

DeFuniak Springs City Council

Special Meeting

November 9, 2010

The DeFuniak Springs City Council met in Special Session at 6:00 PM with the following members present: Mayor C. Harold Carpenter; Mayor Pro-Tem James Huffman; City Council Members: Don Harrison, James Coffield, Henry Ennis, Wayne Graham; City Manager Kim Kirby, City Attorney Clayton Adkinson, Finance Director Sara Bowers and City Clerk Jonathan King.

CALL TO ORDER:

Mayor Carpenter called the meeting to order and turned the meeting over to Kim Kirby.

Kim Kirby presented a summary of the work done by Staff as directed by the Council. She said that preliminary verbal bids had been accepted for the demolition and abatement of the old health department and is estimated to cost approximately \$80,000. Kim Kirby also presented the appraisals that had been requested on the four lots that make up the Piggly Wiggly Parcel that was discussed in the Facility Planning Study.

Kim Kirby introduced Chris Forehand of Preble-Rish who presented the packet information. He noted that Preble-Rish was in the process of applying for the grants that were talked about at the last meeting concerning Facilities Needs. He introduced Ralph Cellon with Morgan Keegan to discuss some bond opportunities.

Ralph Cellon, Morgan Keegan, thanked the Council for allowing him to come and present some bond opportunities. He noted that the City had a unique opportunity that required for this special meeting to be called so suddenly. Ralph Cellon presented the option of the Build America Bonds or BAB's that were authorized by Congress until December 31. The program essentially creates a 35% savings on the interest.

Ralph Cellon presented several different financing levels and periods with the corresponding payment levels. He noted that if the City decided to borrow the money for the whole project, more money could be saved. He noted that approximately \$140 Billion dollars worth of BAB's had been written since February of 2009 because of the savings.

Clayton Adkinson noted that Bonds would still be available, but more than likely without the 35% interest subsidy.

Discussion followed concerning grant monies and how they would play into the Bonds. It was also noted that if the City borrowed the money via a BAB, it would still be responsible to pay the annual payment. It was noted that in order to make the payment, the City would have to make approximately \$260,000 worth of cuts every year for 20 to 30 years. Henry Ennis excused himself from the meeting for a prior obligation.

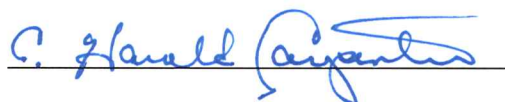
Grant Money was discussed and the Council directed Preble-Rish to continue working on the grant application process. The Council agreed to not pursue a BAB at this time, but thanked Ralph Cellon for his time and presentation.

Some discussion followed concerning the old health department building and the expense of utilities for the building. It was noted that the utilities could not be totally turned off, until the building was ready for demolition. Kim Kirby noted that if the Council authorized Staff to go out for bid for the demolition and abatement, it would begin the process.

Motion by James Huffman to go out for bids for the demolition and abatement of the old health department building, second by James Coffield, motion carried 4-0.

There being no further business, Mayor C. Harold Carpenter adjourned the meeting at 7:18 PM.

ADOPTED this 13th day of December, 2010



C. Harold Carpenter, Mayor

ATTEST:



Jonathan D. King, City Clerk