AND PROPOSED WATER AND SEWER RATES;

THE COMMITTEE RECEIVED A BRIEFING ON THE PART 2 APPLICATION FROM THE MANAGER. THE COMMITTEE DISCUSSED THE NEED FOR ADDITIONAL REVENUE FROM WATER & SEWER SERVICE TO MEET STATE AND FEDERAL REQUIREMENTS TO RECEIVE ARRA FUNDING. THE REPORT

SHOWS THE IMMEDIATE NEED TO RAISE \$100,000.00 TO MEET ARRA-GEFA REQUIREMENTS.

2) AMENDED 2008-2009 BUDGET & 2009-2010 BUDGET;

BUDGET RECOMMENDATIONS WERE PRESENTED TO THE COMMITTEE. THE MAYOR AND MANAGER GAVE AN OVERVIEW OF THE BUDGET PROCESS, THE NEED FOR TWO READING BY THE COUNCIL AND ONE PUBLIC HEARING. A MEMO FROM THE CITY MANAGER WAS PROVIDED AND DISCUSSED. THE BUDGET MEMO GAVE A GENERAL REVIEW OF BOTH BUDGETS WITH ESTIMATED REVENUES AND EXPENSES.

THE COMMITTEE WAS ADVISED THAT THE COUNCIL WOULD HAVE A FIRST READING ON JUNE 2. A PUBLIC HEARING WOULD THEN BE HELD. THE COMMITTEES AND COUNCIL WILL HAVE A MONTH TO REVIEW THE RECOMMENDATIONS PRIOR TO ADOPTION. COMMENTS FROM THE PUBLIC HEARING WILL BE PROVIDED TO THE COMMITTEE AND THE COUNCIL FOR REVIEW.

3) RESOLUTION TO ESTABLISH A RESTRICTIVE MONEY MARKET ACCOUNT FOR SEWER PLANT TANK RENOVATIONS.

THE MANAGER DISCUSSED THE NEED TO SET ASIDE MONEY FOR THE RENOVATION OF THE SEWER PLANT TANKS. THE SEWER PLANT OPERATOR ESTIMATES THAT APPROXIMATELY \$100,000.00 WILL BE NEEDED WITHIN THE NEXT FIVE YEARS TO RENOVATE THE SEWER PLANT TANKS.

STAFF RECOMMENDS THAT THE CITY ESTABLISH A RESTRICTED ACCOUNT (INTEREST BEARING MONEY MARKET) FOR THIS PURPOSE. \$30,000.00 WILL BE TAKEN OUT OF THE CURRENT SEWER BUDGET PRIOR TO THE END OF THE FISCAL YEAR TO ESTABLISH THE ACCOUNT. THEREAFTER, ANNUAL APPROPRIATIONS WILL BE MADE UNTIL THE TARGET AMOUNT IS REACHED.

4) RESOLUTION TO ESTABLISH A RESTRICTIVE MONEY MARKET ACCOUNT FOR WATER PLANT METER REPLACEMENTS.

THE MANAGER ALSO DISCUSSED THE NEED TO SET ASIDE MONEY ANNUALLY FOR THE PURCHASE OF METERS AT THE WATER PLANT. THE WATER PLANT OPERATOR ESTIMATES THAT

APPROXIMATELY \$10,000.00 WILL BE NEEDED WITHIN THE NEXT THREE YEARS.

STAFF RECOMMENDS THAT THE COUNCIL SET ASIDE MONEY IMMEDIATELY IN A RESTRICTED ACCOUNT (INTEREST BEARING MONEY MARKET) FOR THIS PURPOSE. \$3,000.00 WILL BE TAKEN OUT OF THE CURRENT WATER TREATMENT BUDGET PRIOR TO THE END OF THE FISCAL YEAR TO ESTABLISH THE ACCOUNT.

CITY COUNCIL PRELIMINARY AGENDA ITEMS.

THE COUNCIL CONSIDERED THE FOLLOWING AGENDA ITEMS.

- 1) RESOLUTION DESIGNATING THE HIAWASSEE CITY MANAGER AS THE REPRESENTATIVE FOR THE CITY OF HIAWASSEE AT THE 2009 GEORGIA MUNICIPAL ASSOCIATION (GMA) ANNUAL MEETING.

UPON MOTION MADE AND SECONDED, THE MOTION WAS ADOPTED UNANIMOUSLY.

- 2) ORDINANCE ADOPTING THE AMENDED BUDGETED AMOUNT THE 2008-2009 BUDGET [FIRST READING];

UPON MOTION MADE AND SECONDED, THE FIRST READING OF THE ORDINANCE WAS APPROVED.

- 3) ORDINANCE ADOPTING THE PROPOSED BUDGETED AMOUNT 2009-2010 BUDGET [FIRST READING];

UPON MOTION MADE AND SECONDED, THE FIRST READING OF THE ORDINANCE WAS APPROVED.

- 4) RESOLUTION SETTING PUBLIC HEARING ON 2009-2010 BUDGET;

UPON MOTION MADE AND SECONDED, THE MOTION WAS ADOPTED UNANIMOUSLY.

- 5) RESOLUTION TO APPROVE THE EXPENDITURE OF UP TO FIVE THOUSAND DOLLARS (\$5,000.00) TO UPGRADE THE SEWER LINE ON ARENCIBIA PROPERTY.

UPON MOTION MADE AND SECONDED, THE MOTION WAS ADOPTED UNANIMOUSLY.

- 6) RESOLUTION TO ESTABLISH A RESTRICTIVE MONEY MARKET ACCOUNT FOR SEWER PLANT TANK REHABILITATION.

UPON MOTION MADE AND SECONDED, THE MOTION WAS ADOPTED UNANIMOUSLY.

- 7) RESOLUTION TO ESTABLISH A RESTRICTIVE MONEY MARKET ACCOUNT FOR WATER PLANT METER REPLACEMENTS.

UPON MOTION MADE AND SECONDED, THE MOTION WAS ADOPTED UNANIMOUSLY.

- 8) RESOLUTION ADOPTING PRO RATION OF EMERGENCY WATER PLANT CAPITAL COST WITH THE TOWNS COUNTY WATER AND SEWER AUTHORITY AND TO GRANT CERTAIN CREDITS.

UPON MOTION MADE AND SECONDED, THE MOTION WAS ADOPTED UNANIMOUSLY.

THERE BEING NOW FURTHER BUSINESS, UPON MOTION MADE AND SECONDED, THE COUNCIL MEETING WAS ADJOURNED.