



Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ♦ December 2, 2009 ♦ 5:00 p.m.

I. CALL TO ORDER

The December 2 (November), 2009, regular Board meeting for the Utilities Board of the City of Daphne was called to order by Chairman Robert Segalla, at 5:01 p.m.

II. ROLL CALL

Members Present: Robert Segalla, Chairman
Ron Scott, Vice Chairman
Lon Johnston, Secretary Treasurer
Fred Small, Mayor
Fenton E. Jenkins

Others Absent:

Others Present: Jerry Speegle – Board Attorney – arrived at 5:11 pm
Rob McElroy – General Manager
Danny Lyndall – Operations Manager
Teresa Logiotatos – Finance Manager
Deloris Brown – Human Resources Manager
Drew Klumpp – Administrative Services Manager
Lori Scharles – Executive Assistant
Melinda Immel – Volkert & Associates
Ray Moore – HMR

Others Absent:

III. PLEDGE OF ALLEGIANCE

The Chairman led the Board and meeting attendees in the Pledge of Allegiance.

IV. APPROVAL OF MINUTES

a. *Utilities Board Minutes from November 4, 2009:*

The Chairman stated there was a correction noted for the Minutes from the November 4 (October), 2009, Utilities Board meeting.

MOTION BY Mayor Fred Small to approve the Corrected Minutes for November 4, 2009; Seconded by Ron Scott.

AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA, SMALL ABSENT: ABSTAIN: MOTION CARRIED

V. Old Business

a. *Property Investigation*

Mr. McElroy reported that information was presented on the Johnson Road property and property located behind Wal-Mart both currently owned by the City of Daphne. However an offer of \$1.49 million was agreed upon for the

Daphne Mazda, which was less than what was originally initiated. Mr. McElroy then reviewed information of the City of Daphne-owned properties. Mr. Speegle arrived at 5:11 pm and addressed the Board with information on the Mazda property-bankruptcy issue. After a discussion about the Mazda property, Chairman Segalla commented that time is of the essence for updating our aging plant and that this property seemed to be a good fit for the Utility and welcomed comments from other Board members. Mr. Scott commented that after reading the equipment that will be housed there, he did not want to see a construction yard in the heart of Daphne and recommended buffers and fencing at the property. He also commented that he did not want to move the main office until the main office building was sold, and with those two stipulations stated that he felt he could support the property purchase. Mr. Johnston supported the comments of both Chairman Segalla and Mr. Scott and expressed his concern of the sense of urgency that needs to be fulfilled and stated he would like to see this issue come to a conclusion. Mayor Small commented that he liked the building and property, and that the sense of urgency can be accommodated if people needed to be housed. He also expressed that he is interested in any further information from Mr. Speegle on the Mazda property. Mr. Speegle stated that bankruptcy court approval is needed and that information can be obtained by moving forward by entering into a contract for purchase. Mayor Small restated the call for ideas for buffering at the property due to the surrounding subdivisions and residential homes. Mr. Scott asked for a timeline that would include the timing of obstacles to move the equipment in order to begin the necessary improvements. He also asked about the outcome of the Elizabeth Yelding Park; Mr. McElroy stated that Daphne Utilities would find a way to keep the park in perpetual conservancy and maintenance of the park.

MOTION BY Ron Scott to authorize staff to enter into a sales contract to begin the process for the purchase of the former Mazda dealership property; Seconded by Lon Johnston

AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA, SMALL ABSENT: ABSTAIN: MOTION CARRIED

Chairman Segalla stated that Mr. Johnston should also have a signature on the contract as well. He also stated that a drop-dead date should be established in order to avoid having this become a continual issue. Mr. Speegle stated that he will check with the bankruptcy court, but that the planning commission application process may be a limiting factor. Mr. McElroy suggested writing into the contract that the seller is required to complete the process with the planning commission by a certain date. Mayor Small asked to be kept informed of the information that Mr. Scott has requested.

b. *Items in Abeyance:*

1. **Gas Franchise Agreement** – No current information was reported.
2. **19 Acres – Daphne Utilities property** – No current information was reported.
3. **Sewer Cut-off** – No current information was reported.

VI. New Business

- a. ***None***

VII. BOARD ATTORNEY'S REPORT

Mr. Speegle had nothing further to add to his report.

VIII. FINANCIAL REPORT

Teresa Logiotatos reviewed the final 2009 financials. She compared the 2008 to 2009 capacity fees and made note that the lower numbers were accounted for in this year's budget. She advised the Board of an upcoming re-evaluation and decision of the maturing certificates of deposit. She also notified the Board of a report that was included in the financials. Mr. Johnston requested the procedures to inform the public of the forthcoming rate increases. Mr. Scott reiterated that even though the adopted budget included projected rate increases, the Board has not adopted a rate increase. Mr. McElroy confirmed.

IX. GENERAL MANAGER'S REPORT

- a. ***GM Report***

Mr. McElroy had nothing further to add to his report.

Deloris Brown had nothing further to add to her report.

Drew Klumpp had nothing further to add to his report.

b. Operations Report

Danny Lyndall had nothing additional to include in his report.

Melinda Immel of Volkert & Associates reviewed and presented for the Board the significant details included in the 2009 Engineer's Report that was distributed.

Doug Bailey of HMR had nothing additional to include in his report, except for current information on the North Winding Brook project.

X. PUBLIC PARTICIPATION – none

XI. BOARD COMMENTS – Mayor Small commented on the information he was expecting at the upcoming work session. Mr. Scott echoed his expectations. Mr. Jenkins remarked that he had questions for the upcoming work session concerning salaries.

XII. ADJOURNMENT–

MOTION BY Mr. Scott to adjourn the meeting. Seconded by Mayor Small.

AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA, SMALL ABSENT: MOTION CARRIED

The meeting adjourned at 6:06 p.m.