

The Board of Mayor and Aldermen of the City of Waveland, Mississippi, met in Special Session/Public Hearing at the Waveland City Hall Boardroom, 301 Coleman Avenue, Waveland, MS. on April 19, 2016 at 6:00 p.m. to take action on the following matters of City business.

ROLL CALL:

Mayor Smith noted for the record the presence of Aldermen Burke, Richardson, Lafontaine and Piazza along with City Clerk Lisa Planchard and Acting City Attorney Gary Yarborough.

Absent from the meeting was City Attorney Rachel Yarborough.

NOTICE OF MEETING (EXHIBIT A)

PUBLIC HEARING/OPEN PUBLIC HEARING

Re: Open Public Hearing: SRF Loan Application – Citywide Sewer Improvements

Mayor Smith welcomed those present and opened the Public Hearing at this time to discuss the following:

Alderman Piazza moved, seconded by Alderman Burke to open the Public Hearing for SRF Loan Application – Citywide Sewer Improvements.

A vote was called for with the following results:

Voting Yea: Burke, Richardson, Lafontaine and Piazza

Voting Nay: None

Absent: None

REVOLVING LOAN FUND PROGRAM/ CITYWIDE SEWER IMPROVEMENTS PROJECT/WATER POLLUTION CONTROL

Re: Application for \$8,000,000 loan from Water Pollution Control Revolving Loan Fund Program for the repair of gravity sewer lines, installation of new force mains and filling sewer lines no longer in use - Citywide

The City of Waveland is applying for an \$8,000,000 loan from the Water Pollution Control Revolving Loan Fund Program (WPCRLF). The anticipated interest rate for the loan is 1.75%. In general, the proposed project includes repairing gravity sewer lines, installation of new sewer force main, and filling sewer lines no longer in use.

Mr. Mickey Lagasse with Compton Engineering was present to discuss and answer questions related to the WPCRLF Loan. Alderman Richardson asked if the Grinder Pumps would be removed. Mr. Lagasse said the additional \$6,000,000 cost associated with the grinder pumps could not be justified, however the City could consider the purchase of construction and maintenance easements from the property owners who have grinder pumps and take over ownership and repairs of those pumps, pending research and approval of City Attorney. Alderman Lafontaine said he thought the repairs of the pumps by private citizens were the chief complaints. Mr. Lagasse explained the easement to the grinder pump on private property would be a minimal cost of \$100 each. Alderman Lafontaine asked for clarification that the \$8,000,000.00 would be without grinder pumps. Mr. Lagasse said, "Yes". Alderman Lafontaine noted that the City can apply for the \$8M, but the City would have to prioritize the areas to be worked based on the amount of money that the City can afford. He further said that the City can't afford \$8,000,000, he suggested that the overall project be worked in increments and pick \$2M or \$3M first and work the areas that we'll see the 'biggest bang for the buck' and then come back and do some of these other problem areas. Mr. Duckworth came forward to note that we have been spending the budgeted \$265,000 for Task Orders 1 and 2 associated with this project approved in the prior fiscal year. He said if we roll forward and talk about debt service, the amount of money that would be equivalent to what we're

spending now on the Facilities Plan we would be talking about borrowing \$5,000,000 at 1.75% on a 20 year pay back; we would be looking at a \$296,477 paid back annually for that debt service. Mr. Duckworth said, "That's the number I feel most comfortable with, that I know we could afford without incurring any more cost on to the taxpayers and unless you see some significant way to increase revenue, not speaking about raising rates, but rather something like if we had an industrial plant come in and could be a big (utility) user, that would be more revenue generated and I don't know that there's anything in the works like that, so I'm comfortable with somewhere in the neighborhood of \$5,000,000. Now we also looked at potential grants through CDBG, if we have a severe issue with sewer backing up that would qualify. We could possibly combo that grant with what we borrow; and again it is only \$500,000 (grant), but it is a half million dollars. That's about the extent that we would have in grant funds, so the majority of the bulk of this is going to have to be done on a financed debt type instrument, and again if we can make this thing work between \$250,000 and \$300,000 on an annual basis, that would be a path we could take and not have to (at this point in time), raise the rates or do something drastic in other areas such as cutting expenses. One of the hopes I have is perhaps savings in wastewater treatment; I'm not going to speculate and I can guarantee you that no Civil Engineer will speculate and put his reputation on the line as to how much we can save, but if you can save \$5,000 to \$10,000 a month (in wastewater treatment) that changes the equation as well. We can ask for \$X,XXX,XXX.XX amount, but we don't have to use that. Mr. Duckworth added that the WPCRLF will require the City to get this project done in one to two years; it's got a beginning date and an estimated completion date and within approximately 60 to 90 days after that estimated completion date, then you begin the monthly payments so we're looking at 1 to 2 years plus before we even start servicing debt". Mr. Lagasse said they will give us a year to get our engineering done, some of that will be Waveland Avenue and the Gladstone Area; Compton will provide a schedule upon the City's priority list once the City is approved for the funding. He added that we still need to go after the 'low hanging fruit', the things that will make the biggest impact with less problems and less construction costs. Mr. Lagasse said Compton would work with whatever amount this Board decides and prioritize those projects the best they can with the money they have. Alderman Lafontaine reminded everyone that up until now the City has not had to pay the Utility Authority's SRF loan, but that is coming up in the next month or two and payments will be starting back. He added that some of the Board members of the Utility Authority went to Jackson to try and get them to settle for a lesser payback amount and it looks like it may go through, but the deal will be that they start paying. City Clerk Planchard asked if they would make us back pay what was owed. Alderman Lafontaine said no, but you will pay the interest on it. Planchard added that \$215,000 was budgeted for that payment for this fiscal year. Mr. Duckworth said that this discussion is talking about borrowing \$X,XXX,XXX.XX amount of money, and what makes this difficult is that we don't necessarily have a project budget in place and that makes this, you might say, a moving target here and we don't know exactly what the target is. Alderman Lafontaine said we're going to have to prioritize and see which one of those targets we're going to go after; we can't afford to do all of them, we know that.

Mr. Lagasse asked the audience if there were any objections to the proposed application. For the record, there were no objections. The Board asked if anyone in the audience had any comments. Former Waveland resident, Russell Todd was present and discussed some sewer issues from when he used to live in Waveland. Another citizen, Mr. Bryan Frater also addressed the Board.

PUBLIC HEARING/CLOSE PUBLIC HEARING

Re: Close Public Hearing - SRF Loan Application – Citywide Sewer Improvements

Alderman Burke moved, seconded by Alderman Piazza to close the Public Hearing for SRF Loan Application – Citywide Sewer Improvements.

A vote was called for with the following results:

Voting Yea: Burke, Richardson, Lafontaine and Piazza

Voting Nay: None

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Absent: None

BUDGET FY 2016

Re: Comptroller Ron Duckworth presented the Board and audience with an Update of the FY Budget 2016 (EXHIBIT B)

Comptroller Ron Duckworth presented the Board with a Power Point presentation providing an update of the current budget, including both expenditures to date and discussion of revenue received at this point in the fiscal year. Mr. Duckworth discussed his monthly review process with the Department Heads. Alderman Lafontaine asked that at the end of the year, prior to closing the year, he would like to see all of the payroll (no names necessary) and amount of overtime received for each and comp time paid out for each. Mayor Smith thanked Mr. Duckworth for his monthly meetings and continuing education with the Department Heads related to their respective budgets. Alderman Lafontaine noted the budget is at 50%. Planchard said that overall, the budgets are on target, but some departments will have to be amended in the next few weeks. Alderman Lafontaine said the Board wanted to look at the budget for potential summer help; he also said he noticed that department heads seem to step up the purchasing at the end of the fiscal year knowing that if they don't spend it, the funds will stay in the General Fund. Alderman Lafontaine and City Clerk Planchard discussed cost-benefit related to the purchase of a vacuum truck. Alderman Lafontaine expressed his concerns about purchasing another large piece of equipment and it is not used or not cared for properly. Mrs. Planchard recommended the Board speak with Mr. Kenny Kientz about the repair rates on equipment and employees lack of care for equipment.

ADJOURN

Re: Adjourn at 7:14 p.m.

Alderman Burke moved, seconded by Alderman Richardson to adjourn the special meeting/public hearing at 7:14 p.m.

A vote was called for with the following results:

Voting Yea: Burke, Richardson, Lafontaine and Piazza

Voting Nay: None

Absent: None

The foregoing minutes were presented to Mayor Smith on April 6, 2016.

Lisa B. Planchard
City Clerk

The Minutes of April 19, 2016 have been read and approved by me on this, the 6th of April, 2016.

Mike Smith
Mayor