

City of Sugar Hill Council Meeting
November 9, 1998
7:30P.m. Community Center

The City of Sugar Hill Council held its regular monthly meeting on Monday, November 9, 1998 at 7:30pm in the Community Center. Notice of the meeting was posted on the doors of City Hall and the Community Center. Notice was also placed on the boards at Alton Tucker Blvd and Peachtree Industrial Blvd and at Nelson Brogdon Blvd and Peachtree Industrial Blvd. Notice of the meeting was faxed to the local newspapers.

Those present at the meeting included: Mayor Roberta Crabb, Mayor Pro-Tem Bailey, Council Members Reuben Davis, Michael Mosley, Gary Pirkle, City Manager Warren Nevad, City Attorney Lee Thompson, Assistant City Manager Scott Payne, City Clerk Shirley Gibbs, employees, registered guests and members of the media.

CALL TO ORDER AND INVOCATION:

Mayor Crabb called the meeting to order at 7:30p.m. Council Member Michael Mosley gave the Invocation.

APPROVAL OF AGENDA:

Council Member Pirkle made a motion to amend the agenda to include Executive Session for Personnel matters between Items F and G under New Business second made by Council Member Davis. Motion did not pass. Vote was 2 for the amendment, 3 against the amendment.

APPOVAL OF OCTOBER 12TH MINUTES:

Council Member Mosley made a motion to approve the October 12th minutes, second made by Mayor Pro-Tem Bailey. Motion passed unanimously 4-0.

DEPARTMENT REPORTS:

City Manager Nevad gave the following Department Reports: During October, the Planning and Zoning Department issued 39 single-family permits, 648 inspections were done. For the year, 325 single-family permits have been issued. The ending balance in the General Fund checking account was \$14,630. The balance in the L.G.I.P. Fund was \$45,000. The city was to receive a final reimbursement of \$56,000 for the Suwanee Dam Road project. The cash flow should improve with the collection of ad valorem taxes. They are currently working on a revised draft of the 1999 budget. Staff was recommending another budget workshop for Tuesday, November 17, 1998 at 7:00pm. The city's goal was to maintain the gas, tax and golf rates. There had been some cold weather over the weekend but they had not experienced any gas outages. He congratulated the gas crew on making all the improvements on the gas lines.

Assistant City Manager Scott Payne gave the following reports for gas and golf: The city had installed 53 new services during the month of October, bringing the year to date total to 399. 4085 feet of gas service line has been installed. There were 11 cut gas lines but only 2 were billable. They need to do 38 more inserts to be in compliance with the Public Service Commission. Council Member Mosley inquired why the report indicates that the UPC locator was incorrect on 9 of the cut lines and who did the locates. Mr. Payne responded that between 400 and 600 locates were done each month. Mr. Hutchins is the person who does the locates and to have only 12 that were incorrect was good. There are so many lines in the ground, it is hard to be correct on every locate. Mr. Payne reported that a representative from Radio Tech had been out with a more advanced locator and had left tapes on how to use this instrument. The golf course had approximately \$25,000 in revenues for the month of October, which made them about \$400,000 behind for the year. P.F. Moon had started work on the 18th of October, they had delivered their equipment and pipe had been delivered. They wanted to get started as soon as possible.

OLD BUSINESS:

THERE WAS NO OLD BUSINESS

CITIZEN'S AND GUEST'S COMMENTS:

BETTY STARLING had read an editorial in the newspaper about the City Manager. She was very upset about all the negative talk concerning the City Manager and felt that everyone should support him. It was her opinion that he had done a lot of good for the city and the citizens should stand behind him.

PATRICIA ROBERTS was there to speak on the landfill. There was an article in the newspaper about a landfill they were trying to put in, in Forsyth County. She felt the situation there could happen in Sugar Hill since the land the city had recently rezoned was the same classification as the land in Forsyth County. She told Mayor Crabb that she had been looking at her web site and could only find mention of a garbage dump, did this include any kind of dump. Mayor Crabb responded that it included any kind of dump. Her question was, if this property was sold to an individual and he then sold it to someone else, who could guarantee that this property would not become a dump of any kind. Mayor Pro-Tem Bailey responded that this would require a Special Use Permit and the Council has the ability to deny this permit. She wanted to have something in writing that there would never be a landfill of any kind located in the City of Sugar Hill. Mayor Pro-Tem Bailey told her the best way to do that would be for her group to purchase the land. She replied that they just might do that.

MEG AVERY wanted to address the Council about the dumpster at the city barn. Her concern was about the new regulations that require the residents to buy bags and put at the curb. She felt that a lot of people might be using the dumpster more often to help cut down on the use of garbage bags. She had tried to arrange for the use of the dump truck but it would not be available until the second week in December. One-week end she had carried a load to put in the dumpster only to find it was closed before noon because it was full. She suggested that access to the dumpster be extended until 2:00pm on Saturday and that the sanitation company be required to empty the dumpster more often or have another truck available for use on the week-ends. Council Member Pirkle said he was looking into the purpose of the dumpster, he was under the impression that it was for the disposal of large items. He had also found out that the Sanitation Company would pick up items like lumber or carpet if it was stacked and a bag was placed on the pile. He was still checking into the purpose of the dumpster and how it should be used.

NEW BUSINESS:

A: SPRAYFIELD FINANCING CONSIDERATION:

City Manager Nevad explained that the city was facing 2 consent orders. One for the closing of the landfill and the other for the spray field at the golf course. Estimates for the closing of the landfill were approximately \$700,000. Two months ago, the Council accepted a bid from P.F. Moon for the spray field at the golf course. \$250,000 of the \$588,000 expense had been taken out of the 1998 budget with the remainder to come out of the 1999 budget. Staff had looked at alternative methods of financing because they wanted to be environmentally friendly with the golf course and the landfill. Mr. Nevad explained the financing of the clubhouse in 1995 and the interest rate at that time. This was a \$500,000 loan for a 10-year period with 7 years remaining. People's Bank was offering to refinance the loan and add \$375,000 at an interest rate of 4.6 percent. This would again make it a 10-year loan but staff hoped to be able to pay it off in 7 years. Mr. Bill Fussell stated that he was with Knox Wall. They had been looking at the financial situation at the golf course. He explained that this bond issue was being offered through the local People's Bank. He had been working with Larry Henderson who was offering a 4.6 percent fixed rate and the loan would be based on golf course revenues. He felt this was an excellent way for the city to fix the spray field at the golf course and still allow people to play golf. Otherwise, they might have to close the course or tell Gwinnett County they would not accept any more affluent from the sewer treatment plant. The documents that were used in 1995 would be used this time, as well as the same attorney at Kilpatrick and Stockton. City Attorney Lee Thompson would give advice to the Council. Basically it would be the same financial team as in 1995, just taking it from 6 percent to 4.6 percent and borrow a little more money. There was a bond ordinance that would have to be voted on. Upon Council approval, they hoped to close the loan on December 15, 1998. Under Georgia law, it is a requirement to have the bond validated. Mayor Pro-Tem Bailey asked if this wasn't actually a defeasement of the original bond. Mr. Fussell replied that this was correct. Mayor Pro-Tem Bailey then asked if he knew what the current installment would be. The new installment amount would be approximately \$8,200 a month. The old rate was \$5,800 a month. The city

was lowering the interest rate but borrowing more money. He had looked at the financials, worked with Kelley Canady and City Manager Nevad. They felt the golf course would be able to repay the loan. Mayor Pro-Tem Bailey asked if this loan was subject to arbitrage. Mr. Fussell replied that it was not because they would be under \$5,000,000. Any new bond issue, any new bond proceeds: they were going to issue about \$785,409: will go to pay off the old bonds. That would be a current defeasment and they would pay off the old bonds immediately. Arbitrage problems occurred when there was advanced refunding, also when there was greater than \$5,000. The rule was \$5,000 of new money, spend it within 36 months and you would be fine. Theoretically, you could take your new money proceeds, about \$375,000, wait until the 36th month and spend 85% and not have a problem. As the construction funds are being spent, it should be invested to earn the highest rate allowable while paying a loan at 4.6 percent interest and keep the difference. Council Member Mosley made the motion to approve the 1998 Bond Series Ordinance, Council Member Pirkle made the second for discussion. Mayor Pro-Tem Bailey commented there was another work session to go through, would it be advisable to do this tonight or should they wait. Council Member Pirkle commented that was part of his concerns. This was a large amount of money that would not fit in the budget for this year and while it was attractive to refinance the loan they now have at a lower rate, he would suggest they borrow \$100,000 less and make budget cuts to offset this amount. City Manager Nevad asked if borrowing less money would affect the interest rate. Mr. Fussell responded that his understanding of the commitment letter it would not affect the interest rate to reduce the new money amount by \$100,000. However, he told the Council there were transaction costs involved and they would not change whether they borrowed the \$375,000 or if they borrowed \$275,000. The City could borrow the full amount, invest it, and then if in six to eight months they had made a \$100,000 cut in the budget, that amount could be repaid. Council Member Pirkle said he understood but did not want to put the City in debt. Mayor Pro-Tem Bailey asked if the rate would change, the which Mr. Fussell replied the commitment letter locked them in at the 4.6 percent rate. City Attorney Lee Thompson reminded the Council that if they did not approve the bond ordinance tonight and waited until after the work session, it would change all the figures. The bond would still have to be validated and this could mean they would have a January closing instead of a December closing. Council Member Pirkle wanted to know when this amount would be due, since they were paying in phases. City Manager Nevad stated they had already paid Mr. Moon \$75,000 and he thought the remainder would be paid upon completion of the project. City Attorney Thompson stated that no more than \$250,000 could be drawn by the end of the year. Thereafter there would be monthly draws, so it would depend on how fast Mr. Moon got the system installed. His deadline for getting the project completed was either June 15th or June 16th. The contract calls for at least two phases to be completed by February 15th. Mr. Fussell pointed out some advantages to doing this now. Since the City was a small issuer, they got better rates than say the City of Atlanta. He felt it would be to the City's advantage to go ahead with this now. After some more discussion on amounts and prepayments, Mayor Crabb called for the vote on passing the 1998 Bond Series Ordinance. The vote was a tie, 2 for (Bailey, Mosley), 2 against (Davis, Pirkle). Mayor Crabb cast the tie breaking vote to make it 3 for, 2 against. Motion passed 3-2.

B: DISPOSITION OF CITY OWNED PROPERTY ZONED AF AND HM-1:

Mayor Pro-Tem Bailey presented two maps, one showing parcels of city owned property that had been rezoned last month to HM-1. It also showed existing city owned property that included the old landfill and city maintenance barn along with a couple of parcels that are zoned AF. The other map showed all these areas colored in. The red space on the map was the closure area for the landfill, as determined by the engineering firm of Arcadis, Geraghty and Miller, as required by the EPD closure plan. Mayor Pro-Tem Bailey stated he had three proposals to make on these parcels. On the first proposal, Mayor Pro-Tem Bailey made a motion to take the areas that were shaded in blue and currently zoned AF; one is 18.15 acres and the other is 6.58 acres, setting those aside for future recreational needs. Council Member Mosley made the second. It was a tie vote: 2 for (Bailey and Mosley), 2 against (Davis and Pirkle). Mayor Crabb cast the tie-breaking vote voting for the motion. Motion passed 3-2. Mayor Pro-Tem Bailey stated the second proposal included all the green space. There were two things that needed to be done: they had all the meets and bounds on all the separate parcels and a definition from the engineers regarding all the area that needed to be set aside for the landfill closure. What they would need in case they decided to sell or develop part of the 30.08 acres that the maintenance barn is on would be a survey. It would also be wise to have all the green space appraised. The need for doing this was obvious, since the City would need some capital to close the landfill. City Manager Nevad had mentioned a figure of \$700,000. They would need this money by next summer. This did not include the bond refinancing for the

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golf course spray field that they had just voted on. Mayor Pro-Tem Bailey made a motion to instruct staff to have the property around the city barn surveyed, leaving an adequate amount of acreage around it for normal city operations. Also, to obtain an appraiser to have said parcels shaded in green appraised.

Council Member Mosley made the second. The vote was a tie: 2 for (Bailey, Mosley), 2 against (Davis, Pirkle). Mayor Crabb cast the tie-breaking vote, voting for the motion. Motion passed 3-2. Council Member Davis stated the reason he was opposed to both motions was because he had only been given the information just before the meeting started.

C: PUBLIC HEARING: RZ-98-006-JIMMY WILLARD RS 150 TO O & I:

Mayor Pro-Tem Bailey made the motion to enter into Public Hearing for RZ-98-006; Council Member Pirkle made the second. Motion passed unanimously 4-0.

City Manager Nevad explained this was a request from Jimmy Willard, who is located at 5011 Nelson Brogdon Blvd. He desires the property be rezoned from RS100 to Office and Institutional. The property is located on Nelson Brogdon Blvd. next to Stanley Street. The property owner is requesting this change because he would like to run an insurance agency from the existing building. The Planning and Zoning Board had heard this request and approved it with two stipulations. One, that no new structure be built, that the existing single family home be used as an office. Two, that all parking be in front of the existing building. There were no comments from the Public. Mayor Pro-Tem Bailey made the motion to return to regular session, second made by Council Member Davis. Motion passed unanimously 4-0. City Manager Nevad requested a motion to accept and approve RZ-98-006 to rezone from RS 150 to Office and Institutional with the 2 stipulations. Council Member Mosley moved to make the motion stated by City Manager Nevad, second made by Mayor Pro-Tem Bailey. Motion passed unanimously 4-0.

D: GRANT TOLBERT DAY:

Mayor Crabb reported that it was with much sadness that she must announce that Grant Tolbert had passed away on the morning of November 9, 1998 after a serious bout with cancer. Citizens had requested that November 9, 1998 be proclaimed Grant Tolbert Day. The young boy had become well known in the community due to fundraising efforts by Gordon Durham and Hubert Platt. Mayor Pro-Tem Bailey made the motion that November 9, 1998 be proclaimed Grant Tolbert Day, second made by Council Member Pirkle. Motion passed unanimously 4-0. Council Member Mosley reminded everyone that the fundraiser scheduled for Saturday, November 14, 1998 would still take place. The family had incurred a lot of medical expenses and this would be used to help pay for those expenses. Mayor Crabb Proclaimed November 9, 1998 as Grant Tolbert Day in celebration of his life and acknowledging his death.

E: APPRECIATION OF SERVICE-TIM PUGH:

Mayor Crabb asked Mr. Tim Pugh to come forward. She then read and presented him with a plaque for his service to the City and to the Council.

F: PLANNING AND ZONING BOARD APPOINTMENT:

Council Member Pirkle made a motion to nominate Mr. Ron Alu to the Planning and Zoning Board. Mr. Alu is a resident of Sugar Hill, President of the Secret Cove Homeowners Association and very interested in community affairs. Council Member Davis made the second to the nomination. There were no other nominations. Motion passed unanimously 4-0.

BEFORE ITEMS G AND H COULD BE BROUGHT UP FOR DISCUSSION, COUNCIL MEMBERS PIRKLE AND DAVIS LEFT THE MEETING. DUE TO NOT HAVING A QUORUM, THE MEETING HAD TO BE ADJOURNED.

MAYOR CRABB CALLED FOR A SPECIAL CALLED MEETING TO BE HELD ON WEDNESDAY, NOVEMBER 11, 1998 AT 7:00P.M.

MEETING ADJOURNED AT 8:20P.M.

_____Unofficial Minutes

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_____/_____/____Date Approved

Prepared by Shirley Gibbs

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