

**CITY OF ELBERTON**  
**REGULAR MEETING OF THE ELBERTON MAYOR AND COUNCIL**  
Monday, September 9, 2013 – 5:30 p.m.

Pursuant to due call and notice thereof the Regular Meeting of the Mayor and Council convened at the above date and time in Council Chambers of the Municipal Building, 203 Elbert Street with Mayor Guest presiding.

Present were: Council Members Butler, Colquitt, Hunt, Seymour, and Paul; City Manager Dunn, City Attorney Phelps, and City Clerk Churney.

Mayor Guest called the meeting to order and led the assembly in the Pledge of Allegiance. City Attorney Phelps led the assembly in prayer.

Council Member Butler motioned to approve the minutes of the August 5, 2013 Regular Meeting as submitted. Council Member Hunt seconded the motion and it passed unanimously (Butler, Hunt, Seymour, Paul, Colquitt).

Reports. Controller Kevin Eavenson presented the Financial Report through July 2013 is enclosed for review.

General Fund	\$ 5.2 million
Combined Utilities Fund	\$ 26.2 million
Elberton Technology Services Fund	\$ 172,769
Solid Waste Fund	\$ 30,998
Unrestricted Investments-General Fund and Utility Fund	\$ 5.1 million
Restricted Investments (SPLOST & Utility Funds)	\$ 2.4 million

Mr. Mike Rutherford presented a report on the activities of the Elbert County Chamber of Commerce through August. He thanked the Mayor and Council for their continued support through the hotel/motel tax contribution.

Council Member Paul introduced the following Resolution:

**RESOLUTION**

**A RESOLUTION OF THE CITY OF ELBERTON APPROVING THE ELBERTON.NET 2013 EXPANSION PLAN INTO PORTIONS OF UNINCORPORATED ELBERT COUNTY, AUTHORIZING THIS CONSTRUCTION OF A FIBER-TO-THE-HOME EXTENSION OF THE EXISTING TELECOMMUNICATIONS SYSTEM, AND FOR OTHER PURPOSES.**

**WHEREAS**, the City of Elberton heretofore has operated a telecommunications system by and through its department known as ElbertonNET as authorized in its Charter under Section 17.1; and

**WHEREAS**, the Mayor and Council of the City of Elberton desire to extend the telecommunications system for the expected public benefit of providing broadband services including high speed Internet and cable television in areas of Elbert County that are unserved or underserved by any existing providers, numbering approximately 560 existing homes to be eligible for service; and

**WHEREAS**, the Mayor and Council have thoroughly reviewed a business plan with detailed cost projections, engineering designs, and a financial pro forma that estimates the system expansion will result in a return on investment within a reasonable period of time; and

**WHEREAS**, the City has also determined and does hereby find that it is in its best interest to construct an expansion of the its existing telecommunications systems in order to support the deployment of broadband infrastructure in unserved and underserved areas, to enhance broadband capacity, and to encourage sustainable adoption of broadband service in order to stimulate long-term economic growth and opportunity.

**NOW, THEREFORE**, be it resolved by the Mayor and Council of the City of Elberton in an open meeting duly assembled, and it is hereby resolved by the authority thereof, as follows:

**Section 1:** The ElbertonNET 2013 System Expansion Plan is hereby approved, and construction of the system expansion that includes approximately 37 miles of fiber-to-the-home plant known as Nodes ELBRTN- 1 through 4 is hereby authorized.

**Section 2:** The ElbertonNET 2013 System Expansion Plan includes completing the construction of the following Nodes and their associated service areas:

NODE ERBRTN-1	Pulliam Mill Road, Floyd Road, Monroe Dunn Road, and parts of Dewy Rose along the Bowman Highway, and adjoining areas
NODE ELBRTN-2	Parts of Dewy Rose along the Bowman Highway, Hewell Road, Hardcash Road, Nickville Road, and adjoining areas
NODE ELBRTN-3	Nickville Road, Deep Creek Road, and adjoining areas
NODE ELBRTN-4	Nickville Road, Athens Highway from the Broad River to Jones Ferry Road, Edna Drive, and adjoining areas

**Section 3:** The construction cost estimate and budget for this project in the amount of \$520,000 is approved and incorporated herein by reference as Attachment "A."

**Section 4:** The City declares its intent to utilize tax-exempt financing for the purpose of financing this construction project, and resolves that subsequent resolutions shall be adopted for the purpose adhering to U.S. Treasury regulations or the Internal Revenue Code, and for the purpose of authorizing the execution of a capital lease to finance the project with the terms, conditions, and interest rate delineated in the subsequent resolutions.

**Section 5:** The City Manager is authorized and directed to obtain pole attachment permits with Georgia Power Company and Hart Electric Membership Corporation for the purpose of this construction project under the terms and conditions in the Pole Attachment License Agreements in existence with Georgia Power and Hart EMC dated November 7, 2007, and December 31, 2008, respectively. Payment for permits or make-ready work is hereby authorized under the existing contracts.

**Section 6:** The City Manager is authorized and directed to issue purchase orders for fiber-to-the-home equipment including optical transmitters, amplifiers, and customer premise micro-nodes in accordance with the engineering design and plan contained in the System Expansion Plan. The City Manager is authorized and directed to issue purchase orders for fiber optic cable and strand to the successful bidder from a competitive bid process for these products. The purchase orders authorized in this section are approved and incorporated herein by reference as Attachment "B."

**Section 7:** The Mayor and Council hereby authorizes and directs the City Manager or other authorized officials to commence with construction of the new Nodes and the provision of service to the new service areas with all diligence and expedience, and to take any further actions and execute and deliver any other documents necessary to carry out the purpose of this Resolution.

**Section 8:** All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Council Member Seymour motioned to adopt the Resolution as read by City Manager Dunn. Council Member Paul seconded the motion and the motion passed unanimously (Butler, Hunt, Seymour, Paul, Colquitt).

Council Member Colquitt introduced the following Resolution:

#### **RESOLUTION**

**A RESOLUTION OF THE CITY OF ELBERTON ADOPTING THE 2013 WATER SYSTEM IMPROVEMENTS STUDY, AUTHORIZING AN APPLICATION TO THE GEORGIA ENVIRONMENTAL FINANCE AUTHORITY TO FUND CERTAIN IMPROVEMENTS, AND FOR OTHER PURPOSES.**

**WHEREAS**, the City of Elberton heretofore has operated a water utility system by and through its public utilities department as authorized in its Charter under Section 16; and

**WHEREAS**, the Mayor and Council of the City of Elberton desire to improve, upgrade, maintain, refurbish, and extend its water filtration and distribution for the public benefit; and

**WHEREAS**, the Mayor and Council have thoroughly reviewed an engineering report and study with cost estimates for potential projects to be implemented over the next five to ten years; and

**WHEREAS**, the City has also determined and does hereby find that it is in its best interest to make improvements and upgrades and to maintain and refurbish and extend its water filtration and distribution system in order to provide clean water for public health benefits and for long-term economic growth and opportunity.

**NOW, THEREFORE**, be it resolved by the Mayor and Council of the City of Elberton in an open meeting duly assembled, and it is hereby resolved by the authority thereof, as follows:

**Section 1:** The 2013 Water System Improvement Study and Engineering Report dated July 31, 2013 is hereby approved and adopted as a long term plan for the water system of the City. The Report is incorporated herein by reference as Attachment "A."

**Section 2:** The Mayor, City Manager, and City Clerk are authorized to execute the necessary documents to make application for grants, loans, and other financing sources from the Georgia Environmental Facilities Authority and any other potential funding source for water improvements.

**Section 3:** The City Manager is authorized to prepare project specifications for the replacement of aged water meters with modern automated meters in accordance with the 2013 Improvement Study.

**Section 4:** All resolutions or parts of resolutions in conflict herewith are hereby repealed.

City Manager stated that a Public Hearing was held at 5:00 p.m. to consider comments and questions with regard to the project. Council Member Colquitt motioned to adopt the Resolution as read by City Manager Dunn. Council Member Seymour seconded the motion and the motion passed unanimously (Butler, Hunt, Seymour, Paul, Colquitt).

Council Member Hunt introduced the following Resolution:

#### **RESOLUTION**

#### **A RESOLUTION OF THE CITY OF ELBERTON AUTHORIZING PARTICIPATION IN HEDGING NATURAL GAS THROUGH THE MUNICIPAL GAS AUTHORITY OF GEORGIA**

**WHEREAS**, the City of ELBERTON is a Member (the "Member") of the Municipal Gas Authority of Georgia (the "Gas Authority") and has entered into a Gas Supply Contract (the "Gas Supply Contract"), with the Gas Authority; and

**WHEREAS**, the Member acknowledges that natural gas prices have historically been very volatile, and the use of hedging as provided for in the Gas Supply Contract can help mitigate price risk to the Member; and

**WHEREAS**, the Gas Authority's staff has studied the use of hedging strategies to mitigate price risk associated with market conditions for residential and commercial customers ("R&C Customers"), poultry growers ("Poultry Growers") and for industrial and other large end-users ("Industrial Customers"), and the staff has heretofore determined that it was feasible and desirable from a competitive standpoint to offer such hedging strategies to Members; and

**WHEREAS**, the Gas Authority has developed elective hedging programs under the provisions of the Gas Supply Contract to offer to Members to manage price risk associated with service to R&C Customers, Poultry Growers, Industrial Customers and other end-users; and

**WHEREAS**, under the Pricing Policy approved by the Board, Members are billed based on spot market prices adjusted for any hedges elected by the Members;

#### **NOW, THEREFORE, BE IT RESOLVED as follows:**

**Section 1.** Approval of Hedging. The governing body of the Member hereby approves the use of the Gas Authority Member elective hedging programs under the Gas Supply Contract that enable the Member to offer hedged prices to its R&C Customers, Poultry Growers, Industrial Customers and other end-users ("Member Elective Price Hedging").

**Section 2.** Hedging Elections and Transaction Confirmations. The governing body of the Member hereby authorizes the City Manager and City Clerk of the Member (the "Authorized Member Representatives") to complete the election forms and/or transaction confirmations to enter into Member Elective Price Hedging and to deliver such election forms and/or transaction confirmations on behalf of the Member as its authorized act. The election forms and transaction confirmations shall be in substantially the form attached hereto as Exhibit "A" and incorporated herein by this reference.

**Section 3.** General Authorizations, Incorporation of Recitals and Ratification of Actions. The Authorized Member Representatives are hereby authorized and directed to take such further actions and execute and deliver such certificates or other documents, agreements or instruments as shall be necessary or convenient to effect any Member Elective Price Hedging contemplated by this Resolution. The preambles hereto are hereby incorporated herein by this reference and approved, and all actions of the Authorized Member Representatives in the review and finalization of election

forms and transaction confirmations under Member Elective Price Hedging are hereby ratified and approved.

Council Member Hunt motioned to adopt the Resolution as read by City Manager Dunn. Council Member Seymour seconded the motion and the motion passed unanimously (Butler, Hunt, Seymour, Paul, Colquitt).

Mayor Guest asked if there were any other Resolutions to be considered. City Manager Dunn stated that Council needed to consider adopting a Resolution for a supplemental Council Member Paul introduced the following Resolution:

#### **RESOLUTION**

#### **A RESOLUTION OF THE CITY OF ELBERTON ADOPTING THE 2013 WATER SYSTEM IMPROVEMENTS STUDY, AUTHORIZING AN APPLICATION TO THE GEORGIA ENVIRONMENTAL FINANCE AUTHORITY TO FUND CERTAIN IMPROVEMENTS, AND FOR OTHER PURPOSES.**

**WHEREAS**, the City of Elberton heretofore has operated a water utility system by and through its public utilities department as authorized in its Charter under Section 16; and

**WHEREAS**, the Mayor and Council of the City of Elberton desire to improve, upgrade, maintain, refurbish, and extend its water filtration and distribution for the public benefit; and

**WHEREAS**, the Mayor and Council have thoroughly reviewed an engineering report and study with cost estimates for potential projects to be implemented over the next five to ten years; and

**WHEREAS**, the City has also determined and does hereby find that it is in its best interest to make improvements and upgrades and to maintain and refurbish and extend its water filtration and distribution system in order to provide clean water for public health benefits and for long-term economic growth and opportunity.

**NOW, THEREFORE**, be it resolved by the Mayor and Council of the City of Elberton in an open meeting duly assembled, and it is hereby resolved by the authority thereof, as follows:

**Section 1:** The 2013 Water System Improvement Study and Engineering Report dated July 31, 2013 is hereby approved and adopted as a long term plan for the water system of the City. The Report is incorporated herein by reference as Attachment "A."

**Section 2:** The Mayor, City Manager, and City Clerk are authorized to execute the necessary documents to make application for grants, loans, and other financing sources from the Georgia Environmental Facilities Authority and any other potential funding source for water improvements.

**Section 3:** The City Manager is authorized to prepare project specifications for the replacement of aged water meters with modern automated meters in accordance with the 2013 Improvement Study.

**Section 4:** All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Council Member Paul motioned to adopt the Resolution as read by City Manager Dunn. Council Member Seymour seconded the motion and the motion passed unanimously (Butler, Hunt, Seymour, Paul, Colquitt).

Mayor Guest asked if there were any other Resolutions to be considered. City Attorney Phelps stated that Council needed to consider adopting a Resolution authorizing the Housing Authority of Cordele to issue bonds to finance facilities located in Elberton, Georgia. Member Seymour introduced the following Resolution:

#### **A RESOLUTION**

#### **A RESOLUTION AUTHORIZING THE HOUSING AUTHORITY OF CORDELE TO ISSUE BONDS TO FINANCE FACILITIES LOCATED IN ELBERTON, GEORGIA**

**WHEREAS**, Cordele Heritage Oaks, LP, a Georgia nonprofit corporation (the "**Borrower**"), and its affiliates, desire to improve certain affordable apartment communities in various locations within the State of Georgia, the names and addresses of said properties are attached hereto as Exhibit A (collectively the "**Projects**"); and

**WHEREAS**, on June 5, 2013, the Housing Authority of Cordele, Georgia (the "**Cordele Housing Authority**") adopted a preliminary resolution under which it agreed in principle to issue its revenue bonds or other appropriate obligations (the "**Bonds**") and to lend the proceeds of the Bonds to the Borrower for the purpose of financing the acquisition, renovation, furnishing and equipping of the proposed Projects, in furtherance of the purposes of O.C.G.A. Section 8-3-1, *et seq.*, as amended (the "**Housing Authorities Law**"); and

**WHEREAS**, among the facilities proposed to be renovated with a portion of the proceeds of the Bonds is Wildwood Apartments, an approximately 50-unit affordable housing apartment community located at 1150 Old Petersburg Road, Elberton, Elbert County, Georgia (the "**Elberton Facility**") that is owned and operated by the Borrower and its affiliates; and

**WHEREAS**, after publication of a notice at least 14 days prior to the date of this resolution, which notice of the hearing was published in *The Elberton Star*, a newspaper of general circulation in Elberton, Georgia ("**Elberton**"), on this date a public hearing was held regarding the Bonds and the Elberton Facility being financed with the proceeds of the Bonds; and

**WHEREAS**, one of the purposes of this resolution is to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "**Code**") in order to qualify the interest on the Bonds for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Code; and

**WHEREAS**, the other purpose of this resolution is to satisfy the Housing Authorities Law, specifically O.C.G.A. § 8-3-1(1), which provides that the authority's "area of operation" is defined as "such city and the area within ten miles of the territorial boundaries thereof but does not mean any area which lies within the territorial boundaries of any other city unless a resolution shall have been adopted by the governing body of such other city declaring that there is a need for the city housing authority to exercise its powers within the territorial boundaries of said other city. No city, county, regional, or consolidated authority shall operate in any area in which an authority already established is operating without the consent by resolution of the authority already operating therein;" and

**NOW, THEREFORE, BE IT RESOLVED and it is hereby resolved by the City Council of the City of Elberton, Georgia, as follows:**

1. For the sole purpose of qualifying the interest on the Bonds for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to applicable provisions of the Code, the issuance of the Bonds by the Housing Authority of Cordele, Georgia in the aggregate principal amount not to exceed \$40,000,000 and renovation and equipping of the Elberton Facility with the proceeds of the Bonds is approved. This approval is given solely for the purpose of compliance with provisions of the Code and in no event shall this approval constitute any obligation on the part of Elberton with respect to the Bonds.

2. For purposes of the Housing Authorities Law, the City Council hereby approves the operation of the Housing Authority of Cordele, Georgia in Elberton by its issuance of the Bonds to renovate and equip the Elberton Facility. This approval is given solely for the purpose of compliance with provisions of the Housing Authorities Law and in no event shall this approval constitute any obligation on the part of Elberton with respect to the Bonds.

City Attorney Phelps stated that this was for rehabilitation for Wildwood Apartments and would be no liability on the city's behalf. Council Member Seymour motioned to adopt the Resolution as read by City Manager Dunn. Council Member Paul seconded the motion and the motion passed unanimously (Butler, Hunt, Seymour, Paul, Colquitt).

Council Member Hunt motioned to approve the consent agenda as submitted, seconded by Council Member Paul and the motion passed unanimously (Butler, Hunt, Seymour, Paul, Colquitt).

1. Accepted the City Millage Rate (4.79) Certification.
2. Authorized the issuance of a public assembly permit and to close the area in front of the fountain as requested by Main Street Elberton for the September 11 Remembrance/Memorial service on September 11 beginning at 12:30.

City Manager Dunn presented the following reports:

- Report on Expenditures reportable under Sec. 2-173 and Sec. 2-177.
- The public works department continues to trim back all street rights-of-way to remove overgrown tree limbs from the roadway.
- The natural gas vehicles project continues.
- The chicken house expansion project continues.
- ElbertonNet Customer Appreciation will be held in conjunction with the Granite City Cook-off event on Saturday on the square.
- The 9/11 remembrance concert is Wednesday on the square at 12:30.

- Monthly report on the activities of various departments.

Mayor Guest stated that Council was not happy with the delays in the dilapidated housing procedures including the latest two filings. Council Member Paul stated that dilapidated housing was the number one complaint from constituents. Council Member Paul inquired if the City Attorney Phelps had the manpower to handle the cases or does Council need to bid it out? City Attorney Phelps stated that he could handle it. Council Member Seymour stated that he had received numerous calls and concerns with regard to overgrowth in yards. City Attorney Phelps stated that he would meet with city staff and review all cases as well as provide a checklist on each case.

Council Member Colquitt inquired about the recycling program. City Manager Dunn stated that the city has started back the weekly recycling pickup on Mondays.

City Phelps stated that the lawsuit was dismissed with no prejudice.

Statement read by Mayor Larry Guest. I would like to make a public statement in response to a recent letter to the editor of the *Elberton Star* by one of our customers about her utility bill. I cannot comment on specifics of this person's utility account or disclose personal information about her account.

But I will report that the consumption of electricity varies widely depending on people's personal habits, what appliances they use, how well they maintain their homes including doing routine maintenance on air conditioning units, and the size and condition of the home.

The residential electric rates for the summer for the City of Elberton are lower than many in Georgia and are very cost competitive across the country. Our electric system is our most valuable asset to the citizens of Elberton and its customers.

More specifically, you can go online to the Georgia Public Service Commission's website and find the 2013 Residential Rate Survey for summer. You will see that of 94 electric providers in Georgia, the City of Elberton and Hart EMC are back-to-back, right in the middle. You will also see that Georgia Power ranks 90 out of 94 providers, meaning Georgia Power is the most expensive provider in Georgia except for 4.

On the Summer Residential Rate Survey for 2013, if a customer used 2,000 kilowatt-hours in a month her bill would be \$246.25 with the City of Elberton. If that same customer was on Hart EMC, her bill would be \$246.50. For that customer using 2,000 kilowatt-hours, the City of Elberton is the lowest cost provider in the entire Elbert County. Hart EMC is only higher by 50 cents. If the same customer was on Georgia Power, her bill would have been \$278.68, a difference of \$32.43 or 13%. Let me say that again, the City of Elberton was lower than Georgia Power by 13% for the 2,000 kWh consumer.

The customer who wrote into the *Elberton Star* has residential electric service with the City of Elberton. If this same customer had used the same amount of power in June, July, and August on Georgia Power's system, she would have paid \$262.07 more in those three months than she was billed by the City. She would have paid 19% more for her power for those three summer months. This is an example of how the City of Elberton is committed to being the low-cost residential, commercial, and industrial electric provider in Elbert County. We are proud of our system and its employees, and we continue to maintain and operate this most treasured asset of our City that has been handed down to us by our City forefathers. We will continue to maintain and improve this asset so that it can be handed down to the next generation of Elberton citizens.

There being no further business to come before Council, upon proper motion and second the meeting was adjourned.