

MINUTES OF THE HOUSTON COUNTY COMMISSION
FEBRUARY 24, 2014

PRESENT: Chairman Mark S. Culver, Commissioner Curtis Harvey, Commissioner Doug Siquefield, Commissioner Jackie Battles, Commissioner Melinda S. McClendon, Gary Sherrer, County Attorney, Barkley Kirkland, County Engineer, and William J. Dempsey, Chief Administrative Officer

ABSENT: None

Chairman Mark S. Culver called the 10:00 A.M. meeting to order, declared a quorum present, and welcomed everyone. Rev. Jonathan Rogers, Pastor, Westgate Baptist Church, gave the invocation. Commissioner Melinda S. McClendon led in the Pledge of Allegiance.

Commissioner Harvey made a motion to approve the minutes of the last meeting. Commissioner McClendon seconded; and the motion carried unanimously.

Announcements and Public Comments from Chairman and Commissioners

Chairman Culver reported Saturday, March 1st, the Wiregrass Museum of Art and the Mural Committee would be hosting the 1st Annual Mural City Art Walk at 10:00 A.M., downtown. He stated there would be many other activities going on and should be fun for all ages. The chairman urged everyone to come out and enjoy the event.

The chairman reported on March 6th, at 6:30 P.M., at the Dothan Civic Center, the Dothan Education Foundation would be hosting Curtis Zimmerman, a noted author and highly sought after speaker/entertainer. He pointed out he also will challenge the audience by juggling and fire eating. He pointed out anyone interested could go online at dothaneducationfoundation.org to obtain tickets, which will benefit the Dothan Education Foundation. The chairman reported the Foundation will use the monies to provide grants for the classrooms.

Chairman Culver reported this past Saturday, the Houston County Pageants were held at the Dothan Opera House. He congratulated the following queens: Future Little Ms. – Brinley Harris, Little Ms. – Maddie Claire McNeil, Young Junior Ms. – Claudia Aplin, Junior Ms. – Jesyka Torres, Teen Ms. – Elle Nichols, and Ms. Houston County – Laura McKenny. Chairman Culver reported the queens would be attending a meeting at a future date, and they would be introduced at that time. He thanked the Houston County Pageants for putting on a top notch event. Chairman Culver reported they do a great job.

Commissioner Siquefield thanked Barkley Kirkland and his Road and Bridge crews for their quick response to cleaning the roads in the Gordon area from the downed trees after the storm Thursday night and early Friday morning. He reported Steve Carlisle and Leigh Adams, EMA, Regional Land and Water Rescue, and Lucy and Ashford Volunteer Fire Departments were also on the scene. Chairman Culver reported the rainstorm that came through created more damage than the ice storm a month ago. He stated you never know and you have to be prepared. He stated the commission appreciated everyone responding to the storm to help protect the citizens of the county.

Regular Agenda

1. Request to adopt Resolution to approve tax abatement and Tax Abatement Agreement for Brownfield site.

Commissioner Sinquefield made a motion to adopt the Resolution to approve the tax abatement and the Tax Abatement Agreement for the Brownfield site, Atlantic and Southern Equipment, LLC.

Commissioner Harvey seconded the motion. Chairman Culver stated Matt Parker, President of the Dothan Area Chamber of Commerce, was present to answer any questions. The chairman reported this is an opportunity for the county to be a small part in creating jobs in the community. He thanked Mr. Parker for bringing it to the commission. Chairman Culver called for the question; and the motion carried unanimously. (Please see in Resolution Book)

2. Request to set County Levies for Alcohol Licensing.

Commissioner Battles made a motion to approve the request to set the County levies for Alcohol Licensing. Commissioner McClendon seconded the motion. Chairman Culver reported this is an annual request that the commission is required to do. He called for the question; and the motion carried unanimously. (Please see attached in Minute Book)

3. Request to concur with Personnel Board in contracting with Johnson Consulting Group for wage and job study.

Commissioner Harvey made a motion to approve the request to concur with the Personnel Board in contracting with Johnson Consulting Group for a wage and job study in the amount of \$16,500.00. Commissioner Sinquefield seconded the motion. The chairman reported although the commission funds the study, it is a Personnel Board decision. He pointed out the commission is collaborating with them to show support to the Personnel Board and the county employees. Chairman Culver called for the question; and the vote was: YEAS: Commissioners Harvey, Sinquefield and Battle. NAYS: None. Commissioner McClendon abstained because of an extended relationship with the consultant. The chairman reported the motion passed.

4. Request to re-approve the preliminary plat for 1st Addition to Miller's Crossing.

Commissioner Harvey made a motion to re-approve the preliminary plat for the 1st Addition to Miller's Crossing. Commissioner Sinquefield seconded the motion. Chairman Culver reported that there may be some comments. He stated they have had some questions about whether this action is what they need to do at this point. Chairman Culver called on Barkley Kirkland to tell the commission why they need to proceed. Mr. Kirkland reported they have met all of the County's Subdivision Regulations and requirements. He stated there was a legal issue before, and he stated he understood from the county attorney that it has been resolved. The engineer then recommended that the request move forward.

Mr. Sherrer stated he had the details if the commission would like to hear them. He reported on July 18, 2012, when this issue first came up, there was a letter from the Town of Cowarts to the Health Department that went to the commission stating that they were unable to guarantee that they would

provide water and sewer to Miller's Subdivision. Mr. Sherrerr stated because of that, the following meeting on July 23, 2012, the commission gave its conditional approval subject to only one item. He pointed out that the Subdivision Regulations require that the commission set forth the condition. The attorney reported a conditional approval was given for the preliminary plat with the relief that they re-file once they could demonstrate that they would specifically have the provision of water and sewer services to the subdivision. He pointed out there was a hearing before Judge Anderson, and he reported that he was subpoenaed and testified on behalf of the commission. He stated after that hearing, there was a letter sent from the attorney for Cowarts stating that "Persuant to Judge Larry Anderson subject to declaratory judgment, a preliminary injunction dated July 25, 2013, the town hereby represents to the Houston County Health Department that it shall without condition provide water and sewer to Miller's Crossing and the First Addition thereto." Mr. Sherrerr reported that the sole condition that was reserved by the Houston County Commission has been met. Chairman Culver stated the commission has already approved the request subject to the condition that has been met. Mr. Sherrerr reported they were to re-submit, and he stated the Commission has to re-approve it based on the condition. Chairman Culver asked if anyone would like to address the commission? There being no one, the Chairman called for the question; and the motion carried unanimously.

5. Request to approve items to be sold on GovDeals.

Commissioner Battles made a motion to approve the items to be sold on GovDeals. Commissioner Sinquefield seconded the motion. Chairman Culver called for the question; and the motion carried unanimously. (Please see attached in Minute Book)

Chairman Culver called everyone's attention to the agenda, regarding recessing the meeting to reconvene Thursday, February 27th, at 9:00 A.M., relating to the commission moving forward with the bond issue. He reported after the Staff Reports, they would discuss it, and he hoped the commission would agree to recess to reconvene February 27th, at 9:00 A.M.

Staff Reports:

Chief Administrative Officer – there was no report

County Engineer – there was no report

County Attorney – there was no report

Chairman Culver asked Barkley Kirkland, Engineer, about the roads that have been recently closed. Mr. Kirkland reported all have been opened except Adkinson Road, which will be closed for a couple of weeks to replace a cross drain.

The chairman reported he had received calls about Nuclear Plant Road and County Road 33 regarding striping. Mr. Kirkland reported they have been delayed on the shoulder work because of the weather, but they could put the center line down. Mr. Kirkland pointed out they were going to contact the contractor to come and do the center line striping. He pointed out the shoulder work would be done when they could.

Chairman Culver reported they had been working for a long time on the projects that the bond issue is requiring them to do. He stated one is the ESCO Project, an energy saving project that the commission saw fit to move forward with. The chairman reported this is the reason the commission is located in the temporary courthouse. He stated the ATRIP projects and the match for some projects that the county has completed and some ongoing, and some to be let will also be included. He stated the total bond issue will be approximately \$8 million, and that they are looking at probably a 20 year issue. The chairman reported it has to be done that way in an effort to get a long term flat rate in order to meet the paybacks. He stated they had been working with bond counsel and they have had communication with local banks, and a request is out to them to see if they want to participate in some manner. He reported either way, it will not impact the commission moving forward Thursday. He stated the meeting Thursday would allow them to watch the market to get the best rates, but it does not mean the bonds would be sold on Thursday. Chairman Culver reported the initial plan was to wait until the next Commission meeting, but because of some things in the market, they think it could be favorable for the commission to move forward on it. He pointed out if they can save the tax payers money, they want to do it. Chairman Culver reported that is the reason for the request to come back and reconvene on Thursday.

Chairman Culver called on Bill Dempsey for comments. Mr. Dempsey reported one part of the process was that the county contact Moody's and Standard and Poor's for a rating. He stated the two week process has been completed, and the rating for Moody's is AA2 and the rating for Standard and Poor's is AA-. Mr. Dempsey reported that both are excellent ratings, and they did not change. Chairman Culver reported the county did a re-finance a year ago, and at that point Moody's was upgraded. He reported the commission is very blessed to have these ratings because it has allowed the county to get buyers for the bonds who feel comfortable. He thanked Mr. Dempsey and his staff for their work putting this together.

Commissioner McClendon made a motion to recess the Commission meeting to reconvene on February 27th, at 9:00 A.M., in the City Commission Chambers. Commissioner Sinquefield seconded the motion; and it carried unanimously. Chairman Culver declared the meeting recessed.

Commissioner Harvey made a motion at 9:00 A.M., February 27th, to reconvene the recessed Commission meeting of February 24th. The motion carried unanimously. All commissioners were in attendance.

Chairman Culver stated this was kind of unusual to work it this way, but the commission wanted to be in a position to do the best they could for the county and its citizens and move forward.

Chairman Culver reported since the commission last met, there had been a couple of closed roads. He asked Mr. Kirkland to give an update. Mr. Kirkland reported that Adkinson Road was closed for crossdrain work. He reported the weather has them held up, and the road would be closed for another 2 weeks. He stated that Zachary road was closed yesterday due to some terraces breaking in a field and flooding the dirt road and causing it to blow into. The engineer pointed out with all of the rain, everything is very wet and they would begin work as soon as it dried up some. He pointed out it would

not take but a day to complete, but the conditions have to be right. He reported they are trying to do the best they can on blading some dirt roads.

1. Request to adopt Resolution Authorizing the Issuance of up to \$8,500,000 Principal Amount of General Obligation Warrants, Series 2014-A.

Commissioner Harvey made a motion to approve the request to adopt the Resolution Authorizing the Issuance of up to \$8,500,000 Principal Amount of General Obligation Warrants, Series 2014-A. Commissioner McClendon seconded the motion.

Chairman Culver reported as previously discussed, there were two purposes in this. He stated one the county's match on some of the ATRIP projects. The chairman pointed out that the commission took the position that they wanted to get as much ATRIP money as they could even if they had to borrow some. He reported ATRIP is a great program and the state would be paying 80% of the project, and the county would be responsible for 20%.

Chairman Culver reported the balance of the issue is to fund the ESCO project. He stated the county was borrowing the money to pay equipment, but the nice thing about it is that the county has a guaranteed savings in utility costs and deferred maintenance that will cover the expense of pay back. He stated the payment is at no cost and the county ends up with new equipment that will last longer, and the lighting and the water changes will last forever resulting in future savings to the county. Chairman Culver reported the commission felt that both projects were positive, and should be done. He pointed out it will not be a burden on the cash flow and particularly since there will be a significant energy savings on the ESCO project.

The chairman called on Bill Dempsey for brief comments. Mr. Dempsey reported the total amount of the bond issue is \$7.6 million, and includes the two major projects. He stated \$2.4 million is ATRIP, which began last summer. He pointed out of the \$2.4 million total, the commission has already spent \$1.9 million out of the General Fund, which was agreed last summer in a Resolution. He reported the ESCO project is \$5.180 million, and of that approximately \$896,000 has been spent. He stated the ESCO project was approved in December, and the county had to put up 10% of the monies, which has been sent. He pointed out at the time the commission did this, a Resolution was passed that allowed the county to repay itself when the bond issue was passed. He pointed out a portion of this would go to repay the county. Mr. Dempsey reported the terms of financing are for 20 years. He stated in order to obtain the best financial rating, they went back through the process of having the credit rating reviewed by both Moody's and Standard & Poor's. Mr. Dempsey reported the county received an AA2 from Moody's and an AA- from Standard & Poor's. He pointed out both of these are excellent ratings and they are the same as the county had a year ago. Mr. Dempsey reported in an effort to put the bond payments into perspective of how much money the county will be spending every year if the commission agrees to add this debt, he went back to 2012. He stated in 2012, the county paid \$3.3 million in bond and interest payments. He stated in 2013, the county paid \$3.3 million, and in 2014, it is \$3.2 million, and in 2015, it will be \$3.5 million, and in 2016, it will be \$3.4 million. He reported in 2017, the county will pay \$3.4 million, and it will drop from there. Mr. Dempsey reported relatively speaking,

it is not a major impact to the county's budget. He reported even with the numbers he gave, the county has a guarantee number on the ESCO portion. He stated the total cost for principal and interest for ESCO over the 20 years is \$7.7 million. He reported the projected savings in utilities and deferred cost will be \$8 million. Mr. Dempsey reported even though the county is making their payments they expect to save this amount with the guarantee from Trane.

Chairman Culver reported Mr. Reid Cavnar and Mr. Ken Funderburk, Merchant Capital, were present, and he called on Mr. Cavnar for comments. Mr. Cavnar thanked the commission for allowing them to be present. He reported he had worked with the Commission for a number of years, and he appreciated the opportunity very much. He reported the county had the two most renowned rating agencies in the country that rate municipal debt. He pointed out assigning an AA category is a big deal. Mr. Cavnar reported there were a lot of counties in the state that would love to have 1 AA rating much less two AA ratings. He reported Chairman Culver and Mr. Dempsey had done a great job running the county. He pointed out that the analysts have been most impressed with the county's response, and felt the county has been run very well. Mr. Cavnar reported the authorizing Resolution authorizes the whole transaction, and it has parameters included on the interest rate, etc. He pointed out that he and Mr. Funderburk will stay in close contact with Mr. Dempsey and Chairman Culver. Mr. Cavnar reported that the market has been volatile lately, but right now is pretty good with rates having come back down. He stated it is a good time to lock in and they will monitor the market. He reported they would lock in the rate for 20 years. Mr. Cavnar stated as previously mentioned, the county is also structuring this so that the principal will begin being paid after a lot of the principal on the jail rolls off. He stated it is a really good structure that will help the county's cash flow. He reported the county's rate will be less than 3.5% for 20 years. He stated they would keep watching the market and hope to have a good sale. Mr. Cavnar reported everything was looking really good.

Chairman Culver reported the commission appreciated Mr. Cavnar and Mr. Funderburk coming down and all the work they have done both in the past and ongoing. The chairman stated he appreciated the kind words about the call, but Mr. Dempsey did all the work and put it together.

Chairman Culver asked if there were any questions from the commission for Mr. Cavnar, Mr. Dempsey, or Mr. Gary Sherrer? Chairman Culver reported the agenda stated the bond issue would be up to \$8.5 million, and the county is only doing \$7.6, and he asked Mr. Dempsey to explain. Mr. Dempsey reported originally the county was not sure exactly how much the project was going to be at that time for ESCO and the ATRIP projects plus any closings costs the county would have. He reported they settled on an \$8.5 million cap but he pointed out there would be no penalty. Mr. Cavnar reported they would go out with the exact amount money needed, and not the \$8.5 million. Mr. Cavnar thanked the commission again for allowing their firm to work with them. Chairman Culver asked if there were any other questions or comments? There being none, he then called for the question on the motion; and it carried unanimously. (Please see in Resolution Book)

Adjourn.

Commissioner Harvey made a motion to adjourn. Commissioner McClendon seconded the motion; and it carried unanimously.