

**CITY OF ETOWAH, TENNESSEE
COMMISSION MEETING**

Record of Minutes of Special Called **Meeting Date** January 11, 2012 **Sheet No.** _____

A special called meeting of the Etowah City Commission was held on Wednesday, January 11, 2012 at 5:00 p.m. in the Council Chambers of City Hall, 723 Ohio Avenue, Etowah, Tennessee. Members present were Mayor Burke Garwood, Vice Mayor Charles Slack, Commissioner Ann Abbott, Commissioner Matt Goodin, and Commissioner Dennis Morgan. Also present were City Manager Matthew Gravley and Recording Secretary Jamie Davis. Absent was Finance Director Melissa Henderson.

Mayor Garwood called the meeting to order at 5:00 p.m.

NEW BUSINESS

a) Approval of Public Works Rural Development Grant for Vehicles. City Manager Matthew Gravley explained that is a grant loan for 15 years at a rate of 3.75% and we received \$22,470.00 from Rural Development as a grant. We have checked to see how close the public market was for a similar loan and its pretty close but I recommend going forward with Rural Development because it's a little better of a deal for us. Our rate would be good at 3.75% and the monthly payment would be \$1,219.40 and we can lump the initial \$10,000 into the loan now because the grant was not as much as we expected. So over all the loan would be for \$177,530.00 and the grant for \$22,470.00 for a total of \$200,000.00. Commissioner Ann Abbott ask what equipment would we be getting? City Manager Matthew Gravley said a knuckle boom truck, 2 dump trucks, a ton dump truck, switching the street sweeper to a leaf truck, a roll off system with dumpsters, and possibly a bush hog. Commissioner Dennis Morgan said he had heard a knuckle boom truck was not very beneficial. Mayor Burke Garwood said it's the manpower that makes the difference 1 man vs. 2 or 3 men to run it. City Manager Matthew Gravley said it's a huge difference in manpower and the maintenance we are spending right now will pay for part of the loan. Commissioner Ann Abbott ask about our garbage truck. City Manager Matthew Gravley said we had one go down today and we are using one of Niota's truck until the brake job gets done. And Public Works has debt coming off next year and that will help too. Commissioner Dennis Morgan said I think we need to include the \$10,000 in the loan.

A motion was made by Commissioner Ann Abbott and seconded by Vice Mayor Charles Slack to approve the Rural Development loan and grant for up to \$200,000.00. The motion passed unanimously by a commission vote.

b) Consideration of the City of Etowah's debt policy. Mayor Burke Garwood explained this is something we have to have in place before we borrow money for anything. There are 4 principles of a debt policy: understanding the transaction, explaining to the citizens what's being considered, avoiding conflicts of interest, and disclosing costs and risks. This basically says how much debt the city can take on and how much we are willing to take on as a city? City Manager Matthew Gravley said Larry Kidwell, Financial Planner, only gets paid if we issue debt and if he does it for us. Commissioner Ann Abbott ask if we had completed the forms that Larry Kidwell needed? City Manager Matthew Gravley said not yet as most of it has to do with an interest rate swap and we are going to wait on that right now because it's a 3 year deal and we are already at the end of the first year.

A motion was made by Mayor Burke Garwood and seconded by Commissioner Ann Abbott to approve the debt policy as is. The motion passed unanimously by a commission vote.

ADJOURNMENT

A motion was made by Mayor Burke Garwood seconded by Commissioner Matt Goodin to adjourn the meeting. The motion passed unanimously by a commission vote.

E. Burke Garwood III, Mayor

Melissa Henderson, City Recorder

Respectfully submitted by:

Jamie L. Davis, Recording Secretary