

MINUTES
REGULAR MEETING OF THE VALDOSTA CITY COUNCIL
5:30 P.M., THURSDAY, JANUARY 23, 2014
COUNCIL CHAMBERS, CITY HALL

OPENING CEREMONIES

Mayor John Gayle called the regular meeting of the Valdosta City Council to order at 5:30 p.m. Council members present were: Joseph "Sonny" Vickers, Tim Carroll, Ben Norton, and Sandra Tooley. Councilman Alvin Payton, Jr. arrived late at 5:41 p.m. Councilman Robert Yost, Councilman James Wright, and George Talley, City Attorney were absent. Tim Tanner, Attorney with the Coleman Talley, LLP Law Firm, filled in for the City Attorney. The invocation was given by Chris Musgrove, Future Now Ministries, followed by the Pledge of Allegiance to the American Flag.

AWARDS AND PRESENTATIONS

PRESENTATION OF THE MUNICIPAL AUDIT FOR FISCAL YEAR 2013

Presentation of the Municipal Audit for Fiscal Year 2013.

Chuck Dinkins, Financial Services Manager, stated that the City of Valdosta had a good audit and everything went very well. Mr. Dinkins thanked the Accounting Staff for the great job they did in preparing for the audit and getting the CAFR ready. Chuck Dinkins stated that Craig Moye of Mauldin & Jenkins will present the results of their audit of the City's Fiscal Year 2013 CAFR.

Craig Moye, Mauldin & Jenkins, stated that they had another successful audit for the Fiscal Year ending June 30, 2013. The Mayor and Council will receive a detailed Agenda of the audit at a later date. The financial statements of the City of Valdosta are the City's financial statements. Mauldin & Jenkins' responsibility as an auditor is to express an opinion on the financial statements. As of June 30, 2013, they expressed an unmodified opinion which is a clean opinion and means that the City's financial statements are materially correct and in compliance with the various requirements. They performed the audit of the City's financial statements in accordance with auditing standards that are generally accepted in the U. S. and Government Auditing Standards that have been issued by the Comptroller General of the U. S. As of June 30, 2013, the City had total assets of \$306.7 million along with liabilities of \$73.5 million. The City ended the year with a total net position of \$233 million. This was formerly known as net assets; however, this was changed through a new regulation and it is now known as net position. The change in the current year net position was a decrease of \$2.3 million and \$1.6 came from the current year. There was a \$0.7 million adjustment for putting in new GASB. There were three new Governmental Accounting Standard Board (GASB) regulations this year which caused them to have to restate the prior period. In the General Fund, there was a total of approximately \$7.3 million which consisted of \$56,000 in cash and \$442,000 in investments. Combined with \$2 million in accounts receivable and \$4.8 million due from other funds, the liabilities during the year were \$1.8 million leaving a total fund balance of \$4.5 million. The General Fund had total revenues of \$28.5 million and total expenditures of \$29 million. There was a slight decrease of \$732,000 before they got to the other items. The other items included transfers in and out to other funds which was approximately \$97,000 leaving the General Fund with a decrease of \$495,865. The City's computed General Fund working capital was approximately 58 days versus 62 days as of June 30, 2012. The City's taxes are a primary resource for revenues which was approximately \$24 million. The General Fund expenditures included a major portion of it going to Public Safety which was approximately \$18.8 million, General Government expenditures of \$8 million, and Public Works was approximately \$1.5 million. Mr. Moye thanked the Accounting Department for all their help and support during the audit.

Councilman Carroll stated that Mauldin & Jenkins is responsible for a lot of municipal governments throughout the State and inquired as to how the City of Valdosta compares with similar cities our size. Mr. Moye stated that the City of Valdosta is right in line with everyone. There has been a small upturn in the economy and a lot of cities are starting to see their revenues increase while at the same time they are being conservative in spending. Councilman Carroll stated that there have been some citizens who feel the City has taken on a lot of debt and he inquired as to whether Mr. Moye would support that statement or whether he felt our debt is in proper alignment. Craig Moye stated that the debt the City of Valdosta is taking on is for capital improvements which are

necessary improvements. The Georgia Environmental Finance Authority (GEFA) loans are at excellent rates so it is hard to say that it is bad debt. The City of Valdosta was going to have to make the improvements anyway and the fact the City was able to finance them through those means is very fortunate for us. Mayor Gayle stated that Council would not need to take action on this Agenda Item.

APPROVAL OF MINUTES

The minutes of the January 9, 2014 Regular Meeting were approved by unanimous consent (5-0) of the Council.

BIDS, CONTRACTS, AGEEMENTS, AND EXPENDITURES

Consideration of bids for recycling containers for the Public Works Department (Bid No. 6-13-14).

Greg Brown, Purchasing Agent, stated that the current recycling containers bid expired on December 31, 2013. The purpose of this bid is to have one source of supply and to obtain a better price through volume buying. This is a one-year contract with renewal options. Sealed bids were received on November 19, 2013 with one bid submitted by Rehrig Pacific in the amount of \$7.21 per container. Seven companies were sent the invitation to bid but six chose not to respond. The price offered by Rehrig, who is our current supplier, is \$.64 lower than our current price of \$7.85 each. Greg Brown recommended that Council approve the bid of Rehrig Pacific in the amount of \$7.21 per container and allow the Public Works Department to proceed with the bid.

A MOTION by Councilman Carroll, seconded by Councilman Payton, was unanimously adopted (5-0) to approve the bid submitted by Rehrig Pacific in the amount of \$7.21 per container and allow the Public Works Department to proceed with the bid.

Consideration of bids for 4, 6, and 8 yard dumpsters for the Public Works Department (Bid No. 7-13-14).

Greg Brown, Purchasing Agent, stated that this bid is for 4, 6, and 8 yard dumpsters that are placed at commercial customer sites throughout the City. It is a two-year contract with a one year renewal option. Sealed bids were received on November 19, 2013 with the low bid submitted by Lewis Steel Works, our current supplier, in the amount \$1,975. This price is \$270 higher than the last awarded price in 2009 of \$1,705. The 4-yard dumpster is \$515, the 6-yard dumpster is \$680, and the 8-yard dumpster is \$780. Greg Brown recommended that Council approve the low bid submitted by Lewis Steel Works in the amount \$1,975. Councilman Vickers inquired as to whether this was a local company. Greg Brown stated that this is not a local vendor and no one in town does this type of work.

A MOTION by Councilman Payton, seconded by Councilman Norton, was unanimously adopted (5-0) to approve the low bid submitted by Lewis Steel Works in the amount \$1,975 and allow the Public Works Department to proceed with the bid.

Consideration of bids for evaluation and replacement of the Low Service Pumps #5 & #6 at the Water Treatment Plant.

Henry Hicks, Utilities Director, stated that Low Service Pumps #5 and #6 have been in consistent service at the Water Treatment Plant since their installation in 1992. Both pumps need to be pulled for evaluation and make necessary repairs or replacement on their respective mechanical and electrical systems. Quotations were received from three firms capable of performing this work with Rowe Well Drilling submitting the lowest quotation at \$75,033. Two companies submitted quotations for the motor work with Smith Electric Motor Service Inc. Submitting the low quotation for motor evaluation and repairs at \$ \$4,491.75 per motor for a total of \$8,983.50. This is similar to the work that was performed on High Service Pumps #1, #2, and # 4 over the last two years due to their age and operational issues. Pump conditions discovered during those evaluations required replacement of the majority of mechanical equipment on each pump and we fully expect that the low service pumps will be found in the same condition. These pumps are used to maintain proper water levels in the three ground storage tanks (1.5

million gallons in each) as well as water pressure in the distribution system during low demand periods. Typically only one pump is used at a time in conjunction with a high service pump to maintain system pressure between 60 to 70 psi (pounds per square inch). In order to ensure both short and long term reliability and redundancy of this critical pump system, these pumps need to be removed, evaluated, and repaired or replaced as needed one at a time. Henry Hicks recommended that Council approve the bid submitted by Rowe Well Drilling in the amount of \$75,033 with a 15% contingency and to Smith Electric Motor Service Inc. in the amount of \$8,983.50 with a 10% contingency for evaluation and replacement of the Low Service Pumps #5 and #6 at the Water Treatment Plant.

A MOTION by Councilman Norton, seconded by Councilman Payton, was unanimously adopted (5-0) to approve bid submitted by Rowe Well Drilling in the amount of \$75,033 plus a 15% contingency to handle any unforeseen circumstances and to Smith Electric Motor Service Inc. in the amount of \$8,983.50 plus a 10% contingency to handle any unforeseen circumstances for evaluation and replacement of the Low Service Pumps #5 and #6 at the Water Treatment Plant.

CITY MANAGER’S REPORT

Larry Hanson, City Manager, stated that Mayor’s Day will be held January 24-27, 2014 in Atlanta and Council members are encouraged to interact with our local legislative delegation. Also, the Bird Supper will be held on February 12, 2014 at The Depot in Atlanta. We will also be scheduling a meeting with the Georgia Department of Transportation during that visit.

Larry Hanson, City Manager, stated the he and Mayor Gayle met with Congressman Austin Scott today in Valdosta and they had a good conversation about Moody Air Force Base. He is very tuned in to supporting our community and our military installation which was very encouraging.

Larry Hanson, City Manager, stated that agreements have been reached on several Bills that the Mayor and Council had previously discussed such as the Cell Tower Bill that could have had an effect on all local governments in taking away zoning authority. There was also another Bill of concern related to asset forfeiture and it appears that a solution has been reached on that.

Larry Hanson, City Manager, stated that they would need to have a brief Executive Session for the discussion of personnel following the Regular Council Meeting.

COUNCIL COMMENTS

There were no Council comments.

CITIZENS TO BE HEARD

There were no citizens to be heard.

ADJOURNMENT

Mayor Gayle entertained a motion to adjourn the Regular Session into Executive Session for the discussion of personnel.

A MOTION by Councilman Payton, seconded by Councilman Norton, was unanimously adopted (5-0) to adjourn the January 23, 2014 Regular Meeting of the Valdosta City Council at 5:57 p.m. and enter into Executive Session to discuss personnel.

Mayor Gayle reconvened the January 23, 2014 Regular Meeting of the Valdosta City Council at 6:11 p.m. and stated that no action was taken.

Mayor Gayle entertained a motion for adjournment.

A **MOTION** by Councilman Norton, seconded by Councilman Vickers, was unanimously adopted (5-0) to adjourn the January 23, 2014 Meeting of the Valdosta City Council at 6:12 p.m. to meet again in Regular Session on Thursday, February 6, 2014.

City Clerk, City of Valdosta

Mayor, City of Valdosta