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REGULAR MEETING
GOODLETTSVILLE CITY COMMISSION

Date: April 28, 2011

Time: 6:30 PM

Place: City Hall

Present: Gary Manning, John Finch, Dan Bloodworth, Jane Birdwell Absent: John Coombs
Also Present: Joe Haynes, Jim Thomas, Tim Ellis, Julie High, Alicia Prince, Vicky Ignatz, Richard Pope, Phillip Gibson, Tom Tucker, Larry DiOrio, Bill Brasier, Rick Gregory, Charlie Morrow, Charlie Lowe, Jack Tompkins, Harry Bell, Rick Dulaney, Andy Ward and Darlyn Farris

Mayor Manning called the meeting to order. Rev. Jerry McAnulty offered prayer. Mayor Manning led the chambers in the pledge of allegiance.

Mayor Manning introduced the new City Recorder, Alicia Prince.

City Recorder Prince called the roll: Mayor Manning present, Vice Mayor Coombs absent, Commissioner Finch present, Commissioner Bloodworth present, and Commissioner Birdwell present.

Consider approval of the minutes of the regular Commission meeting on April 14, 2011. A motion was made by Commissioner Bloodworth to approve the minutes as submitted. The motion was seconded by Commissioner Birdwell and passed unanimously 4-0.

Andrew Ward of Rosehill Court expressed concern regarding the traffic on Dickerson Road. He asked the Commission to consider traffic flow procedures or enforcement to slow down the traffic flow and help keep his 16 year-old safe.

Darlyn Farris, 206 Hollywood Street, asked the Commission to consider lengthening the distance between a packaged store and a residence. Commissioner Finch stated that it made a lot of sense but that sometimes things that make a lot of sense cannot be done because of conflicting state laws. He asked City Manager Thomas to have the Planning Department look into that and see if that is a possibility, and that he would be very interested in revisiting the issue.

City Manager Thomas announced that next Thursday at 7:00 a.m., the Goodlettsville Ministerial Association and the Chamber will host their annual National Day of Prayer recognition here at City Hall.

Consider Resolution No. 11-461, a resolution authorizing the issuance of General Obligation Refunding Bonds, in the aggregate principal amount of not to exceed three million six hundred sixty-five thousand dollars (\$3,665,000) of the City of Goodlettsville, Tennessee; making provisions for the issuance, sale and payment of said bonds; establishing the terms thereof and the disposition of proceeds therefrom; and providing for the levy of taxes for the payment of principal of, premium, if any, and interest on the bonds. City Manager Thomas explained that the Commission was familiar with the matter as it had been before them on two different occasions. The process continues on but is getting close to the final point. Staff recommends adoption of this resolution as the final statutory requirement before the bonds go to the market. He introduced Rick Dulaney with Morgan Keegan to give an overview of what has been done so far and what remains to be done in this process.

Mr. Dulaney stated that they had been working on a refunding opportunity based upon low interest rates that are currently available and an opportunity to save measurable dollars to the City. The City has two outstanding debt obligations. One is the state revolving loan that was issued in 1991 for sewer purposes. The remaining obligation carries an interest rate of 4.47%. Additionally in 1997, the City took out a Capital Outlay Note that carries a rate of 4.14%. Both of those obligations carry interest rates higher than the interest rates now available. The refunding process includes the previously considered initial resolution, which ratifies the general obligation pledge as an underlined security for those obligations and refunding obligations. The next step was to submit a plan of refunding to the State Comptroller's Office, State Director of Local and State Finance. Finance Director Julie High submitted that plan on behalf of the City and the plan was reported upon within the statutory time under state law. The City has received this report and it is placed on the City's website for informational purposes. That is a statutory requirement and now that is in place. Before the resolution could be considered, the report had to be received, reviewed and accepted formally. We had a conference call with Moody's Investors Service about the credit rating for the transaction which is Aa3 that has been in place since last April. That is a strong rating and consistent with communities of this size and the greater metropolitan area. The plan is to receive that credit rating within a week and perhaps go to the market next Thursday if market conditions are still favorable. They believe that the savings that can be garnered will be more than \$330,000 on an aggregate basis or almost \$300,000 on a debt present value basis, making the savings around \$32,000 to \$33,000 per year through 2020.

Commissioner Finch inquired about and City Manager Thomas confirmed that the \$300,000 savings that they project is on the two loans that we are paying off. He requested that the record show that there is no planned, indicated or expected tax increase as a result of this and that the net effect of this transaction will result in a savings in the range of \$300,000 over the next 9 yrs. He continued with asking Mr. Dulaney if he knew Metro's credit rating and the State's credit rating for comparison purposes. Mr. Dulaney replied that Metro's is Aa2 which is one step higher and that the State had 3 ratings and he did not believe they were all three Aaa, one being slightly less than Aaa but that they were all on the higher end of the Aa scale. Commissioner Finch then asked if he knew Hendersonville's rating. Mr. Dulaney replied that they are Aa2 which is one step higher. Ashland City is one step lower than this, Springfield he believed is lower at A1, and Mt. Juliet is Aa2. Commissioner Finch then asked if going from one step to another step if there is a significant difference in expected interest rate. Mr. Delaney replied that if we moved up a step we would see around 5 to 10 basis points, which would mean dollar wise \$10,000 to \$15,000 total on this loan. Commissioner Finch asked if this new loan was fixed or variable rate. Mr. Dulaney replied that it is a fixed rate loan as is the existing loan.

Commissioner Birdwell expressed one concern with the contract on page 21, section d with "any of the Mayor, City Manager, or Finance Director" being authorized to perform transactions with just one signature and asked why we would not have two signatures in place for safety and security reasons and that she would feel better if they had two people signing off on these transactions rather than just one signature. Mr. Dulaney explained that there is no reason that they could not have two signatures in place. He added that the difference in a refunding is that if the market is not there, the transaction does not go forward and that this was a 'win win' situation. This is one of the only times when you borrow money where you don't do it unless it is better than what you already have. A motion was made by Commissioner Finch to approve Resolution No. 11-461. Commissioner Bloodworth seconded the motion. Commissioner Birdwell made a motion to amend the original motion that the language be changed in the

contract to require two signers rather than one for transactions as authorized by the resolution. The motion was seconded by Commissioner Bloodworth and passed unanimously 4-0. The original motion, as amended, to approve Resolution 11-461 passed unanimously 4-0.

Commissioner Finch suggested to Commissioner Birdwell that with her concern, she might want to meet with the City Manager or Finance Director and review the policy on signing everything to see if there are other things that need to be addressed.

Consider Resolution No. 11-462, a resolution to enter into a contract with the Tennessee Department of Transportation for grant funding to implement components of the City's Bicycle/Pedestrian Plan and Greenways Plan. City Manager Thomas explained that some time ago the City was awarded a grant in the amount of \$3,000,000 under the CMAQ program administered in Tennessee by the Department of Transportation and that the grant is to be used by various components of the City's bicycle and pedestrian plan as well as the greenways plan. Since the federal money flows through TDOT, the City has to enter into a contract with TDOT to receive those funds and that is the purpose of this resolution. A motion was made by Commissioner Finch to approve Resolution No. 11-462. Commissioner Birdwell seconded the motion and it passed unanimously 4-0.

Consider Resolution No.11-463, a resolution authorizing a change order to the contract between the City and Environmental Abatement, Incorporated (EAI) for the demolition of the Pleasant Green building. City Manager Thomas explained that after the work commenced on the demolition, an unforeseen structure (concrete slab) was discovered that was unknown to the contractor and consulting engineer prior to the work commencing. The contractor has submitted a change order request in the amount of \$2,850 for the removal of the additional concrete slab. Commissioner Finch asked City Manager Thomas, if this would reduce the net proceeds to the City received from the insurance company. City Manager Thomas replied that it would. A motion was made by Commissioner Finch to approve Resolution No.11-463. Commissioner Birdwell seconded the motion and it passed unanimously 4-0.

Consider Ordinance No. 11-754, an ordinance to amend the City of Goodlettsville Purchasing Procedures Manual by adding a section allowing the use of "Competitive Sealed Proposals" for the purchase of certain goods and services according to TCA 12-3-1011 on first reading. City Manager Thomas asked Assistant City Manager Ellis to explain. He reported that two years ago the Tennessee General Assembly approved a method of purchasing for local government which is referred to as 'sealed competitive bids' which is the oddity of some items that low bid does not meet what we are trying to accomplish. It is pertinent that the City gets the best product for what they are trying to accomplish and save the City money. Our policy mirrors exactly what Tennessee Code states. Commissioner Bloodworth asked what this would change from our present plan. Ellis replied that the low bidder on whatever the service is going to be is awarded the job. The contractor with the lowest bid may not have the most efficient means to perform the duties needed with his equipment and/or employees and may not meet the needed criteria to perform the job. He also stated that staff cannot put out for competitive sealed bids. Each time it is utilized, the Commission must approve it first, then the recommendations must be brought by staff and the Commission must approve it a second time. A motion to adopt was made by Commissioner Bloodworth. Commissioner Birdwell seconded the motion. Commissioner Finch commented that he believes this is a good policy to have and gives the City important needed flexibility. He disclosed that he was an active participant in drafting this policy for the state some years ago and is very familiar with this policy. He expressed concerns and explained that administered properly with qualified evaluators, knowledgeable of the subject matter, and a high

quality RFP, this could be a very good policy. Without a high quality RFP that fully defines the award criteria, without knowledgeable, trained, experienced evaluators in the area this could be a disaster and paying a lot more money than you might otherwise experience. He has discussed this with the City Manager and Assistant City Manager that this is not a blanket policy. It is on a case by case basis and they must prepare their RFP package and explain who their evaluators would be and their basis for qualifications, etc. He stated that if that is how this would be implemented, he would be very much in favor of this policy but anything short of that, he would be opposed to. Commissioner Finch made a motion to amend the original motion to under "Competitive Sealed Proposals", Section "a" to delete the words "human-made", "delays by contractors, delays in transportation, or unanticipated volume of work". His reasons for this amendment are that all those conditions allow the staff not to bring the package back to the Commission and to handle the bid administratively which could result in unintentional abuse of the policy. Commissioner Birdwell seconded the motion. The motion to amend the original motion passed unanimously 4-0. Commissioner Finch asked that a comment be placed on record regarding Ordinance No 11-754 Section "b-1-i". He stated that he is confident that the City Manager and Assistant City Manager will properly administer the policy; however, the requirements "competitive sealed proposals may be used only when qualifications, experience, or competence are more important than price in making the purchase" remains in the policy. He wants it understood that under certain circumstances there are more important things than price. The original motion, as amended, passed unanimously 4-0.

Meeting was adjourned at 7:14 p.m.

Alicia Prince, City Recorder

Gary Manning, Mayor