

MINUTES
March 26, 2009
The Special Called Meeting of the Satsuma City Council

The City Council of the City of Satsuma, Alabama, convened in the Special Called Session at City Hall in the said city at 5:30 on the 26th day of March 2009.

On roll call, the following answered present.

Mayor	William F. Stewart
Council members	Billy Jackson
	Pamela G. O’Gwynn
	Pratt Monk
	Tom Williams
	Bill Black

Councilmember Monk led the pledge of allegiance.

The City Clerk and City Attorney were present. Also present was Preston, Bolt of Hand, Arendall, LLC. There was a quorum and Mayor Stewart opened the meeting for business.

Mayor Stewart stated that the purpose of the meeting was to discuss and pass resolutions necessary to complete the bond issue with AMFund.

Mr. Bolt explained that there are three (3) resolutions which the city will need to pass in order to begin the process with AMFund. He stated that one resolution will be to authorize the city to borrow \$4,100,000.00. The second will be for the city to authorize a 3,200,000 loan with the Water Board evidenced by a loan and reimbursement agreement. This agreement is similar to the agreement made with the Water Board in 2004.

Third will be a resolution approving an intergovernmental agreement with AMFund and the execution of the same.

Mr. Bolt stated that the loan is a variable rate backed by a line of credit from U.S. Bank. He stated that the average rate over the past 15/20 years has been 3.4%. He also stated that the city will also pay fees equal to approximately 1.35%.

Mr. Bolt stated that the city should consider this a short-term loan because of the variable rate and continue to pursue a fixed rate loan.

Mr. Bolt explained that the agreement with the Water Board will be based on a fixed rate of 4%. If the City pays an interest rate less than the amount paid by the Water Board, then they will have to refund the difference at the end of the year. He stated that the city is taking the interest rate risk.

Mr. Bolt stated that the documents consist of a warrant that is similar to the previous warrant issued in 2004, except that the city will make monthly payments of principal, interest and fees to the trustee.

Mr. Bolt stated that the fees include a letter of credit from U.S. Bank; however, the commitment is only for one year. AMFund will have to renew the LOC each year and if the bank will not renew, then AMFund will have to go to market and find another bank or the city will have to pay a bank rate. Mr. Bolt stated that this loan can be repaid at anytime without any penalties.

Mayor Stewart stated that the city does not have much of an option at this time and nothing states that the city cannot change the agreement with the Water Board. He stated that if the rates remain low, the city could pay a higher rate into a designated account, which will help with any major fluctuation in the interest rate.

Mayor Stewart stated that the legal fees can be paid out of the proceeds and should be split with the Water Board. He stated that the city's portion should be 22% of approximately \$51,000 or approximately \$11,200.00.

Mayor Stewart asked Mr. Bolt about the remaining balance after all the debts have been paid. It was discussed that after paying the legal fees, there should be approximately \$150,000 remaining. Mr. Bolt stated that the Council should create a list of capital improvements, which can then be listed in the documents before closing.

Mayor Stewart asked if there were any other questions or comments. With no further comments or questions,

Mayor Stewart requested that Council act on the ordinances.

1. ORDINANCE 446- AN ORDINANCE TO PROVIDE FOR THE ISSUANCE OF ONE \$4,100,000 GENERAL OBLIGATION WARRANT, SERIES 2009 OF THE CITY OF SATSUMA, ALABAMA

Councilmember O’Gwynn made a motion to suspend the rules and put Ordinance 446 up for immediate adoption. Councilmember Jackson seconded the motion and on roll call, the following answered:

Councilmember Jackson	Yes
Councilmember O’Gwynn	Yes
Councilmember Monk	Yes
Councilmember Williams	Yes
Councilmember Black	Yes
Mayor Stewart	Yes

Mayor Stewart declared the motion passed unanimously.

Councilmember O’Gwynn made a motion to adopt Ordinance 446. Councilmember Jackson seconded the motion and it carried.

2. ORDINANCE 447-AN ORDINANCE TO PROVIDE FOR THE APPROVAL AND EXECUTION OF A LOAN AND REIMBURSEMENT AGREEMENT.

Councilmember O’Gwynn made a motion to suspend the rules and put Ordinance 447 up for immediate adoption. Councilmember Jackson seconded the motion and on roll call, the following answered:

Councilmember Jackson	yes
Councilmember O’Gwynn	yes
Councilmember Monk	yes
Councilmember Williams	yes
Councilmember Black	yes
Mayor Stewart	yes

Mayor Stewart declared the motion passed unanimously.

3. ORDINANCE 448- AN ORDINANCE TO PROVIDE FOR THE APPROVAL AND EXECUTION OF AN ALABAMA MUNICIPAL INTERGOVERNMENTAL AGREEMENT

Councilmember O’Gwynn made a motion to suspend the rules and put Ordinance 448 up for immediate adoption. . Councilmember Jackson seconded the motion and on roll call, the following answered:

Councilmember Jackson	yes
Councilmember O’Gwynn	yes
Councilmember Monk	yes
Councilmember Williams	yes
Councilmember Black	yes
Mayor Stewart	yes

Mayor Stewart declared the motion passed unanimously.

Councilmember O’Gwynn made a motion to adopt. Councilmember Jackson seconded the motion and it carried.

Mr. Bolt stated that the documents would be ready to sign Monday afternoon.

With no other business, Councilmember Monk made a motion to adjourn. Councilmember O’Gwynn seconded the motion and it carried.

Mayor William F. Stewart

Councilmember Jackson

Councilmember O’Gwynn

Councilmember Monk

Councilmember Williams

Councilmember Black