

**CALLED MEETING
MARCH 2, 2018**

The Mayor and City Council of the City of Washington, Georgia, held a called meeting on Friday, March 2, 2018, beginning at 4 PM in the Council Chambers of City Hall to discuss possible industrial rates and law enforcement contract negotiations. Mayor Ames Barnett presided.

Present were Mayor Barnett and council members Armour, Armour, Cullars, Mahoney, Scarborough and Tutt. Also present were City Administrator Bailey and City Attorney Fleming. City Clerk Danner was absent due to illness.

City Administrator Bailey advised council that she had just received notification that the joint City and Hands on Washington 2018 CHIP grant in the amount of \$612,000 had been approved. The grant is for new construction by the City of Washington on Norman Street and Hands on Washington would handle the re-hab of existing homes. All grant funds are income based.

Mayor Barnett advised council that recently an official with Berry Plastics had met with the mayor, the county commission chairman and the City Administrator. Berry had asked for substantial rate decreases in electric and water utilities and also asked that a building rented from the county rent be reduced to \$1 per month from \$16,000 per month.

Mayor Barnett advised that the PDA had reduced the building rental from \$16,000 per month to \$8000 per month.

Mayor Barnett advised that he had met with MEAG officials earlier this week to discuss possible options with the Berry utility request. MEAG advised during discussion that it might be possible to get out of the SEPA (hydro power) portion of the MEAG contract which would save the city some \$400,000 in fixed costs. Council would have to approve a request to MEAG to discontinue the city's share of SEPA. This request would generally take about a two year process for approval by MEAG, however, MEAG officials had indicated that they may be able to speed up the process.

City Administrator Bailey reviewed with council possible scenarios with Berry utilities, both electric and water sales. Scenarios included rate reductions of 75%, 100% and what would happen to rates if Berry should close. City Administrator Bailey recommended that the city offer a rate reduction of 75% of Berry initial request (current rate \$.0899 per kwh to \$.0786 per kwh). Bailey also distributed to council rate information sheets showing all current and proposed scenarios on both electric and water/sewer services, proposed large industrial rate with growth rider and also a sheet showing the proposed reduction in revenues and where funds would come from in 2018 and 2019 to meet the proposed 75% reduction. Proposed reduction of revenue funds table attached:

Berry Global New Rate Structure

Amendments needed to fund rate reduction

	Projected Reduction in Revenue
Water	\$83,926.00
Sewer	\$83,926.00
Electric	\$412,104.00
Total Decrease:	\$579,956.00

Sources of
Additonal
Revenue

2018

Gas Credit-Sales	\$134,738.00
Depreciation	\$292,774.08
MEAG Trust Elected Contr.	\$110,000.00
MEAG YE Settlement	\$28,000.00
911 Contributions 1/2 year	\$77,500.00
Total Increase:	\$643,012.08

2019

Depreciation	\$292,774.08
MEAG Trust Elected Contr.	\$110,000.00
MEAG YE Settlement	\$28,000.00
911 Contributions full year	\$155,000.00
Total Increase:	<u><u>\$585,774.08</u></u>

****To be included as part of the official minutes****

On motion by T. Armour, second by R. Armour, council approved 5 to 1 to request that MEAG allow the city to terminate the SEPA portion of the MEAG Contract; noting that it could take up to two years for this to be completely approved. Council member Cullars voted against the motion.

A motion was made by R. Armour, second by Tutt, to allow the Mayor and City Administrator to offer the 75% reduction in rates to Berry with the authority to go to the 100% asked for reduction if necessary. After discussion by council, a motion to table by council member Scarborough, with a second by Tutt, council approved to table 5 to 1. Council member Cullars voted against the motion.

After further discussion by council and a five minute recess, Council member R. Armour withdrew his original motion.

On motion by Mahoney, second by Tutt, council approved 6 to 0 to offer Berry the reduction that was originally asked for (\$.0749 per kwh) and further to cover the additional shortfall in revenue of \$127,989 from MEAG Trust reserves for 2018. Expected 2019 revenue shortfall will be looked at later in the year.

Council member Tutt expressed concern about recent criminal activity and murders in the community. Tutt advised that he had talked with the sheriff about getting monthly reports of department activity within the city.

After discussion, a meeting will be scheduled with city officials, county officials and the sheriff for negotiation of the new contract. Contract must be negotiated prior to April 15.

On motion by Tutt, second by Scarborough, meeting was adjourned.