

City Hall
Fayette, Alabama
November 11, 2014

A regular meeting of the City Council of the City of Fayette met at 5:00 o'clock, p.m. on November 11, 2014, in the Council Chambers of the City Hall.

Upon roll call the following were found to be present: Mayor Ray Nelson, Council members Linda McCraw, Mike Hardin, Jason Cowart, Cedric Wilson and David Brand. Also present were City Clerk Dawn Clapp, City Attorney Dale Lawrence, Police Chief Danny Jenkins, Fire Chief Tony Ellis and City Engineer Dewayne Roby.

The opening prayer was given by Mayor Ray Nelson.

Mayor Nelson announced that a quorum was present and that the meeting was open for the transaction of business.

APPROVAL OF MINUTES

Councilmember McCraw moved that the minutes of the regular meeting held on October 28, 2014, be approved. Upon the motion being seconded by Councilmember Brand, the same was unanimously approved.

FAYETTE AQUATIC CENTER

Mayor Nelson stated in 2011, Counsilman-Hunsaker performed a feasibility study on constructing an Aquatic Center in Fayette. He said he recently provided them with the information on the 2013 and 2014 Aquatic Center seasons so they could comment on how Fayette's Aquatic Center compares to others.

Mayor Nelson read to the Council the response he received from Mr. Kevin Post of Counsilman-Hunsaker. Mr. Post's response was as follows:

“ . . . I've reviewed your numbers and they are all in-line with what we would expect, and in some cases they exceed expectations.

We recently completed a survey of a variety of pools from around the county and determined how people typically spend their budget. We found that between 50-60% of the cost for outdoor pool is labor. Your costs for 2012/13 and 2013/14 were 53%/47% respectfully, indicating average for the first year and above average for controlling costs on the second. Other areas of cost include chemicals, utilities, and maintenance/supplies. These all typically fall in the 8-12% range, your costs for the past two years fall fairly close to this range with chemicals being around 8% for both years and utilizes in the 6-12% range. So as I reviewed your expenses, everything seems to be in line with what we would expect.

Regarding the revenue, I looked at a couple things. First, I looked at how the money is coming in. Most of the spending happens at the gate (i.e. entry fees), with about 25% coming from concessions. This is very good. We like to see commercial waterparks at this level, while most communities are only able to get about 10% at the concessions.

Also, I compared the total revenue to the total expenses. Most community pools of this size are able to see a 90-95% cost recovery, you were at 150% two years ago and 115% last year. It's also important to note that last year's cost recover include a note payment for the river which accounted for 12%. Most community pools are not able to cover enough costs to pay for additions/expansions, yet alone make a profit on top of that.

In summary, your pool is performing incredibly well and out performs most community pools of its type. I would not recommend changing your operating structure.”

Mayor Nelson reported in 2013, the Aquatic Center operated for 84 days and had a net income of \$113,437.64. He stated there were 29,061 paid admissions for the 2013 season and the

Aquatic Center averaged 346 people per day. Also, in 2013, the Aquatic Center had approximately 150 private parties.

In 2014, the Aquatic Center operated for 82 days and had a net income of \$61,987.56. He stated there were 25,643 paid admissions for 2014 season and the Aquatic Center averaged 313 people per day. Also, in 2014, the Aquatic Center had 148 private parties and 342 season passes were sold.

Mayor Nelson presented a payroll comparison of the 2013 season and 2014 season. The total wages and salaries in 2013 were \$137,554.14 and the total wages and salaries in 2014 were 179,716.19. He stated the Aquatic Center has over \$25,000.00 in its bank account.

Mr. Rick McCabe stated the confusion about a \$52,000.00 deficit comes from the fact that in the current budget the bond payment for construction of the Aquatic Center has been placed in the Aquatic Center budget. Mr. McCabe said when the bond issue was done, the assumption was the Aquatic Center bond payments would be paid from the City's general fund. He said when all the expenses including the bond payment are subtracted from the revenues then this causes the Aquatic Center budget to show a deficit of \$52,000.00 even though the Aquatic Center is not losing money.

Councilmember Cowart stated that the citizens are paying the bond payment through their sewage bill and that the bond payments would be made regardless of the long term future of the Aquatic Center.

Councilmember Cowart stated the lazy river loan payment is listed in the Aquatic Center's profit and loss statement but what is listed only reflects four months of payments. He stated if twelve months of payments were included it would result in the Aquatic Center being \$35,792.00 over budget.

Mr. Rick McCabe stated the Aquatic Center's profit and loss statement did not include the donations totaling \$45,000.00 made by local entities. Mayor Nelson stated there were \$70,000.00 in donations not reflected in the profit and loss statement.

Councilmember Hardin said he was satisfied that the Aquatic Center's revenue was good and the expenses were reasonable. He was very pleased with the operation of the Aquatic Center but did express concern about the number of supervisors.

Councilmember McCraw said the Aquatic Center has been great for the City.

PROPOSED AIRPORT PROJECT

Mr. Heath Reed informed the Council that the City could preapply for a grant for resurfacing the airport runway. He said the City could receive up to a \$1.5 million grant with the City providing matching funds of \$75,000.00. Mr. Reed stated the pre-application does not commit the City to the project. He said the City would find out in February the amount of grant funds available for the project.

RESOLUTION 2014-18

Mayor Nelson presented Resolution 2014-18 to the Council for their consideration. Resolution 2014-18 is as follows:

RESOLUTION 2014-18
RESOLUTION AUTHORIZING THE CITY OF FAYETTE TO ENTER
INTO AN AIRPORT IMPROVEMENT FUNDING AGREEMENT
WITH THE STATE OF ALABAMA

WHEREAS, the City of Fayette intends to apply for state and federal matching funds for an airport improvement project for the Richard Arthur Field Airport during fiscal year 2015.

THEREFORE BE IT RESOLVED, by the City of Fayette as follows:

1. That the City of Fayette is authorized to make an application for airport improvement funding assistance from the State of Alabama Department of Transportation and the Federal Aviation Administration, for the purpose of undertaking a project in fiscal year 2015 to make improvements at the Richard Arthur Field Airport.
2. That the application be submitted for and on behalf of the City of Fayette by its Mayor who is authorized by this resolution to sign the application and any related forms or documents on behalf of the City.
3. That the City of Fayette is authorized to enter into an airport improvement funding agreement with the State of Alabama, acting by and through the Alabama Department of Transportation, and the Federal Aviation Administration, for the purpose of undertaking a project to make improvements at the Richard Arthur Field Airport, with partial funding provided by the State of Alabama and the Federal Aviation Administration.
4. That the agreement be executed in the name of the City of Fayette for and on behalf of the City of Fayette by its Mayor.
5. That the authority of the City of Fayette to enter into contracts with the State of Alabama and the Federal Aviation Administration has been reviewed by the City's attorney, and in his/her opinion, the City of Fayette is duly authorized to commit the City of Fayette to an agreement with the Alabama Department of Transportation and Federal Aviation Administration.

BE IT FURTHER RESOLVED, that the City of Fayette hereby affirms that the local matching share of funds in the amount required for this airport improvement project has been officially approved, placed into the budget of the airport and is available for expenditure upon execution of the Federal Aviation Administration's and the State of Alabama's funding agreements and the start of the project.

READ AND ADOPTED this the _____ day of November, 2014.

Mayor Ray Nelson

ATTEST:

City Clerk Dawn Clapp

After a general discussion, Councilmember Cowart moved that the Council adopt Ordinance 2014-18. Upon the motion being seconded by Councilmember Wilson, the same was unanimously approved.

POLICE DEPARTMENT REPORT

Police Chief Danny Jenkins presented the police report for the month of October: 39 incidents investigated; 11 accidents; 76 traffic citations; and 37 arrests.

Chief Jenkins stated the Council budgeted for the purchase of two patrol cars this fiscal year. He said he had hoped the purchases could wait until the first of the year. He reported the old police cars were having problems and felt the new cars should be purchased now.

Chief Jenkins reported that the state bid price for each vehicle was \$25,438.00. He estimated the cost for the two cars fully equipped would be \$60,000.00.

[Councilmember McCraw was excused from the meeting at this point.]

Councilmember Cowart moved that the City buy two police cars off the state bid list for \$25,438.00 each with the purchase price being financed through a lease purchase agreement with BanCorp South. Upon the motion being seconded by Councilmember Brand, the same was unanimously approved.

FIRE DEPARTMENT REPORT

Fire Chief Tony Ellis presented the fire report for the month of October. The Fire Department received 27 fire calls.

Chief Ellis stated FEMA grant applications were being taken through November 25, 2014. He stated he would like to apply for a 3,000 gallon tanker truck. He asked the Council to allow him to apply for this grant. The cost of the tanker truck is \$350,000.00 and the City's match would be \$16,500.00.

Chief Ellis stated he would also like to apply for other equipment such as air packs, fans and gas monitors, and other equipment totaling \$62,000.00 with the City's match being \$3,100.00.

Councilmember Cowart moved that Fire Chief Tony Ellis be authorized to apply for FEMA grants to purchase the tanker truck and fire equipment. Upon the motion being seconded by Councilmember Hardin, the same was unanimously approved.

FAYETTE HOUSING AUTHORITY

Mayor Nelson reported he had reappointed Mr. David Logan to the Fayette Housing Authority Board for a five year term beginning January 14, 2015.

Mayor Nelson stated he had appointed Mr. John Cross to fill the vacancy created by the untimely passing of Ms. Reniece Bellamy.

APPROVAL OF FINANCIAL STATEMENT

Councilmember Brand moved that the City's financial statement be approved. Upon the motion being seconded by Councilmember Cowart, the same was unanimously approved.

APPROVAL OF PARK & RECREATION FINANCIAL STATEMENT

Councilmember Wilson moved that the Park & Recreation financial statement be approved. Upon the motion being seconded by Councilmember Cowart, the same was unanimously approved.

REPORT OF CITY CLERK

City Clerk Dawn Clapp reported for the month of October, the City received \$193,145.00 in sales tax and \$8,349.00 in alcohol taxes. Sales taxes for this time last year were \$187,312.00 and alcohol taxes were \$9,500.00.

ADJOURNMENT

There being no further business to come before the Council, upon the motion to adjourn being made by Councilmember Wilson and seconded by Councilmember Cowart, the same was unanimously approved.

Mayor

Attest:

City Clerk