WORK SESSION
Pelham Police & Court Building
September 14, 2020 – 4:00 p.m.

MINUTES

Proper notice of the regularly scheduled work session of the Pelham City Council was given in advance of such public meeting and the notice remained posted throughout the scheduled meeting.

Members of the Pelham City Council met September 14, 2020 at 4:00 p.m. The regular work session was held in the Pelham Police & Court Building and was open to the public.

Call to Order

The work session was called to order by Council President Hayes at 4:00 p.m.

Record of Attendance

The following elected officials were present:

Council President Rick Hayes
Councilmember Ron Scott
Councilmember Beth McMillan
Councilmember Maurice Mercer
Councilmember Mildred Lanier
Mayor Gary Waters

Media Present: None
Others Present: City Manager, city department heads, city employees, and members of the public.

Approval of Minutes

A motion was made by Councilmember Lanier to approve the August 17, 2020 Regular Council Work Session Minutes. The motion was seconded by Councilmember Mercer and passed by unanimous voice vote of those members present.

Old Business

1. Discussion – Refunding Warrant Series 2014 and 2015 / Proposed SRF Financing

Council President Hayes introduced Bond Counsel Rod Kanter and highlighted the possible refunding of Warrants 2014 and 2015 and the water and sewer capital improvements through the State Revolving Fund. Mr. Kanter stated the potential debt service savings for the city is approximately $2,500,000. If the current debt was refinanced by the Pelham Board of Education (BOE) the savings would be roughly $400,000 to $500,000 less. He further stated the bond market is familiar with the city, but not the BOE. Mr. Kanter said if the BOE refinanced the debt approximately 40% would likely remain on the city's books. He said a city refunding would require a review and updating of the current Memorandum of Understanding (MOU) between the city and the BOE. Council President Hayes reviewed his past discussions with the BOE regarding the debt refunding and the one cent sales tax. Council President Hayes said approval of the resolution allows the bond underwriter to explore several options with regard to the refunding and additional financing. Mr. Kanter stated approval of Resolution 2020-09-14-01 would allow Protective Securities to act as the underwriter for the city. He mentioned several cities in our area who administer their education sales tax in the same manner as Pelham. Mr. Kanter explained the one cent sales tax structure and the benefit to both the city and BOE, allowing both to work in harmony.

Councilmember Lanier asked how a BOE refinance would improve the city's books. Mr. Kanter said in order for the BOE to take the debt off the city's books there would still be the need for an ironclad agreement where the city pledges the one cent to the BOE's debt. He said in his opinion it would be a "wash" on the city's books. Accounting Manager Jenny Gray agreed. Pelham City Schools Superintendent Dr. Scott Coefield said the BOE would be excited to look at either option, a city refunding or a BOE refinancing, but would like to consider refinancing this debt itself. He further noted the city council appoints the members of the BOE providing fiduciary responsibility to the schools. Dr. Coefield stated the BOE would like control of the entire one cent. Councilmember Lanier asked if the BOE would take all the debt if they received the one cent. Dr. Coefield stated the BOE would take on the debt which had refinancing advantages.

<u>New Business</u>

1. Presentation of FY2019 financial statements by Zach Clifton, BMSS, LLC, Certified Public Accountants

Mr. Clifton addressed the city council and presented the city's FY2019 financial statements. He noted there were no new policies which would have affected the city's financial position. He thanked the city staff for their prompt response time and overall helpfulness during the audit. He said the audit team did not encounter any issues with the audit. He stated the city received BMSS's highest audit rating, an unqualified opinion. Mr. Clifton continued to review highlights of the FY2019 financial statements. Council President Hayes stated consideration to accept the FY2019 audit would be on the September 21, 2020 city council agenda.

2. FY2021 Proposed City Budget Presentation

City Manager DiFante introduced members of the budget and accounting staff. She gave a brief overview of the budgeting process and expectations by the city council of the staff. She said the budget book is a tool to educate the public where the money comes from and where is goes. City Manager DiFante continued with an analysis of budget priorities, revenues and expenses.

Lt. Joey Pitts reviewed the current retiree healthcare premiums and provided the city council with several scenarios, including their recommended removing the cap with a 60/40 split on the insurance premium with the city paying 60%. Council President Hayes asked if they are recommending the 60/40 split for all retirees versus the current tiered levels based on years of service or the alternatives that have been discussed for the future. Lt. Pitts confirmed that they are recommending a consistent 60/40 split regardless of years of service.

City Manager DiFante noted the savings from outsourcing the garage operations and brush truck processes over the past fiscal year. She and Accounting Manager Jenny Gray presented and reviewed the proposed FY2021 departmental, enterprise, capital projects and debt service budgets for city council consideration. City Manager DiFante concluded by asking the city council to email any questions they may have to her and Accounting Manager Gray.

Council President Hayes noted the tremendous amount of budget data for the city council to review and pointed out that this was the first time the city council had city the administration's recommendations. He asked for city council comments regarding moving forward with the budget. Based on feedback from the council, Council President Hayes suggested reviewing questions and potential changes on September 21, with the goal of approving the budget by October 5, 2020. A question was asked about the Highway 31/33 connector road and its inclusion in the FY2021 capital projects budged. Councilmember McMillan noted an earlier request to update the cost estimates for the road. Director of Development Services & Public Works Andre` Bittas and Chris Cousins, Municipal Consultants, Inc., stated there was no sufficient changes in the cost estimates for the road. Council President Hayes noted the significant decrease in the cost of asphalt and asked if the estimated cost remained unchanged because most of the expense was in the dirt work. Mr. Cousins confirmed that this was the reason.

There was discussion regarding retiree healthcare insurance and the need for additional actuarial valuation scenarios. Lt. Pitts stated he would provide the city council with further information for their review. Council President Hayes asked that the previous valuations be sent to the city council for further review and consideration of additional valuations.

3. CDA Interview Planning

Council President Hayes asked City Clerk/Treasurer Tom Seale to reach out to the CDA candidates regarding their availability. Mr. Seale stated he had contacted the candidates earlier in the day. He further stated one individual would be out of town and unavailable on September 21st. Councilmember Mercer said it was his desire to interview all the candidates on the same night. Councilmember Lanier agreed.

<u>Review of Council Agenda</u>

Council President Hayes reviewed the September 14, 2020 city council agenda.

F. Public Hearing – None

G. Mayor's Comments

H. Proclamations by the Mayor

   1. Proclaiming September 2020 as Childhood Cancer Awareness Month in the City of Pelham

   2. Proclaiming September 28, 2020 as Family Day and the week of September 27th through October 3, 2020 as Family Week in the City of Pelham

I. Report of the City Manager

J. Request(s) to Address the Council

   Aiden Heape, Eagle Scout candidate, regarding the Coker Park Fitness Station Eagle Scout Project

K. Old Business / Resolutions / Ordinances / Orders and Other Business

1. **Ordinance No. 498** for consideration to annex into the corporate limits of the City of Pelham 35.867 acres of real property owned by Syed Q. Hussaini and Robin L. Hussaini, located along Highway 332, Pelham, AL 35124 (First Reading was on July 20, 2020)

Council President Hayes stated the first reading of Ordinance No. 498 was on July 20, 2020. Councilmember Scott stated the Ordinance addresses only annexation, and no other city obligations. He stated his support in adopting the Ordinance.

L. New Business / Resolutions / Ordinances / Orders and Other Business

1. **Resolution 2020-09-14-01** for consideration to engage the services of an underwriter respecting the potential refinancing of certain City indebtedness

There were no additional comments from the city council.

2. **Resolution 2020-09-14-02** for consideration to approve Change Order No. 1 reducing the cost for the Wastewater Treatment Plant Brush Rotor Replacement Project

Chris Cousins, Municipal Consultants, Inc., stated he had no concerns with the approval of Resolution 2020-09-14-02.

3. **Resolution 2020-09-14-03** for consideration to declare certain personal property (vehicles) of the City of Pelham, which are no longer needed for public or municipal purposes, as surplus

There were no comments from the city council.

4. **Resolution 2020-09-14-04** for consideration to approve a request by T-Mobile for modifications of equipment on the existing communications facility located at 198 Parkview Drive

David Aymett, Center for Municipal Solutions (CMS), the city's telecommunications consultants, addressed the city council. Mr. Aymett said T-Mobile has made application to modify their equipment on the existing tower located at 198 Parkview Drive. He said the existing tower is a 146' monopole tower and T-Mobile is currently providing service from this facility at a height of 125 feet. T-Mobile currently has nine (9) antennas mounted on the tower and thirteen (13) feedlines mounted inside the monopoles shaft. He said T-Mobile proposes to remove six (6) existing antennas from the tower and replace them with six (6) new antennas. The thirteen (13) feedlines will remain. Mr. Aymett said the antenna count would not change and this is not a substantial modification as defined by the FCC and should not have a negative effect on the aesthetics of the facility. He stated CMS recommends approving the Special Use Permit.

5. **Resolution 2020-09-14-05** for consideration of an ABC License request for a 020 Restaurant Retail Liquor license for applicant Komo Co., LLC operating under the trade name Delta Blues Hot Tamales located at 3569 Pelham Parkway, Suites 1 and 2, Pelham, Alabama 35124

Councilmember Scott spoke in favor of approving the ABC license request. He further stated the owners of Delta Blues Hot Tamales would be the trainers of their employees in the Responsible Vendor Program.

6. **Resolution 2020-09-14-06** for consideration to affirm the Mayor's reappointment of Claude Peacock to the Pelham Planning & Zoning Commission

Councilmember Lanier asked Mayor Waters if reappointing Mr. Peacock was a concern due to his attendance issues in the past. Mayor Waters said no.

7. **Resolution 2020-09-14-07** for consideration to affirm the Mayor's appointment of Paul Howell to fill an unexpired term on the Pelham Planning & Zoning Commission

Councilmember Lanier inquired about Mr. Howell's qualifications. Mayor Waters stated Mr. Howell's qualifications are well known. He said Mr. Howell just ran for public office and was a charter member of the Pelham Board of Education. Mayor Waters further stated he thinks highly of Mr. Howell and he will do a good job. Councilmember Lanier said she respects the Mayor's appointment, but has concerns about his qualifications for the position.

8. **Resolution 2020-09-14-08** for consideration to approve Change Order No. 1 reducing the cost for the Huntley Parkway Improvements Project

City Engineer Chris Nicholson stated there was a change in the quantities necessary in completing the project. He stated having no concerns with the approval of Resolution 2020-09-14-08.

9. **Resolution 2020-09-14-09** for consideration to approve Change Order No. 1 increasing the cost of the site work for the new Fire Station No. 3

City Engineer Chris Nicholson said the additional cost was necessary to stabilize the site prior to construction.

10. **Resolution 2020-09-14-10** for consideration to authorize an agreement between the City of Pelham and Prime Disaster Specialists, LLC for mold removal and remediation at the Wastewater Treatment Plant

Director of Development Services & Public Works Andre` Bittas introduced Wesley Wade, the city's new Manager of Building Maintenance. He stated Mr. Wade has made site visits to all the city's facilities. He noted Mr. Wade discovered mold at the Sewer Operations Building and immediately removed staff from the facility. Plans are in the works to remediate the building and replace ceilings and drywall. Mr. Bittas said the project will be quite expensive. He said every time we work a project we attempt to improve efficiency and reduce costs.

11. **Resolution 2020-09-14-11** for consideration to accept the lowest responsible bid from Mitchell Contracting, Inc. for the Sanitary Sewer Rehabilitation Project – Phase II-A

Director of Development Services & Public Works Andre` Bittas and Chris Cousins, Municipal Consultants, Inc., stated they recommended approval of Resolution 2020-09-14-11.

12. **Resolution 2020-09-14-12** for consideration to accept the lowest responsible quote for the installation of new HVAC units at the Wastewater Treatment Plant Operations Buildings

Director of Development Services & Public Works Andre` Bittas said he recommended approval of Resolution 2020-09-14-12.

13. **Resolution 2020-09-14-13** for consideration to apply for reimbursement for COVID-19 expenditures through the CARES Act – Request No. 2

City Manager DiFante stated the reimbursement request is in the amount of $1,059,007.77, which exhausts the city's approved CARES Act funding. She further stated the sole purpose is for the reimbursement of Fire and EMS salaries from March 21, 2020 through May 31, 2020 during which time

Fire and EMS personnel were substantially dedicated to mitigating and responding to COVID-19 related situations.

(End of September 14, 2020 Agenda Review)

Adjournment

A motion to adjourn the work session was made by Councilmember Lanier and seconded by Councilmember Mercer. The motion passed unanimously by voice vote of those members present, and the work session was adjourned at 7:06 p.m.

Respectfully submitted this 14th day of September 2020,

Tom Seale, MMC, City Clerk/Treasurer

Rick Hayes, Council President

[SEAL]