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**STATE OF ALABAMA
COUNTY OF COVINGTON**

**ANDALUSIA CITY HALL
ANDALUSIA, ALABAMA
DECEMBER 1, 2009**

REGULAR WORK SESSION MEETING

PRESENT:

Earl V. Johnson, Mayor
Will Sconiers, Councilmember
Kenneth C. Mount, Councilmember
Hazel Griffin, Councilmember
Jason Jewell, Councilmember
Terry Powell, Councilmember
Mark Christensen, City Attorney

ABSENT:

None

The City Council of the City of Andalusia, Alabama met in room 340 at city hall for a work session at 5:00 p.m. for the purpose of planning and finalizing the agenda.

Jed Blackwell and Mike Holloway of the South Alabama Regional Airport Authority gave the council a report about Airport activities.

REGULAR COUNCIL MEETING

PRESENT:

Earl V. Johnson, Mayor
Will Sconiers, Councilmember
Kenneth C. Mount, Councilmember
Hazel Griffin, Councilmember
Jason Jewell, Councilmember
Terry Powell, Councilmember
Mark Christensen, City Attorney

ABSENT:

None

Mayor Johnson called the meeting to order and welcomed all. Councilmember Sconiers led the prayer and Pledge of Allegiance to the flag.

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APPROVAL OF MINUTES:

Mayor Johnson presented the minutes from the November 17, 2009, regular meeting. Councilmember Griffin moved to approve the minutes. Councilmember Jewell seconded the motion which passed unanimously.

COUNCIL ADOPTS RESOLUTION 2009 – 22, APPROVING A BID FOR THE KIRKPATRICK PARK PROJECT:

Mayor Johnson presented Resolution 2009 – 22, Approving a Bid for the Kirkpatrick Park Project.

**THE CITY OF ANDALUSIA
ANDALUSIA, ALABAMA**

RESOLUTION NO. 2009 – 22

**A RESOLUTION APPROVING A BID FOR THE KIRKPATRICK PARK
PROJECT**

WHEREAS, the City of Andalusia plans to construct the Kirkpatrick Park; and

WHEREAS, the City of Andalusia, Alabama did legally advertise the bid opening date of Monday, November 23, 2009, in accordance with Alabama State Law, and on that date opened all bids in public and read them aloud; and

WHEREAS, the lowest responsible bidder was Carter's Contracting Services, Inc., with a base bid of \$185,110.00, with alternate one, \$6,200, alternate two, \$6,200, for a grand total of \$197,510.00,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANDALUSIA, that the bid from Carter's Contracting be accepted with alternates one and two for \$197,510.00.

BE IT FURTHER RESOLVED that the mayor be authorized to execute any and all documents necessary to effectuate the intent of this resolution.

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ADOPTED AND APPROVED this 1st day of December, 2009.

THE CITY OF ANDALUSIA, ALABAMA

By: _____
Earl V. Johnson, Mayor

ATTEST:

John M. Thompson, City Clerk – Treasurer

Councilmember Powell moved to adopt Resolution 2009 – 22. Councilmember Sconiers seconded the motion which passed unanimously.

COUNCIL ADOPTS RESOLUTION 2009 – 23, DECLARING CITY VEHICLES SURPLUS:

Mayor Johnson presented Resolution 2009 – 23, Declaring City Vehicles Surplus.

**CITY OF ANDALUSIA
ANDALUSIA, ALABAMA**

A RESOLUTION DECLARING CITY VEHICLES SURPLUS

RESOLUTION 2009 - 23

WHEREAS, the City of Andalusia, Alabama has inventoried its vehicles and found the following vehicles to be unneeded for public municipal purposes:

- | | | |
|----|---------------------------------------|------------------------|
| 1) | 1998 Ford Crown Victoria
Unit #982 | VIN: 2FAFP71W2WX122098 |
| 2) | 1993 Ford Ranger
Unit #935 | VIN: 1FTCR10X5PUB19882 |

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Andalusia, Alabama, that said equipment listed above is no longer needed for public municipal purposes, and that the Mayor and City Clerk are hereby authorized to sell or otherwise dispose of said surplus property.

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ADOPTED AND APPROVED this 1st day of December, 2009.

THE CITY OF ANDALUSIA, ALABAMA

By: _____

Earl V. Johnson, Mayor

ATTEST:

John M. Thompson, City Clerk – Treasurer

Councilmember Powell moved to adopt Resolution 2009 – 23. Councilmember Mount seconded the motion which passed unanimously.

COUNCIL ADOPTS ORDINANCE NO. 2009 – 07, APPROVING TEMPORARY FINANCING FOR LAW ENFORCEMENT TRAINING FACILITY:

Mayor Johnson presented Ordinance No. 2009 – 07.

**THE CITY OF ANDALUSIA
ANDALUSIA, ALABAMA**

ORDINANCE NO. 2009 - 07

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF AN INTEREST BEARING TEMPORARY NOTE OF THE CITY OF ANDALUSIA IN THE PRINCIPAL AMOUNT OF NOT MORE THAN \$702,349

BE IT ORDAINED BY THE CITY COUNCIL (herein called the "Governing Body") OF THE CITY OF ANDALUSIA (herein called the "Municipality") as follows:

Section 1. Findings and Representations.

The Governing Body does hereby find and determine, warrant and represent as follows:

(a) The Governing Body has determined it is necessary and desirable and in the public interest for the Municipality to acquire and construct capital improvements in or for the Municipality consisting of a police training facility (the "Project"), and to that end the Governing Body has obtained a fund reservation from

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the Department of Agriculture, United States of America (herein called "USDA"), for the purchase by USDA and sale by the Municipality of its General Obligation Warrants, Series 2010 (herein called the "Permanent Warrants") to pay the cost of acquiring and constructing the said improvements under the provisions of Sections 11-47-2 of the CODE OF ALABAMA 1975.

(b) Some time will be required to complete the sale and delivery of the Permanent Warrants, and it is necessary now to make provision for payment of the costs of construction as work progresses under the construction contract. Temporary or interim financing as hereinafter provided is necessary for and is in the best interest of the Municipality.

(c) For the purpose of providing funds for the temporary use and in anticipation of the sale and issuance of the Permanent Warrants to pay the cost of construction of the Project, the Municipality shall sell and deliver to Regions Bank (the "Lender") its General Obligation Temporary Note, Series FY 2010, in principal amount of \$702,349 as authorized and described herein (the "Note").

(d) The general revenues of the Municipality for the fiscal year ending September 30, 2009 were not less than \$12,967,003. The principal amount of the Note will not be more than one-fourth of the general revenues of the Municipality for the fiscal year ending September 30, 2010.

(e) The population of the Municipality is 8,794 according to the 2000 United States Census of Population and Housing effective as of January 1, 2003.

Section 2. Authorization, Description, Payment and Form of Note.

(a) The Municipality shall borrow the amount of \$702,349 in such amounts and at such times as shall be necessary for the purposes set forth in Section 1 hereof, and the Municipality shall issue therefor its General Obligation Temporary Note, Series FY 2010, in the following principal amount and of the following number, to the following financial institution to evidence a line of credit extended by such institution to the Municipality for such purposes:

<u>Note No.</u>	<u>Principal Amount</u>	<u>Institution</u>
R-1	\$702,349	Regions Bank

(b) The Note shall be dated the date of issuance; shall bear interest at the per annum rate or rates; shall be payable in installments of principal and interest in such amounts, at such times and in such manner; shall be subject to redemption prior to maturity; and shall be registered and transferred; all as provided in the form of the Note in Section 2(e).

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(c) The principal of and interest on the Note shall be payable in lawful money of the United States of America, at the principal office of the registered owner thereof, in Andalusia, Alabama, at par and without discount, exchange or deduction or charge therefor. The Municipality hereby covenants and agrees to pay all bank charges for the Note.

(d) The indebtedness evidenced and ordered paid by the Note shall be a general obligation of the Municipality for the punctual payment of the principal of and interest on which the full faith, credit and taxing power of the Municipality are hereby irrevocably pledged.

(e) The Note shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF ALABAMA**

No. R-1

**CITY OF ANDALUSIA
TEMPORARY GENERAL OBLIGATION NOTE
SERIES FY 2010**

<u>Dated Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
December __, 2009	Applicable Rate, as determined herein	December 1, 2010

The CITY OF ANDALUSIA, a municipal corporation organized and existing under and by virtue of the laws of the State of Alabama (the "Municipality"), for value received, hereby promises to pay to

REGIONS BANK

or registered assigns (collectively the "Noteholder") the principal amount of

**SEVEN HUNDRED TWO THOUSAND THREE HUNDRED FORTY-NINE
DOLLARS**

(\$702,349)

or so much thereof as may be advanced hereunder, as hereinafter provided, together with interest on the unpaid balance of said principal amount advanced and outstanding hereunder from time to time, from the date advanced until payment in full, at a per annum rate of interest (computed on the basis of the actual number of days elapsed over a 360-day year) equal to the Applicable Rate (as hereinafter defined), as adjusted from time to time as hereinafter provided; such principal of and interest on this note being payable in installments as follows:

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(a) on the first Business Day of the month next succeeding the month in which this note is delivered and continuing on the first Business Day of each month thereafter, until and including the first Business Day of November, 2010, the interest accrued on the outstanding principal balance of this note to each such date of payment; and

(b) on the Maturity Date set forth above, the entire outstanding principal balance of this note plus interest accrued to such date of payment.

The Applicable Rate shall be determined on each Interest Rate Adjustment Date and the Applicable Rate as determined on any Interest Rate Adjustment Date shall become effective on each Interest Rate Adjustment Date and shall remain in effect until the then next succeeding Interest Rate Adjustment Date.

For purposes hereof, the following terms have the following meanings:

Adjusted LIBOR Rate shall be a variable per annum rate of interest equal to that rate of interest determined on each Index Rate Determination Date to be equal to the sum of: (i) the LIBOR Index Rate as determined for such date plus (ii) 2.97%.

Applicable Rate shall be a per annum rate of interest equal to the greater of: (i) three and twenty-three one-hundredths of one percent (3.23%) or (ii) whichever of the following rates of interest, as adjusted from time to time, shall then be applicable hereto:

(a) the Adjusted LIBOR Rate, provided, if the Lender determines (which determination, if made on a reasonable basis, shall be conclusive) that quotations of rates for the relevant types of United States dollar deposits referenced in the definition of Index Rate are not being provided in the relative amounts for the relative maturities for purposes of determining interest rates based upon the Index Rate, or in the event it becomes unlawful or impossible for the Lender to make, maintain or fund the Adjusted LIBOR Rate, the Lender shall give notice thereof to the Municipality and the principal amount of this Note shall thereupon bear interest at a per annum rate of interest equal to (i) the rate of interest on this Note on the date of delivery of such notice for the period beginning on such date of delivery of such notice and ending on the last day of the month in which such notice is delivered; and (ii) a substitute index rate chosen by the Lender to take the place of Adjusted LIBOR Rate, as said rate is adjusted from time to time, for the period beginning on the first day of the succeeding month after the month in which such notice is delivered and ending on the date of payment in full of this Note; or

(b) if any amount of principal of and, to the extent legally enforceable, interest on, this Note shall not be paid when due, such amount shall bear interest at a per annum rate equal to Prime Rate, as adjusted as herein provided, plus 3.00%, from the scheduled date of payment to the date such payment thereof is made.

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Applicable Reserve Requirement means, at any time, the maximum rate, expressed as a decimal, at which reserves (including any basic marginal, special, supplemental, emergency or other reserves) are required to be maintained with respect thereto against “Eurocurrency liabilities” under regulations (including without limitation Regulation D) issued from time to time by the Board of Governors of the Federal Reserve System or other applicable banking regulator. Without limiting the effect of the foregoing, the Applicable Reserve Requirement shall reflect any other reserves required to be maintained by such member banks with respect to (i) any category of liabilities which includes deposits by reference to which the LIBOR Index Rate is to be determined, or (ii) any category of extensions of credit or other assets which include LIBOR Loans. A LIBOR Loan shall be deemed to constitute Eurocurrency liabilities and as such shall be deemed subject to reserve requirements without benefits of credit for proration, exceptions or offsets that may be available from time to time to the Lender. The rate of interest on LIBOR Loans shall be adjusted automatically on and as of the effective date of any change in the Applicable Reserve Requirement.

Business Day shall mean (i) any day other than a Saturday, a Sunday or other day on which commercial banks in Birmingham, Alabama are authorized or required by law to close, and (ii) with respect to all notices, determinations, fundings and payments in connection with the LIBOR Index Rate, the term “Business Day” shall mean any day which is a Business Day described in clause (i) and which is also a day for trading by and between banks in Dollar deposits in the London interbank market.

Code shall mean the Internal Revenue Code of 1986, as amended.

Dollars means the lawful money of the United States of America.

Index Rate means, for any Index Rate Determination Date, the rate per annum (rounded upward to the next whole multiple of 1/16 of 1%) equal to (a) the rate determined by the Lender to be the offered rate which appears on the page of the Reuters Screen which displays an average British Bankers Association Interest Settlement Rate (such page currently being Reuters Screen LIBOR01 Page) for deposits with a term equivalent to one (1) month in Dollars, determined as of approximately 11:00 a.m. (London, England time) two (2) Business Days prior to such Index Rate Determination Date, or (b) in the event the rate referenced in the preceding clause (a) does not appear on such page or service or if such page or service shall cease to be available, the rate per annum (rounded upward to the next whole multiple of 1/16 of 1%) equal to the rate determined by the Lender to be the offered rate on such other page or other service which displays an average British Bankers Association Interest Settlement Rate for deposits with a term equivalent to one (1) month in Dollars, determined as of approximately 11:00 a.m. (London, England time) two (2) Business Days prior to such Index Rate Determination Date, or (c) in the event the rates referenced in the preceding clauses (a) and (b) are not available, the rate per annum

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(rounded upward to the next whole multiple of 1/16 of 1%) equal to quotation rate (or the arithmetic mean of rates) offered to first class banks in the London interbank market for deposits in Dollars of amounts in same day funds comparable to the principal amount of the applicable Loan of the Lender, for which the Index Rate is then being determined with maturities comparable to one (1) month as of approximately 11:00 a.m. (London, England time) two (2) Business Days prior to such Index Rate Determination Date.

Index Rate Determination Date shall mean the date of delivery of this Note and the first Business Day of each calendar month thereafter.

Interest Rate Adjustment Date shall mean (1) the date of delivery of this Note, and (2) as long as the Adjusted LIBOR Rate is the rate of interest hereon, the Index Rate Determination Date, and (3) as long as the Prime Rate is the rate of interest hereon, each Business Day on which any change in the Prime Rate becomes effective and (4) each date on which any adjustment in the Applicable Rate is required to be made in accordance with the basis upon the Applicable Rate is then established by the Lender.

LIBOR Index Rate means, for any Index Rate Determination Date with respect to a LIBOR Loan, the rate per annum obtained by dividing (i) the Index Rate by (ii) an amount equal to (a) one, minus (b) the Applicable Reserve Requirement.

LIBOR Loan means a loan bearing interest at a rate determined by reference to the LIBOR Index Rate.

Prime Rate means the per annum rate which Regions Bank publicly announces from time to time to be its prime lending rate, as in effect from time to time, which Regions Bank's prime lending rate is a reference rate and does not necessarily represent the lowest or best rate charged to customers.

The principal of and interest on this note shall be payable at par, without discount, exchange, deduction or charge therefor, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts, at the office of the Noteholder in Andalusia, Alabama or at such other place as shall be designated by the Noteholder to the Municipality in writing; provided, however, the final payment of such principal and interest shall be made only upon presentation and surrender of this note to the Municipality.

The Municipality may, on any date, pay in advance the entire unpaid principal balance of this note or any Lender portion or portions thereof by paying to the Noteholder the principal amount to be prepaid, plus interest accrued on such principal amount to the date of such prepayment, without premium or penalty.

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This note is a master note under a line of credit extended by the Noteholder to the Municipality. The proceeds of the loan evidenced hereby will be advanced by the Noteholder to the Municipality in installments as requested by the Municipality (as to amount and date). By reason of prepayments hereon there may be times when no indebtedness is owing hereunder; notwithstanding any such occurrence, this note shall remain valid and shall be in full force and effect as to each principal advance made hereunder subsequent to each such occurrence. Each principal advance and each payment made on this note shall be reflected by the notations made by the Noteholder on its internal records (which may be kept by computer or by other means determined by the Noteholder) and the Noteholder is hereby authorized so to record thereon all such principal advances and payments. The unpaid principal amount of this note reflected on the internal records of the Noteholder (whether by computer or otherwise) shall be rebuttably presumptive evidence of the principal amount of this note outstanding and unpaid. No failure of the Noteholder so to record any advance or payment shall limit or otherwise affect the obligation of the Municipality hereunder with respect to any advance, and no payment of the principal by the Municipality shall be affected by the failure of the Noteholder so to record the same.

This note is issued pursuant to the Constitution and laws of the state of Alabama, including without limitation the provisions of Section 11-47-1 of the CODE OF ALABAMA 1975, and a ordinance and proceedings of the governing body of the Municipality duly passed, held and conducted (the "Authorizing Proceedings").

The indebtedness evidenced by this note is a general obligation of the Municipality, and the full faith and credit of the Municipality are hereby sacredly and irrevocably pledged to the punctual payment of the principal hereof and interest hereon.

This note is recorded and registered as to principal and interest in the name of the owner on the book of registration maintained for that purpose by the Municipality. The person in whose name this note is registered shall be deemed and regarded as the absolute owner hereof for all purposes and payment of the principal of and interest on this note shall be made only to or upon the order of the registered owner hereof or his legal representative, and neither the Municipality nor any agent of the Municipality shall be affected by any notice to the contrary. Payment of principal of and interest on this note shall be valid and effectual to satisfy and discharge the liability of the Municipality upon this note to the extent of the amounts so paid.

This note may be transferred only upon written request of the registered owner or his legal representative addressed to the Municipality, such transfer to be recorded on said book of registration and endorsed hereon by the Municipality. Upon presentation to the Municipality for transfer, this note must be accompanied by a written instrument or instruments of transfer satisfactory to the Municipality, duly executed by the registered owner or his attorney duly authorized in writing, and the Municipality shall endorse on the

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schedule attached hereto for such purpose the principal amount of this note unpaid and the interest accrued hereon to the date of transfer. No charge shall be made for the privilege of transfer, but the registered owner of this note requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

It is hereby recited, certified and declared that the indebtedness evidenced and ordered paid by this note is lawfully due without condition, abatement or offset of any description, that this note has been registered in the manner provided by law, that all acts, conditions and things required by the Constitution and laws of the state of Alabama to happen, exist and be performed precedent to and in the execution, registration and issuance of this note, and the adoption of the Authorizing Proceedings, have happened, do exist and have been performed as so required, and that the principal amount of this note and all other indebtedness of the Municipality are within every debt and other limit prescribed by the Constitution and laws of the state of Alabama.

IN WITNESS WHEREOF, the Municipality, acting by and through its governing body, has caused this note to be executed in its name and on its behalf by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this note to be dated the date and year first above written.

CITY OF ANDALUSIA, ALABAMA

By _____
Earl V. Johnson, Mayor

SEAL

Attest: _____
John M. Thompson, City Clerk – Treasurer

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A motion was made by Councilmember Jewell and seconded by Councilmember Powell to suspend all rules which would otherwise prevent the immediate consideration of Ordinance No. 2009 - 07. Upon being put to a vote, the following was recorded:

YES:

Mayor Johnson
Councilmember Sconiers
Councilmember Mount
Councilmember Griffin
Councilmember Jewell
Councilmember Powell

NO:

None

ABSTAINED:

None

Mayor Johnson declared the motion unanimously passed and the rules suspended.

Councilmember Jewell moved to adopt Ordinance No. 2009 – 07. Councilmember Powell seconded the motion. Upon being put to a vote, the following was recorded.

YES:

Mayor Johnson
Councilmember Sconiers
Councilmember Mount
Councilmember Griffin
Councilmember Jewell
Councilmember Powell

NO:

None

ABSTAINED:

None

Mayor Johnson declared the motion unanimously passed.

UTILITY BOARD DEPARTMENT MANAGERS PRESENT REPORTS:

Reports were presented from the Electric, Wastewater, Administration, and Water – Sewer Departments.

ANNOUNCEMENTS:

1. Mayor Johnson announced the 2010 Census and encouraged citizen participation.
2. Mayor Johnson announced that the Christmas Lighting Ceremony would be held December 3, 2009, and the Christmas Parade would be held December 4, 2009.

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ADJOURNMENT:

With no further business, Mayor Johnson called the meeting adjourned.

THE CITY OF ANDALUSIA, ALABAMA

BY: _____
Earl V. Johnson, Mayor

ATTEST:

John M. Thompson, City Clerk – Treasurer