

SPECIAL CALLED COUNCIL MEETING – COLUMBIA, TENNESSEE

December 21, 2009 – 5:30 p.m.

Council Member McCullen and Vice Mayor Kennedy were absent for the beginning of the meeting.

Mayor Gentner read the notice of the Special Called Meeting.

Council Member Martin moved to spread the Special Called Meeting upon the minutes. Council Member Matthews seconded the motion. All Council Members present voted aye.

Vice Mayor Kennedy arrived to the meeting at 5:32 p.m.

Mayor William E. Gentner called the Special Called Council Meeting to order, pursuant to proper notice having been given. City Recorder Betty Modrall called the roll. Present were Mayor William E. Gentner, Vice Mayor Wayne Kennedy, Council Members: Debbie Matthews, Christa Martin, Dean Dickey and Susan Stephenson; City Manager Paul C. Boyer, Jr., City Attorney Tim Tisher, City Recorder Betty Modrall and Recording Secretary Liz Bermudez. Council Member Carl McCullen was absent.

Council Member Dickey offered the invocation followed by the Pledge of Allegiance led by Mayor Gentner.

Council Member McCullen arrived to the meeting at 5:33 p.m.

ADMINISTRATION:

Item 4.1 – **CONSIDER AUTHORIZING FINANCIAL ADVISORY AGREEMENT WITH STEPHENS, INC. FOR 2010 GENERAL OBLIGATION REFUNDING AND IMPROVEMENT DEBT ISSUE – FINANCE DEPARTMENT.** Council Member Martin moved to approve authorizing the Financial Advisory Agreement with Stephens, Inc. for 2010 General Obligation Refunding and Improvement Debt Issue. Council Member Matthews seconded the motion. City Manager Boyer advised he would like to brief the entire Agenda since all the items are interlocking and dependent on each other. City Manager Boyer said the City has had an objective for some time to return the Police Department to its historic home in downtown Columbia. City Manager Boyer said it has been in the City's Strategic Plan since at least 2003 and he has tried on-and-off to look for

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solutions to move the department back downtown. City Manager Boyer advised the AmSouth Building that became available in 2008 can serve the City's immediate and future needs for a City Hall, which allows the current City Hall to become the Police Headquarters. City Manager Boyer explained that the current City Hall is big enough at 15,000 square feet for the Police Department not only to move their headquarters from Westover Drive but also their Investigation Division from Pillow Drive, which will allow them to consolidate their operation into one location. City Manager Boyer said the consolidation would be the first time in about 15 years. City Manager Boyer advised there are obvious effectiveness improvements that come from all the Police Department working in one facility. City Manager Boyer advised the old AmSouth Building is 29,200 square feet across four floors including the basement. City Manager Boyer said an agreement has been negotiated with the owners to purchase the building for \$1.1 million. City Manager Boyer informed Council that the owners had the property appraised in July 2007 for a little over \$1.7 million. City Manager Boyer said the purchase price the City has negotiated is 64% of that value and the County currently carries it on the tax appraisal list for \$1.49 million. City Manager Boyer advised to construct a building similar in size to the AmSouth building currently would cost between \$5 million and \$5.8 million after the site is purchased for the building. City Manager Boyer advised staff believes they are presenting a purchase price that is reasonable in terms of the current market. City Manager Boyer advised the building has a number of benefits, including having City Hall and the Police Department adjacent in downtown and it makes City Hall the gateway for the downtown historic district. City Manager Boyer spoke about the financial side. City Manager Boyer advised the Finance Director and Financial Advisor have been urging him to propose to Council that they refinance the variable rate debt, which is held by the Tennessee Municipal Bond Fund because rates are favorable at this time and to eliminate that risk from the City's financial portfolio. City Manager Boyer said the financing package that Finance Director Baltzer and Stephens Inc. have been able to put together allows the City to make the purchase and not have it have any impact on the City's expenditures for at least the next eight years. City Manager Boyer advised the City could refinance the current debt, which is a little over \$3 million that has been drawn down from the Bond Fund, with another \$3.9 million that has not been drawn but will be drawn for the completion of Ridley Park. City Manager Boyer continued by saying the

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\$1.5 million includes the amount that the City needs to purchase and make minimal improvements to the building at 700 North Garden Street and the \$295,000 estimated cost of the issuance for the new debt. City Manager Boyer advised the total bonds add up to \$8.76 million, but only \$1.795 million of that amount will be new debt. City Manager Boyer advised the refinancing would allow the City to stretch out the repayment of the debt for twenty years. City Manager Boyer advised capital assets normally are financed for a twenty-year period. City Manager Boyer said the downside is that more interest will be paid. City Manager Boyer advised that the refinancing lowers the annual debt service payment amounts enough that the City can make the debt service on the bonds, while also covering the \$140,000 operating cost of the building. City Manager Boyer advised the City has done research on what the utility cost of the building has been and compared it with the current City Hall. City Manager Boyer spoke about the parking that will also be purchased, which is included in the price of the agreement. City Manager Boyer said the City is able to do this due to the economic times. City Manager Boyer advised the original listing for the bank was \$2.1 million. City Manager Boyer advised the City would like to do this now during these economic times because it does not create a negative impact on the budget, it does not increase expenditures, bond rates are low and due to the condition the real estate market is currently in. City Manager Boyer said if a deal would not have been worked out to purchase the bank, staff still would have presented to Council the refinancing of the almost \$7 million of Tennessee Municipal Bond Fund Debt because of the variable rate nature, with bond rates low and with the uncertainty with what will happen to the interest rates in general in the next year or two. Vice Mayor Kennedy asked what the difference is going to be between the Police Department's budgeted upkeep with the building they are currently in and the current City Hall. City Manager Boyer advised he does not know, but if the Police Department moves, then the Westover Drive location would be shut down and there would be some obvious savings with the maintenance. Council Member Matthews advised it would be two buildings being shut down because Pillow Drive would also be shut down. City Manager Boyer advised that is correct. City Manager Boyer advised there will be some reduction in maintenance but he cannot tell the amount off the top of his head. City Manager Boyer advised Item 4.1 involves the first step in the process, which is engaging financial advisory services from Stephens Inc., Larry Brown who is the City's Financial Advisor. Mayor Gentner asked if

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Mr. Brown would go out to bid to get the bond rates established. City Manager Boyer advised Mr. Brown would. Mayor Gentner asked when that would occur. City Manager Boyer informed Council that they are projecting that would take place in February. Council Member McCullen asked about the operating expense for the two buildings. Mayor Gentner advised Council that the City Attorney advised that the discussion needs to be on the current item. Council Member Stephenson said in regards to Item 4.1 Council would be doing this anyway regardless of the City looking at the other building because essentially the City is consolidating their debt from the 2004 and 2006 debt and refinancing so that the City can convert from a variable rate debt to a fixed rate debt. City Manager Boyer advised that is correct. Mayor Gentner said there has been concern about the Tennessee Municipal Bond Fund and he would like the City Manager to outline what is going on. City Manager Boyer said a number of his colleagues are recommending to their Councils that they finance away from variable rate debt regardless of who holds the variable rate debt because the market is very favorable for that right now. City Manager Boyer said moving away from variable rate debt eliminates a risk in the future; it gives you a predictable debt service for the life of the bond as opposed to a variable rate, which does not. City Manager Boyer said there has been some concern about the operation of the Bond Fund, which has been well publicized in *The Tennessean*. Council Member Martin asked about the “improvement part” in Item 4.1. City Manager Boyer advised the “improvement part” is the borrowing of the money to purchase the building. City Manager Boyer advised the “refunding portion” is paying off the Bond Fund so that the City can get out of the variable rate debt. Council Member Martin advised in the information it talks about the refunding of the drawn part and the undrawn part. Council Member Martin said she is trying to say they are already authorized for the borrowing right now. City Manager Boyer advised there is \$3.8 something million that Council has already done all the paperwork and approvals on and the City can draw on anytime we need cash from that line of credit to pay bills for Ridley Park; it is specifically for Ridley Park. Council Member Martin said what the City is already authorized for that is undrawn is under a variable rate. City Manager Boyer advised that is correct. Council Member Matthews said it is good to get out of a variable rate debt security, into a long-term flat rate so we know what our expenses are and we are getting the building for a great deal. Council Member Matthews said with the Ridley Park funds that have

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not been drawn down, the \$3.9 million that is still sitting there, that amount of money for Ridley the bond was done several years ago. Council Member Matthews said as the City has gotten into the process of Ridley Park this year they have talked about saving a million dollars. Council Member Matthews asked if there is a part of the bond that will not be drawn down that is basically going to be a wash when the City buys the building. City Manager Boyer advised he cannot say that at this point because they have already had a change order for Ridley and he believes they are going to have another change order. City Manager Boyer advised until the project is closed he does not want to say they need that money but if they do not need it; then it will not be spent and it will be available for another project. Council Member Matthews said under the best-case scenario there will be leftover money off the Ridley Park draw down. City Manager Boyer informed Council it would not be off the draw downs, because the draw down is being converted to bonds and that money would be unexpended if we do not spend it all; so it would be available to the City, but by then we would have sold the bonds and we are obligated to leave it there. Council Member Matthews said it is possible that the City end up with somewhere between half a million and a million dollars savings that we could use for a future capital project. City Manager Boyer advised if that savings becomes real then that is possible. Council Member Dickey asked what is the status of the bond market currently and what is projected in the first and second quarter. Mr. Larry Brown with Stephens, Inc. advised the market conditions are favorable and the bond market is functioning, especially in the fixed rate markets, at good, low interest rates by historical measures. Mr. Brown said they are optimistic that by the time they are ready to take this issue to the market, which they expect would be the first quarter that they will have similar favorable market conditions to work with at that time. Vice Mayor Kennedy asked how long is the term? City Manager Boyer advised they are proposing a twenty-year bond. Vice Mayor Kennedy asked if this would take anything away from Ridley Park. City Manager Boyer advised it would not. Council Member Stephenson said they are consolidating the debt and in doing so will convert from a variable rate to a fixed rate which will change the current debt repayment structure so when the City switches to the new debt repayment structure it will reduce the debt repayment over the next seven fiscal years by approximately \$300,000 per year. All Council Members present voted aye.

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Item 4.2 - RESOLUTION NO. 09-65 – INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED SIX MILLION DOLLARS (\$6,000,000) GENERAL OBLIGATION BONDS OF THE CITY OF COLUMBIA, TENNESSEE – FINANCE DEPARTMENT. City Manager Boyer advised this is the initial Resolution for what would be referred to as “new” debt. City Manager Boyer said “new” debt is the \$1.5 million that they are recommending borrowing for the building, the \$295,000 for the cost of issuance of the new debt, and the \$3.9 million left to draw down from the Tennessee Municipal Bond Fund. City Manager Boyer advised that this amount is considered “new” debt, in legal and technical financial terms, because the City has never drawn the money, even though Council has already approved it. City Manager Boyer said he wants the public to understand that the \$3.9 million is not a new debt obligation; it is existing money that the City has arrangements to use but have never drawn. Council Member Matthews moved to approve Resolution No. 09-65. Council Member Dickey seconded the motion. City Manager Boyer said the Initial Resolution must contain the amount of new debt. City Manager Boyer said the Initial Resolution starts the clock for any appeal period that citizens may choose to stop the issuance of new debt. City Manager Boyer reiterated that staff has assumed in all the financial planning that \$3.9 million of the \$6 million is money we already owe. Council Member Martin said the rate item says “six percent not to exceed the six million”. Council Member Martin asked what the rates are coming in with this amount of money now. Mr. Brown advised the Initial Resolution requires an upper limit beyond which they would not issue the bonds and that is what the six percent limit refers to. Mr. Brown advised in today’s market they are seeing fixed rates range from less than one percent on very short-term maturities of about a year and they gradually increase with the twenty-year maturities coming in slightly over four percent. Council Member Dickey asked if there is a penalty for refinancing. City Manager Boyer advised there is no penalty, but there is a specific route that has to be followed. All Council Members present voted aye.

Item 4.3 - RESOLUTION NO. 09-66 – A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED NINE MILLION DOLLARS (\$9,000,000) OF THE CITY OF COLUMBIA,

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TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS – FINANCE DEPARTMENT. Council Member Martin moved to approve Resolution No. 09-66. Council Member Matthews seconded the motion. Council Member Martin said she needed clarification. Council Member Martin said they just did \$6 million and now they are looking at \$9 million. Council Member Martin said she wants to be able to explain how the City went from the \$6 million to \$9 million. City Manager Boyer advised Resolution No. 09-65 establishes the amount of new debt being issued, Resolution No. 09-66 establishes the total amount of debt to be issued. City Manager Boyer advised Resolution No. 09-66 includes the \$6 million from Resolution No. 09-65 plus a little over \$3 million that the City has already drawn from the Tennessee Municipal Bond Fund, which is existing debt in the eyes of the law. City Manager Boyer reiterated that there is \$6 million in new debt, which is the money to buy the building, cover the cost of issuance, plus get the money in our hands that we have never drawn from the Tennessee Municipal Bond Fund but that has been approved. City Manager Boyer said then you add a little over \$3 million that the City has already drawn and owes as existing debt; then that comes out to a total of \$8.76 million for the total bond issue. City Manager Boyer advised normally you set the “not to exceed” rounded up to the nearest million in your Resolution. City Manager Boyer advised it is not \$9 million in addition to the \$6 million that Council previously authorized. Council Member Martin asked about the range of interest the City has been paying on the existing debt. Finance Director Patti Baltzer advised the range over the last couple of years has been between two and three and a half percent. Council Member Martin asked if that is a variable rate. Finance Director Baltzer advised that is correct and one changes daily while the other changes weekly. Vice Mayor Kennedy asked how much the rate can vary the other way. Vice Mayor Kennedy asked if it could go over four percent. City Manager Boyer advised it can go over and there is no cap with the Bond Fund. Council Member Martin said they are talking about the Bond Fund in the State of Tennessee. City Manager Boyer advised that is correct, the Tennessee Municipal Bond Fund. Council Member Stephenson said she wants to make sure this is clear, especially for the

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public. Council Member Stephenson mentioned the \$6 million. City Manager Boyer advised it is \$6 million in new debt, which is the \$1.5 million for the building, plus about \$3.8 million in undrawn Tennessee Municipal Bond Debt. Mr. Richard Thompson said Council Member Stephenson said there will be a \$300,000 year reduction in the interest that the City pays even with the new obligation. Council Member Stephenson said she said approximately. Mr. Thompson repeated approximately \$300,000. Mr. Thompson advised his concern is about the \$1.5 million dollars that the City is going to be adding on, plus the amount of money to pay the agent for the refinancing. Mr. Thompson asked about the City just refinancing the debt that the City has with leaving the \$1.5 million out. Mr. Thompson asked what kind of repayment schedule would they be looking at if the bond repayment schedule stays the same. Mr. Thompson asked how it affects the number of years of amortization, instead of twenty years how much sooner will the City be able to pay that money out. Mr. Thompson went on to ask what affect will the additional debt have on the City's bond rating. Council Member Matthews said she asked that question also and she asked the City Manager and the Finance Director to look over the loans separately. Council Member Matthews advised the numbers have been "crunched" in her meetings and this is the best way to do it. Mr. Thompson said if the City refinances the bond but does not add the \$1.5 million to the figure, how much will that shorten the number of years of repayment. City Manager Boyer advised they do not have that information; the financial analysis was done with the objective to buy the building. City Manager Boyer advised if the City is not going to buy the building, then they need to stop and redo the financial analysis. Mr. Thompson asked what the City is paying a year now. Finance Director Baltzer advised the City is scheduled this year to pay \$689,000. Mr. Thompson said if the City can cut three years off the bond indebtedness then that is large dollars. Mr. Thompson said the City is adding more debt and they are adding it over a longer period of time, which is increasing the payment. Mr. Thompson said Council should look to see if the building is something the City really needs to purchase. Mr. Thompson said the \$1.5 million is a twelve or fifteen percent increase in the indebtedness that will be financed for twenty years. Mr. Thompson said that is a significant number of repayments that are going to come from the tax base. Mr. Thompson spoke about Council not wanting to raise the indebtedness or taxes during election. Mr. Thompson asked to hear the discussion on the purchase of the building. Council Member

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Martin said there is not one item that Council does that can be separated from everything they do. Council Member Martin said when she had her meeting with the City Manager and the Finance Director she got some very detailed answers to her questions. Council Member Martin said she asked if this would cause some capital projects to not be done in the future, is it going to cause some burden, are we getting ready to reduce burdens and adjust burdens. Council Member Martin said all the answers she received are in-line with what Council Members have been saying across the dais for some time. Council Member Martin advised she could not make a decision and not consider what else may happen. Council Member Martin advised she has had the details and the scenarios have been given to her. Council Member Martin said she appreciates the information that Council has received from the staff. Mayor Gentner advised this is not something that was just thought of today. Mayor Gentner said this has been in the City's Strategic Plan. Council Member Matthews thanked Mr. Thompson for coming and said he is right that everyone is held responsible for the debt. Council Member Matthews said refinancing the debt is very important because it gives the City a little bit of liquidity. Council Member Matthews said she is probably the most fiscally conservative member on the board and all her questions were answered. Council Member Matthews said after the consideration and answers she received she was happy with the choices. Council Member Stephenson said it is important to listen to what Mr. Thompson said and she thinks the City needs to answer and address his concerns. Mr. Thompson asked if his concerns will be addressed before Council takes a vote. Mr. Thompson spoke about provisions the City has made by buying property to develop to build this building upon and nothing has been done there. Council Member Stephenson asked the City Manager if he and the Finance Director could respond to Mr. Thompson. City Manger Boyer advised he does not know what property Mr. Thompson is referring to because the City does not own enough property to build a building like this on. City Manager Boyer advised they do not have the information on hand to answer Mr. Thompson's question. Council Member Stephenson asked if there is information that the Finance Director could share that might be helpful to Mr. Thompson. City Manager Boyer repeated the question of how much does the purchase of the building cost the City in interest and extend the debt. Finance Director Baltzer said the \$1.8 million in new debt has about an \$800,000 interest tag on it so it is about \$2.6 million total over twenty years; the City is also paying an additional \$1.3

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million in interest on the Bond Fund loans because the City is extending the time it is paying those out. Finance Director Baltzer advised one had an eight-year payoff and the other had thirteen-year payoff and both are being run out to twenty years. Mr. Thompson said the \$1.5 million went up to \$1.8 million and Council does not have an idea on how much money they are talking about. City Manager Boyer said it did not go up \$300,000. City Manager Boyer reminded everyone that he mentioned the \$295,000 for the cost of issuance and the Finance Director added that amount to the \$1.5 million to come up with \$1.8 million for the new debt. City Manager Boyer advised they are not trying to hide anything from anyone and he does not want the public or Council to be confused about this. Mr. Brown advised as they prepare the details of the fixed rate bond issue that Council is considering, they plan to include a prepayment privilege that the City can exercise at Council's choice at about ten years. Mr. Brown said if the City is in a position after ten years to pay off the debt, then they would have the opportunity to do so at no prepayment penalty to the City. Mayor Gentner said that also applies to the money that will be used for Ridley Park. Mr. Brown said it applies to the entire \$9 million. All Council Members present voted aye.

Item 4.4 - APPROVAL OF PURCHASE AGREEMENT BETWEEN CITY OF COLUMBIA AND R.B. BRANCH PROPERTIES FOR THE PURCHASE OF 700 NORTH GARDEN STREET, 708 NORTH GARDEN STREET, AND 204 WEST 6TH STREET – WARD 3. Council Member Martin moved to approve the purchase agreement between the City of Columbia and R.B. Branch Properties for the purchase of 700 North Garden Street, 708 North Garden Street, and 204 West 6th Street. Council Member Matthews seconded the motion. Council Member Matthews said earlier this year during budget they kept running into the concern of needing more staff but not having enough space. Council Member Matthews advised when she was first elected onto Council she was given a tour of City Hall and one of the places she visited was the jail cells, which operates as storage. Council Member Matthews spoke about how full and dangerous that area is in City Hall. Council Member Matthews said this has been an issue that has been before them over the last two years. Council Member Matthews advised this past fall there was a significant amount of rainfall and she received two anonymous calls to go to the Police Department and see what was going on there. Council Member Matthews said she brought a

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camera and had it copied to DVD. Council Member Matthews spoke about how bad the facility was and she has a copy of the DVD for anyone who would like to see it. Council Member Matthews said if the City could have gotten this property six months ago then she never would have voted for the Police Department to get a new roof because she thought it would have been a waste of money. Council Member Matthews said she believes the current Police Department building needs to be torn down, that is how bad that facility is. Council Member Matthews said to have City employees in the current Police Department is unacceptable. Council Member Matthews advised when the property came on the market she, as a private citizen, asked what the building was going for. Council Member Matthews said the City is able to get a piece of property that has been valued at \$1.7 million for \$1.1 million. Council Member Matthews said this is the answer to several things that the City wants to see as an overall objective. Council Member Matthews advised City Hall needs more storage and more offices so City business, that is currently not being done, can be done. Council Member Matthews went on to say that a new Police Department is needed very badly and it also allows the Detective Division to move so that the entire Police Department is under one roof. Council Member Matthews said it will also build downtown infrastructure and she is thrilled about the purchase of the building and the price. City Attorney Tisher advised Council has a copy of the updated contract that he handed out today. City Attorney Tisher advised the sellers have signed the contract and there has been a small change to the contract. City Attorney Tisher advised the one change can be found in paragraph 24, which concerns the termite letter. City Attorney Tisher advised he does not see that being a problem and the City has a right to inspect it. Council Member Stephenson said this is an opportunity that the City could not afford to ignore. Council Member Stephenson said the purchase price that the City is getting the building for equates to about \$40 per square foot where the current estimate for new commercial construction is between \$175 and \$200 per square foot excluding the cost of the related land acquisition. Council Member Stephenson said to construct a new building of this size the estimated cost would be between \$5.1 million and \$5.8 million in addition to the cost of acquiring the property. Council Member Stephenson said the annual estimated cost of the building operation is about \$140,000. Council Member Stephenson advised the purchase and operation of the building can be accomplished with no additional budget expenditures due to the

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borrowing and refinancing that the City is able to do. Council Member Stephenson said she wants to make sure the City taxpayers understand that the acquisition of the land and building does not require any kind of tax increase from the city residents. Vice Mayor Kennedy asked about the tenants that are in the building and if they will stay. City Manager Boyer advised the tenants are no longer in the building. Council Member Matthews asked the City Manager what the plans are for the Pillow Drive location once the Police Department is under one roof. City Manager Boyer advised he has not been able to think of a reason to keep that facility, so later he would recommend putting that facility on the market for sale. City Manager Boyer advised that is not money the City should count on because in the current real estate market things are not selling very fast. City Manager Boyer said if there is an opportunity, they need to review the need to keep Westover Drive even though it is not a marketable property even with a new roof. City Manager Boyer said the City may be able to sell Westover one day also. Council Member Martin asked the City Manager to explain part of what was on page two of the report that was prepared by staff. City Manager Boyer said there is a debt schedule that was attached to Item 4.2 and that shows the debt service savings. City Manager Boyer advised in year nine it begins to turn up. Council Member Martin said she wanted to point out the eight years but also that Mr. Brown said to Council that he was including a prepayment option. Council Member Martin spoke about more opportunities for the City. Council Member Martin said everything they have is public record that they can share with their constituents. Council Member Martin said the reports they have gotten give more details and her question is regarding the Special Warranty Deed. City Attorney Tisher advised it is a deed that the seller got and it is for multiple pieces of property many of which are not the property that the City is buying. City Attorney Tisher advised the deed does have the regular warranty information that would cover the City. City Attorney Tisher advised the building itself is on three tracts and there are two separate deeds that deal with the other two tracts. City Attorney Tisher said the City will get a regular warranty deed. Council Member Stephenson said the property used to be in Ward 1. City Attorney Tisher advised it is an old description and once a description is done it usually does not change; they just keep picking up the same description. Council Member Dickey said there is a 90-day inspection period and the City needs to take a look at a usage plan. Council Member Dickey advised he spoke with some people about the

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condition of the building and it has all been favorable. Council Member Dickey advised the structure of the building was built to accommodate two more floors. Council Member Dickey said he would like the City to do a preliminary plan. Council Member Martin said she appreciated the opportunity to do her walk-through this afternoon and she saw a lot of potential. Council Member McCullen asked for the operating cost for Pillow and Westover Drive. City Manager Boyer advised he does not have that information with him. Finance Director Baltzer said she can give utility bills and maintenance bills but they would vary depending on if a central unit was replaced, etc. Council Member McCullen said he thinks it is a great idea to move the Police Department downtown and it will cost the City but in the long-run it will pay off greatly for the City. Council Member Matthews said they have never discussed building a City Hall at another location but there is property on Woodland that was thought of for the Police Department. Council Member Matthews asked if that property on Woodland would also go on the market. Mayor Gentner said he thinks the City should wait for the Court House to be built because that property value will sky rocket. Council Member Stephenson said there was a number of them that walked through the building and there are a couple of questions she had. Council Member Stephenson advised they are “busting at the seams” here and there is not an opportunity to expand here. Council Member Stephenson said she is talking way into the future but if there is a need to expand then there is potential to do that with the building. Council Member Stephenson said Council did not take this on suddenly, they have been working on this and consulting with staff so that they make the right decision. Council Member McCullen thanked City Manager Boyer and staff for giving Council all the information they needed to make a decision of this magnitude. Council Member McCullen said the information was very thorough. Mayor Gentner advised he went to Police Department earlier in the month and the new roof is on and they are in the process of replacing the carpet and doing other things so the building will be water-proofed and the employees are being monitored to make sure there are no health issues. Mayor Gentner said he understands that they will also be cleaning the duct works out and then some painting because they will be in that building for another eight or nine months if this passes. All Council Members present voted aye.

There being no further business, the meeting adjourned at 6:55 p.m.

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APPROVED:

DEAN DICKEY, MAYOR

ATTEST:

BETTY MODRALL, CITY RECORDER