

ATHENS CITY COUNCIL MINUTES OF MEETING

February 2, 2021

The Athens City Council met in called session on February 2, 2021, at 5:15 p.m. with Mayor Perkinson presiding. The invocation was given by Mayor Perkinson; and upon roll call, the following members were present:

Curtis, Pelley, Witt-McMahan, Lockmiller, Perkinson

The following decision was made and ordered made a part of the records of the Athens City Council.

The purpose of the meeting, as issued in the "Notice of Called Meeting" dated January 28, 2021, was read and made a part of these minutes:

NOTICE OF CALLED MEETING

There will be a called meeting of the Athens City Council on Tuesday, February 2, 2021, beginning at 5:15 p.m. in the Athens Municipal Building Burkett Witt Council Chambers located at 815 North Jackson Street.

The purpose of this meeting is to:

- Discuss capital projects for the City of Athens including Phase 2 of the Athens City Schools Building Project.
- Motion to approve a resolution authorizing capital projects including the City of Athens Department of Education's request for Phase 2 of the Athens City Schools Building Project.

/s/

William Bo Perkinson, Mayor

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NEW BUSINESS

DISCUSSION ON CAPITAL PROJECTS INCLUDING PHASE II OF THE ATHENS CITY SCHOOLS BUILDING PROJECT

Mayor Perkinson asked City Manager Sumner to reprise the history of the request from the School Board for the Athens City Schools Building Project. City Manager Sumner reviewed the adopted phased in funding plan agreed to by the City Council in early 2020. First, was a sales tax increase that was voted on and approved by the voters. Second, was the savings from the phased in approach of building one of the two schools, of approximately \$150,000 plus the third item of an \$.08 property tax that was to be implemented this current fiscal year. That property tax was not implemented by the Council. In August 2020, a savings agreement was put in place between the City and the School Board. The funding level at that time would have provided for roughly \$30,000,000 to begin Phase I this year. Phase II was projected to begin in roughly 2026, or as soon as fiscally feasible. The City Council stated several times they would move forward with Phase II as soon as they could but no later than the 2026 deadline. Phase II would rely on the adopted sales tax and an extra savings from closing the remaining facilities of \$550,000, which would have been a total of \$700,000 in savings that the School Board would be remitting to the City of Athens to fund a portion of the debt service. A \$.12 property tax increase at that time would have provided for \$20,000,000 to build the second school at that site and complete the two schools under one roof design. That would be a total of a \$.20 property tax increase along with the savings plan with the School Board and the sales tax that had already been allotted for this program. The third phase of approaching the needs at the Athens City Middle School would begin in roughly 2030. This was the adopted phased in approach that was adopted by the City Council. This meeting was to alter that approach if that was the desire of the City Council. The

new funding plan being recommended is to have the School Building Phases I and II completed concurrently that would utilize the \$1,000,000 that has already been guaranteed from the sales tax, school savings once students enter that building of \$780,000+ annually, which is the \$700,000 savings that was already set by the School Board plus 25% of the extra revenue the School Board is receiving from the increase in the County sales tax that the county voters voted for and City will use \$45,000 annually coming from the school debt service fund that will help to pay that debt down quicker. That comfortably provides the City with the funding for \$40,000,000 to complete both schools at one time and both schools being slated to meet the School Board's timeframe of opening Fall of 2023. This also incorporates the maintenance on existing School properties to be paid by Athens City Schools over the next three years, or until students are moved into the new school buildings, utilizing CARES Act and other funds. These are and will be publicly owned buildings and will be the responsibility, as they are today, of the taxpayers. The CARES Act is one-time money that is coming in that can be appropriated and used for these repairs and the Schools have provided the City Council with a list of those improvements including timelines and dollar amounts that is to be accomplished. This addresses taking care of the immediate and future needs of those three-existing building – Ingleside, North City, and Westside. The other needs of the City that have been identified and discussed with the City Council are the street improvements of roughly \$3,000,000 in the City Park neighborhood to handle the increase of traffic. It has been stated and acknowledged that those improvements will not be complete by the time the schools open but tremendous progress will have been made at that time. The City will be roughly six months to a year out from completing those traffic improvements to help mitigate those people living there, people dropping their kids off, and the employees of the school system that need to get in and out of that neighborhood as well. The other items that were discussed for the City's capital needs are a new or rehabilitated Animal Shelter, a rehabilitated Public Works building, rehabilitation of City Hall, and a new fire training ground that will go to benefit the entire county. Those will be appropriately \$10,000,000 in capital projects improvements for all those needs. So, to fund the entire project and the City's needs in the next four years, we are looking for a total single property tax increase, instead of a double increase, and not \$.20, but less than \$.10. That would bring our tax rate, which was \$1.3628, which because of evaluation was lowered by nearly a dime to \$1.2676, we project a fiscal year 2022 property tax rate of \$1.36. With the hiring of Cooperative Strategies we saw a project that was hitting on 197,000 square foot, at times was \$57,000,000+ and we were able to appropriately size the building and make sure it meets the programming needs of the School Board which saved our taxpayers roughly \$8,000,000 off the project about two years ago. The savings agreement that has been put in place between the School Board and City of Athens also brings in savings to our taxpayers that makes this project happen. That over the projected 40-year life of this loan is in the neighborhood of \$32,000,000 that is not coming out of our taxpayers' pockets. This is the lowest loan rate, 2.125% from USDA in history. The further savings from the construction bid came in even lower than our estimates and projections at just less than \$40,000,000. This project has come together over the last four years as a real team-based approach with the City Council, School Board, with the chief staff of those two bodies working together, talking together, and meeting frequently and sometimes we butted heads, sometimes we didn't see eye-to-eye but we kept working together and because of that Mayor Perkinson has been deeply involved and sat at that table for many of those discussions, Chairman Mike Bevins was also at the table, the director of schools Dr. Melanie Miller and now Robert Greene, and of course our own director of finance Mike Keith crunching the numbers over and over to make sure we could do this, that it was feasible, what was the overall impact to our entire city, to our citizens, and to our businesses. This team approach and what it has taken even behind the scenes to get us to this point is nothing other than the Friendly City being blessed beyond measure. We sit here with this resolution before the City Council to meet all of the great and long-time coming needs of this City in one move at one time.

APPROVAL OF RESOLUTION AUTHORIZING CAPITAL PROJECTS INCLUDING PHASE II OF THE ATHENS CITY SCHOOLS BUILDING PROGRAM

RESOLUTION NO. 2021-05

A RESOLUTION AUTHORIZING CAPITAL PROJECTS INCLUDING THE CITY OF ATHENS' DEPARTMENT OF EDUCATION'S REQUEST FOR PHASE II OF THE ATHENS CITY SCHOOLS BUILDING PROGRAM.

Resolution No. 2021-05 was read in its entirety by City Manager Sumner. Mayor Perkinson asked for a motion. **Council Member Pelley moved, Council Member Witt-McMahan seconded, to approve Resolution No. 2021-05.** Upon roll call, the resolution was approved by the following vote:

AYES: Curtis, Pelley, Witt-McMahan, Lockmiller, Perkinson
NAYS: None

ADJOURNMENT

There being no further business to come before the meeting and upon motion duly made and seconded, the meeting adjourned at 5:48 p.m.



C. SETH SUMNER, City Manager



WILLIAM BO PERKINSON, Mayor