

MINUTES
REGULAR MEETING OF THE VALDOSTA CITY COUNCIL
5:30 P.M., THURSDAY, MARCH 21, 2013
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, Deidra White, Robert Yost, and James Wright. Councilman Alvin Payton, Jr. arrived at 5:55 p.m. The invocation was given by Sr. Pastor Wayne Hughes, Abundant Life Church of God, followed by the Pledge of Allegiance to the American Flag.

AWARDS AND PRESENTATIONS

Presentation of the Municipal Audit for Fiscal Year 2012.

Mark Barber, Deputy City Manager of Administration, stated that the 2012 Comprehensive Annual Financial Report has been distributed to the Mayor and Council. There was a slight delay in presenting this to the Mayor and Council due to the receipt of some information from the actuary this year. The audit was completed by the firm of Mauldin & Jenkins. Mark Barber thanked the Mauldin & Jenkins Staff for their professionalism in gathering the information necessary for the audit.

Wade Sansbury, Partner with Mauldin & Jenkins, stated that he wanted to briefly go over the City of Valdosta's audited financial statements. The financial statements are the responsibility and representation of the City's management and Board. It is the responsibility of Mauldin & Jenkins to perform an audit and to express an opinion based on that audit. They have expressed an unqualified or clean opinion which is what the City wishes to receive. This year there were no financial statement findings and no single audit findings which is a very good report. As of the end of the Fiscal Year 2012, the City's total assets were \$304.5 million and offset by \$69.2 million in liabilities which leaves positive total net assets of \$235.3 million. This was a decrease from the prior year of approximately \$4.2 million. The most important financial statement is related to the Enterprise Fund and that is the Cash Flow statement. As of the end of the Fiscal Year 2012, the City had a positive \$8.3 million in operating cash flows. This shows that the City is charging adequate fees for its operations. Additionally, there is the SEFA (Schedule of Expenditures & Federal Awards) and this year the City expended and received a little over \$14 million in Federal funds. The majority of that (a little under \$10 million) was from the Georgia Environmental Finance Authority (GEFA) in relation to the City's new Wastewater Treatment Plant. As a result of this large amount of Federal funds, they were required to perform five individual single audits which are very intense, complex, and compliance-based audits. As a result of that there were no findings and the City is doing a very good job.

APPROVAL OF MINUTES

The minutes of the March 7, 2013 Regular Meeting were approved by unanimous consent (6-0) of the Council.

ORDINANCES AND RESOLUTIONS

RESOLUTION NO. 2013-1, A RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR A DOWNTOWN DEVELOPMENT REVOLVING LOAN FUND

Consideration of a Resolution authorizing the filing of an application for a Downtown Development Revolving Loan Fund (DDRLF) and the Georgia Cities Foundation (GCF) with the Georgia Department of Community Affairs for rehabilitation of 110, 112, and 114 West Hill Avenue.

Mara Register, Assistant to the City Manager, stated that the building is located at 110, 112, and 114 West Hill Avenue and is owned West Hill Avenue Properties, LLC. The property is currently vacant and has been for some time. The property is approximately 18,900 square feet in size and it is the last remaining structure in need of rehabilitation in this one-block section on the north side of West Hill Avenue between Toombs Street and Patterson

Street. It is also one of the largest structures in this section. The owner is proposing to fully rehabilitate and restore the structure to house three separate commercial spaces on the first floor and eleven market-rate apartments on the second and third floors. The applicant is requesting support of the Initial Project Assessment (IPA) and a Resolution to be submitted to the Georgia Department of Community Affairs (DCA), the Georgia Municipal Association (GMA) for application to the Downtown Development Revolving Loan Fund (DDRLF), and the Georgia Cities Foundation (GCF). The owner is requesting funds only for rehabilitation. The total project budget is projected at \$1,766,300, with \$1,266,300 needed for rehabilitation costs and \$500,000 for refinancing by the private lender, Ameris Bank. Due to the proposed loan amount, both DDRLF and GCF funds will provide \$250,000 each toward the project and the owner will provide 13 % equity in the amount of \$170,000. The reason why they are applying to both the Georgia Department of Community Affairs and the Georgia Cities Foundation is that it allows for the maximum under each loan pool which is \$250,000. This will save them over \$100,000 in interest over 10 years. If approved by the Mayor and City Council, the Resolution and IPA will be presented to the Central Valdosta Development Authority (CVDA) for action at their regular meeting on April 16, 2013. Councilman Vickers inquired as to whether they will be making payments back to us on taxes when this project is completed. Mara Register stated that since it is a historic property they will get tax abatements for ten years under the State rehabilitation tax credit, a State income tax credit, and a Federal income tax credit because they are restoring this building to the Secretary of Interior standards. They will also have the opportunity, dependent upon the number of jobs created in the retail spaces on the first floor, to take the Opportunity Zone Job Tax Credit of \$3,500 per job for five years. Councilman Norton inquired as to whether the number of market rate apartments was 11 or 12 since the number was different in two places in the information provided. Mara Register stated that the number of apartments was 11 and the correction would be made in the Resolution. Mara Register recommended that Council approve the Resolution authorizing the filing of an application for a Downtown Development Revolving Loan Fund (DDRLF) and the Georgia Cities Foundation (GCF) with the Georgia Department of Community Affairs for rehabilitation of the property located at 110, 112, and 114 West Hill Avenue.

A MOTION by Councilwoman White, seconded by Councilman Norton, was unanimously adopted (6-0) to enact Resolution No. 2013-1, a Resolution authorizing the filing of an application for a Downtown Development Revolving Loan Fund (DDRLF) and the Georgia Cities Foundation (GCF) with the Georgia Department of Community Affairs for rehabilitation of 110, 112, and 114 West Hill Avenue, the complete text of which will be found in Resolution Book V.

BIDS, CONTRACTS, AGREEMENTS, AND EXPENDITURES

Consideration of bids to replace air blowers and piping at the Withlacoochee Wastewater Treatment Plant.

Jason Scarpace, Assistant Director of Utilities, stated that the air blower system at the Withlacoochee Wastewater Treatment Plant and its associated piping has reached the end of its useful life. This system provides the necessary air to major treatment processes in the facility to meet operating permit requirements, especially ammonia reduction. The blowers and their controls have been repaired numerous times over the years, but the underground piping has deteriorated to the point where sufficient air cannot be delivered to the various processes which has resulted in recurring minor permit violations. The Utilities Department investigated whether pipe repairs could be made without costly excavation of the extensive underground pipe system. A company capable of reliably providing this type service could not be found. Excavation of existing pipe is cost prohibitive and cannot be done without a temporary system in place. Coupled with the fact that the entire facility needs to be relocated sooner rather than later due to flooding, the Utilities Department determined that a temporary blower system and associated piping could be put in place to meet permit requirements for the short term until such time as the Plant is relocated. Due to the condition of the air blower system, especially the leaking underground piping, the Withlacoochee Wastewater Treatment Plant is struggling to keep in compliance of its operating permit. In addition, electricity is being wasted by the inefficient distribution of air to the various treatment processes through loss of air due to the numerous leaks in the pipe system. The digestion process is also being negatively impacted by the lack of air and is causing inefficient belt press operations which also increases electrical usage. The Utilities Department did an extensive search for companies capable of implementing a reliable temporary air system and requested quotations for this work. Bids were received from only two firms, Lanier Contracting Company and Layne Heavy Civil. Layne Heavy Civil submitted a bid in the amount of \$425,000 and Lanier Contracting Company submitted the lowest bid in the amount of \$376,131. Jason Scarpace recommended that Council approve

the low bid submitted by Lanier Contracting Company in the amount of \$376,131 plus a 10% contingency. Councilman Yost inquired as to whether the air blowers and piping could be used at the new Wastewater Treatment Plant. Jason Scarpate stated that they were looking into that option but at the present time he did not think they could be used at the new Wastewater Treatment Plant; however, these blowers are refurbished. Councilman Wright inquired as to what an air blower is used for. Jason Scarpate stated that it is used for the digestion of the solids that are coming through the system and it keeps everything alive. Councilman Wright inquired as to what the life expectancy would be for the air blowers. Larry Hanson stated that the goal for these blowers would be for them to be serviceable for three years. They are planning to have a new Wastewater Treatment Plant on-line in August, 2015.

A MOTION by Councilman Yost, seconded by Councilman Carroll, was unanimously adopted (6-0) to approve the low bid submitted by Lanier Contracting Company in the amount of \$376,131 plus a 10% contingency to replace air blowers and piping at the Withlacoochee Wastewater Treatment Plant.

Consideration of bids for painting and minor repairs to the Elevated Water Storage Tank located at Valdosta High School.

Jason Scarpate, Assistant Director of Utilities, stated that the 0.5 MG (million gallons) elevated water storage tank located at Valdosta High School was originally constructed in 1972 and last inspected in July, 2009. At the time of that inspection, the integrity of the tank was evaluated for structural security, safety, and sanitary conditions. The exterior of the tank was found to be in fair to good condition in most areas with some advanced corrosion around and under the balcony. The interior coating inspection could only be evaluated above the water line and was found to be deteriorated due to age as well as corrosion on ladder and other internal structures. The bowl contains a lot of sediment. A ladder gate needs to be installed, drainage pipes will need to be repaired, the roof vent needs replacing, the security fence needs replacement, the access doors need to be replaced, and the balcony hatch also needs replacement. The paint on the exterior was found to be in need of repainting; however, due to lead paint being used the last time the tank was painted, the old paint must be removed from the tank and disposed of in an approved deposal site for lead paint before any new paint can be applied. Funding for the necessary cleaning, repairs, and painting of this tank was budgeted for FY13 with all work scheduled to be completed during Valdosta High School's summer break period. The Utilities Department developed a scope of work and requested bids from companies performing this type of work. A pre-bid meeting was held on February 4, 2013. On February 22, 2013, sealed bids were received from two firms. Southeastern Tank & Tower submitted a Base Bid of \$329,935 and an Alternate Bid of \$393,325, and Utility Service Company submitted a Base Bid of \$361,600 and an Alternate Bid of \$427,000. The Alternate Bid used paint with a manufacturer's warranty of 15 years. Jason Scarpate recommended that Council approve the low Alternate Bid submitted by Southeastern Tank & Tower in the amount of \$393,325 plus a 10% contingency. Councilman Norton inquired as to whether the repainting would be like what is there now or would it be the new Valdosta City logo. Jason Scarpate stated that this has been discussed and Southeastern Tank & Tower is aware that it could change. They have also provided some other suggestions as well.

A MOTION by Councilman Norton, seconded by Councilman Yost, was unanimously adopted (6-0) to approve the low Alternate Bid submitted by Southeastern Tank & Tower in the amount of \$393,325 plus a 10% contingency for painting and minor repairs to the Elevated Water Storage Tank located at Valdosta High School.

CITY MANAGER'S REPORT

Larry Hanson, City Manager, thanked the Mayor and Council for their participation in a successful Retreat. Preparation for the Retreat requires a lot of time and effort. The Mayor and Council spent a lot of time in setting 11 goals and discussing SPLOST. They also agreed to dedicate approximately 70% of the proceeds that the City is slated to receive for wastewater issues. For the first time, the Mayor and Council also prioritized the top three goals and two of those were to address the wastewater issues. The first one was the bidding of the \$32 million Force Main Project this summer with construction to be completed by August, 2014. That project will address the manhole overflows in low lying areas, particularly along Sugar Creek. The second one was to issue a Request for Proposal (RFP) for a Design Build Project for the new Wastewater Treatment Plant on property that the City has required by August, 2015. These are two very aggressive goals and timelines and we hope to meet both of them.

The third one is to work in collaboration with other community organizations and leaders in support of Moody Air Force Base in order for Moody to grow and expand its missions.

Also, the Mayor and Council spent a lot of time at the Retreat discussing flooding issues and the fact that Valdosta sits at the bottom of a nearly 1,500 square mile drainage basin and the river flooding events affecting our community are from stormwater that originates as far north as Crisp County. While we have attempted to bring in other organizations to help address this issue, we have finally been successful in getting their attention. They have written letters to the Army Corps of Engineers and a meeting is scheduled for mid-April in Valdosta. They have also invited and requested the attendance and participation of FEMA, GEMA, and the U. S. Geological Survey who compiles a lot of the river data and rain gauge management. We are hopeful that this will be the first step towards our request to have a study done of the regional drainage basin in order to identify upstream solutions such as regional detention and things of that nature. We have reached out to the State and Federal leaders and they are all supportive of this effort.

COUNCIL COMMENTS

Councilman Vickers stated that they had a very successful Mayor/Council Retreat and they got a lot accomplished.

Mayor Gayle thanked Bud Bassford for providing Lenox River Ranch for them to hold the annual Retreat. It is a unique Lodge where you can get away to consider the City’s business at hardly any cost at all.

Councilman Carroll thanked Staff for preparing all of the documents and information that they requested for the Mayor/Council Retreat.

CITIZENS TO BE HEARD

Dr. Michael Noll, 2305 Glyndale Drive, stated that he is the President of Wiregrass Activists for Clean Energy, and they collected signatures on a petition at the Azalea Festival. The petition stated the following: “Thank you to the City Government of Valdosta. As members of this community we want to thank the City of Valdosta for its continued efforts to promote clean energy. We commend you for completing the initial solar power facility in 2011 and for recently committing to the expansion of that facility. Clean sources of energy like solar are extremely valuable for our future. Solar does not require water, it does not produce air pollution, and you do not have to haul sunshine to the solar plant. With the newest expansion, Valdosta will be leading clean energy production in Georgia and we are proud of it.” Dr. Noll thanked the Mayor and Council for a job well done.

ADJOURNMENT

Mayor Gayle entertained a motion for adjournment.

A MOTION by Councilman Vickers, seconded by Councilman Carroll, was unanimously adopted (7-0) to adjourn the March 21, 2013 Meeting of the Valdosta City Council at 5:56 p.m. to meet again in Regular Session on Thursday, April 11, 2013.

City Clerk, City of Valdosta

Mayor, City of Valdosta