

Council Meeting  
March 3, 2014

Members Present: Mayor Richard C. Barr, members Jody Greene, Chandler Hill, Buddy Duke, Greg Paige and Butch Fausett.

Others Present: John Flythe, Rhonda Rowe, Tim Tanner, Chad Castleberry, Wayne Giddens and members of the public.

Invocation was given by Councilman Duke.

Approval of Minutes: Councilman Duke made a motion to approve the minutes of February 17, 2014 as presented. Councilman Fausett seconded with all in favor.

Alabama Road Report: City manager John Flythe stated that following the last meeting, final negotiations among the engineers have been entered into for the road to serve the Wal-Mart project and the city's engineer felt the water line needed to be moved west because of where the location of the proposed building will be. We are going to extend the road 300 feet and then it will curve back into the present road. In the future, the road will tie back into the planned by-pass road. Currently, we are going to pave the road up to where the by-pass will be. We are not going to pave past that point to the existing dirt road that goes south to County Farm. These final plans have been transmitted to the Williams Company who will in turn transmit them to Wal-Mart. These plans give Wal-Mart access to both the north and south side of the proposed building. We will resurface Alabama Road and extend the pavement 300' past where the dirt road presently is. This project will consist of three phases. Phase 1 will be completion of Alabama Road. Phase 2 will be the by-pass. Phase 3 will be a request to be made by the Williams Company at a later date. If the Mayor and Council accept this plan, we will sign off and will need to get the exchange of deeds for the by-pass property. The Williams Company is supposed to finalize the agreement with Wal-Mart next week. The City of Adel has completed our portion and if all goes well they will decide to move forward. If so, we will finish our documentation and put it out to bid so we'll be complete about the same time they finish construction. Hopefully, we will have a store by the end of the year.

Road Paving: The roads we agreed to pave utilizing 2013 and 2014 LMIG funds, as well as a portion of SPLOST funds, have been completed. We did have an additional amount of asphalt left over that we used to pave one block on 1<sup>st</sup> Street and a section in front of Sierra Pine at no additional cost.

Windstream Telephone Proposal: City Manager John Flythe reported that repair and replacement parts for our current telephone system have become obsolete and Windstream is not sure they could get us up and running in the event of a disastrous situation. The system being proposed is an IP (Internet Protocol) system. We are currently paying \$2517.24 per month. We would have an immediate savings on monthly recurring charges of \$1213.12 if we changed from analog to IP phones. The savings would be offset by the equipment we will have to purchase. We would have to buy or lease \$53,597.71 worth

of equipment. They will lease on fair market value which means at the end of the lease we would have to buy the system. In either case, we still come out cheaper. The fair market value lease is \$1011.83 per month. The other option is that if we bought the equipment for \$1 at the end of the lease, it would cost us \$1120.29 per month. If we went with the Fair Market Value proposal, we would save presently \$201.29 per month for 60 months. At the end of 60 months, the \$1011.83 would go away. This would be the lease/purchase option. The other option is with the 1120.29, we would save presently \$92.83 and at the end of 60 months we would give them our \$1 and it would then become our system. He would like to get authority to move to the IP system and in addition we are hoping that we might get a grant to pay for the capital equipment. If so, those capital costs would go away. Worst case scenario is that we can save either \$92.83 per month or \$201.29 and buy it at fair market value. He added this system gives us a lot more capabilities. Butch asked if we leased it, does the equipment belong to Windstream which would eliminate a service call? Mr. Flythe responded that it wouldn't eliminate a service call. Both options are a lease but one is a lease with a \$1 buy-out and one is a lease with a 10% buy-out (at market value). Councilman Fausett stated that if it is a lease it's their stuff and they have to take care of it. Mr. Flythe responded they would take care of it until it becomes ours. He added there would be a warranty period and then standard charges. Also, since it is IP, lines are internet connected so there shouldn't be much repair costs. Anything else would be what he calls "back office equipment". This all belongs to Windstream, no cost to us. He then asked if it might be coming down the pike that cities would have to have compatible phone systems. Mr. Flythe stated he had not heard anything like this, but a few years ago the IP phone system came out so it should be operating very well now. Councilman Greene asked if they provided us an estimate of what the purchase price (fair market value) would be if we went with that option. The city manager replied they would but we don't have to take it. We could go with another system if we wanted. He added that he had done a computation that indicates at the end of five years there is \$6507.60 worth of non-payments or difference in price. If we pay the \$1120.29 per month we are going to pay out \$67,217.40 in total. If we pay \$1011.83 per month we will pay out \$60,709.80. That the \$6507.60 difference. At that point we would have to decide whether we are going to buy new or pay off the lease on what we have. Based on the age of our current system, Mr. Flythe felt it wouldn't wear out anytime soon. Councilman Fausett added it (technology) would be changed when we wake up in the morning. Councilman Paige added that we need to be in line with technology. Councilman Paige made a motion to approve the system with the option that is in the best interest of the city. Councilman Hill seconded. All were in favor. Councilman Duke added that technically, we are spending the same amount we are spending now.

Planning Commission Appointment: The council was advised that Jerry Durden's appointment expired in 2012. He has been contacted and agreed to continue serving if reappointed. Councilman Fausett made a motion to approve reappointing him to the commission. Councilman Paige seconded. The decision was unanimous.

There was no further business and the meeting was adjourned.

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Rhonda P. Rowe, City Clerk

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Richard C. Barr, Mayor

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