

The Russell County Commission
Meeting Minutes
April 28, 2010
9:30 A.M. EDT.

Public comments: Wanda Lamb and others wished Commissioner Lee Happy Birthday.

Sheriff Boswell introduced the Russell County Volunteer Dive team and invited the Commissioners to inspect the boat and equipment purchased for the team to recover evidence and rescue.

Reverend Aaron Miller discussed resolving the Dixon / Long case.

An adjourned meeting of the Russell County Commission was called to order. Commissioners present were: Chair Peggy Martin, Vice-Chair Gentry Lee, Tillman Pugh, Ronnie Reed, Cattie Epps, Mervin Dudley and Larry Screws. Also present were the County Attorney Robert Lane and County Administrator LeAnn Horne, who kept the minutes.

A quorum was established.

Chair Martin requested a motion to approve the meeting agenda. Commissioner Dudley motioned to approve the agenda. Seconded by Commissioner Reed. The vote was unanimous.

The invocation was given by Chair Martin.

The Pledge of Allegiance was led by Commissioner Reed.

Chair Martin welcomed elected officials, department heads, media and guests.

A request for approval of the April 14, 2010 meeting minutes was made by Chair Martin. Commissioner Dudley motioned to approve the meeting minutes. Seconded by Commissioner Reed. The vote was unanimous.

The Fair Housing Proclamation was presented by Chair Martin and read by the County Administrator. Commissioner Dudley motioned to approve the proclamation and was seconded by Commissioner Reed. The vote to approve was unanimous.

Chief Appraiser J.W. Brannen was presented a Proclamation recognizing his 30 (thirty) years of service to Russell County. He was also presented with Certificates of Recognition from the Commission, Lt. Governor, Congressman Mike Rogers, Secretary of State, Congress, and the ACCA. J.W. Brannen

thanked the Commission and Russell County Citizens for the support he received during his 30 years. Commissioner Lee motioned to approve the Proclamation of Recognition for J.W. Brannen. Seconded by Commissioner Dudley. The vote was unanimous. Chair Martin invited everyone to the Retirement Reception to be held after the Commission Meeting.

The County Engineer, Larry Kite gave an updated road report.

- The County-wide Resurfacing and Striping Project have been completed in the Northeast portion of the county (Opelika Road / Allen Heights Subdivision).
- Paving is in process in the Ladonia Area and will be moving to District 5, 6 & 7 soon.
- A turn lane is under construction at Whiterock Road with a portion of this road to be paved. This will provide a left turn lane for the new subdivision on Whiterock Road. The Developer, the City of Phenix City and Russell County are each paying a third of the cost for this project with the County's portion being funded from already budgeted paving funds.
- Harris Road paving is 65% complete and should be finished in June 2010.
- There are other dirt road to be paved this fiscal year, but with the large amount of rain, may not be completed during this fiscal year, but are going to get as many as the weather will permit. Those roads include, Bethel Road, Farm Road, Lonesome Pine Road, 40th Ave, Lynn Hill, Joshua Drive and Gaunt Road.
- Kent Ave and Newsome Drive drainage issues are being addressed at this time and if 50% complete.
- Federal Aid Projects:
 - County Road 4 Relocation and Bridge Project are 55 to 60% complete and should be finished in August 2010.
 - Opelika Road to Cutrate Road resurfacing Project should begin June 2010.
 - Fire Tower Road resurfacing is scheduled to let in August or September 2010.
 - Pitts Road Bridge Project was re-initiated in hopes of receiving a grant through Stimulus funds, but was not awarded to the State of Alabama. The projects are still in progress, but are looking funds to cover the project.
- Maintenance:
 - The first round of grass cutting and herbicide is 70% complete.

County Attorney, Robert Lane, discussed the importance of going forward with decision for an investment banker for the Judicial Building Renovation Project getting the funding in order for the judicial renovation project. The monthly costs of the temporary judicial offices are approximately \$15,000 and interest rates are subject to increase.

Investment Banking representatives present:

- Randy Rushton from The Frazier Lanier Company
- Larry Jackson and Walter Lewis with Gardner Michael Capital

Randy Rushton: I'm going to be very brief, Madam Chairman, Commissioners. The first customer I had was ya'll that was in 1985. I've had the pleasure of doing about 20 something financings of this County. I have done them a very good job and I think all of ya'll that has been involved have known that. I know I don't have the votes today but I did want to let this Commission know I'm very thankful for the opportunities you have given me in the past and hopefully there will be another that comes down the road in the future. I want you to know if I never do another piece of business with the County. I'm very appreciative of what you have allowed me to do in the past.

Commissioner Lee: Can I ask Randy some Questions?

Chair Martin: Of Course.

Commissioner Lee: Like you said, I think the votes have been locked in. To more explain my vote, I have to ask certain questions. As Mr. Lane just stated that in the last issue that the County participated in was to purchase this building, a reserve was required of (1) year's payment which was a little over one-half million dollars that the County has not been able to use and won't be able to use until maybe 30 years when the bond is paid off. My question to you as an issue that your company handled for a county, general obligation bond, ever had to leave a (1) year payment in reserve,

Randy Rushton: Well that issue, Mr. Lee, was not general obligation. It was a Public Building Authority. We have probably done, we being Frazier Lanier Company; have probably done 50 to 100 Public Building Authorities financings of various types, like you did. We have never put a debt service reserve on anyone.

Commissioner Lee: That is a pretty strong statement.

Randy Rushton: We can back it up. I would be happy to send you copies of any of the financing we have done. We done 4, 5,6,7,8 in the last four or five years of which there has not been a debt service reserve fund put on any of them.

Commissioner Lee: My second question: Has Frazier Lanier, the company you represent, ever been implicated or involved in a federal law suit over a bond issue that you were handling or involved in.

Randy Rushton: Never. Nor have we ever been mentioned in any complaint of any type ever.

Chair Martin: We have two gentlemen here, Larry Jackson and Walter Lewis who would like to present.

Larry Jackson: We are both with Gardnyr Michael Capital. First of all, we would like to say thank you for the opportunity to have worked on the last bond issue that we have served you on and appreciate having the opportunity to work for the county. The work that we did for the county, we feel like it was exemplary work. It was done in a fashion which we feel like was done with integrity and was done in a manner we felt like was what we set out to do and were able to accomplish. We sincerely appreciate the opportunity to have worked for you and look forward to the opportunity to work for you again. Walter and I feel like whatever goals we set ourselves to do in developing the relationship that we have with the County, we are very pleased with it. Again, we are look forward to having the opportunity to be able to work with you again.

Chair Martin: Any questions?

Commissioner Lee: Yes, What ever I ask one, I have to ask the other. Mr. Jackson it has already been referred to the money that was left in reserve on our last bond issue. Is this routine in county bond issues?

Walter Lewis: You are commenting on the reserve fund that was established? As the Attorney stated earlier in terms of these markets; when we structured that transaction last year, it is not a general obligation deal like Rushton said, it is a Public Building Authority transaction. At the time of doing that particular transaction, that's when the market turned and the economic crash was beginning. You had four or five insurers that were actually falling out of the business at that particular point and time. This reserve was set aside that was predicated by the insurance company that was the only one left to do business with. It was at their direction to put that money aside. Yes, you can do transactions exclusive of reserve funds in regards of Public Building Authorities, like the 1997 deal. It didn't have a reserve fund but it had a surety on a reserve. We do those as well. I believe a credit to this particular transaction that was done in 2008 for the County was not at our hands. We requested a surety through premium or prevision for, knowing that you could get those things, but in terms of what the market was actually allowing at that time the insurance company itself requested we set that money aside.

Commission Lee: Have you done others that were required?

Walter Lewis: Yes, I have done others that were required and I have others that a surety as well were presented.

Commissioner Lee: My next question is one I hate to ask, but I have to ask. Is your company, Gardnyr Michael, although not charged involved in the Jefferson County bond issue that is currently under investigation by the Feds.

Walter Lewis: Our firm is not under investigation. Our firm is a witness to that particular case in Jefferson County working for the prosecution. That's our role at this particular point and time. We were involved in transactions with Jefferson County but as a result of what has transpired. We have gone through all the litigation, the investigation, and so on and so forth as it relates to those particular transactions. Our firm has been posted as a witness to all the things that have gone on in that case.

Commissioner Lee: That is all my questions.

Chair Martin: I have a question. Should this body choose to go with Gardnyr Michael today; is it a possibility we could get that reserve fund back.

Walter Lewis: That is a good question. I have been in constant conversation with the insurance company who insures the transaction made back in 2008. There is stability that is beginning to come back into the market place. The company has stated to us that having this transaction coming to the table for the county, it would be considered very highly that they could release that reserve with this transaction if we were hired for this transaction. There is a good possibility they will release that reserve that had been set aside in 2008 issue.

Chairman Martin: That sounds very encouraging and I understand that the market is very volatile. We just have to go with the flow with interest rates, etc. and we are not the only ones. This is happening all over the United States. We want to take the higher road. Is there any other questions or comments?

Commissioner Screws: I'm the new kid on the block, will someone explain to me how did we end up with Gardnyr Michael financing the Courthouse.

Commissioner Lee: Basically, we kind of set precedence in the State of Alabama. We heard from all investment bankers as we send out for proposals to any and all investment bankers that were interested in our business. Those proposals came back and even though there was little or no difference in any of them. The Commission, at that time, decided to go with someone else because we felt we needed to spread our business around since there was very little difference. At that time, some of these problems that had been talked today had not come to light yet. So it had no function in what we had decided. We decided to go with Gardnyr Michael and I think it was a unanimous vote on the Commission. We had proposals from all companies and made our decision from those proposals. Basically what influenced my decision was let's try somebody else. I don't know I would do that again, knowing what I do today.

Commissioner Screws: Have we had any problems with this firm?

Commissioner Martin: Not to my knowledge.

Commissioner Lee: The only problem I've had is what was stated in my question. The money we had to leave on the table.

Commissioner Screws: Ms. Horne, have we had any financial irregularities or any problems since we have been doing business with this company.

Ms. Horne: No, and this matter that was brought up today happened about 2002 and was briefly discussed regarding the situation in Jefferson County. In fact it was brought up in New York City when we were there obtaining the bond. As a result of our hard work and good credit, the County walked away with A+ Credit Rating for the first time in the history of Russell County working with Gardnyr Michael. That has been my experience and I do not have any other knowledge of any other issues at this time.

Commissioner Screws: I was speaking of Russell County. We have not had any problems.

Ms. Horne: No

Chair Martin: Are there statements or questions.

Commissioner Reed: I think Gardnyr Michael has done an outstanding job and I would like to go ahead and make a motion we go ahead and approve this so we can save the County money. Right now we are spending \$15,000. I motion we approve the bond from Gardnyr Michael.

Commissioner Screws: I second.

Chair Martin opened the floor for more discussion.

Commissioner Lee: I understand this is just hiring Gardnyr Michael. It's not obligating us to accept any issue or any proposal because we have not really although we have authorized the architect to go ahead with the preliminary plan we have not approved that project. Is that correct? According to the minutes it should say and I don't know that we were approving the preliminaries and when he comes back with figures more exact; we have the opportunity of approving or not approving. Is that correct?

Chair Martin: What are the figures he gave before?

Ms. Horne: According to the minutes, it stated the Commission approved the validation and that will come back to the Commission once the court has ruled on that to go forward with the amount and go forward with the project that is based on the bid results.

Commissioner Lee: If we decide to do the project.

Commissioner Epps: I would like to add an amendment to Commissioner Reed's motion, if I may. He offered the motion that we hire Gardnyr Michael Capital for the project. I would also like to add that we would also hire or use Larry Jackson and Walter Lewis to represent the County.

Commissioner Reed: I second that amendment.

Chair Martin asked for discussion.

Commissioner Pugh: I would like to make a couple of comments. I was personal friends with Mr. Lewis for a short while, been knowing of him a long time. I would have to ask Mr. Lewis have you had any deals that you have been involved in with your company, Gardnyr Michael, that ya'll were taken out of the running because of the adverse publicity that ya'll are in today? Question 2; are you involved in any deals currently with Jefferson County or have you been allowed to go back into those areas to procure bonds? I will wait for those answers and I have one other question.

Mr. Lewis: There is one deal that I will say had some relation to it with the decision from Jefferson County, and that was with the City of Tuscaloosa. That was just a decision they made themselves relative to the situation we were in with Jefferson County. Repeat your second question.

Commissioner Pugh: Basically could you go in and bid a bond today and stand a chance in Jefferson County?

Mr. Lewis: At this point, Jefferson County has decided not to issue any debt there. I don't know because I haven't been put in that position to yet to know what their resolve would be.

Commissioner Pugh: In light of what is going on in Washington with Goldman Sachs, the cloud that is over their heads. I don't hold the people out selling their product, personally liable, but you have to hold that company liable. I'm using that same rule against the company Gardnyr Michael; you have a cloud over your head. Personally, I don't have anything against you or Mr. Jackson but because that cloud is over your head, I don't think it is prudent for this Commission to get involved with anything until this cloud is cleared. That is my personal feelings.

Walter Lewis: I would like to comment on that and I will use a football analogy on that. Back in the early nineties, Alabama University was charged with some NCAA violations, in terms of things that have happened relative to their University, that the University did not have control over because it was an individual that was involved and his decision alone. The University had control to a certain degree, in the decision for this player to be solicited by an agent, so on and so forth. They suffered the consequences as a result of that. In turn, the institution itself, the University of Alabama, stood. One of the things our company has been involved in with these transactions, we've been selected as a witness. We have gone through the things relative to the FCC, Federal Government, etc. Those people have not determined that we've been charged with anything of that nature, based on what we have done from an integrity standpoint of our firm. Larry and I are individuals as well and we have come here to Russell County and other counties as well, even Tuscaloosa. Yes, we stumble. People in this audience stumble every day but we decided as a firm to pick ourselves up and move forward. In terms of how we respond to Russell County doing the work here. We are going to stand on what we stand on; that is integrity. That is the way Larry and I work. That's how we are going to represent this County. It was mentioned that the County was not aware of what was going on in Jefferson County. When we went to New York, New York was very much aware of what was going on. They were aware of who all was involved in the transactions there. In terms of who we had to deal with there, representing this county, they understood the nature of what goes on in finance, what goes on in society, what goes on with people in general. Based on what we were able to do there, representing the County, they gave the County an A+ rating; that was very substantial at that particular point and time in the market. That was with us as individuals representing Russell County with that integrity. The same thing will happen here. That is what Larry and I are about and that is what we are bringing to the County in reference to doing this particular transaction. That is our stand. Yes our firm was involved with something that did not look good. I looked at those complaints myself and scratch my head. There is nothing that I can do about it but fly forward and continue to work the way we work.

Commissioner Epps: I can appreciate all the questions and answers that have been given but the scripture teaches "his mercy endures forever". That means you have to have a forgiving spirit for anything we do, even in business, as well as in your personal life, because of his mercy. In my opinion, we should not focus on what happened in Jefferson County. We hired the same firm with the same halo that they had in Jefferson County. My comment, at this time, we should go ahead and poll and vote on this issue. I call for the vote.

Commissioner Lee: We have an amendment we are voting on first, is that correct? The amendment is these two gentlemen handle the issue for Gardner Michael Capital. I don't think we are in position to make that decision. I think their bosses will make that decision. I don't have any problem that if Gardner Michael is selected that these two gentlemen handle it.

Voting on the amendment I vote yes. District 2 (Pugh) voted, yes; District 3 (Martin) voted, yes; District 4 (Reed) voted, yes; District 5 (Epps) voted, yes; District 6 (Dudley) voted, yes; District 7 (Screws) voted, yes. The vote was unanimous.

Ms. Horne was asked to poll the votes for Commissioner Reed’s motion to hire Gardnyr Michael Capital Investment Bankers for funding the Judicial Renovation Project. District 1 (Lee) voted, no; District 2 (Pugh) no; District 3 (Martin) voted, yes; District 4 (Reed) voted, yes; District 5 (Epps) voted, yes; District 6 (Dudley) voted, no, District 7 (Screws) voted, yes . Four votes yes, 3 votes no; the motion passed.

The County Engineer, Larry Kite requested a budget transfer to increase postage for the Engineering Department as follows:

GASOLINE FUND 111
ENGINEERING-53100

| | | | |
|----------|---------------|-------------------|----------|
| DECREASE | 111 53100 213 | ROAD CONSTRUCTION | \$500.00 |
| INCREASE | 111 53100 252 | POSTAGE | \$500.00 |
| | | TOTAL | \$500.00 |

Commissioner Lee motioned to approve the transfer and was seconded by Commissioner Dudley. The vote was unanimous.

Mr. Kite also requested approval to accept bids for a used power broom on May 20th at 2:00 p.m. This is a budgeted item. Commissioner Dudley motioned to approve the bids and was seconded by Commissioner Epps. The vote was unanimous.

Mr. Kite stated, Russell County has participated in the National Flood Insurance Program since the early 80’s. This program allows residents to obtain flood insurance, which protects life and property. The County is required to revise the present Flood Damage Prevention Policy Resolution and prepare revised maps. Commissioner Lee motioned to approve the revised resolution. Seconded by Commissioner Dudley. The vote was unanimous.

Due to Coroner Sumbry’s absence Commissioner Reed presented the Court Order Cremation of Gregory D. Exum, which is not to exceed \$400. to the Colonial Funeral Home and motioned to approve the fee. Seconded by Commissioner Epps. The vote was unanimous.

Chair Martin, the County Administrator and Mrs. Cole will attend the Fort Knox BRAC Program to encourage relocation to the Russell County. Chair Martin stated that Mrs. Cole will not be paid for travel time to/from Fort Knox.

John Turner announced the White Water Rafting Project will be completed in 2012 and should bring revenue to both states.

National Day of Prayer will be held at the Phenix City Amphitheater, May 6 at 5:30 to 7:00 p.m. This event will be held at Bethany Baptist Church incase of rain. Epworth United Methodist Church will also hold a service that day at 12 noon.

Fraternal Order of Police will hold a yard sale at the Phenix City Wal-Mart Parking lot June 5, 2010. They accept donations will be appreciated.

Commissioner Lee motioned to adjourn the meeting.

Meeting adjourned.