

SPECIAL CITY COMMISSION MEETING MINUTES

Monday, April 18, 2011 Time: 6:00 PM

MINUTES, WHICH ARE PUBLIC RECORD, ARE NOTES TAKEN TO PROVIDE A SUMMARY MEMORANDUM OF MEETINGS OR HEARINGS AND CONTAIN ALL OFFICIAL ACTIONS TAKEN. MINUTES ARE NOT INTENDED TO BE A WORD FOR WORD OR VERBATIM TRANSCRIPTION OF THE MEETING.

CALL TO ORDER: Mayor Frank Ogborn
PRAYER: Vice Mayor Marjorie Zander
PLEDGE OF ALLEGIENCE: Mayor Frank Ogborn
QUORUM CHECK:
Mayor: Frank Ogborn
Vice Mayor: Marjorie Zander
Commissioners: Roberta Lopez
Blanch Parker
Gabe Green
Staff:
City Manager John Glanzer
City Attorney Allan H. Kaye
Minutes Recorder Mary T. Flickinger

I NEW BUSINESS

A. Resolution 2006-03, Public Works Equipment.

City Manager Glanzer referred the Commission to the information in the agenda packet regarding Resolution 2006-03 along with the promissory note for \$59,508.96 signed by former City Manager Doug Drymon and former Mayor Paul Alcantar for the Public Works equipment that was purchased in 2006.

City Manager Glanzer stated that Attorney Kaye asked if there was a second page to the Resolution because his signature was not on the document. After researching the Resolution minutes, it was found that Resolution 2006-03 was never passed. The minutes of the August 14, 2006, Commission Meeting reflect that it was the consensus of the Commission to table this item until the City Manager could come back to the Commission with further information, but the Resolution never reappeared. The Resolution states that it was passed this day of August 14, 2006, by the Archer Commission. City Manager Glanzer stated that the loan will be paid off by August, but we do not know how this will affect future loans because we are using this document in our loan application.

Commissioner Lopez proposed calling the League of Cities to see if they can offer assistance and stated that this was not intentionally done.

Mayor Ogborn asked what the solution is to this situation.

Janet McAfee, Vice President Operations, Angie Brewer & Associates, proposed stating on the application that there is an outstanding loan that will be paid off by August, if this is acceptable to the Attorney and Commission.

Attorney Kaye stated that if there is an outstanding loan, then DEP will want to see the documents.

Commissioner Green stated that he agreed with Janet McAfee, but the City should have Attorney Kaye make sure that everything is correct in case a problem occurs.

Attorney Kaye stated that there is another solution, depending on how many payments are left, for the Commission to do another resolution authorizing the payoff. Once the loan is paid off, then the City does not have to impact the application with any outstanding loans or documents.

Commissioner Parker asked if the City has the money to pay off the loan.

City Manager Glanzer stated that the money was already budgeted for the payments and a check could be written to pay the loan off.

The consensus of the Commission was to pay the loan off completely. Attorney Kaye will prepare the Resolution for presentation at the next Commission Meeting on April 25, 2011.

B. Baskerville-Donovan Contract Amendments

City Manager Glanzer recapped that at the last Commission meeting, the Commission authorized Baskerville-Donovan to move forward using Angie Brewer & Associates with the loan application. Attachment B and C defined the scope of work that Angie Brewer would provide and the payment that they would receive for the work. Also discussed was the issues with the extended USDA contract, which had more technical work than the City has time to do to meet the October deadline with the Small Communities Disadvantage Grant. The suggestion was made to amend Attachment B and C to include a scope of work for Baskerville-Donovan because Baskerville-Donovan has to work simultaneously with Angie Brewer & Associates.

The Commission was provided with the Amendment, adding a Phase Four, engineering services in Attachment B, and a Phase Four, lump sum payment, in Attachment C. City Manager Glanzer recommended the Commission to amend Attachment B and C.

MOTION made by Commissioner Green to approve amended attachments B and C which now included the engineering services for Baskerville-Donovan and the lump sum payment for engineering services.

SECOND made by Commissioner Parker.

MOTION CARRIED 5-0.

C. Bridge Financing for Sewer Project

City Manager Glanzer stated that the possibility of a Bridge Loan to cover the costs at the front end of the project will not possible. Florida Rural Water Association Bridge Loans will only be issued if a job has gone to construction and a commercial Bridge Loan at a bank will take at least four months. Baskerville-Donovan has given us a 30 day and a 60 day cash position scenario. City Manager Glanzer recommended the 60 day scenario.

City Manager Glanzer stated that what is in question is the \$62,000.00 payment. In discussions with Wayne White, Baskerville-Donovan, the \$62,000.00 represents product that they have finished providing in the August timeframe that they are owed money on for the application for Small Communities Disadvantaged Grant. City Manager Glanzer discussed how the City can pay Baskerville-Donovan without making them wait until March and asked the Commission to consider what would happen in October if the grant does not work out as we hoped it would.

Wayne White, Baskerville-Donovan stated that it is difficult for the company to carry debt, but many small communities commit to the 60 day payment scenario.

Mayor Ogborn asked about the resident project engineer.

Wayne White stated that this comes after construction.

Commissioner Lopez proposed that the Commission have a Budget Workshop.

City Manager Glanzer stated that we have about a year in the Water Fund and about three months in the General Fund.

Mayor Ogborn proposed that Baskerville-Donovan wait the four months with the City, if the City does not get the money, then we pay Baskerville-Donovan. Mayor Ogborn stated that the City is committed to this project.

Wayne White stated that we have already waited two months and that will mean a total of waiting six months. The Commission should discuss this but the right thing to do is pay this or at least meet him half way.

Commissioner Lopez stated that half of our money is paid in salaries and the City needs to figure some cuts somewhere.

The consensus of the Commission was to have a Budget Workshop.

City Manager Glanzer stated that he will pull some numbers together and look for a convenient date for a Budget Workshop.

Commissioner Lopez asked for the Commission to be provided with a year-to-date line item budget, and a report showing salaries. City Manager Glanzer stated that this will be provided prior to the Budget Workshop.

Commissioner Green stated that for clarification, the City is looking at paying \$62,000 for Baskerville-Donovan.

Wayne White discussed the draw-downs, as outlined, on the documents provided in the agenda packet. Wayne White stated that if the City is committed to working and helping us get paid, then we will start our people working, but if the \$62,000 is a deal breaker, we cannot commit to anything.

Mayor Ogborn stated that the Commission is committed to paying the \$62,000, but needs time to figure out how we are going to do it.

Commissioner Green asked Janet McAfee, Vice President Operations, Angie Brewer & Associates, if she is sure we will get the loan.

Janet McAfee, Vice President Operations, Angie Brewer & Associates, stated that the City has a position on the priority list and if the application is fund-worthy, they will send an agreement. Part of that credit worthiness is a promise in the form of a Resolution that the City will establish the necessary rates to pay for this. The DEP needs security and a promise to pay these debts. If all of this should happen, the City should have a loan agreement within 45-60 days.

City Manager Glanzer recapped that the Commission is authorizing Baskerville-Donovan to go forward and noted that engineers will be in town sometime this week. If the application is denied, then we will owe Baskerville-Donovan for their services provided up until that point.

Wayne White called the Commission's attention to the Cash Flow Diagram, showing work completed and the charges.

Janet McAfee stated that the only challenging element is that there is no wastewater rate and no revenue stream to pay it back, but the Resolutions proposed will take care of this. We would not have gone down this path if we felt that it would be unsuccessful.

Commissioner Lopez asked when the loan would be approved and what the City would owe at that point.

City Manager Glanzer stated that by the time we find out about the loan in June, the City will probably owe approximately two hundred thousand. If the loan fails, the City would be looking at a ten to fifteen year note at the bank to pay this off. If we fail in our loan application, the City will have to look at fixing the weak points that we were denied on.

City Manager Glanzer stated that on Monday there will be two resolutions presented to the Commission, one for the application and one to pledge a revenue stream.

Wayne White thanked the Commission and stated that the surveyors will be in the community sometime this week. The surveyors have been provided with an Informational Handout Sheets if they are asked for information on the project.

II CITIZEN COMMENTS - None

III MOTION TO ADJOURN

With no further business to discuss, Mayor Ogborn called for a motion to adjourn the meeting.

MOTION made by Commissioner Green to adjourn the meeting.

SECOND made by Commissioner Lopez.


City Manager John Glanzer


Mayor Frank Ogborn