

UNION CITY MINUTES  
WORKSESSION MEETING  
TUESDAY, MAY 20, 2014  
6:30 P.M.

Present: Mayor Vince Williams, Councilmembers Shayla Nealy, Brian Jones, Angelette Mealing and Joyce Robinson, City Attorney Dennis Davenport, City Manager Sonja Fillingame, City Clerk Jacqueline R. Cossey and Assistant City Clerk Ricky Clark Jr.

The meeting was called to order at approximately 6:30 p.m. by Mayor Williams.

- I. INVOCATION AND PLEDGE OF ALLEGIANCE TO THE FLAG:
- II. MEETING OPEN TO THE PUBLIC TO DISCUSS ITEMS NOT ON THE AGENDA (2 MIN.)
- III. PRESENTATIONS/ ACKNOWLEDGEMENTS OF AWARDS AND ACHIEVEMENTS:

*All matters listed on the Consent Agenda are considered routine by the Council and will be approved by one motion. No separate discussion will take place on these items. If discussion of any Consent Agenda item is desired, the item will be moved to the Regular Agenda for separate consideration.*

- IV. OLD BUSINESS: None.
- V. REGULAR/NEW BUSINESS:

1. Approval of the Minutes: Worksession Meeting, 04/15/2014  
Regular Council Meeting, 04/15/2014

No corrections were made to the Minutes.

The Minutes were added to the consent agenda as written.

2. Council to consider approval to enter into a contract with the lowest bidder, C&S Construction and Consulting, for the CMAQ-Shannon Parkway Project in the amount of \$349,815.20.

Comptroller Tarsha Calloway led this discussion and stated that this project was put out for bid and C&S Construction was the lowest bidder. She added that Georgia Department of Transportation (GDOT) also approved the vendor and Council's approval is needed to move forward with the project.

Mayor Williams asked if the City had used this particular vendor before and if not, if we have researched their work to verify that they are reliable.

Mrs. Calloway stated that the City has not worked with C&S Construction before, but GDOT has approved them and they are not on the debarment list.

This item was added to the consent agenda.

3. Council to consider approval of a Resolution to amend the Urban Redevelopment Plan of the City of Union City.

This item was removed from the agenda and shall return next month.

4. Council to consider approval of an intergovernmental contract among South Fulton Municipal Regional Water and Sewer Authority, the City of Fairburn, the City of Palmetto and the City of Union City with regards to refinancing with a bond issue.

David Gray led this discussion and stated that this is regarding the proposed reservoir and the permit process has been eternal. He added that the original financing began in 2003 which was at a fixed rate. He added that the 2003 bonds were refunded for savings, but the user structure required credit enhancements, a bond issuer, a facility from Bank of America and a swap. He added that those conventions were working fine at that time, but with the troubled market in 2008, the insurer went out of business and Bank of America stepped up and provided a Letter of Credit. He continued stating that Bank of America has since pushed back on this financing and wants to step away from the transaction, so the solution is to do a fixed rate refunding, pay off the bonds and step away from the existing transaction and that is what this intergovernmental contract is about. Mr. Gray stated that this is the same contract that was used in 2003 and 2007 with the same responsibilities for all three cities involved.

At this time Councilmember Mealing stated that she understands that the City has been going through this process for quite some time and we all want to stop the bleeding with Bank of America. She then asked how much it would cost to pay off Bank of America's swap termination fees.

Mr. Gray stated that it would be over \$6 million to pay off Bank of America's swap fees.

Councilmember Mealing also asked if we move forward what kind of interest rate would the City get.

Mr. Gray stated that the rates are lower than they have been in a while so the City should be in the lower 4%, from 4% to 4.5%. He added that these bonds mature in 2028.

Councilmember Robinson asked for the current interest rate.

Mr. Grey stated that the current interest rate is 5.7%

Councilmember Jones stated that he did not support the amendment when it was presented during Water Authority meeting last week because of how it was written. He added that we are separate instead of being a team and another city did not like the team part of the arrangement, so he voted against it last week. He continued stating that the Water Authority has voted and moved forward with this amendment, so he will support it this evening because the Water Authority has voiced their opinion moving forward. He further added that Bank of America has done everything possible to prolong this project and their fees are insane. He concluded that if anyone has reservations about signing it, this agreement enables us to move forward on a project

that is going to benefit three cities without having to rely on another elected body with regards to what our rates would be. He concluded that we should think about this long term as opposed to short term and the cost may sound crazy now, but if we do not move forward; we do not know what our water rates will be. He added that we should be able to set our own rates like other jurisdictions.

Councilmember Nealy stated that she totally agrees with Councilmember Jones with regards to this Body having the ability to set our own rates and she is in support of this amendment.

Councilmember Mealing stated that she had some concerns with the contract on page 5 with regards to the payments. She added that if another city is unable to make its payment that is not Union City's fault. She further added that when she does not pay her bills, she does not expect the Mayor to pay them. Councilmember Mealing stated that if Palmetto or Fairburn has a budget shortfall and was unable to make their payment; she would not be comfortable suing them.

Mr. Grey stated that the language is written as such because the bonds could go into default, collective bonds, so if one of the cities does not make a payment the other cities can have the opportunity to cover the payment and sue the other city to avoid default. He concluded that if the bonds go into default, all three cities will be in default regardless of who did not make their payment.

Councilmember Mealing stated that she wants to go on the record stating that she does not support this language because it is not fair and Union City does not have enough money to pay someone else's bills. She added that she was speaking on behalf of Union City citizens and this has been going on since 2001 and it is 2014.

Councilmember Mealing stated that she took the liberty of performing some research and found that according to Governor Nathan Deal, the reservoir was rated as the least necessary, so she is not sold on this, as it may not come to fruition. She further added that she is prayerful, but there are a lot of moving parts and the Water Authority is very complex, but the public needs to know that we are spending their tax dollars.

Councilmember Mealing stated that she had the Finance Director to pull some information and we have spent \$985,674 in 2010, \$1.1million in 2011, and \$1.2 million in 2012, \$1.2 in 2013 and will spend another 1.5 in 2014. She added that she is aware that it takes a long time to build a reservoir, but several of the current Councilmembers were not on this Board when the deals were being made and she is not comfortable with continuing to spend the money for the reservoir when she does not know if the Governor is going to approve Georgia Environmental Finance Authority (GEFA) funding for this project. Councilmember Mealing stated that her research states that supporters of the reservoir attempted to obtain funding last year as a part of Governor Nathan Deal's Water Supply Program, but the reservoir was rated as the least necessary among four planning regional reservoirs and could not get the money. She then asked Mr. Gray if he thought this project was really going to come to fruition.

Mr. Gray stated that Councilmembers must remember what his specific job is and he handles financing for the project.

Councilmember Mealing stated that she understands what he is saying, but she has some serious reservations about spending the taxpayer's dollars on a project when we

do not know whether it is going to be approved. She added that she felt the need to shed some light on the amount of money that we have expended thus far. She concluded that she supports the City stopping the bleeding with regards to Bank of America, but she has serious reservations about this project in general.

Councilmember Robinson stated that she was concerned that we have not obtained a permit, but she agrees that we should have our own water source. She added that we seem to be financing something, but we do not know what we are getting. She then asked for the total amount that we will pay out.

Mr. Grey stated that the estimated amount of the proposed issue is \$37.8 million. He then reiterated that it is his job to stop the bleeding as cost effectively as possible. He added that he fully understands the concerns about the project, but his job is pretty finite. He further added that one of the issues is the Bank of America Letter of Credit which expires August 1<sup>st</sup>, so we are racing to the finish line so that we can put this piece of the puzzle behind us so if the permit is coming, it will give us a platform to build on because the permit is critical. He then stated that he would be happy to answer questions with regards to financing.

Councilmember Jones stated that although Councilmember Mealing has done her homework, we obtained \$10.5 million from the Governor's office towards the project, but there are issues beyond our control when it comes to GEFA funding.

Mayor Williams stated that he met with Senator Johnny Isakson, Jud Turner from Environmental Protection Division (EPD) and Cornel John Chicka from the Army Corps of Engineers and we are in a favorable light, but Mr. Gray is here to help us with our finances, which are critical.

After a lengthy discussion this item was added to the regular agenda.

5. Council to consider approval of an ordinance authorizing the execution, delivery and performance of an amended and restated intergovernmental contract with the South Fulton Municipal Regional Water and Sewer Authority.

Councilmember Mealing stated that she would like to reiterate her comments that she made earlier regarding section 5-2 (c) and (d) and she is not comfortable with the language.

This item was added to the regular agenda.

6. Council to consider approval of authorization to engage Digital Assurance Certification (DAC).

City Attorney Davenport led this discussion and stated that this is an agency that will keep us updated on our disclosures that we are required to make for our bond issues. He added that we have a number of those outstanding and the Securities & Exchange Commission (SEC) and other agencies are getting very strict on enforcement of disclosure requirements. He concluded that it has been the recommendation that we bring an agency forward like Digital Assurance Certification (DAC) to provide this service for us. He further stated that they have looked at Union City, Fairburn and Palmetto and the Water and Sewer Authority and gave a good quote of \$5,000 per entity, a one-time payment, to perform that service from this point forward.

This item was added to the regular agenda.

VI. CONSENT AGENDA:

VII. RECOMMENDATIONS FROM THE PLANNING COMMISSION: None.

1. **Public Hearing** to consider a City initiated Text Amendment to the Development Regulations: Standard Details – Collector “A” Street (Industrial and Commercial) Street Standard. *Zoning Board of Appeals – Denial*

City Planner Shayla Harris led this discussion and stated that the purpose of this item is to increase the development standards for our industrial and commercial roads. She added that the City’s Public Services Department and Keck & Wood have partnered to create some amendments and make changes within the document. Ms. Harris stated that this serves as a recommendation from the Zoning Board of Appeals, but there was a recommendation for denial. She added that the concerns were taken to Public Services and Keck & Wood, they made the amendments and forwarded the information over to the Zoning Board of Appeals Chairman and the Chairman agrees that these standards are needed to increase the life span of the roads.

Councilmember Jones asked if these new standards would apply immediately.

Public Services Director Cedric Clark stated that it is his understanding that as soon as the Council approves this amendment, it will take effect immediately and any new projects coming in will require a permit and those permits will have to fall under this new standard.

Councilmember Mealing asked if we received feedback from our industrial clients with regards to the changes.

Mr. Clark stated that we did not, but we can if that is the desire of the Council; he can reach out to some people to get some feedback.

Councilmember Mealing stated that she would like to do that because she would like to be more transparent when working with our fellow business owners because we want people to buy in to what we are trying to do.

Councilmember Nealy stated that she understood that we are talking about paving only, not adjusting street width, reducing or merging additional right-of-way or anything along those lines as it relates to development. She then asked if she was correct.

Mr. Clark stated that Councilmember Nealy was correct.

Councilmember Nealy stated that Councilmember Mealing may be concerned from a construction stand point, but for right now we are speaking to asphalt only.

Mayor Williams stated that larger developers will not be inclined to pay more.

Councilmember Mealing stated that she was speaking to high truck traffic and industrial roadways.

Mr. Clark stated that when these industrial areas are created they are private roads, but they revert to City ownership after a certain amount of time and the life span that we are seeing on these roads amounts to about one year. He added that the location in front of Kraft needs work right now that will cost about \$350,000 due to the truck traffic. He concluded that the roads are not constructed to handle that kind of traffic on day one.

City Manager Reports:

- City Auction
- Local Maintenance & Improvement Grant (LMIG) Update

VIII. OTHER BUSINESS:

City Manager Annual Review

IX. REPORTS & ANNOUNCEMENTS FROM THE MAYOR & COUNCIL:

X. ADJOURNMENT:

*There being no further business the meeting adjourned.*