

Work Session
 City Hall
 Fayette, Alabama
 September 21, 2017

The City Council of the City of Fayette held a work session at 5:00 o'clock, p.m. on September 21, 2017, in the Council Chambers of the City Hall.

Upon roll call the following were found to be present: Mayor Ray Nelson, Councilmembers Linda McCraw, Eddy Campbell, Jason Cowart, Cedric Wilson and Jerry Nichols. Also present were City Attorney Dale Lawrence, City Clerk Dawn Clapp, and City Engineer Dewayne Roby.

The opening prayer was given by Mayor Ray Nelson.

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

GUEST APPEARING BEFORE COUNCIL

1. CATHY ROBERTSON

Mrs. Cathy Robertson, Chairman of Fayette Area County Development Corporation, appeared before the Council concerning the "Rails to Trails" project. She said she hoped the acquisition phase of the project would start soon. She said they would like to see the trail extended to the river.

2. GREG HILL

Mr. Greg Hill appeared before the Council concerning the proposed disc golf course at Guthrie Smith Park. Mr. Hill said the project cost might cost less than the original estimated cost of \$10,000.00. He said it probably could be done for \$9,000 and would take one month to construct.

GRANTS

Mr. Terry Acuff updated the City on its grant projects and the required matching funds. He reviewed the following with the Council:

FAYETTE CDBG AND TAP PROJECTS

2015 SEWER REHAB PROJECT

<u>FUNDING SOURCES</u>	<u>AMOUNT</u>	
CDBG GRANT	\$450,000.00	
ARC GRANT	\$200,000.00	
LOCAL FUNDS	<u>\$676,100.00</u>	(\$400,000 in EPA being provided by County for City doing Industrial Park Expansion)
Total Budget Funds	\$1,326,100.00	

<u>SUMMARY</u>	<u>Budget Amount</u>	<u>Base Bid Amount</u>	<u>Add Alternate #1</u>	<u>Add Alternate #2</u>	<u>Total Bid</u>
CONSTRUCTION	\$1,147,800.00	\$1,489,493.00	\$79,367.00	\$136,546.50	\$1,705,406.50
ENGINEERING	\$118,300.00	\$118,300.00	\$0.00	\$0.00	\$118,300.00
ADMINISTRATION	<u>\$60,000.00</u>	<u>\$60,000.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$60,000.00</u>
TOTAL	\$1,326,100.00	\$1,667,793.00	\$79,367.00	\$136,546.50	\$1,883,706.50

<u>FUNDING AFTER BID</u>	<u>AMOUNT</u>	<u>Base Bid</u>	<u>Add #1</u>	<u>Add #2</u>
CDBG GRANT	\$450,000.00	\$450,000.00	\$450,000.00	\$450,000.00
ARC GRANT	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00
LOCAL FUNDS	<u>\$676,100.00</u>	<u>\$1,017,793.00</u>	<u>\$1,097,160.00</u>	<u>\$1,233,706.50</u>
Total Budget Funds	\$1,326,100.00	\$1,667,793.00	\$1,747,160.00	\$1,883,706.50

2015 TAP DOWNTOWN SIDEWALK PROJECT

<u>FUNDING SOURCES</u>	<u>AMOUNT</u>	
TAP Grant	\$400,000.00	<u>Projected Match Amount</u>
LOCAL FUNDS	\$115,000.00	\$330,200.00
Total Budget Funds	\$515,000.00	

<u>SUMMARY</u>	<u>Budget Amount</u>	<u>Base Bid Amount</u>	<u>Add Alternate #1</u>
CONSTRUCTION	\$434,800.00	\$726,503.50	\$23,000.00
CEI	\$65,200.00	\$65,200.00	\$0.00
ADMINISTRATION	\$15,000.00	\$15,000.00	\$0.00
TOTAL	\$515,000.00	\$806,703.50	\$23,000.00

<u>Funding after Bid</u>	<u>AMOUNT</u>	<u>Base Bid</u>	<u>Add #1</u>	
TAP GRANT	\$400,000.00	\$400,000.00	\$400,000.00	<u>Final Local Match Amount</u>
LOCAL FUNDS	\$115,000.00	\$406,703.50	\$429,703.50	\$406,703.50
Total Budget Funds	\$515,000.00	\$806,703.50	\$829,703.50	

<u>Revised Match Totals</u>	<u>BASE BID</u>	<u>Add #1</u>	<u>Add #2</u>
Sewer Rehabilitation	\$1,007,793.00	\$1,097,160.00	\$1,223,706.50
TAP PROJECT	\$406,703.50	\$429,703.50	\$429,703.50
REVISED MATCH	\$1,414,496.50	\$1,526,863.50	\$1,653,410.00

LOCAL MATCH FUNDING SUMMARY

	<u>AMOUNT COMMITTED</u>	<u>REQUIRED MATCH BASE BID</u>	<u>REQUIRED MATCH ALT #1</u>	<u>REQUIRED MATCH ALT #2</u>
Sewer Project	\$676,100.00 *	\$1,017,793.00	\$1,097,160.00	\$1,233,706.50
TAP Project	\$115,000.00	\$406,703.50	\$429,703.50	\$429,703.50
Total Match	\$791,100.00	\$1,424,496.50	\$1,526,863.50	\$1,663,410.00
	Additional Funds	\$633,396.50	\$735,763.50	\$791,100.00

*\$400,000 in EPA being provided by County for City doing Industrial Park Sewer Expansion Project.

TOTAL GRANT FUNDING

SEWER PROJECT	\$650,000.00
TAP PROJECT	\$400,000.00
TOTAL	\$1,050,000.00

3rd AVENUE NEIGHBORHOOD SANITARY SEWER IMPROVEMENTS

Mr. Terry Acuff reported that the bids on the 3rd Avenue Neighborhood Sewer Project were opened in August and they came in significantly higher than budgeted. The bids were as followed:

<u>Contractor</u>	<u>Bid</u>	<u>Alt. No. 1</u>	<u>Alt. No. 2</u>	<u>Total</u>
Cornerstone Civil Contractors, LLC	\$1,689,682.15	\$61,385.70	\$103,869.42	\$1,854,937.27
Perma Corporation	\$1,845,982.30	\$47,900.95	\$99,533.90	\$1,993,417.15
Double Diamond Construction Co., Inc.	No Bid			
REV Construction, Inc.	\$1,489,493.00	\$79,367.00	\$136,546.50	\$1,705,406.50
Robinson and Sons Construction Services, Inc.	\$1,940,408.00	\$126,503.00	\$222,626.50	\$2,289,537.50

Mr. Acuff stated the low bid by REV Construction, Inc., was about \$400,000 more than estimated. The project area is from 5th Street NE north to 10th Street NE. The low bid for the base bid (\$1,489,493.00) plus add alternate #1 (\$79,367) and add alternate #2 (\$136,546.50) totaled \$1,705,406.50. He stated when the engineering (\$118,300.00) and administration (\$60,000.00) cost were added to the bid amount the cost of the project would total \$1,883,706.50.

Mr. Acuff said, after taking into account the grants the City is receiving for the sewer project, the amount the City would have to pay towards the project would be \$1,233,706.50.

2015 TAP GRANT PROJECT

Mr. Acuff reported that the bids on the 2015 TAP Grant project were opened and they came in significantly higher than budgeted. The bids were as followed:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add. Alt. No. 1</u>	<u>Total</u>
Ballard Builders	\$726,503.50	\$23,000.00	\$749,503.50
Bulls Construction Group, LLC	No Bid		
Triple J. Construction, LLC	\$825,307.00	No Bid	\$825,307.00
Cornerstone Civil Contractors, LLC	No Bid		
Gillespie Construction, LLC	\$1,108,065.00	\$25,000.00	\$1,133,065.00
Tree Farm, LLC	\$771,190.95	\$14,000.00	\$785,190.95

Mr. Acuff stated the City had three options the TAP Grant project: (1) reduce the scope of the project; (2) return the grant money and reapply in order to get a larger grant; or, (3) go forward with the project.

Mr. Rick McCabe stated the 1.2 million for the Sewer Project had been budgeted and would be paid through the budget. The Airport project is also included in the budget. He said the \$406,000.00 match for the TAP Grant project is not in the budget. Mr. McCabe said the City would either have to borrow the money or use the City's reserves to pay for it.

The Council discussed whether to move forward with the TAP Grant project or not. The consensus was to do the project but the main discussion centered on whether to go forward with the project now or postpone it until later.

REVIEW OF BUDGET

Mr. Rick McCabe reviewed with the Council the proposed budget for 2018 fiscal year. He stated the following were the key assumptions and significant changes concerning the proposed budget:

- The Budget includes \$185,000 per month in sales tax. Average monthly collections to date are \$221,000. The Budget includes an additional line item for the ½ cent sales tax increase dedicated to the Fayette Hospital Board of \$400,000 with an appropriation line item of \$400,000.
- The Budget includes \$8,000 per month of alcohol taxes and this revenue is restricted for paving note payment.
- No employee cost of living adjustments/raises are included. No changes in Blue Cross premiums.
- The Budget includes capital expenditures totaling \$318,840, excluding a fire truck. The loader will be leased at approximately \$2,700 per month for 48 months, paid out of the General Fund. As with past years, when the current police car lease expires, the City can lease another 3 cars. It is anticipated the current lease will be satisfied in January-February 2018. The Fayette Gas Board has been presented with an estimate for a new fire truck. The City is waiting to hear from them.
- The Budget includes match requirements for the 2015 Sewer Rehab, Airport Grant and other smaller grant projects that are planned for 2018. The Sewer Rehab match is approx. \$1.2 million. Details of the match requirement and funding sources for this project is attached to the Budget. The Budget does not include the match requirements for the 2015 TAPs Project. Based on the recent bid, the match requirement will be approximately \$300,000.
- Appropriations for the Aging Program, Schools and AirEvac memberships are included within the budget but are contingent upon funding availability. The Aging Program appropriation has been reduced.
- The budget includes a pay scale for the Fire Department, similar to the one implemented for the Police Dept. The 2018 Budget includes approximately \$23,000 for the pay scale.
- There is a total budgeted surplus of \$232,921. After deducting restricted revenues, there is an unrestricted budgeted surplus of \$167,371.
- The Retirees and Pensioners are included in the budget.

The Council discussed whether to give City employees a cost of living raise or a one-time lump sum salary supplement. A 3% raise would cost \$60,000.00 and a one-time salary supplement of \$500.00 for each employee would cost \$30,000.00. The consensus of the Council was to do the one time salary supplement.

Mr. McCabe reviewed with the Council where the funding would come from for the match for the sewer project. It is as follows:

Match Funding Requirement and Funding Source

County Reimbursement (EPA Funds)	400,000.00
Estimated Cash Balance in Reserve for Project	420,000.00
WABT Street Paving Note	300,000.00
Gasoline Tax – for paving portion of project	75,000.00
Alcohol Tax Cash Account	<u>50,000.00</u>
 Total Funding for Match	 <u>1,245,000.00</u>

ADJOURNMENT

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

Mayor

Attest:

City Clerk