

Commissioner Cordell also agreed with this suggestion. Commissioner Manning added that this would probably be favored by residents in close proximity to Moss Wright due to the lights and activity late at night through the week which are work nights for most people. Commissioner Coombs expressed that he agreed with the concept, however he felt this is not an issue that should be mandated by the Commission, but should be a choice of a parent. Parks Director Tim Ellis will report his findings and recommendations on this request to the Commission.

Mayor Garrett announced that he is appointing Gary Franks to the Planning Board to take the seat he is vacating. If Ordinance No. 06-688 passes on second reading, he will designate Commissioner Coombs to the Planning Board as the Mayor's representative. Vice Mayor Finch will then resign his seat on the Planning Board and that will leave one vacancy on the board. We have had a number of people who have requested a seat on that board and they will all be duly considered if and when that seat becomes available.

The meeting was adjourned at 7:35 p.m.


 Claudia Davis, City Recorder


 Jerry Garrett, Mayor

SPECIAL CALLED MEETING
GOODLETTSVILLE CITY COMMISSION

Date: November 16, 2006 Time: 6:30 PM Place: City Hall
Present: Jerry Garrett, Jeff Cordell, Gary Manning, John Coombs Absent: John Finch
Also Present: Joe Haynes, Jim Thomas, Claudia Davis, Rick Gregory, Tim Ellis, Julie High, Tommy DeLoach, Terry Hutcherson, Bennie Lane, Jack Tompkins, John Cannon, Joyce Washington, Joe Ballard, Andy Donnelly

The meeting was called to order by Mayor Garrett.

This special called meeting was to consider issues regarding expenditure of funds for reconstruction of the Public Works facilities damaged by the April 7, 2006 tornado.

John Cannon, 118 Paige Park Lane, asked for clarification and an explanation of why the cost to replace the public works complex is \$500,000 more than the insurance coverage.

City Manager Jim Thomas referenced the significant damage done to the public works facility by the April 7th tornado to the point that the entire facility had to be vacated. The office building was the only structure remaining that was repairable. All the other structures were so extensively damaged that they had to be demolished. Specifications to rebuild all of the structures were prepared, publicly advertised and requests for bids were made. The low bid was sent to the insurance carrier for their review. They responded about one week ago with the amount they would allow for the damages. A copy of that communication was available for the board. The report includes a grid of each structure, what it was insured for, the bid to reconstruct that facility, the insurance adjuster's estimate of the damage and then the insurance allowable amounts. The bid to reconstruct

the facilities according to the specifications from the City was \$1,236,000. The allowable amount from the insurance is \$711,344. The issue before the board is the decision to spend some or all or none of the difference between the low bid to reconstruct the properties and the allowable insurance that we can recover.

Commissioner Manning noted that GAB Robins is an independent adjusting firm that was hired by our insurance. He inquired if the City Attorney agrees with the synopsis of what our policy says and what they are saying is or is not covered. City Attorney Haynes responded that he has not had the privilege of looking at that information. His involvement has only been with the issue of whether this construction had to be bid. He determined back in June that in fact, it did not meet the criteria of an emergency situation and the construction would have to be bid out. City Manager Thomas stated the insured amounts in this schedule do concur with the policy schedule. He noted the allowed amounts exceed the insured amounts by approximately \$300,000. Mayor Garrett and City Manager Thomas discussed whether the policy included replacement cost, which seems to be the case. Mayor Garrett asked that the policy be researched to determine if it does include replacement cost. He added that another option would be to hire an advocate to represent the City. Mayor Garrett stated the Commission needs to determine to do all or part of this reconstruction and whether to do it in phases. He also recommended to give a good explanation to the general public regarding an initial amount indicated of \$50,000 and why that option was not chosen. He stated that he has the utmost confidence in Tommy DeLoach both as an individual and as a builder. But, when the City Attorney issued the opinion that we were proceeding in an unlawful manner, he had no option but to agree to the bid process and decline to vote for the \$50,000 expenditure.

Purchasing Director DeLoach stated that shortly after the storm, TML had a lot more money than today. They have been hit extremely hard by the damages at Volunteer State. GAB wanted to see Barge Wagoner's estimates and they wanted to see the bids. Normally when you bid a building, you do not normally itemize every detail such as concrete, footings, etc. Barge Wagoner did a good job estimating the site work, but when the large figure for the site work appeared, the insurance adjuster declined that portion. If he had not seen that amount and individual amounts were submitted for each building, including the site work, it increases your per square foot bid. The amount the insurance is paying is very cheap per square foot for the structures they are building. He expressed his disappointment that the original proposal was not accepted five months ago. It was a very unusual circumstance. He and City Engineer Tompkins, very quickly after the storm, determined what they would like to have rebuilt. They prepared a site plan and submitted it to the insurance. Braun bid to do the plans and specifications. Then the determination was made that it had to be bid, which requires engineering and architects. We have lost a lot of valuable building time and it is now the worst time of the year to start construction. We now are faced with the winter months without a building for vehicles and a salt shed. Braun only does insurance work and did not bid on the project. Mayor Garrett asked DeLoach if he believes their proposal of \$50,000 included the site work. DeLoach stated in his mind the \$50,000 did include everything.

Mayor Garrett reviewed that at a special called meeting in June, the majority of the Commission at that time were in favor of accepting the \$50,000 proposal. They then learned that they did not have a legal right to do that, based on the opinion of the City Attorney. At that point, he believes none of the Commissioners could vote in favor of accepting Braun's proposal.

City Manager Jim Thomas stated the site work is not covered because we are putting buildings back in different locations, which makes the site work necessary. While intuitively you would think if Braun was going to build a building, they would have to prepare the site to construct the building on, as they categorize the individual structures, they do not specifically itemize site work. He asked DeLoach if he felt their proposal includes additional site work. Additionally, Mayor Garrett asked DeLoach if he feels Braun was assuming the buildings were to be constructed in the same location before the storm. DeLoach responded no, that their proposal was for the drawing he submitted to them and two of the three buildings show a different footprint from the original structures. Commissioner Manning added that in the drawing, DeLoach specified what he wants on the site. On the storage shed for bulk items, he has shown how it has to be poured in place concrete with thickness requirements. He stated he would have to believe that the site work was entirely part of the construction being requested. DeLoach stated he does not think they would have included a water quality unit which is a little detention area and is part of the site work. He also does not think they would have included a french drain from the salt shed through the site. These two items are included in the current site work total being considered. He hopes that some of the upgrades which total about \$35,000, can be reimbursed by FEMA.

Commissioner Coombs asked that the insurance policy be researched to determine factually whether the policy is for replacement cost. Assuming it is for replacement cost, he inquired why the salt shed proposed cost is \$286,000 and the insurance is only allowing \$87,000. DeLoach responded that the proposed salt shed is a significantly larger and improved facility. The existing salt shed is a concrete block structure, about 1,800 square feet, with a low roof line. When salt and sand is delivered, it has to be dumped and then moved into the shed, creating double work. The proposed shed is all poured in place concrete with twelve foot high walls with wood structure above the walls. A tri-axle truck will be able to back inside the building to unload. This will allow us to store dry dirt for drainage projects. It will also provide a place to store salt.

Commissioner Manning stated he has been through this catastrophe rebuilding process before. It has been his experience that most insurance policies, even those with replacement cost insurance, have specific limitations as to the insurance companies' responsibility for footings, piers and slabs. If the rebuild structure is in a different location or a larger footprint, the insurance company will not cover that expense, on commercial buildings especially. Part of the cost of site preparation would be the cost of pouring floors, etc., and our insurance company would not cover that. However, if we had agreed to let Braun proceed, they were going to include that and we were going to be covered.

City Manager Thomas stated in a discussion on this date with TEMA officials, based on his advice and guidance, we should not expect that FEMA will consider any of the improvements as allowable expenses. Their role is to put the facility back in the condition it was in immediately before it was damaged, making up the difference between insurance and the actual cost. With the exception of those things that are required by some government agency, such as improvements required by current codes, improvements that we want to make would not be covered. Mayor Garrett inquired, since there is such a time lag between the time that an event occurs and when you actually receive funds from FEMA, is there any way to get an advance on an amount that you are ultimately due. Finance Director High responded that it is possible and she is awaiting those contracts from FEMA. She added that she cannot predict when any payment from them will be received.

City Engineer Jack Tompkins stated prior to the storm, the public works complex was a hodgepodge of buildings that had been acquired over time and utilized for various purposes. Immediately after the tornado, they set out to rebuild a better complex to provide uses into the future. A quick plan was prepared and submitted to the insurance company. They came back with a plan that would cost the City \$50,000 extra for the improvements. He believes everyone was prepared to go ahead with that offer, even though it was very preliminary. The City Attorney then determined that we could not proceed that way. Barge, Waggoner, Sumner and Cannon were then hired to design the project and they put together a project manual with detailed specifications. Joe Ballard is the site engineer for the project and Andy Donnelly is the architect. They were available to answer any questions. The estimate from GAB Robins is based on a lump sum bid that was submitted by the low bidder in the amount of \$1,236,000. They did not break out how much is attributed to each building, the water quality improvements or the french drain. The breakout of the costs came from an estimate that BWSC prepared before the bids, estimating what this would cost. The insurance adjuster then took BWSC's estimate and adjusted it to match the bid. Therefore, these numbers are subject to question. The insurance company is saying the site work is \$326,000, but we do not know that. The contractor who prepared the bid has probably based his price on the cost of a subcontractor's bid and we do not know that amount. There are some issues which we need to question and further discuss with the insurance adjuster. Rather than hire an adjuster who works on the side of the insurer, he would advocate that the City direct the city attorney to review the policy, that we get information from the low bidder as to his exact costs, have a meeting with the insurance adjuster and see if there can be some negotiation, and then the Commission may wish to hire an adjuster. He urged the City to authorize entering into a contract to get this construction underway.

Mayor Garrett asked Tompkins for a breakdown of the costs by department. Tompkins responded that the approximate percentages are 60% from the sewer fund and 40% from the general fund. The sewer fund has the approximate \$300,000 available in cash. The approximate \$200,000 from the general fund would require the budget to be amended. Finance Director High indicated the budget would have to be amended for both the amounts. City Manager Thomas suggested the Commission could consider using the funds mandated for the general fund surplus rather than incurring additional costs by

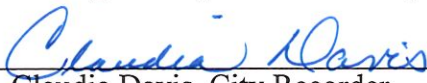
financing. Commissioner Manning stated that knowing that the sewer fund has to remain solvent and maintain a positive balance and knowing that 60% of the funds can come from that fund makes the expense easier to bear. He asked Tompkins to have the bidder breakout the costs and emphasize to them that the site work needs to be a much smaller amount than what they originally said, so that we could possibly recover some of those expenses from the insurance.

Tompkins reported salt has been pulled out of the shed and is covered with a tarp so that it is available if needed. They have made temporary repairs to the salt shed with plywood so that it can be used for this winter. Their critical need is for a vehicle storage shed and they need indoor storage space.

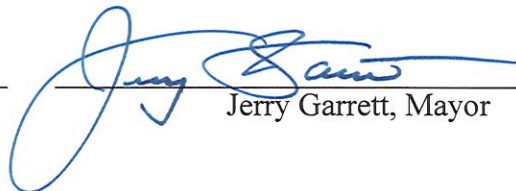
City Attorney Haynes reviewed the legal implications and why the City did not feel comfortable approving the \$50,000 proposal from Braun. He stated that in June, after the matter was referred to him, he consulted TML and MTAS. After gathering all the facts, in his opinion and according to the law, this matter did not meet the qualifications of an emergency and this had to be bid. He confirmed to Mayor Garrett that the Commission made the right decision to bid the project. Mayor Garrett restated that the majority of the Commission were sad that this decision had to be made and that the majority of the Commission were ready to proceed with the original proposal, however, no one on the Commission was willing to vote for something that the City Attorney advised would be a violation of the law.

Mayor Garrett stated he would like for the Commission to take the advice of Jack Tompkins to get a breakdown on the bid so that a real number can be determined for the costs and then to have a meeting with the staff and the insurance adjuster. Commissioner Coombs added that he would like to ask the City Attorney to review the insurance policy to determine whether we have replacement coverage. Commissioner Cordell agreed with those suggestions and added that this should be done immediately. Tompkins informed the Commission that he will begin the suggested process so that a decision can be made as soon as possible. Hopefully all this information can be available for their review the week after Thanksgiving.

The meeting was adjourned at 7:35 p.m.



Claudia Davis, City Recorder



Jerry Garrett, Mayor