

MINUTES
SPECIAL CALLED MEETING OF THE VALDOSTA CITY COUNCIL
5:30 P.M., WEDNESDAY, MAY 15, 2024
COUNCIL CHAMBERS, CITY HALL

OPENING CEREMONIES

Mayor Scott James Matheson called the Regular Meeting of the Valdosta City Council to order at 5:30 p.m. Council members present were: Thomas McIntyre, Eric Howard, Sandra Tooley, Tim Carroll, Nick Harden, and Vivian Miller-Cody. Councilman Andy Gibbs was absent. The invocation was given by Councilman Tim Carroll, followed by the Pledge of Allegiance to the American Flag.

LOCAL FUNDING AND REQUESTS

Consideration of a request to approve the revised American Rescue Plan Act (ARPA) proposed Projects and allocation amounts.

Chuck Dinkins, Finance Director, stated that this is an item to reallocate ARPA. All items except for Patterson Street will remain the same and we are asking to reallocate \$1 million of the \$1.3 million South Patterson Street Property acquisition for purposes of a low income loan for an Affordable Housing Project.

Councilwoman Tooley stated that she would like to ask a question about the list. She inquired about the City match on Idalia and if that was on the ARPA list. Chuck Dinkins stated that it was not on the original list but the last reallocation. Councilwoman Tooley inquired as to whether we reallocated money for the Hurricane and to pay for that. Chuck Dinkins stated that it was for the debris cleanup. FEMA was going to pay 80% and GEMA was going to pay 12.5%. The \$475 will go toward the remaining 12.5%. Councilwoman Tooley stated that in the Contract that we just recently had with the cleanup company, we had to have money and she thought that was the money that we used (\$90,000). She inquired as to why we did not use this money for that cleanup since that was part of the Contract that we made for Idalia. Chuck Dinkins stated that the second one was a different storm. She was told that was part of the continuing Contract that we had originally made. Chuck Dinkins stated that it was part of the Contract with that same vendor but it is not part of the FEMA Project. FEMA did not participate on that second piece. Richard Hardy, City Manager, stated that the Contract was utilized with that vendor for any future requirements that we needed. After Idalia was over, they packed up and we settled. Then a new storm came in and he came to Council and asked for an additional \$90,000 plus a 10% contingency to clean up the debris from the latest storm. We received of all the debris that the Fire Department and Public Works cut and pushed to the side of the streets. Councilwoman Tooley stated that she had asked if we had contracted anybody and you said no and that it was part of the original Contract from the first Contract. She had asked if this was an Addendum and the City Manager had said no and that it was part of the continuing Contract. Richard Hardy stated that we utilized the Contract and vendor that we had submitted a bid to and they would service our area and future areas up until a given point in time. Councilwoman Tooley stated that she thought it was two years. Richard Hardy stated that was correct and we utilized them. Mayor Matheson stated that we have to re-up every two years. Councilwoman Tooley stated that was another Contract and it was not an Executive Order Contract because she has asked if they put a bid out for someone else and was told no because it was part of the continuing Contract. Now she is hearing that it was a second Contract and inquired if there were two Contracts with that company. Mayor Matheson stated that we were out of Contract with Idalia and the County had a current Contract with them and they were guaranteed a low price. We got very lucky with Idalia and they offered us the same per cubic yard price. So now that we are under Contract we want stay with them. Councilwoman Tooley stated that it is the same Contract that we got with Idalia. Mayor Matheson stated that we stayed under Contract with them and paid the full price. Councilwoman Tooley stated that we are continuing to keep them and inquired as to why we did not use the money that we had for them. Chuck Dinkins stated that the \$475 was tied to FEMA's unreimbursed portion of Idalia cleanup. Councilwoman Tooley inquired as to whether we could use that money the second time. Richard Hardy stated that anytime we are taking or readjusting these funds, we are bringing it to Council for approval; thus, the \$90,000 we brought to Council for approval. Just like tonight, we are bringing this before Council for the reallocation of funds. Councilwoman Tooley stated that you are saying we could only use the City match on Idalia. Chuck Dinkins stated that we could use it for what FEMA does not pay on a FEMA-approved cleanup. For the second storm, FEMA is not participating in it. They only showed up for Idalia. When Council voted on this it was tied to what FEMA was not reimbursing (a 12.5% local match on a FEMA Project). The second storm was not a FEMA Project. It is the

same vendor that we are using but FEMA is not participating in it so if we use it for the second storm, we do not get FEMA credit for it. Councilwoman Tooley inquired as to whether we could use it for any FEMA Project. Chuck Dinkins stated that what Council approved was Idalia specifically and after we get finished with everything that FEMA is going to do here, then we will eat up that \$475. Councilwoman Tooley stated that she thought we were finished with the cleanup. Chuck Dinkins stated that we are finished with the actual cleanup but we are not finished with the FEMA paperwork.

Councilwoman Miller-Cody stated that Mr. Dinkins said we were using the purchase of the South Patterson Property which was \$1.3 million and inquired as to what we are using that for. Chuck Dinkins stated that we are using it for a low interest loan on the Griffin Avenue Project. Councilwoman Miller-Cody stated that we had the money for Griffin Avenue Housing Project. We had \$3 million and you said you had to purchase the South Patterson Property for \$1 million so what are we doing. She is looking at the printout. Chuck Dinkins stated that there is an additional loan that we are needing to make in order to keep the Project on-line and on schedule with all of their requirements with the State. Councilman Carroll stated that this is also for Phase II. Mayor Matheson stated that Phase I is under construction. Councilwoman Miller-Cody stated that you said you had a remaining amount to be assigned which was over \$1 million on this paperwork that you gave us. Chuck Dinkins stated that there is \$1.3 million for South Patterson. Councilwoman Miller-Cody stated that she was looking at South Patterson and you said remaining was \$1,282,000 and then you said "assigned" so if you subtract that from the \$3 million then we should have some money left over. Chuck Dinkins stated that there will be some money left over. Councilwoman Miller-Cody inquired as to how much would be left over. Chuck Dinkins stated that you have \$1.3 in there. Councilwoman Miller-Cody stated that you spent \$1,282,900. Chuck Dinkins stated that we have not spent it but we have assigned and that means that we have earmarked if you will. This Agenda Item is to un-earmark so it will no longer be going to purchases on South Patterson Street. Councilwoman Miller-Cody inquired as to whether we have done purchases on South Patterson Street. Chuck Dinkins stated that we have done a couple of small items on that front but we have not spent anywhere near \$300,000. Councilwoman Miller-Cody inquired as to whether we have an itemized list of what we have already spent it on. Chuck Dinkins stated yes. Councilwoman Miller-Cody inquired as to where that was at. Chuck Dinkins stated that he could provide that information to Councilwoman Miller-Cody as it is not in the Agenda Packet.

Councilwoman Tooley stated that they were talking about using ARPA money and inquired as to whether this was to provide a loan to a company. We are asking for money now to provide a loan. Chuck Dinkins stated that was correct. Councilwoman Tooley stated that even though we are reallocating it from other projects, it is still ARPA money. Chuck Dinkins stated that was correct. Councilwoman Tooley stated that the reason she was asking about that is because it was coming up and we had to be specific about the final rules. She did ask that question and she has been asking around if the ARPA money could be used to give a loan to a company. Chuck Dinkins stated that it can't. There are certain limitations on anything that comes through ARPA but this is an allowed use so we will be good to take it out of ARPA. Councilwoman Tooley stated that this will be good to take this out to loan a company. Chuck Dinkins stated that it is a public/private partnership. Mayor Matheson stated that we have already dedicated \$3.4 million and that was what we all decided was good for low income housing. Councilwoman Tooley stated that was allocated to give to them but not as a loan. Mayor Matheson stated that the only part we lose is the \$900,000 plus for the land purchase and the other \$2.5 is a loan that comes back to us in a 10 or 15-year period of time as this will. This will go into that pot and come back to us. Councilwoman Tooley stated that all this was part of the agreement before and now we are coming back and asking for more because we did not get it. This is for Phase II and inquired as to whether this was also in addition to what the County is going to be giving because they did include money. Mayor Matheson stated that stays intact until the end of this year and if we do not get to Phase II then they will take their \$1 million back. Councilwoman Tooley asked the Mayor to repeat that. Mayor Matheson stated that the County has committed \$1 million for Phase II as well but if this Project does not go forward by the end of the year then he would imagine the County would take back their \$1 million pledge.

Councilman Harden stated that we have \$1.3 million allocated to the property on South Patterson and also we have \$250,000 for an ARPA Project Manager, which we never hired, and inquired as to whether we could take the \$250,000 and allocate that and the \$300,000 and re-purpose those funds for the South Patterson and surrounding parcels and then use the \$1 million for the Griffin Avenue Project. Mayor Matheson stated that the \$300,000 will get us along way toward the purchases. Chuck Dinkins stated that they could always come back and reallocate again. Other than what you actually spend, this is not written in stone. We have to have it committed by the end of 2024 which is another factor to think about. We are getting close to the point where we need to start writing down

what we are doing here. Councilman Harden stated that those are loans and we do not have a limit or know if it will be 10 to 15 years when we receive these funds back. Chuck Dinkins stated that it will be 20 years. Councilman Harden inquired as to whether we could loan the same funds to other Developers once we get those funds back. Mayor Matheson stated that was correct.

Councilwoman Miller-Cody inquired as to whether we have borrowed out our limit or have we gone beyond and can't go any further. Chuck Dinkins stated no and inquired as to whether Councilwoman Miller-Cody meant the credit limit and if she was talking about what the City could issue debt or what the City could loan. Councilwoman Miller-Cody asked if we are to the limit of what we can borrow or loan because we are allocating money. They vote on it to be issued out and then they come back and you are asking them to allocate it somewhere else. That is why she is asking if we have borrowed out or if another storm comes to Valdosta, could we afford it? Chuck Dinkins stated that we would have to apply to FEMA but he felt we would be okay as long as it did not exceed Idalia. Councilwoman Miller-Cody stated that we just had a major one and inquired as to whether we could afford it. Chuck Dinkins stated that we would have to look probably outside of ARPA but yes, we would be able to afford it. Councilwoman Miller-Cody stated that she wanted him to say that for the people to hear it because she knows we are to the limit of borrowing and like the Councilman said, we have not hired an Executive Director. Chuck Dinkins inquired as to whether Councilwoman Miller-Cody was referring to the Land Bank. Councilwoman Miller-Cody inquired as to whether we have hired one. Chuck Dinkins stated that we have not. We have provided funding to the Land Bank to do so. Councilwoman Miller-Cody stated that if the Land Bank has not hired anyone, can we pull that funding back? Chuck Dinkins stated that would be a Council decision. Richard Hardy, City Manager, stated that the Land Bank has hired a Director. Councilman Harden stated that he thought she was referring to an ARPA Project Manager. Councilwoman Miller-Cody stated that the Land Bank is going on four years for an Executive Director and she asked if we have hired him. Chuck Dinkins stated that the Land Bank has hired him. Councilwoman Miller-Cody stated that if they have not hired him, could we pull the funds that were issued to the Land Bank? However, you said we have hired one. Councilwoman Miller-Cody inquired as to when was he hired? Chuck Dinkins stated that he was not sure when he was hired. The Land Bank is the entity that hires him. Councilwoman Miller-Cody inquired as to whether we would know anything about it. Chuck Dinkins stated the he would not have his employee records. Councilwoman Tooley stated that they did hire one in January. One of the things that she might be asking is whether we have allocated any of the Land Bank Director's funds to the Land Bank. She thinks we did allocate and pay out a portion that was requested to the Land Bank for the Land Bank Director. It was her understanding that they were not going to pull it all out at one time. Richard Hardy, City Manager, stated that was correct.

A **MOTION** was made by Councilman Carroll to approve the request as presented for the revised American Rescue Plan Act (ARPA) proposed Projects and allocation amounts. Councilman Harden seconded the motion. The motion was adopted (4-2) with Councilwoman Tooley and Councilwoman Miller-Cody voting in opposition.

Consideration of a request to approve an amendment to the Fiscal Year 2024 Budget for the City of Valdosta.

Chuck Dinkins, Finance Director, stated that this is an Amendment to the Budget to allow us to make the loan that Council just approved through reallocation. This will increase the amount of ARPA funds that we are going to recognize in the current year. When the funds came in, they were deferred which means that they were not taken into revenue immediately. What this does is to now authorize to take the revenue in so it will have no net effect on the Budget; however, it will allow the City to make the loan in the current Fiscal Year.

Councilwoman Miller-Cody asked if he could break that down into everyday language. Chuck Dinkins stated that we approved this ARPA money to be used for this purpose, but they did not change the actual Budget for this specific year. What this does is to allow us to do it in FY24 as opposed to waiting to FY25. Councilwoman Miller-Cody inquired as to whether this Budget would be \$1,000,000. Chuck Dinkins stated that was correct for this Budget item. Councilwoman Miller-Cody stated that it says an additional \$1,000,000 loan for the Griffin Avenue Affordable Housing Project. Chuck Dinkins stated that was correct.

A **MOTION** was made by Councilman Howard to approve the request as presented for an amendment to the Fiscal Year 2024 Budget for the City of Valdosta. Councilman Carroll seconded the motion. The motion was adopted (4-2) with Councilwoman Tooley and Councilwoman Miller-Cody voting in opposition.

ORDINANCES AND RESOLUTIONS

RESOLUTION NO. 2024-8, A RESOLUTION TO AUTHORIZE FUNDING FOR AN AFFORDABLE HOUSING PROJECT IN THE FORM OF A LOAN FROM THE CITY OF VALDOSTA’S AMERICAN RESCUE PLAN (ARPA) ALLOTMENT

Consideration of a Resolution to authorize funding for an Affordable Housing Project in the form of a Loan from the City of Valdosta's American Rescue Plan Act (ARPA) allotment.

Chuck Dinkins, Finance Director, stated that this is just approving the terms of the loan that we just reallocated money for and approved to make this year. It is a \$1,000,000 loan at a fixed rate of 3.25%. The term would be a 20-year length so we will have a 30-month construction period where there would be interest only and then there would be a 17 ½ year repayment period. The amortization schedule calls for a 35-year amortization meaning the payment would be figured as if it was going to be a 35 year, but there will be a balloon payment at the end of 20 years so the payment would not take care of it in 20 years but at the end of the note, they would have to make one large payment to clear the remaining balance. The note would be cleared within the 20 years.

Councilwoman Tooley inquired as to whether that was part of the first agreement we had before they made the changes that they would have a balloon payment. Chuck Dinkins stated that it is a similar structure. Councilwoman Tooley stated that it is a similar structure with a balloon payment at the end. She hoped that they do not go bankrupt.

Councilwoman Miller-Cody inquired as to how much the lien was -- a month or a year. Chuck Dinkins stated that it would be a \$1,000,000 lien and it would pay off just like the note on your house. Councilwoman Miller-Cody stated that is why she asked how much it would be monthly. Chuck Dinkins stated that originally it would be interest only so it would be approximately \$2,800 per month to begin with and then it would increase to a little over \$4,000. Councilwoman Miller-Cody stated that it would be \$2,800 per month. Chuck Dinkins stated that would be for the construction period. It would be \$4,200 for the remaining period. He will provide the exact numbers to the Council.

A **MOTION** was made by Councilman Carroll to approve the request as presented to authorize funding for an Affordable Housing Project in the form of a Loan from the City of Valdosta's American Rescue Plan Act (ARPA) allotment. Councilman Howard seconded the motion. The motion was adopted (4-2) to enact Resolution No. 2024-8 with Councilwoman Tooley and Councilwoman Miller-Cody voting in opposition, the complete text to be found in Resolution Book VII.

CITIZENS TO BE HEARD

There were no citizens to be heard.

CITY MANAGER’S REPORT

Richard Hardy, City Manager, stated that he had no comments at this time.

COUNCIL COMMENTS

Councilwoman Miller-Cody stated that she has been asked by several people at the last Council Meeting that we could only build six homes and we voted on a 7-0 vote in March of 2023 that we would allocate so much funds for homes to be built. Councilwoman Miller-Cody inquired as to whether the money that they voted for would only build six homes. She also inquired about the total amount that we voted for. Richard Hardy, City Manager, stated that he did not have that information in front of him, but he would get that to her. Councilwoman

Miller-Cody stated that they voted up in the millions of dollars and if they voted for millions of dollars for homes to be built, they should be able to build more than six. Richard Hardy inquired as to what she was referring to. Councilwoman Miller-Cody stated that the money that CDBG came up here and gave a presentation on and she had to send it back to Atlanta. We told the citizens to come in January of 2024, and if you were here in line at 6:00 a.m., we told them they could fill out those forms from January up until April. Now we are saying we can only build six homes. She would like to know the amount they voted on and how can those funds be that less that we can only build six homes for our people in the City of Valdosta. Richard Hardy stated that he would get her that information. Councilwoman Miller-Cody stated that she has been asked that question and we voted on X number of dollars and now we are saying we can only build six homes. That makes up look like we got up here and voted for something that we could not bring to fruition. That makes us look bad as representatives for the citizens of Valdosta and as representatives for Districts 1, 2, and 3, and some of 4, that we vote for houses to be built and these dollars come down. She does not know if we have been approved for them or not, but we allocated this to be represented and brought to the Council. Mayor Matheson stated that we need to wait for that to be in front us factually please. That is approximately \$600,000 plus. Councilwoman Miller-Cody stated that she has it written down and it is \$630,000. Mayor Matheson stated that it goes for home repairs as well as some rebuilds. He asked that we wait until that is in front of us and Richard Hardy has agreed to present that to us at the next meeting. Richard Hardy stated that was correct. Councilman Howard inquired as to whether that was for home rehab and home rebuilding. Mayor Matheson stated that if it hits the \$45,000 threshold for home repair, then they choose to raise the building and then build it back up on the same site. It could be for roofs, windows, or anything that they need.

ADJOURNMENT

Mayor Matheson entertained a motion for adjournment.

A MOTION by Councilman Carroll, seconded by Councilman Harden, was unanimously adopted (6-0) to adjourn the May 15, 2024 Special Called Meeting of the Valdosta City Council at 5:58 p.m. to meet again in Regular Session on Thursday, May 23, 2024.

City Clerk, City of Valdosta

Mayor, City of Valdosta