

CITY OF HIAWASSEE
CITY COUNCIL MEETING
HELD ON FEBRUARY 3, 2009

SUMMARY OF ACTIONS

THE FOLLOWING IS A SUMMARY OF ITEMS PRESENTED AND ACTION TAKEN AT THE FEBRUARY 3, 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: 02-04-09

ELECTED OFFICIALS IN ATTENDANCE: BARBARA MATHIS, MAYOR; JUNIOR CHASTAIN, COUNCILMAN; ANNIE JOHNSON, COUNCILMAN, JOAN CROTHERS, COUNCILMAN; HOWARD CUNNINGHAM, COUNCILMAN AND JANET ALLEN, COUNCILMAN. A QUORUM WAS PRESENT.

STAFF IN ATTENDANCE: STEPHANIE W. MCCONNELL, CITY ATTORNEY, JIMMY WRIGHT, POLICE CHIEF, CARL GRIZZLE AND RICK STANCIL, CITY MANAGER.

MAYOR'S ANNOUNCEMENTS

MAYOR MATHIS ANNOUNCED THAT THE 2009 BUSINESS LICENSES WERE DUE ON JANUARY 1 OF THIS YEAR. THE COST IS ONE HUNDRED DOLLARS (\$100.00).

THE MAYOR ASKED THE NEWSPAPERS TO HELP MAKE LOCAL BUSINESSES AWARE THAT THEY NEEDED TO COME TO CITY HALL TO PICK UP THEIR 2009 LICENSE.

CLERK AGENDA ITEMS.

- 1) THE MINUTES OF THE JANUARY 6, 2008 COUNCIL MEETING WERE APPROVED.
- 2) THE MAYOR ANNOUNCED THAT THE DECEMBER 2008 FINANCIAL STATEMENTS WERE IN THE COUNCIL FOLDERS. THERE WERE NO QUESTIONS ON THE OCTOBER, NOVEMBER OR DECEMBER STATEMENTS.
- 3) 2009 BEER/WINE LICENSE.

UPON MOTION MADE, A 2009 BEER/WINE POURING LICENSE WAS UNANIMOUSLY APPROVED FOR MANGO'S RESTAURANT.

- 4) THE MAYOR DISCUSSED THE NEED TO SUPPORT THE FAIRGROUNDS ON AN UPCOMING CAR SHOW SCHEDULED FOR JULY 31ST. – AUGUST 2ND. 2009. UPON MOTION MADE AND SECONDED, THE COUNCIL APPROVED THE SUM OF FIVE HUNDRED DOLLARS (\$500.00) TO PURCHASE ADVERTISING AT THE EVENT.
- 5) THE CITY AUDITOR PRESENTED THE 2008 AUDIT. AFTER REVIEW AND DISCUSSION, AND UPON MOTION MADE, THE COUNCIL APPROVED RECEIPT OF THE AUDIT.
- 6) THE MAYOR DISCUSSED THE NEED TO STRIPE OR PAINT SEVERAL CITY STREETS AND INTERSECTIONS. UPON MOTION MADE, THE COUNCIL APPROVED THE EXPENDITURE OF UP TO \$5,000.00 FOR CITY STREET STRIPING.

- 7) THE MAYOR DISCUSSED BIDS SHE HAD RECEIVED FROM LOCAL BANKS FOR INTEREST TO BE PAID TO THE CITY ON A CERTIFICATE OF DEPOSIT IN THE AMOUNT OF \$125,000.00. THE COUNCIL INDICATED ITS DESIRE FOR THE HIGHEST INTEREST RATE ON A ONE YEAR DEPOSIT. A RESOLUTION TO ESTABLISH THE ACCOUNT WILL BE PRESENTED LATER TO THE COUNCIL FOR APPROVAL.
- 8) CITY ATTORNEY REPORT.
- 9) STEPHANIE W. MCCONNELL REPORTED ON PLANS FOR THE COUNCIL VISIT TO THE STATE CAPITOL ON FEBRUARY 12, 2009. THE VISIT WILL INCLUDE RECOGNITION OF HIAWASSEE IN THE HOUSE AND SENATE CHAMBERS, A TOUR OF THE CAPITOL BY THE SECRETARY OF STATE STAFF, AND INDIVIDUAL MEETINGS WITH SENATORS AND REPRESENTATIVES.

CHIEF WRIGHT HAS MADE ARRANGEMENTS FOR A VAN AND WILL BE DRIVING. A HEAD COUNT FOR COUNCILMEN ABLE TO ATTEND IS NEEDED IMMEDIATELY. THE COUNCIL WILL DEPART CITY HALL AT 6:00 A.M.

10) BUDGET HEARING.

THE CITY MANAGER ASKED FOR THE RECORD IF ANYONE WAS PRESENT TO MAKE ORAL OR WRITTEN COMMENTS ON THE BUDGET AMENDMENT. NO ONE ASKED TO BE HEARD OR MAKE COMMENTS AND NO WRITTEN COMMENTS HAVE BEEN RECEIVED.

11) COMMITTEE REPORTS

RICK STANCIL MADE THE FOLLOWING COMMITTEE REPORTS;

PLANNING COMMITTEE

THE PLANNING COMMITTEE MET ON MONDAY, FEBRUARY 2, 2009, AT 2:00 P.M. AT CITY HALL. THERE WERE NO NEW APPLICATION FOR WATER OR SEWER SERVICES DURING JANUARY.

PLANNING COMMITTEE OLD BUSINESS

- 1) HWY. 64 PARTNERSHIP DEVELOPMENT. ADDITIONAL INFORMATION FROM EARL SULLIVAN WAS PROVIDED TO THE COMMITTEE. CONCERNS WERE VOICED OVER POSSIBLE WATER INFILTRATION INTO THE CITY SEWER SYSTEM. REID DYER WILL REVIEW THESE ISSUES WITH CARL GRIZZLE AND RICK STANCIL WILL CONTACT MR. SULLIVAN.

- 2) 08 CAPITAL WATER & SEWER PLANS AND COMPREHENSIVE PLAN.

THE MAYOR AND THE MANAGER HAVE MET WITH THE COMMISSIONER AND THE COMPREHENSIVE PLAN COUNTY APPOINTEES. THE MEETING WAS VERY POSITIVE AND INCLUDED A REVIEW OF THE WATER AND SEWER SERVICES PROVIDED BY THE CITY WITHIN THE COUNTY. THE EXPANSION OF THE CITY WATER PLANT AND THE CITY SEWER PLANT WAS DISCUSSED. THE POSSIBILITY OF STATE AND FEDERAL AID WAS DISCUSSED.

THE CITY'S POSITION IS THAT THE UPDATED COMPREHENSIVE PLAN WILL NEED TO ADDRESS FUNDING OF CITY SERVICES IN THE COUNTY AND HOW TO PAY FOR THOSE SERVICES.

THE COUNTY AND THE CITY WILL ALSO NEED TO UPDATE OUR SERVICE DELIVERY AGREEMENT FOR ALL CITY AND COUNTY SERVICES; MOST PARTICULARLY THE PROVISION OF WATER AND SEWER.

- 3) WHOLESALE WATER LITIGATION.

PURSUANT TO THE COUNCIL'S JANUARY RESOLUTION, RICK STANCIL HAS MET WITH AN ACCOUNTANT TO REVIEW THE EMI WATER COST STUDY AND ITS METHODOLOGY. THE CPA IS CONSULTING WITH AN EXPERT IN UTILITY AUDITS. BOTH WILL BE AVAILABLE AS CITY EXPERTS TO TESTIFY IN LITIGATION.

ADDITIONALLY, STEPHANIE MCCONNELL HAS SPOKEN WITH B. WAYNE PHILLIPS, ESQUIRE, WHO HAS AGREED TO SERVE AS AN ASSOCIATE TO MS. MCCONNELL AS THE CITY LITIGATION EXPERT. HE IS CURRENTLY REVIEWING ALL BOND

ORDINANCES AND VALIDATION PROCEEDINGS REGARDING THE WATER PLANT AND AGREEMENTS BETWEEN THE CITY AND THE TOWNS COUNTY WATER AND SEWER AUTHORITY. MR. PHILLIPS WILL ASSIST THE CITY IN THE PREPARATION OF THE SUIT AGAINST THE AUTHORITY.

THE LAWSUIT WILL BE FILED AGAINST THE TOWNS COUNTY WATER AND SEWER AUTHORITY AS SOON AS THE EXPERT AFFIDAVITS ARE RECEIVED.

4) SEWER ALLOCATION AND DEMAND.

A MORATORIUM ON COUNTY COMMERCIAL CONNECTIONS IS IN PLACE EFFECTIVE JANUARY 1, 2009.

THE CITY HAS ALSO RECEIVED THE CONTRACT AND ADDENDUM FOR CAPACITY FROM DR. MERKEL. ALL OF THE CITY COMMITMENTS AND CONTRACTS FOR SEWER PRIOR TO JANUARY 1, 2009 ARE IN PLACE. THERE WILL BE NO NEW SEWER CONNECTIONS IN TOWNS COUNTY TO THE CITY'S SYSTEMS.

5) SEWER PLANT EXPANSION STATUS.

PHASE II OF PLANT EXPANSION IS ON HOLD PENDING ASSISTANCE FROM THE COUNTY OR THE AUTHORITY WITH EXPANSION FUNDING.

6) SCHOOL WASTEWATER LIFT STATION AND LINES

THE CITY HAS RECEIVED THE SURVEY OF THE SCHOOL LIFT STATION, SEWER LINES AND EASEMENT AREAS. COPIES HAVE BEEN PROVIDED TO THE SCHOOL SUPERINTENDENT. A DEED FOR DEDICATION OF THE SYSTEM TO THE CITY FROM THE BOARD OF EDUCATION HAS ALSO BEEN PROVIDED. AS SOON AS THE EXECUTED DEED IS RECEIVED, THE DEED WILL BE PRESENTED TO THE COUNCIL FOR DEDICATION AND ADOPTION.

7) LONGVIEW DRIVE.

WORK IS NOW BEING DONE IN THE CITY RIGHT OF WAYS TO PROTECT THE CITY SEWER LINE FROM STORM WATER RUNOFF AND EROSION. THIS IS AN ATTEMPT BY THE DEVELOPER TO CORRECT THE PROBLEM WITH LIMITED EXPENSE. THE CITY WILL EVALUATE OTHER OPTIONS IF THIS DOES NOT CORRECT THE PROBLEM.

PLANNING COMMITTEE NEW BUSINESS

1. BUDGET AMENDMENT.

PROJECTED REVENUES ARE BEING CUT FROM THE BUDGET BASED ON REDUCED TAX COLLECTIONS. THERE ARE NO CUTS TO CITY SERVICES. THE MAYOR, CLERK, CITY MANAGER AND CPA WILL REVIEW THE BUDGET AGAIN IN APRIL-MAY FOR ADDITIONAL CUTS.

OPERATIONS & FINANCE COMMITTEE

THE COMMITTEE MET ON MONDAY, FEBRUARY 2 AT 3:30 PM AT CITY HALL.

OLD BUSINESS

1) APPALACHIAN REGIONAL COMMISSION GRANT.

THE COMMITTEE WAS PRESENTED WITH A PROPOSAL FOR GEFA FINANCING WHICH INCLUDES THE LOCAL MATCH BY THE CITY FOR THE ARC GRANT AND REFINANCING THE PHASE 1 OF THE SEWER PLANT EXPANSION.

2) CITY AUDIT

A GENERAL PRESENTATION AND SIGNIFICANT FINDINGS WERE PRESENTED TO THE COMMITTEE.

3) EMERGENCY WATER PLANT CAPITAL COST.

THE COUNCIL HAS APPROVED UP TO \$100,000.00 FOR REPAIRS TO ONE FILTER. THE CITY HAS SPENT APPROXIMATELY \$80,000 IN REPAIRS AS OF FEBRUARY 1.

UNTIL THE FILTER REPAIRS ARE COMPLETED, THE PLANT WILL OPERATE AT ONE- HALF CAPACITY. THE PLANT WILL OPERATE TWENTY FOUR HOURS PER DAY TO SUPPLY WATER TO THE CITY, COUNTY AND NORTH CAROLINA CUSTOMERS.

THE CITY FACES PROBLEMS WITH THE SECOND PLANT FILTER. AFTER CURRENT REPAIRS ARE COMPLETED, THE SECOND FILTER WILL BE TAKEN OFF LINE FOR INSPECTION. THE CITY MAY BE FACING ANOTHER \$100,000.00 IN REPAIRS TO THE SECOND FILTER.

THE CITY HAS APPLIED TO THE STATE FOR AN EMERGENCY GRANT FROM THE DEPARTMENT OF COMMUNITY AFFAIRS FOR THE ONE FILTER IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00). IF REPAIRS ARE NEEDED TO THE SECOND FILTER, THE CITY WILL AMEND ITS APPLICATION TO SEEK ADDITIONAL EMERGENCY FUNDING FROM THE STATE.

4) 2009 FINANCIAL POLICIES.

THE CITY AUDITOR, ED BUTON, AND RICK STANCIL REVIEWED THE CURRENT DRAFT POLICY THIS PAST SATURDAY. AN EDITED POLICY DOCUMENT WAS PROVIDED FOR THE COMMITTEE REVIEW. THE COMMITTEE MADE SEVERAL EDITS FOR PRESENTATION TO THE COUNCIL.

5) BUDGET AMENDMENT.

THE COMMITTEE REVIEWED RECOMMENDED BUDGET CUTS. REVENUE PROJECTIONS ARE BEING REDUCED BASED ON REDUCED TAX COLLECTIONS. THERE ARE NO CUTS TO CITY SERVICES AT THIS TIME. THE CITY WILL REVIEW THE BUDGET AGAIN IN APRIL-MAY FOR POSSIBLE ADDITIONAL CUTS.

NEW BUSINESS.

- 1) RESOLUTION APPROVING GEFA FINANCING.

THE COMMITTEE REVIEWED THE CITY MANAGER MEMORANDUM PROPOSING GEFA FINANCING IN THE APPROPRIATE AMOUNT OF \$1,100,000.00.

- 2) RESOLUTION APPROVING CERTIFICATE OF DEPOSIT.

THE COMMITTEE DISCUSSED A PROPOSAL FROM THE MAYOR AND CITY MANAGER TO MOVE \$125,000.00 FROM THE ACCOUNT ESTABLISHED FOR THE SALE OF SEWER CAPACITY INTO A CERTIFICATE OF DEPOSIT. THIS MONEY WILL ESTABLISH A RESERVE FUND FOR UNANTICIPATED SEWER COSTS.

- 3) RESOLUTION APPROVING AMENDED BUDGET FOR 08-09.

THE COMMITTEE REVIEWED THE FOLLOWING PROPOSED CUTS: GENERAL ACCOUNT - REAL PROPERTY TAX COLLECTION WILL BE REDUCED BY TEN PERCENT (10%) AND SALES TAX COLLECTION IS BEING REDUCED BY FIFTEEN PERCENT (15%).

- 4) UPDATE ON WATER PLANT FILTER REPAIR.

BASED ON THE COOPERATION OF VENDORS, WE HAVE A REVISED SCHEDULE TO HAVE THE WATER PLANT BACK TO FULL CAPACITY BY THE END OF FEBRUARY 2009. NOTWITHSTANDING, WE MAY HAVE TO TAKE THE SECOND FILTER OFF LINE SHORTLY THEREAFTER FOR INSPECTION AND POSSIBLE REPAIR.

CITY COUNCIL AGENDA ITEMS.

THE FOLLOWING ITEMS WERE CONSIDERED BY THE COUNCIL.

- 1) 2009 FINANCIAL POLICY RESOLUTION.

UPON MOTION MADE, THE COUNCIL UNANIMOUSLY APPROVED THE ADOPTION OF FINANCIAL POLICIES FOR THE CITY.

- 2) RESOLUTION APPROVING AMENDED BUDGET FOR 08-09.

UPON MOTION MADE, THE COUNCIL UNANIMOUSLY APPROVED THE ADOPTION OF THE AMENDED BUDGET FOR 08-09.

- 3) RESOLUTION APPROVING GEFA FINANCING.

UPON MOTION MADE, THE COUNCIL UNANIMOUSLY APPROVED GEFA FINANCING FOR THE PHASE 1 WASTEWATER PLANT RENOVATION AND THE APPLACHIAN REGIONAL COMMISSION LOCAL MATCH FOR THE SCHOOL SEWER LINE REPLACEMENT.

- 4) RESOLUTION APPROVING CERTIFICATE OF DEPOSIT.

UPON MOTION MADE, THE COUNCIL UNANIMOUSLY APPROVED ESTABLISHING A CERTIFICATE OF DEPOSIT IN THE AMOUNT OF \$125,000.00 AS A RESERVE FUND FOR SEWER.

- 5) MOTION APPROVING ABANDONMENT AND SALE OF CITY AUTOMOBILE.

CHIEF WRIGHT ASKED THE COUNCIL TO APPROVE THE ABANDONEMENT AND PUBLIC SALE OF THE BLAZER. FUNDS RECEIVED WILL GO INTO THE GENERAL BUDGET.

UPON MOTION MADE AND SECONDED, THE MOTION WAS UNANIMOUSLY APPROVED TO ABANDON AND SALE THE BLAZER WAS APPROVED SUBJECT TO THE PUBLIC ADVERTISEMENT AND SALE REQUIREMENTS OF STATE LAW.

- 6) MOTION APPROVING ABANDONMENT AND SALE OF CITY AUTOMOBILE.

CHIEF WRIGHT ASKED THE COUNCIL TO APPROVE THE ABANDONMENT AND PUBLIC SALE OF THE TRUCK SEIZED AS PART OF A DRUG FORFITURE. FUNDS RECEIVED WILL GO TO COMBATE DRUG SALES CONSISTENT WITH STATE FORFITURE LAWS.

UPON MOTION MADE AND SECONDED, THE MOTION TO ABANDON AND SALE THE TRUCK WAS UNAMIOUSLY APPROVED BY THE COUNCIL SUBJECT TO THE PUBLIC ADVERTISEMENT AND REQUIREMENTS OF THE STATE FORFITURE LAWS. PROCEEDS OF SALE WILL BE MADE IN ACCORDANCE WITH FORFITURE LAWS AND FOR THE PURPOSE OF COMBATING DRUG.

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