

MINUTES
REGULAR MEETING OF THE VALDOSTA CITY COUNCIL
5:30 P.M., THURSDAY, SEPTEMBER 24, 2015
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, Alvin Payton, Jr., Sandra Tooley, and Robert Yost. Councilman James Wright arrived late at 5:40 p.m. The invocation was given by Pastor William Morgan, Morning Star Missionary Baptist Church, followed by the Pledge of Allegiance to the American Flag.

APPROVAL OF MINUTES

The minutes of the September 10, 2015 Regular Meeting were approved by unanimous consent (6-0) of the Council.

ORDINANCES AND RESOLUTIONS

ORDINANCE NO. 2015-20, AN ORDINANCE TO ADOPT A PURCHASING CARD (P-CARD) FOR ELECTED OFFICIALS AS REQUIRED BY GEORGIA CODE 36-80-24(C)

Consideration of an Ordinance to adopt a Purchasing Card (P-Card) Policy for Elected Officials as required by Georgia Code 36-80-24(C).

Chuck Dinkins, Finance Director, stated that the proposal to adopt an Ordinance governing the use of Purchasing (P-Cards) by Elected Officials of the City of Valdosta was established by the Georgia General Assembly (House Bill 192). The Official Code of Georgia Annotated ("O.C.G.A.") states that no municipal corporation shall issue government purchasing cards or government credit cards to elected officials on or after January 1, 2016 until the governing authority of the municipal corporation, by public vote, has authorized the issuance and has promulgated specific policies regarding the use of such government purchasing cards or government credit cards for Elected Officials of such municipal corporation. The City began using the P-Card Program on June 27, 2006 as an alternative to requisitions for small dollar purchases. The City has operated this P-Card Program under a Policy that was never put into Ordinance form; however, it does call for specific controls on card issuance, use, and record keeping. Each Department Head must approve all cards issued in their Department and appoint a Departmental Administrator who should not be a cardholder to collect receipts, maintain records, and sign off on transactions in Bank of America Works. Individual card holders are required to report all card activities to their Departmental Administrator so that all activities can be charged to the appropriate account number in the General Ledger Account. This ensures that all charges are seen by someone who is not the cardholder and who is familiar with the type of transactions that are appropriate to that Department. The Finance Department appoints a City-wide Administrator to ensure that all transactions are reviewed and approved by each Department within each card cycle, assign and adjust credit limits and single transaction limits, maintain merchant category restrictions, and serve as a liaison with the bank. The Program Administrator must also ensure that all changes to credit and transaction limits are approved by both the Department Head and the Finance Director and that any temporary changes revert back to their original limits. This person is also the designated point of contact for the Bank of America to report any suspicious activity, cancel cards, or issue new cards. The City issues named cards to Department Heads but other cards issued are by Division so that the card does not bear the name of any individual. Likewise, the City maintains travel cards to issue to City employees traveling on City business. These cards must be checked out from Sandra Watley, Sr. Accounting Clerk, for the duration of travel and returned to the Program Administrator who maintains a log of these travels. The P-Card Program has proven beneficial in many ways. The City has reduced the number of requisitions issued which saves time and money, it has streamlined the acquisition of high use items such as warehouse inventory and office supplies, and it is the preferred method of payment by many of our vendors for small dollar items. It also provides quicker visibility for purchases to the City. With a traditional paper invoice, a purchase made at the beginning of a vendor's billing cycle may go 30 days before an invoice is issued. It will then need to be mailed, routed, and approved which could be 60 days from the point of purchase to the point of review by someone in a supervisory capacity. With a P-Card, it shows as a pending transaction almost immediately and requires a sign-off within a few days. The City also receives a rebate of

approximately 1% of transactions each year. The most recent year was \$41,000 that we got back from the charges that were made using the P-Card. Employees are encouraged to use the P-Card whenever it is convenient and appropriate because for every dollar we spend we are only costing ourselves \$.99. The P-Card Program has functioned effectively for the past nine years with no reported incidences of employee misuse and no unresolved cases of cards being compromised. The need for the new Ordinance stems from the adoption of House Bill 192 by the State of Georgia Legislature which requires all local governments to adopt a policy for Elected Officials in order to issue cards to them after January 1, 2016. The new Policies are similar to the existing Policies but break out the Elected Officials from everyone else. There should be no real practical changes to the Program and this will allow us to continue issuing cards to Elected Officials after January 1st. Chuck Dinkins recommended that Council approve the Ordinance to adopt a Purchasing Card (P-Card) Policy for Elected Officials as required by Georgia Code 36-80-24(C).

Councilman Yost stated that he had a problem with this regarding the amount that they could purchase or the limit on the cards now. Mayor Gayle stated that the current limits on the cards for Mayor and Council is \$12,000 and \$6,000. Larry Hanson, City Manager, stated that this is what was in the State statute. Chuck Dinkins stated that this was based on the State model but we do not have to go exactly by what it says when using these numbers. Councilman Yost stated that he thought the amounts should be left the same as it is currently. Larry Hanson stated that it states that the transaction limits are no more than \$6,000 which is for a single transaction. The Council has an annual travel budget. For example, the Mayor has an annual travel budget of \$12,000 which does not affect this. This says that the Mayor cannot make a single transaction greater than \$6,000 on the P-Card. The P-Cards have controls on them as to what you can use them for. Chuck Dinkins stated that there are three numbers that Council would deal with. The first one is the single transaction limit, the second one is the credit limit on the card, and the third one is the annual budget. The credit limit is \$6,000 and \$12,000 so you could spend \$6,000 in a month but you could not spend more than \$3,000 with one swipe of the P-Card. Councilman Carroll stated that there is a limit on what the Elected Officials can use the P-Card for.

A MOTION by Councilman Yost, seconded by Councilman Norton, was unanimously adopted (7-0) to enact Ordinance No. 2015-20, an Ordinance to adopt a Purchasing Card (P-Card) Policy for Elected Officials as required by Georgia Code 36-80-24(C), the complete text of which will be found in Ordinance Book XIII.

ORDINANCE NO. 2015-21, AN ORDINANCE FOR ADOPTION OF THE CITY OF VALDOSTA'S EMPLOYEE PURCHASING CARD (P-CARD) POLICY

Consideration of an Ordinance for adoption of the City of Valdosta's Employee Purchasing Card (P-Card) Policy.

Chuck Dinkins, Finance Director, stated that the proposal to adopt an Ordinance governing the use of Purchasing Cards (P-Cards) by employees of the City of Valdosta was established by the Georgia General Assembly. Based on House Bill 192, there should be a separate Policy for Elected Officials and City employees. The Policy for the City employees will be the same as stated above. The Finance Director, in consultation with the Department Heads, will set the single transactions for each card, credit limits for each card, and will decide who will have access to each card used by City Employees. A new policy has been prepared and it will supersede the City's existing Policy. An Ordinance has been prepared for adoption of this Policy by the Mayor and Council for the use of P-Cards by City of Valdosta employees. Chuck Dinkins recommended that Council approve the Ordinance to adopt a Purchasing Card (P-Card) Policy for City of Valdosta employees.

A MOTION by Councilman Yost, seconded by Councilman Norton, was unanimously adopted (7-0) to enact Ordinance No. 2015-21, an Ordinance to adopt a Purchasing Card (P-Card) Policy for City of Valdosta employees, the complete text of which will be found in Ordinance Book XIII.

RESOLUTION NO. 2015-11, A RESOLUTION AUTHORIZING THE SALE OF A TAX ANTICIPATION NOTE (TAN) TO THE BANK OF AMERICA

Consideration of a Resolution authorizing the sale of a Tax Anticipation Note (TAN) to the Bank of America.

Mark Barber, Assistant City Manager, stated that each year, the City of Valdosta receives the majority of its property tax revenue at the end of the calendar year with substantial receipts occurring in November. Given the significant delay in property tax bills this year, it is likely that the City will not see significant cash inflows until late December which has the potential to pose a liquidity problem for the City. It started off with the Tax Assessor's Office being over-burdened with citizens protesting and asking questions once the original tax notices that were sent out. Once the numbers were sent over to the Tax Commissioner's Office for review, there is a variance that must be met and cannot be exceeded on the difference between what the Tax Assessor's millage is and that of the Tax Commissioner. There was a variance so they went back to look at it and the majority of the variance was because approximately 2,500 citizens had received an incorrect tax notice originally. Those who did not receive notices deserve the right for a 45-day appeal process which will be up October 12, 2015. They will allow a few more days for some mail to come in, begin a billing process, and start the process again with the Tax Commissioner's Office. The problem is that citizens would have already received their tax bill because it is due November 15, 2015. The earliest it will be mailed out now is late October which would put the due date at mid-December or later. Usually for us and many other local governments, from July 1st forward is our lowest cash collection. In October, we do receive an insurance premium tax check from the State of Georgia which is usually a little under \$3 million and then the next few weeks the tax dollars start coming in which gets us back on track with a good cash collection record. We need the Tax Anticipation Note (TAN) as a cushion. Things are out of our control and Staff is recommending the sale of \$3,000,000 to the Bank of America to provide adequate liquidity for day-to-day operations for the next 60-90 days. The TAN will not fund the operations of the City but will be used as a cushion to protect the financial interest of the City. We budgeted \$8,420,000 for ad valorem taxes this year and we are only asking for \$3,000,000 for the TAN. Bank of America has proposed a taxable rate of 1.01% (actual over/360) on a single draw note with principal and interest due December 29, 2015; however, we have worked out 0.98% interest rate. A Resolution for the Tax Anticipation Note (TAN) has been prepared for approval. Mark Barber recommended that Council approve the Resolution authorizing the sale of a Tax Anticipation Note (TAN) to the Bank of America.

Councilman Payton inquired as to how the \$3,000,000 was determined. Mark Barber, Assistant City Manager, stated that it was approximately one-third or 35% of the \$8.42 million.

Councilwoman Tooley inquired as to whether the City has used this type of note before. Mark Barber, Assistant City Manager, stated that he has been with the City since 1988 and they have not done a TAN; however, this is a standard thing for many local governments to do every year in order to cover the low cash flow gap. Councilwoman Tooley inquired as to whether the money would go to the General Fund. Mark Barber stated that the City has a Master Cash Account and the funds will be deposited into that. Councilwoman Tooley inquired as to what it would be used for. Mark Barber stated that a good example would be if we have three pay periods in a month and each one is \$1.5 million. If we have a little gap of cash flow in there he would prefer to use this money rather than touch the little bit of cash reserve that we do have. We increased the millage rate to build up the cash reserve but it is not there yet. Also, if we get an unusually high invoice to pay on a project then we might use the money to pay the invoice. If we were using it for the day-to-day operations, then he would have asked for the maximum amount which is approximately 80% of what the property tax budget would be. Larry Hanson, City Manager, stated that the City is required to pay the expense on GEFA and all Federally-funded projects and then be reimbursed by Federal funds or GEFA so this could become a cash flow issue.

Councilman Wright inquired as to how Bank of America selected. Mark Barber, Assistant City Manager, stated that we bid out our banking services every three years and we added in the last round of Request for Proposals (RFP) that the bank would need to be able to provide a TAN if needed. Councilman Wright inquired as to whether the Community Reinvestment Act (CRA) was part of that selection process. Larry Hanson, City Manager, stated that they would need to review the RFP from three years ago to see; however, he did not think it would have been part of the RFP banking services for the City. Councilman Wright stated that if it was not part of it he would like to encourage the City to look into it. We do not have a lot of banks that invest in the lower income communities so by putting it into the CRA it would encourage the banks to look at lending and doing more business in those areas.

Councilman Yost inquired as to whether we anticipate payment of the property taxes will be slower or later because of the new due date and the Christmas season. Mark Barber, Assistant City Manager, stated that was his fear. The people who have their taxes paid by their mortgage companies will be ready to pay; however, for those

who do not it may create a burden for them. Larry Hanson, City Manager, stated that he did not see how they would be able to mail out the tax bills that soon because October 12th is the deadline and then a couple of more days would be added. The Tax Commissioner will also have to certify the tax digest and then notify the City to set the millage rate. The City has to run an ad for 14 days and then set the millage rate so that the tax bills can be mailed out. Mark Barber stated that this is what the Tax Office was saying but it is not what is really going to happen and that is why we need the cushion.

A MOTION by Councilman Vickers, seconded by Councilwoman Tooley, was unanimously adopted (7-0) to enact Resolution No. 2015-11, a Resolution authorizing the sale of a Tax Anticipation Note (TAN) to the Bank of America, the complete text of which will be found in Resolution Book V.

RESOLUTION NO. 2015-12, A RESOLUTION TO ESTABLISH THE VALDOSTA YOUTH COUNCIL

Consideration of a Resolution to establish the Valdosta Youth Council.

Mayor John Gayle stated that in January, 2015 at the Georgia Municipal Association Mayor's Day, he sat in on some courses and heard about a particular City in the State mention that they had a Youth Council. One of his concerns as Mayor is the youth in our community. He waited until the summer of 2015 and then researched some other cities that have similar programs. We have now come up with a Mission Statement and requirements for membership. The creation of a new Valdosta Youth Council (VYC) is designed to inspire local 7th and 8th grade students to build leadership skills, learn about civic responsibility, gain a better understanding of municipal government, and to prepare these youth for a lifetime of public and community service. In order to participate, students must be enrolled in a public or private middle school located within the Valdosta City Limits and must have a minimum 2.5 grade point average. Educators in these schools will nominate students, and a VYC Advisory Board will select 10-15 students for the 2015 inaugural program. The Advisory Board will consist of the Mayor, a Council Member, a Staff Member from each school, and two City of Valdosta Staff Members (appointed by the Mayor). Councilman Ben Norton has been selected as the Council representative for the Advisory Board. Once selected, the youth must commit to attend the seven scheduled monthly meetings beginning in October, 2015 and running through April, 2016 with one excused absence. They must also complete eight hours of community service during the course of the seven months. The youth will be responsible for their own transportation to and from meetings. They will serve a one-year term and will be able to remain on the Youth Council for the next year if they so desire. These students will operate much like the Valdosta City Council (guided by the Board) and will have an opportunity to grow as leaders and have an impact on our community. They will take an Oath of Office and be officially sworn in at the October 22, 2015 Council Meeting. Officers will be appointed and the President shall serve as the Chief Executive Officer and the Vice President shall preside over meetings in the absence of the President. We need to attract the youth at this stage because they are so impressionable at this age. The deadline to submit applications will be Friday, October 2, 2015. A Resolution to establish the Valdosta Youth Council has been prepared. Mayor Gayle asked Council's consideration in approving the Resolution.

A MOTION by Councilman Carroll, seconded by Councilman Yost, was unanimously adopted (7-0) to enact Resolution No. 2015-12, a Resolution to establish the Valdosta Youth Council, the complete text of which will be found in Resolution Book V.

RESOLUTION NO. 2015-13, A RESOLUTION FOR ISSUANCE OF BONDS FOR THE VALDOSTA CITY SCHOOL SYSTEM

Consideration of a Resolution for issuance of Bonds for the Valdosta City School System.

Larry Hanson, City Manager, stated that the Valdosta Board of Education for the City of Valdosta School System is requesting that the Mayor and Council adopt a Resolution agreeing to levy a direct annual tax sufficient to pay the principal and interest of general obligation bonds in the aggregate principal amount of \$68,425,000 as authorized by an election held for that purpose on March 17, 2015 and pursuant to the Constitution of Georgia. The Valdosta Board of Education intends to build a new Valdosta High School as part of the ESPLOST. The Valdosta Board of Education will pay for the bonds through collected ESPLOST; however, the Georgia Constitution provides that at or before the time of incurring the bonded indebtedness, the City will resolve to levy tax on behalf of the Valdosta Board of Education if ESPLOST funds are insufficient. The City has to commit itself that in the

event the ESPLOST does not generate sufficient funds to retire the \$68,000,000 in principal, the City will raise the School Board's millage rate to such a level as necessary to retire that. A Resolution has been prepared for adoption by the Mayor and Council in order for the Valdosta Board of Education to be able to issue the bonds. Larry Hanson recommended that Council approve the Resolution for issuance of Bonds for the Valdosta City School System.

A **MOTION** by Councilman Vickers, seconded by Councilman Norton, was unanimously adopted (7-0) to enact Resolution No. 2015-13, a Resolution for issuance of Bonds for the Valdosta City School System, the complete text of which will be found in Resolution Book V.

BIDS, CONTRACTS, AGREEMENTS, AND EXPENDITURES

Consideration of bids for repairs at Mathis Auditorium.

Greg Brown, Purchasing Agent, stated that approximately three years ago, an evaluation was performed at Mathis Auditorium to specifically access the fly line area to assure the City was in compliance with the latest standards and laws in this area due to age of the equipment. The evaluation recommended replacement and repairs on the fly line area. This bid will bring the associated equipment up to the current standards as followed by similar entities. A mandatory pre-bid meeting (held over a one-week period) was held on August 17, 2015 in order for vendors to inspect the current system in place and prepare their bids accordingly. They were also provided a copy of the inspection report. Due to the nature of the work, there were two vendors found within the State of Georgia and a few in bordering states. The bid was posted on the City's website as well in the legal organ as required. Custom Stage was the only vendor to attend the pre-bid conference and submit a bid of \$174,300 on September 15, 2015 to repair and replace necessary equipment on the fly line area. Greg Brown recommended that Council approve the bid submitted by Custom Stage in the amount of \$174,300 for repairs at Mathis Auditorium.

A **MOTION** by Councilman Carroll, seconded by Councilman Vickers, was unanimously adopted (7-0) to approve the bid submitted by Custom Stage in the amount of \$174,300 for repairs at Mathis Auditorium.

LOCAL FUNDING AND REQUESTS

Consideration of a request to abandon an easement located in Jo-Ree Springs Subdivision.

Pat Collins, City Engineer, stated that the City was granted a 20-foot drainage easement along the rear boundary line of Lots 7 through 10, Block E, Jo-Ree Springs Subdivision, with the recording of the subdivision plat in March 6, 1967. During this time, easements were obtained on plats at the rear of all lots. The City never utilized this easement. On May 31, 1968, a revision plat was done changing this easement from a 20-foot easement to a 30-foot easement. Mr. William Sirman of Lot 7, Block E of the Jo-Ree Springs Subdivision, has petitioned the City to abandon the easement. He would like to utilize a portion of the easement for the purpose of constructing a garage at the back of his property. The Engineering Department has recommended that the easement across the rear of Lots 7 through 10, Block E, be abandoned and that Mr. Sirman be allowed to use a portion of the easement. Pat Collins recommended that Council approve the request to abandon an easement located in Jo-Ree Springs Subdivision.

A **MOTION** by Councilman Payton, seconded by Councilman Wright, was unanimously adopted (7-0) to approve the request to abandon an easement located in Jo-Ree Springs Subdivision and deed the property to the owner based upon such policy to include the property owner's paying legal fees to acquire deeds.

CITY MANAGER'S REPORT

Larry Hanson, City Manager, stated that we are still advertising for vacancies to serve on various Boards, Commissions, and Authorities and the deadline to apply is October 28, 2015. Appointments will be made at the November 5, 2015 Council Meeting. Citizens are encouraged to apply.

Georgia Power is making good progress on the LED lighting installation. They anticipate that they will be installing approximately 3,900 LED lights by the end of December and they have currently installed approximately 711 lights. They have primarily worked in Councilwoman Tooley's District, some of Councilman Wright's

District, some of Councilman Vickers' District, and they are now entering the Downtown area. The Project is on schedule and everything is going very well.

The Georgia Department of Transportation will be sending out a Press Release announcing that they are awarding a contract for improvements to the intersection at Clay Road, Hollywood, and U. S. 84. This area has been a traffic concern for quite some time and it will be a \$3 million Project. This will be good for our community and the industries in that area.

The Lowndes-Valdosta Arts Commission will be sending an invitation to the Mayor and Council to attend a Dedication Ceremony on October 2, 2015 for the two latest pieces of public art. This will be held in Downtown Valdosta at 5:30 p.m.

We are beginning to see an upstart in economic activity and interest in our community. We are having some interest from national retailers and manufacturing prospects so we are encouraged that this will help our economy.

Larry Hanson stated that he went to Washington, D.C. last week with Parker Greene to attend the Air Force Association Meeting. They had the opportunity to meet with some Air Force leaders regarding Moody Air Force Base and it was a very positive and encouraging trip.

COUNCIL COMMENTS

Mayor Gayle stated that the bids are out for the Martin Luther King, Jr. Drive Project and the letting will be October 22, 2015. This will be Phase II of that Project. There are a lot of people who will be glad to see this coming to fruition. Funds have been held up by the State for some time on this Project. Councilman Vickers inquired as to where the Project would begin. Larry Hanson, City Manager, stated that this will be from Patterson Street to Oak Street. The City's funds have been sitting for three years and it has been the Federal funding that we have been waiting on due to the Transportation Bill not being resolved.

Councilman Carroll thanked Larry Hanson, City Manager, Henry Hicks, Utilities Director, and Parsons Construction for the tour last Friday to view the progress on the new Force Main Project and the Wastewater Treatment Plant. It was very informational and they learned a lot.

Councilman Payton stated that he stopped by Mathis Auditorium to look at the rigging and it was a very informative and productive meeting.

Councilwoman Tooley stated that earlier this week there was a discussion about the ditch area on Troup Street with Larry Hanson, City Manager, and Richard Hardy, Public Works Director. They did inspire hope and some of the citizens started cleaning up the area. Councilwoman Tooley thanked them for their assistance.

Mayor Gayle stated that there were some Leadership Lowndes members in the audience and recognized their attendance. Also, he and the City Manager met today with one of the Georgia Department of Transportation (DOT) representatives and one of the DOT Board Members. It was a very fruitful meeting. We have been promised quite a bit so some of the members on the DOT Board have realized what our needs are and they are doing everything they can to meet those needs.

CITIZENS TO BE HEARD

Ken Klanicki, 2300 North Patterson Street, stated that two weeks ago there was a rezoning request that came before Council and he wanted to commend Council for denying the request. It seems that there has been a long standing trend within the City to approve spot rezoning for many years. He commended Matt Martin, Planning & Zoning Administrator, and Larry Hanson, City Manager, for their roles in bringing this issue to the Council. From various news reports, he learned that they provided insight and guidance to the Council, and the Council members who voted no are to be commended. In his opinion, they showed foresight and they are looking at the long range considerations. Three years ago, there was another rezoning request that came before Council for the southwest corner of Gornto Road and North Oak Street. At that time, Councilman Yost spoke very forcefully to

stop the rezoning. He was trying to prevent the unwarranted encroachment of the rezoning into a long standing and contiguous neighborhood. Councilman Yost was the lone “no” vote. Mr. Klanicki stated that he hoped in the years to come that this Council and future Councils will realize that they are the firewall of poorly considered spot rezoning. Spot rezoning is problematic and this body and future bodies have to consider all the factors.

Calvin Hamilton stated that he has lived in Valdosta for 56 years. He is presently working for the City of Valdosta and he wants to retire. He needs someone to help him with his situation. He went to the Social Security Office but he was not satisfied with what they told him. When he learned of this meeting, he wanted to come before the Council. Mr. Hamilton asked for Council’s assistance with his situation. Mayor Gayle stated that Mr. Hamilton would need to meet with Renassa Small, Human Resources Director. Larry Hanson, City Manager, inquired as to whether his question was regarding the City’s retirement or Social Security. Mr. Hamilton stated that he was inquiring about both. Larry Hanson stated that we could not help him with Social Security but we could meet with him about completing paperwork for retirement from the City.

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 September 24, 2015 Meeting of the Valdosta City Council at 6:23 p.m. to meet again in Regular Session on Thursday, October 8, 2015.

City Clerk, City of Valdosta

Mayor, City of Valdosta