

# CITY OF MCINTYRE

## Minutes

May 31, 2022

1:00 p.m.

Zoom Meeting

The City of McIntyre council meeting was held on May 31, 2022, with Mayor Vicki Horne presiding. Council Members present were Katherine Scott, John Carswell and Deborah Osborne. Debra Kennedy (Working) and Mayor Pro-Tem Rico Myrick was absent.

Others in attendance: City Clerk Davonia Riddle, City Attorney David McRee, Meg Mbugua, Greg Boike, and Chief Amerson.

The meeting was called to order at 1:15 by Mayor Vicki Horne. City Clerk Davonia did roll call-Deborah Osborne (Yes), Katherine Scott (Yes), and John Carswell (Yes). Debra Kennedy and Mayor Pro-Tem Rico Myrick absent.

Mayor Horne said the reason for this called council meeting is to approve what is needed for the City to move forward with the sewer project. Mayor Horne wanted Greg Boike and Meg Mbugua on the call to explain the pricing of the contractors. L&L Utilities, Inc was the last contractor the city was waiting for, and their price increased over \$500,000.00, with another increase around June 7<sup>th</sup>. Mayor Horne said she wanted to talk with Meg so the city could get information on any other cost. And also, to give the city more information on the GEFA part regarding the interim finance of \$3 million.

City Clerk Davonia Riddle said Meg sent an email, which included Greg stating that the \$3 million from GEFA needed to be decided by the 1<sup>st</sup> of June, which is tomorrow if the city is going to finance with GEFA.

City Attorney David said he agree with Mayor Horne and believe the price increased by \$500,000.00. Mayor Horne asked if L&L Utilities, Inc tried to work with the city in order to reduce the amount or suggested any cost saving measures? City Attorney David said he does not recall; L&L Utilities Inc. is the company that has given the city the most difficulty regarding the bid. City Attorney David goes on to say, we gave him the deadline and really would have liked the bid by Friday. City Attorney David also said he believes L&L Utilities Inc. seems to be waiting on updated pricing and information from his vendors. He said the other vendors are trying to hold the price until the 1<sup>st</sup> of June, that is why council is meeting today. The contractors also feel that if the city does not complete it soon, the prices will be increasing again.

Mayor Horne said she need to know the total cost. City Attorney David asked City Clerk Davonia if Meg think that with the increase, will there still be enough funding available for the project? City Clerk Davonia said the email between Greg and Meg indicated that our budget should still be good. City Clerk Davonia goes on to say Rindt McDuff went up on their cost and MGRC said if funding is available at the end, they would like funding for their services. She also said Legacy Water Group, LLC indicated that they would go down on their price about \$56,000.00. Meg will be sending the updated paperwork. City Attorney said we can vote today for the bids amount, but the contract will be the binding part. He also said they can vote to accept the bids, subject to confirmation of the final contract.

Council Member Deborah asked if we have enough funding for the project? Mayor Horne said we should have enough, including the \$3 million from GEFA, in which the city also has to vote on today. Council

Member Deborah also asked if it is going to have any effect on the citizens bill? Mayor Horne said we will have to get updated information from Meg.

Mayor Horne asked if we could pause the meeting a little bit until we get more information. City Attorney David said we can pause for half an hour and get back on at 2:00 pm.

**Council Member Deborah made a motion to pause the meeting until 2:00 pm. Seconded by Council Member John. Roll Call-John Carswell (Yes), Katherine Scott (Yes), and Deborah Osbourne (Yes). Motion carried.**

Mayor Horne called the meeting back to order. **Council Member Katherine Scott made a motion that we go back into the meeting, Seconded by Council Member Deborah Osbourne. Roll Call-Council Member John Carswell (Yes), Council Member Katherine Scott (Yes) and Council Member Deborah Osbourne (Yes). Motion carried.**

Mayor Horne stated Greg and Meg is on the phone and asked them to give us a break down of the numbers.

City Attorney David suggested that Greg read off the four contractors bid and then council can vote on the bids.

**Greg read the contractor amount:**

Contractor # 1 \$3,235,000.00

Contractor #2 \$7,108,407.03

Contractor #3 \$5,786,644.50

Contractor #4 \$2,490,346.70

Updated information- MGRC and Rindt Mcduff

Updated RM-\$186,750.00

Administration of Grants and Loans for MCRC -\$81,000.00

Greg said to highlight how much funding we have including the USDA loan. The Total funding is \$19,701,000.00. The total amount of expenditures for the project, not including contingencies funds that remains is \$19,597,385.23, leaving the City with a balance of \$103, 614.77 available for contingencies funding.

Council Member Deborah asked Meg if she have the updated sewer cost for residents. Meg said the cost will be the same because the city is not getting any additional loan funding. Greg read off the rates for the customer:

Base rate \$20.00 1<sup>st</sup> 2000 per month

Additional 2000-6000 \$6.00 per thousand gallons

\$6.50 additional thousand gallon above 6000

Greg said the average residential customer will pay \$35.00 per month. Meg said the amount will depend on the customers, the more customers, the less amount for the residents.

Mayor Horne asked the rate regarding the money the city will have to borrow regarding the interim finance. Greg stated he does not have the specific rate, but GEFA will do the interim finance and USDA will immediately come in and pay off the amount to take over the permanent finance at that point. Greg said the amount the city will be responsible for will be in the underwriting.



Meg stated the interest amount was set aside in the amount of \$289,000.00 for the interim finance to pay the interest. City Attorney David said that was his understanding, money was allocated to pay for the interest portion. Meg said USDA includes the build in the interest amount. Greg said the current GEFA rates as of April 1, 2022, effective rates depending on demographic is 1.5% -2.5% market rate. **Motion made by Council Member John Carswell to accept the four contractor bids that were read by Greg from MGRC. Seconded by Council Member Deborah Osbourne. Roll Call- Council Member John Carswell (Yes), Council Member Katherine Scott (Yes) and Council Member Deborah Osbourne (Yes). Motion carried.**

**Motion made by Council Member Deborah Osbourne to accept GEFA to do the interim finance. Seconded by Council Member John Carswell. Roll Call-Council Member John Carswell (Yes), Council Member Deborah Osbourne (Yes), and Council Member Katherine Scott (Yes). Motion carried.** Mayor Horne asked Greg and Meg to contact the appropriate people and let them know council voted and approved bids/interim finance. Meg said she will contact the contractors and Greg said he will contact Amanda from GEFA.

**With there being no further business, Motion made by John Carswell, seconded by Deborah Osbourne to adjourned. Roll Call-Council Member Deborah Osbourne (Yes), Council Member Katherine Scott, and Council Member John Carswell. Motion Carried. Meeting adjourned at 2:30 pm.**

  
Vicki Horne, Mayor

  
Davonia Riddle, City Clerk