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**STATE OF ALABAMA
COUNTY OF COVINGTON**

**ANDALUSIA, ALABAMA
ANDALUSIA CITY HALL
APRIL 2, 2019**

REGULAR WORK SESSION MEETING

PRESENT:

Earl V. Johnson, Mayor
Will Sconiers, Councilmember
Kenneth C. Mount, Councilmember
Hazel Griffin, Councilmember
Ralph Wells, Councilmember
Terry Powell, Councilmember
Mark Christensen, City Attorney

The City Council of the City of Andalusia, Alabama, met in room 340 at city hall for a regular meeting at 5:00 p.m. For the purpose of planning and finalizing the agenda.

REGULAR COUNCIL MEETING

PRESENT:

Earl V. Johnson, Mayor
Will Sconiers, Councilmember
Kenneth C. Mount, Councilmember
Hazel Griffin, Councilmember
Ralph Wells, Councilmember
Terry Powell, Mayor Pro Tempore
Mark Christensen, City Attorney

ABSENT:

Mayor Johnson called the meeting to order and welcomed all. Councilmember Wells led the prayer and Pledge of Allegiance to the flag.

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APPROVAL OF MINUTES:

Mayor Johnson presented the minutes from the regular meeting on March 19, 2019. Councilmember Mount moved to approve the minutes. Councilmember Griffin seconded the motion which passed unanimously.

COUNCIL APPROVED RESOLUTION NO. 2019-09, COMMUNITY DEVELOPMENT BLOCK GRANT RESURFACING PROJECT BID RESULTS:

Mayor Johnson presented Resolution No. 2019-09, Community Development Block Grant Resurfacing Project bid results.

**Resolution for Project Construction No. 2019-09
CDBG Project No. LR-CM-PF-18-024**

WHEREAS, the City of Andalusia received a PY 2018 Community Development Block Grant from the Alabama Department of Economic & Community Affairs (Project No. LR-CM-PF-18-024), as set forth in Title I of the Housing and Community Development Act of 1974; for the purpose of implementing street improvements in Andalusia, and

WHEREAS, the City of Andalusia, requires specific project construction services in conjunction with the implementation of its Community Development Block Grant for the proposed improvements as specified in the PY 2018 CDBG application; and

WHEREAS, the City of Andalusia followed the competitive bid law process in the selection of construction services for the proposed street improvements project as set forth in the City's PY 2018 CDBG application to support improved facilities for the citizens of Andalusia, Alabama.

NOW, THEREFORE BE IT RESOLVED, the Andalusia City Council, the governing body of Andalusia, Alabama, formally awards to the lowest bidder, Bullard Excavating, Inc., the construction contract for street improvements as outlined in the City's PY 2018 CDBG application funded by the Alabama Department of Economic and Community Affairs (ADECA).

FURTHERMORE, that Earl V. Johnson, as Mayor, be authorized to enter into a contract with **Bullard Excavating, Inc.** in the amount of \$268,850.00 for said construction services.

This resolution is hereby passed and approved by the Andalusia City Council in official session on this the 2nd day of April, 2019.

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Earl V. Johnson, Mayor

Council Member

Council Member

Council Member

(SEAL)

John Thompson, City Clerk

Council Member

Council Member

Councilmember Powell moved to approve Resolution No. 2019-09.
Councilmember Sconiers seconded the motion which passed unanimously.

COUNCIL APPROVED RESOLUTION NO. 2019-10, 2019 STREET RESURFACING PROJECT BID RESULTS:

Mayor Johnson presented Resolution No. 2019-10, 2019 Street Resurfacing Project bid results.

**THE CITY OF ANDALUSIA
ANDALUSIA, ALABAMA**

RESOLUTION NO. 2019 – 10

A RESOLUTION APPROVING A BID FOR THE 2019 CITY STREET RESURFACING PROJECT

WHEREAS, the City Council of the City of Andalusia has directed the Public Works Director to inventory city streets to determine the greatest need for resurfacing, maintenance and repair of streets necessary to maintain safe and efficient transportation; and

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WHEREAS, the City of Andalusia, Alabama did legally advertise a bid opening time and date of 2:00 PM, March 21, 2019, for the resurfacing of various city streets, in accordance with Alabama State Law, and on that date opened all bids in public and read them aloud; and

WHEREAS, the Public Works Director and the City Clerk, have reviewed the bids and determined that the lowest responsible bidder is Bullard Excavating, Inc. with a bid of \$560,500.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANDALUSIA, that the bid from Bullard Excavating be accepted.

BE IT FURTHER RESOLVED that the Mayor and City Clerk be authorized to execute any and all documents necessary to effectuate the intent of this resolution and to appropriate \$65,000 from the four cents gasoline tax account, \$85,000 from the seven cents gasoline tax account, \$250,000 from the street resurfacing account and \$160,000 from the capital account to complete the project.

ADOPTED AND APPROVED this 2nd day of April, 2019.

THE CITY OF ANDALUSIA, ALABAMA

By: _____
Earl V. Johnson, Mayor

ATTEST:

John M. Thompson, City Clerk/Treasurer

Councilmember Griffin moved to approve Resolution No. 2019-10. Councilmember Mount seconded the motion which passed unanimously.

COUNCIL APPROVED RESOLUTION NO. 2019-11, AUTHORIZING THE REFUNDING OF THE 2010 - A SERIES BONDS, SAEHAESUNG CONSTRUCTION PROJECT, AND THE ISSUANCE OF THE 2019 SERIES A BONDS:

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Mayor Johnson presented Resolution No. 2019-11, Authorizing the refunding of the 2010 – A Series Bonds, SaeHaeSung construction project, and the issuance of the 2019 Series A Bonds.

**Resolution Approving Supplemental Lease Agreement
Related to Issuance of Series 2019-A Bond and Series 2019-B Bond
by The Industrial Development Board of the City of Andalusia**

BE IT RESOLVED AND ORDERED by the City Council (the “Council”) of the City of Andalusia (herein called the “City”) as follows:

Section 1. Findings. The Council hereby makes the following findings and determinations:

(a) The City has heretofore entered into and executed a Lease Agreement, date as of June 1, 2010 (the “2010-A Lease”) with the Industrial Development Board of the City of Andalusia (the “Board”) in order to promote local economic and industrial development, promote trade and commerce in the City, increase tax revenues for the City, and provide for the renewal and development of portions of the City within the vicinity of the Project through the assistance to the Board of the financing of an industrial project and related costs (the “2010-A Project”) for further sublease to SaeHaeSung Alabama Corp., an Alabama corporation;

(b) In order to provide financing for the 2010-A Project in a manner that would not cause any indebtedness to be chargeable against the City’s constitutional debt limit, the Board has heretofore issued its \$5,505,000 aggregate principal amount of Industrial Development Revenue Bonds (SaeHaeSung Alabama Corp. Project), Series 2010-A (the “Series 2010-A Bonds”);

(c) The 2010-A Bonds were issued pursuant to a Trust Indenture (the “2010-A Indenture”), dated as of June 1, 2010 between the Board and Regions Bank, as Trustee (the “Trustee”). The Board used the proceeds of the 2010-A Bonds to acquire and construct the 2010-A Project and leased the 2010-A Project to the City pursuant to a Lease Agreement, dated as of June 1, 2010 (the “2010-A Lease Agreement”). The Series 2010-A Project is further subleased to SaeHaeSung Alabama Corp. pursuant to a Sublease Agreement dated as of June 1, 2010 (the “Sublease”). The obligations of the City under the 2010-A Lease Agreement constitute economic incentives being offered in connection with the financing of the 2010-A Project pursuant to Amendment 725 of the Constitution of Alabama of 1901 (the “Local Economic Development Amendment”). Notice of the proposed adoption of this resolution was published in the *Andalusia Star News* on May 15, 2010, at least seven days prior to the date of this meeting of the Council, as required pursuant to the Local Economic Development Amendment;

(d) The City has determined that it can achieve savings by currently refunding the Series 2010-A Bonds. In order to achieve such savings, the City has requested the Board, and does hereby request the Board, to issue its (i) \$5,505,000 aggregate principal amount of Industrial Development Revenue Bond (SaeHaeSung Alabama Corp. Project), Series 2019-A (the “Series 2019-A Bond”), (ii) \$400,000 aggregate principal amount of Taxable Lease Revenue Bond, Series 2019-B (the “Series 2019-B Bond,” and together with the Series 2019-A Bond, the “Series 2019 Bonds”) in order to provide debt service savings and lease payment savings, pay the costs of issuing the Series 2019 Bonds and provide funds for further economic development in the City;

(e) The Series 2019 Bonds shall be issued pursuant to a Second Supplemental Indenture dated as of April 1, 2019 between the Board and the Trustee (the “Second Supplemental Indenture”) and shall be limited

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obligations of the Board payable solely out of (a) payments by the City pursuant to a Second Supplemental Lease Agreement between the Board and the City dated as of April 1, 2019 (the "Second Supplemental Lease Agreement"), (b) payments received by the City pursuant to the Sublease, which will remain in full force and effect, and (c) any other revenues, rentals or receipts derived by the Board from the leasing or sale of the 2010-A Project. The obligations of the City pursuant to the Second Supplemental Lease Agreement shall be general obligations of the City, for which its full faith and credit are pledged. The obligations of the City under the Second Supplemental Lease Agreement constitute economic incentives being offered in connection with the refinancing of the 2010-A Project and any other projects pursuant to the Local Economic Development Amendment. Notice of the proposed adoption of this resolution was published in the *Andalusia Star News* on March 23, 2019, at least seven days prior to the date of this meeting of the Council, as required pursuant to the Local Economic Development Amendment. The City hereby determines and concludes that the total amount of all obligations of the City incurred pursuant to the Local Economic Development Amendment, including those approved hereunder, do not, in the aggregate, exceed 50% of the assessed value of real property in the City;

(f) The Second Supplemental Indenture and Second Supplemental Lease Agreement (the "Financing Documents") describing the terms and conditions of the Series 2019 Bonds and the related financing documents have been prepared for distribution to the purchaser of the Series 2019 Bonds; and

(g) A copy of the proposed Second Supplemental Lease Agreement has been presented to, considered and approved by the Council, which constitutes the governing body of the City.

Section 2. Approval of Plan of Financing. The Council does hereby approve, authorize, ratify and confirm (a) the issuance by the Board of the Series 2019 Bonds, (b) the execution and delivery of the Financing Documents to which the City will be a party, (c) the conveyance by deed of any real property to the Board necessary in order to consummate the transactions contemplated by the issuance of the Series 2019 Bonds, and (d) the consummation of all other transactions described in Section 1 to this resolution and contemplated by the Financing Documents (the "Plan of Financing").

Section 3. Authorization of Second Supplemental Lease Agreement. The Mayor of the City is hereby authorized and directed to execute and deliver the Second Supplemental Lease Agreement in substantially the form presented to the Council at this meeting with such changes or additions thereto or deletions therefrom as the officer executing the same shall approve, which approval shall be conclusively evidenced by his execution of such instruments. The City Clerk is hereby authorized and directed to affix the official seal of the City to such instruments and to attest the same.

Section 4. General Authorization. The members of the Council and all other officers of the Council and of the City are hereby authorized and directed to deliver or cause to be executed and delivered in the name and on behalf of the City such other notices, requests, demands, directions, consents, approvals, orders, applications, certificates, agreements, further assurances, or other instruments or communications, under the official seal of the City, or otherwise, as they or any of them may deem necessary, advisable, or appropriate in order to (a) complete the Plan of Financing and (b) carry into effect the intent of the provisions of this resolution, the Series 2019 Bonds and the Financing Documents. The actions authorized hereunder are pursuant to and in furtherance of the Local Economic Development Amendment.

Section 5. Redemption of Series 2010-A Bonds. The Council hereby requests and directs, in accordance with the 2010-A Lease Agreement, the Board to take any and all required actions in order to effect the optional redemption of the Series 2010-A Bonds on the earliest practicable date.

Section 6. Ratification. Each act of any officer or officers of the City or any person or persons designated and authorized to act by any officer of the City, which act would have been authorized by the foregoing

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provisions of this resolution except that such action was taken prior to the adoption of this resolution, is hereby ratified, confirmed, approved and adopted.

ADOPTED AND APPROVED this 2nd day of April, 2019

THE CITY OF ANDALUSIA, ALABAMA

Earl V. Johnson, Mayor

[S E A L]

ATTEST:

John M. Thompson, City Clerk - Treasurer

Councilmember Powell moved to approve Resolution No. 2019-11. Councilmember Wells seconded the motion which passed unanimously.

COUNCIL APPROVED ORDINANCE NO. 2019-01, BACK TO SCHOOL SALES TAX HOLIDAY:

Mayor Johnson presented Ordinance No. 2019 -01, Back to school sales tax holiday.

**CITY OF ANDALUSIA
ANDALUSIA, ALABAMA**

ORDINANCE NO. 2019 – 01

AN ORDINANCE OF THE CITY OF ANDALUSIA, ALABAMA, TO EXEMPT CERTAIN “COVERED ITEMS” FROM THE MUNICIPAL SALES AND USE TAX DURING THE THIRD FULL WEEKEND OF JULY, 2019, AS AUTHORIZED BY ACT 2006-574 OF THE ALABAMA LEGISLATURE, AND THE AMENDING ACT NO. 2017-120, GENERALLY REFERRED TO AS THE STATE SALES TAX HOLIDAY.

BE IT ORDAINED BY THE CITY COUNCIL OF ANDALUSIA, ALABAMA, AS FOLLOWS:

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Section 1. In conformity with the provisions of Act 2006-574 enacted by the Alabama Legislature during the 2006 Regular Session, and the Amending Act No. 2017- 120, providing for a State Sales Tax Holiday, the City of Andalusia, Alabama, exempts “covered items” from municipal sales and use tax during the same period, beginning at 12:01 a.m. on the third Friday in July, 2019 (July 19, 2019) and ending at twelve midnight the following Sunday (July 21, 2019).

Section 2. This ordinance shall be subject to all terms, conditions, definitions, time periods, and rules as provided by Act 2006-574 and Amending Act 2017 - 120, except that the time period shall only be as specified in Section 1 above and not for all years thereafter.

Section 3. The City Clerk is hereby authorized and directed to certify a copy of this ordinance under the seal of the City Andalusia of Andalusia, Alabama, and to forward said certified copy to the Alabama Department of Revenue to be recorded and posted on the Department website.

Section 4. This ordinance shall become effective upon publication as required by law.

ADOPTED AND APPROVED THIS 19th DAY OF MARCH, 2019.

THE CITY OF ANDALUSIA, ALABAMA

BY: _____
Earl V. Johnson, Mayor

ATTEST:

John Thompson, City Clerk/Treasurer

Councilmember Wells moved to approve Ordinance No. 2019-01. Councilmember Sconiers seconded the motion which passed unanimously.

COUNCIL APPROVES APPROPRIATION FROM CAPITAL ACCOUNT FOR CHRISTMAS AND CANDYLAND DECORATIONS:

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Mayor Johnson announced that the city had an opportunity to expand Christmas and Candyland decorations on the North Bypass. Councilmember Wells moved to appropriate up to \$50,000 from the capital account to purchase the decorations. Councilmember Powell seconded the motion which passed unanimously.

ADJOURNMENT:

With no further business, Mayor Johnson called the meeting adjourned.

THE CITY OF ANDALUSIA, ALABAMA

By: _____
Earl V. Johnson, Mayor

ATTEST:

John M. Thompson, City Clerk/Treasurer