

**MINUTES OF THE SPECIAL CALLED
SELMA CITY COUNCIL
NOVEMBER 8, 2007
5:00 P.M.**

Call to Order

Invocation: Moment of Prayer – Councilwoman Jannie Venter

Pledge of Allegiance

Roll Call

The Selma City Council met in a Special Called session in the Council Chambers of City Hall on Thursday, November 8, 2007, at 5:00 p.m. with the following members present: Council President George P. Evans and Council members Cecil Williamson, Jean T. Martin, Johnnie M. Leashore, Bennie R. Crenshaw, and Jannie M. Venter. Councilwoman Allen was absent during roll call, but arrived at 5:30 p.m. Councilman Randolph was absent during roll call, but arrived at 5:30 p.m.

President Evans stated the purpose of this Special Called Meeting is to discuss questions and concerns as it relates to the bond.

I. PROPOSED BOND - DISCUSSION

President Evans asked Mayor Perkins if he had any new information that he would like to address the Council with at this time. Mayor Perkins stated we are at version 12, and that Council should have that before them. Mayor Perkins further stated Mr. Robert Thomas with Sterne Agee, and Mr. Bob Young with Frazier Lanier, the Investment Bankers for the proposed Bond Issue, are here and available to respond to any questions that the Council may have.

President Evans stated that there were two issues that came up, and asked Mayor Perkins if he had some general idea as to where the security cameras will be placed? Mayor Perkins stated the type of camera and the number of cameras was provided to the Contractor in the form of a request for information, and at some point this information will be provided to Council. President Evans also asked Mayor Perkins if the location of the movie theater has been narrowed down to a particular location as of yet? Mayor Perkins stated the Office of Planning and Development is in the process of negotiating acquisition of properties for this purpose and for others, and will provide this information as the process is completed.

President Evans asked if any other Council members have any questions? Councilman Cain responded, and stated to President Evans that he was having a difficult time as to what he is hearing from the community as it relates to the bond issue. Councilman Cain further stated the bond issue should have some indication of strong public support, and that none of the public meetings they have had have demonstrated some public support for the bond issue. Councilman Cain also stated if citizens were really supporting the bond issue they would come out, he believes much stronger in favor of it and they would be hearing much stronger support from it, especially from the business community with regard to discussions he has had with many business leaders. Councilman Cain asked what justifies the bond when they have had three public meetings and no public demand for the bond, and, when there is going to be an expense for this bond issue and there is going to be an election, what justifies the expense of the bond issue, and the election when the citizens of Selma have not shown interest - Councilman Cain stated to President Evans these questions came from business leaders in our community. Councilman Leashore stated to President Evans, on the contrary he has been hearing very positive input from citizens, and that they are welcoming the opportunity for this city to bring about some growth through improvement based on the vision that is being set forth by this bond project, and that citizens are welcoming the opportunity for them to have some input by exercising their right to vote this project up or down. Councilwoman Crenshaw stated she has met with many citizens who are in support of the bond, and thinks that it is a wonderful thing, and she appreciates those who have come forward in support of it. Councilwoman Crenshaw further stated that they also plan to be here on November 19th, and also Councilwoman Venter stated a lot of churches and citizens she knows of, plans to be here on November 19th, in support of the bond, as well. Councilman Williamson stated he is opposed to the plans for the library under the circumstances, and that he is also opposed to the cameras and that he does not think government should be spying on citizens, and that this is philosophical, and not personal. Councilman Williamson further stated he is opposed to the movie theater, that he does not think government should be running a movie theater, and that he thinks they should try to help private enterprise do that. Mayor Perkins stated that they are not going to get into running a movie theater, but to establish public-private partnerships to come up with

innovative and creative ways to induce businesses to set up and provide services in the community. Mayor Perkins further stated what they are also trying to do is create an infrastructure within the City that will allow businesses and the government to transmit data wireless within a two-mile radius of the downtown area, which will give them the capacity to actually deploy these cameras without having to run wire to them, and gives the ability to put up portable cameras for special events like Market Day, Jubilee, and etc., without having to run hard wires to them, and it gives them the ability to transmit data between buildings, so that they can electronically transmit invoices and purchase orders, without having to run terrestrial lines underground or above the ground to these various destinations. Mayor Perkins also stated many businesses are making location decisions based on the availability of this technology in communities. Mayor Perkins stated this will give us a competitive advantage. Councilman Williamson asked where is the statutory authority for the percentage of the millage that goes with the ad valorem taxes that goes into this fund? Mr. Bob Young addressed the Council in an effort to answer questions. Mr. Young stated each City in the State of Alabama has the right to submit a list of projects such as they are considering here to the voters for approval to issue General Obligation Bonds, and at the same time that that referendum went to the public in Selma, from a number of years ago, there was also another question as to whether or not they would vote to lend a 5 mill ad valorem tax for that purpose. Mr. Young further stated he cannot state the year that happened, somewhere in the 1950's or 1960's. Mr. Young stated every City in Alabama has the legal right to levy a bond tax but it can only be levied if the public votes for it. Mr. Young further stated once that tax is voted positively which means it is going to pay whatever bond issue it was originally approved then that money must be used only for the payment of voted bonds. Mr. Young also stated on an elected bond supportive issue, each project that is going to be addressed with these proceeds must be listed on the ballot. Councilman Cain asked if there was a time limit that these projects must be completed? Mr. Young responded and stated to his knowledge there is not a statutory limit in Alabama, but the Federal regulations require that when a municipal entity issue bonds that they state that they expect to expend those bond proceeds generally in 2 - 3 years. Mr. Thomas also addressed the Council and stated the bond fund generates "x" amount of dollars, and their job as their Underwriter is to make sure that they structure the deal so that the revenues that are generated by the source of the bonds that will be used to return the debt does not exceed what the City's ability is, and to make sure the City is not put in a financial bind. Mr. Young also stated they do not know what the rating of this bond will be as of yet, and that what they would do is submit it for bond insurance to get an AAA rating. President Evans stated to Mayor Perkins that it was discussed that the current bond that we are currently operating under matures around 2014, depending on how the rates come, and asked about the potential for possibly paying one of the bonds off, if enough money was accumulated during the low interest rate they would get for this new bond. Mayor Perkins stated his goal is to make sure that their total debt service from that fund has that cushion. Councilman Williamson asked Mr. Young, is it his experience that \$700,000, \$800,000 or \$900,000 will service 12 million dollars? Mr. Young answered yes, and stated that his personal opinion is, any time that you borrow money for a shorter period of time your payments get bigger because you have less time to pay the principal off, and that the interest is slightly lower but you are paying huge principal payments. Mr. Young further stated what they do on a bond tax issue like this is to make sure that the revenue that they have coming in is sufficient to pay principal and interest each year, with a cushion. Mr. Young stated that he and Mr. Robert Thomas will come back to Mayor Perkins and the Council, and show some scenarios with financial "pros" and "cons" of each, and then they will pick the maturity schedule. Mr. Young further stated once that decision is made then that is what is placed on the ballot, and that is what is voted up or down by the public. Councilwoman Crenshaw asked when they bring the maturity schedule back, will they be making a recommendation to the Council? Mr. Young answered yes. Mayor Perkins stated that there will be a consensus on the recommendation with the Bond Attorney and the Investment Banker, along with the Staff. Mayor Perkins further stated what will come back to the Council will be their best professional judgment recommendation. Mayor Perkins stated a question came up at the last meeting as to how the election would be paid for, and asked Ms. Cynthia Mitchell to come forward and address the Council as it relates to this answer. Ms. Cynthia Mitchell addressed the Council, and stated she had spoken with the Auditor who stated that the Council has the authority to use the general fund balance of a prior year to fund an expense, if it is a one-time occasion. After questions and answers, President Evans thanked Mr. Thomas and Mr. Young for being there.

II. BROADCASTING OF THE CITY COUNCIL MEETINGS

President Evans stated to Council that it has been determined that Discretionary Funds can be used to take care of the expense of broadcasting Council meetings, and he asked Council what is their position on this. During discussion, it was the consensus of the Council to take bids on this item.

ADJOURNMENT

Following the above discussion, a motion was made by Councilman Leashore, and seconded by Councilman Randolph, to adjourn the meeting at 6:41 p.m., and by unanimous consent of the Council.



GEORGE P. EVANS, *Council President*

ATTEST:



LOIS WILLIAMS, *City Clerk*

APPROVED:



JAMES PERKINS, JR., *Mayor*