

CULLMAN COUNTY COMMISSION MEETING
May 12, 2010

CALL TO ORDER AND WELCOME

Chairman James Graves called the Commission Meeting to order at 10:00 a.m. and welcomed the visitors.

CALL OF ROLL TO ESTABLISH QUORUM, INVOCATION AND PLEDGE OF ALLEGIANCE

Charlotte Slatton, County Clerk, called the roll; present were Chairman James Graves, Commissioner Doug Williams, Commissioner Wayne Willingham, and County Attorney Dan Willingham. The invocation was given by Mac Buttram. George Mann led the Pledge of Allegiance.

APPROVE MINUTES OF THE APRIL 27, 2010 MINUTES AND THE THREE RECESSED MEETINGS OF THE SAME DATE, APPROVE APPROPRIATIONS, EXPENDITURES, REQUISITIONS, TRAVEL EXPENSES; AND APPROVE ALL JOURNAL ENTRIES TO BE POSTED.

Commissioner Willingham made the motion to approve the April 27, 2010 minutes and the three recessed meetings of the same date, approve appropriations, expenditures, requisitions, travel expenses and approve all journal entries to be posted. Commissioner Williams seconded the motion, and upon a voice vote, the motion carried unanimously.

PUBLIC COMMENTS

Jackie Satterfield introduced himself to the Commission, stating he knows Doug and Wayne, but has not met the Chairman. He thanked the Commissioners for their public service and apologized for not being more active and attentive to the business conducted in the County. He asked the Commissioners "Who owns the water department system?" Commissioner Williams answered the customer of Cullman County. Mr. Satterfield asked if they were members or just customers since it is a co-op. Commissioner Willingham replied "customer". Mr. Satterfield asked, "As a customer, do I have any recourse, other than voting for County Commissioner, in the operation of the water department?" Commissioner Williams replied "No, not at this time."

Mr. Satterfield asked, of Commissioner Williams' estimate of 100,000 residents in Cullman County, how many did the Commission poll to determine if they wanted to serve on the water board. Commissioner Williams and Willingham stated they did not poll anyone. Chairman Graves stated he did not know anything about it and was not involved in it.

Mr. Satterfield stated he felt the animosity over the transfer of the Cullman County Water Department to a cooperative was due in part to the fact the public was left out of the decision making process and more people could have been found who are willing to serve. The voters feel their representation was thrown aside in favor of a select few.

Earl Roberts, a resident of Crane Hill County Road 207, stated the road marker at his road is incorrect, "County Road 208". As a result of the incorrect sign, sheriff's deputies were unable to locate him. He request the sign be corrected. He also complained it took an hour and a half for a deputy to respond. The Chairman recommended he talk with the Sheriff concerning the delay in response.

Steve Griffith, a local attorney and holder of water bonds, stated he was not at the commission meeting to talk about the lawsuit which has been filed, however he is holding a "good number" of the water bonds which were issued on April 1 of this year. These are revenue bonds, not tax bonds. His concern is now that the water department has been transferred to a cooperative, where will the County get the revenue to pay for the bonds.

Mr. Griffith also brought up the point that the bonds were backed by the County's AAA- AA+ rating which sets the interest rate. If the bonds are now the obligation of the cooperative, which has no bond rating, he should have earned a higher interest rate. He asked the Commissioners to comment on how his bonds were going to be paid.

Commissioner Willingham replied, "Same way as before, off the revenues of the water department. We never funded the water department. It has always been self sufficient."

Mr. Griffith, "How can you force them to give you the money if they are not under your control?"

Commissioner Willingham stated it was the cooperative's obligation.

Mr. Griffith stated the cooperative was not responsible under this bond issue. There is no mention of the formation of co-op or the GUSC in the prospectus presented by the County Commission for the bond issue.

Commissioner Willingham stated the cooperative had not been presented at that time.

Mr. Griffith replied from what he read in the newspaper the Commissioners have been working on the formation of the co-op and GUSC for over a year.

Commissioner Willingham stated he had been reading about it and then reminded the audience this was not a question and answer session, but a time for public comments.

Mr. Griffith continued to ask why the bond prospectus did not include by whom and how the bonds were to be paid.

Commissioner Willingham stated it would be paid as before, by the water department.

Mr. Griffith asked, "How is the obligation secured? The County Commission signed off on the bond, but the water department did not. As I understand it, there is no obligation by the co-op or the GSUC board to pay these bonds. If there is, I have not seen it and I have called bond counsel and they say there is not."

Chairman Graves asked County Attorney Dan Willingham, as the attorney for the South Cumberland Cooperative District (SCCD), if he could answer Mr. Griffith's question.

Attorney Willingham stated he has called the bond counsel, but has not heard from him; however, he does not think it will be a problem.

Mr. Griffith asked if the bond counsel knew about the pending transfer of the water department to the co-op and did not put it in the prospectus for the bond issue.

Commissioner Williams stated he did not share that information with the bond counsel.

Mr. Griffith stated after reading the SEC regulations, it would have been incumbent on the Commission to include that information in the prospectus.

Chairman Graves stated he has heard rumors that the co-op does not intend to keep the water department, but to sell it to a private entity for the indebtedness of \$21 million, then in turn, resell it at the book value of \$31 million reaping a profit of \$10 million. Mr. Griffith stated he has also heard this.

Mr. Griffith asked, "Did the County Commission give any thought to the security of those people who bought these bonds as a part of their retirement, did you give it any thought Mr. Williams?"

Commissioner Williams: "I did not give it any thought as far as retirement is concerned. I gave thought that they would be assumable by the cooperative."

Mr. Griffith: "If you assumed they were going to be assumed by the co-op, why didn't you tell us that in that prospectus where we could evaluate our risk?"

Commissioner Williams: "I didn't know that at the time."

Mr. Griffith: "When did you start assuming that?"

Commissioner Williams: "Whenever the transfer went to the co-op."

Mr. Griffith: "Are you telling me that the first time you ever thought of that was the morning that transfer took place?"

Commissioner Williams: "As far as the bonds are concerned, yes sir."

Mr. Griffith: "So you gave no consideration to a \$7 million issue as you were approving those transfers, is that your testimony today?"

Commissioner Williams: "No sir, I am not here to testify. This is an opportunity for you to make a statement before the Commission not an answering session."

Mr. Griffith: "Well it's public money, and I would think you would want to divulge how much thought and consideration you had given to transferring those assets away that are designed to pay most people's bonds that are in a retirement program."

Commissioner Williams: "Those bonds were to be paid by the water revenues, just like they were before. Not out of County Commission funds not out of the General Fund. They are secured ..."

Mr. Griffith: "But the County Commission pledged them, not the water board and not the GUSC."

Commissioner Williams: "But they assumed those liabilities."

Mr. Griffith: "Where can you show me that? I can not find that. There is no piece of paper in this building saying that."

Commissioner Williams: "It says in there they assume all the liabilities."

He reminded Mr. Griffith that his three minutes for public comments was up, however several members of the audience allocated their time to Mr. Griffith.

Mr. Griffith: "I do not want to create an acrimonious setting, but I do want the Commission to understand that those people who invested money in those bonds are extremely concerned about the cavalier fashion treated the obligation to pay those bonds, that obligation being based on water revenues. You represent to the world you are in charge of those revenues and thirteen days, after you made that representation, you gave the right and authority to collect those water payments to someone else that is not elected. I don't like for people to mess with my retirement account in such a cavalier fashion."

John Culver, from the Crane Hill area, stated he had read in the newspaper where funding for road repairs to the west side of the county have been stopped. Commissioner Willingham stated that was incorrect. Mr. Culver stated that a newly repaired road was being torn up by large trucks and wanted to know if it would be repaired again. Chairman Graves stated there was no money left as the Westside Road Department has already exceeded their budget of \$3.5 million.

Susan Akins, a resident on County Road 871, addressed Commissioner Willingham about an on going problem with the poor condition of her road.

Billy Meeks, a farmer from the Trimble area, has concerns about the water issue stating the Commissioners continue to present ideas but no plans. With only a 60 day water supply, he encouraged the City of Cullman and the County to work together.

Marshall Brannon, wanted to know what the hurry was to transfer the assets of the water department in one commission meeting without input from the public. Commissioner Willingham refused to answer stating he would meet with him after the meeting. Mr. Brannon stated he would like an answer. There was no reply.

He went on to ask who the water supplier is for the SCCD . Commissioner Williams replied it is the same as it has always been, the City of Cullman. Chairman Graves stated he has spoken with the City and they are not sure the contract will stand up. Mr. Brannon stated in the bill of sale, where all assets were transferred, in paragraph “d” reads “all contract rights to which the Transferor is a named party with respect to the Assets or the ownership or operation of the System, with the exception of that certain Water Purchase Agreement by and between Transferor and the City of Cullman”. He asked “Who is supplying the water? Can they (City of Cullman) turn a valve and cut off the supply to the County?” Mr. Brannon stated it look like to him there is not a contract because “these guys don’t want an agreement with the City of Cullman.”

NEW BUSINESS

Authorize the Chairman to sign an agreement with Gardner Michael Capital, Inc. and Maynard, Cooper & Gale to consider the refinancing of the 2002 warrants.

Gary Teichmiller, County Administrator, stated the warrants are for the 2002 bond issue for the jail. The refinancing would save the County approximately \$270,000 over the life of the bonds. Commissioner Williams made a motion to authorize the Chairman to sign the agreement with Gardner Michael Capital, Inc. and Maynard, Cooper & Gale for consideration of refinancing. Commissioner Willingham seconded. The motion passed on a unanimous voice vote.

Chairman Graves to re-appoint Joe Minor to the Joppa Water Board for a term to expire 3-1-2012

Chairman Graves made a motion to re-appoint Joe Minor to the Joppa Water Board for a term to expire 3-1-2012. Commissioner Williams seconded and upon a unanimous voice vote, the motion passed.

Consider agreement for electrical work for courthouse with Civicon, LLC.

Chairman Graves stated this is the \$335,000 energy grant from the Department of Energy the County received through the federal stimulus program. Frank Fagg, architect from F&O Architect, informed the Commission the low bid for electrical work for new lighting in the courthouse was Civicon, LLC with a bid of \$78,500. Commissioner Willingham made a motion to accept the bid with Civicon for the lighting project. Commissioner Williams seconded. The motion passed on a unanimous voice vote.

Reject all bids for mechanical work for courthouse.

Mr. Fagg stated all bids for the mechanical work to be done on the HVAC for the courthouse exceeded the budget for project. Evaluations are now being made to reduce the scale of the work and the project will be rebid. Commissioner Willingham made a motion to reject all bids for the mechanical work. Commissioner Williams seconded. Upon a unanimous voice vote, the motion passed.

Consider a request for \$1,000 donation to the Hanceville Senior Center

Commissioner Williams made a motion to donate \$1,000 to the Hanceville Senior Center. Commissioner Willingham seconded the motion which passed on a unanimous voice vote.

Authorize Charles Hyde, CARTS Director, to sign all Federal Transportation Administration (FTA) documents related to the American Recovery Reinvestment Act (ARRA).

Charles Hyde, CARTS Director, stated these are required documents in order for CARTS to continue to receive federal funding. Commissioner Willingham made a motion to authorize Mr. Hyde to sign all FTA documents related to the ARRA. Commissioner Williams seconded. The motion passed on a unanimous voice vote.

Resolution 2010-35 – Vacating a portion of County Road 1827

Dan Willingham, County Attorney, stated the public hearing has been held. The only property owner owns the land on both side of the roadway, therefore no access is denied. Commissioner Williams made a motion to vacate a portion of County Road 1827. Commissioner Willingham seconded and the motion passed on a unanimous voice vote.

Resolution 2010-36 – Regulating Compensatory Time for Cullman County Employees

Attorney Willingham stated since the new handbook was issued there have questions concerning compensatory time in lieu of overtime. This resolution is to clarify there is no option for compensatory time; overtime will be paid. Commissioner Willingham made a motion to adopt the resolution concerning compensatory time. Commissioner Williams seconded the motion which passed on a unanimous voice vote.

Resolution 2010-37 – Set weight limit on County Road 1145 at 18 tons

Fred Penn, County Engineer, stated the roadway is being destroyed by heavy trucks and recommended an 18 ton weight limit. Commissioner Willingham made a motion to set a weight limit of 18 tons on County Road 1145. Commissioner Williams seconded. The motion passed on a unanimous voice vote.

Resolution 2010-38 – Set weight limit on County Road 1141 at 18 tons

Commissioner Willingham made a motion to set the weight limit on County Road 1141 at 18 tons. Commissioner Williams seconded. Upon a unanimous voice vote, the motion passed.

Resolution 2010-39 - Changes to the CARTS employee policy handbook

Charles Hyde, CARTS Director, stated the changes are necessary to comply with Department of Transportation (DOT) requirements of background checks and annual DOT physicals. Commissioner Willingham made a motion to approve the resolution for the changes to the CARTS policy handbook. Commissioner Williams seconded, and upon a unanimous voice vote, the motion carried.

Resolution 2010-40 – Changes to CARTS drug and alcohol abuse testing policy regarding new DOT drug testing

Mr. Hyde stated this is an upgrade in the types of drugs tested for in the pre-employment and annual physical for CARTS employees as required by DOT. Commissioner Willingham made a motion to approve the resolution for changes to CARTS drug and alcohol abuse testing. Commissioner Williams seconded. The motion passed on a unanimous voice vote

Resolution 2010-41 – Grant a tax abatement for David M. Carter, LLC

Sammie Danford, Director of Economic Development, stated the company has purchased the Bear Creek building, formerly owned by Philip Clemmons, on Phelan Road. The company name will be Carter Babbitt Bearings. This will be a machining operation that repairs bearings and other parts for use in industrial, steam, and nuclear facilities. They will employ 15 when fully operational. Commissioner Williams made a motion to grant the tax abatement for David M. Carter, LLC. Commissioner Willingham seconded, and upon a unanimous voice vote, the motion passed.

The next NARCOG meeting will be June 4, 2010 at the Cullman County Commission on Aging building.

NEXT REGULAR COMMISSION MEETING MONDAY APRIL 27, 2010

Due to the Commissioners being out of town, the next Commission Meeting will be Thursday, May 20, 2010 at 10:00 a.m. in the Commission Meeting Room.

ADJOURN THE MEETING

Commissioner Willingham made a motion to adjourn. Commissioner Williams seconded. Chairman Graves adjourned the meeting at 10:40 a.m.

James D. Graves, Chairman

J. Douglas Williams
Associate Commissioner

Wayne Willingham
Associate Commissioner