

**HOOVER CITY COUNCIL
MINUTES OF MEETING**

DATE: February 15, 2010
TIME: 6:00 P.M.
PLACE: Hoover Municipal Center
PRESENT: Mayor Tony Petelos
Mr. Gary Ivey, Council President
Mr. John Greene, Council Member
Dr. Trey Lott, Council Member
Ms. Mari Morrison, Council Member
Mr. Brian Skelton, Council Member
Mr. Gene Smith, Council Member
Mr. Jack Wright, Council President, Pro-Tempore

ALSO PRESENT: Mr. Mark Boardman, City Attorney
Mr. Tommy Daniel, Director, Public Works
Chief Nick Derzis, Police Chief
Ms. Susan Fuqua, Director, Municipal Court
Ms. Karen Higgins, Director, Human Resources
Mr. Bob House, House Consultants
Mr. Richard Johnson, Director, Inspection Services
Mr. Rod Long, City Engineer
Mr. Frank Lopez, Director, Revenue and Taxation
Mr. Craig Moss, Director, Parks and Recreation
Mr. Allen Pate, Executive Director
Mr. Ben Powell, Director Support Services
Mr. Tim Westhoven, Asst. Executive Director
Chief Chuck Wingate, Fire Chief
Mr. Robert Yeager, Finance Director

The meeting was called to order by the Council President, Gary Ivey. The City Clerk had roll call and a quorum was present.

The City Clerk then gave the invocation.

Boy Scout Troop No. 533 led those present in the Pledge of Allegiance.

1. **APPROVAL OF MINUTES**

Mr. Ivey stated each member of the Council had previously received a copy of the minutes of the February 1, 2010 regular meeting and the February 11, 2010 work session.

Mr. Wright made a motion that the minutes be approved as presented and to dispense with the reading. This motion was seconded by Mr. Skelton. On voice vote the motion carried unanimously.

2. **RESOLUTION NO. 4370-10 – AUTHORIZE MAYOR TO EXECUTE ADDENDUM TO CLAIMS SERVICE AGREEMENT WITH HILL ADMINISTRATIVE SERVICES, INC.**

The City Attorney read Resolution No. 4370-10. This would authorize the Mayor to execute an addendum to the original claims service agreement with Hill Administrative Services, Inc., dated February 1, 2003.

Mr. Wright made a motion to approve **Resolution No. 4370-10**. This motion was seconded by Mr. Skelton. Mr. Ivey called for discussion. There being none, on voice vote the motion carried unanimously.

3. **RESOLUTION NO. 4371-10 – ACCEPT PUBLIC IMPROVEMENTS – ROSS BRIDGE PARCEL D AND ROSS BRIDGE PARCEL F**

The City Attorney read Resolution No. 4371-10. This would authorize the acceptance of public improvements in the Ross Bridge Parcel D and Ross Bridge Parcel F subdivisions.

Mr. Wright made a motion to approve **Resolution No. 4371-10**. This motion was seconded by Mr. Skelton. Mr. Ivey called for discussion. There being none, on voice vote the motion carried unanimously.

4. **RESOLUTION NO. 4372-10 – PARTIAL VACATION OF EASEMENT ON LOT 17, BLOCK 1, JOHNSON-RAST FIRST ADD TO GREEN VALLEY FAIRWAYS**

The City Attorney read Resolution No. 4372-10. This would authorize the partial vacation of an easement located on Lot 17, Block 1, Johnson-Rast First Addition to Green Valley Fairways (1735 Cornwall Road), at the request of Mr. Sam Poynter.

Mr. Wright made a motion to approve **Resolution No. 4372-10**. This motion was seconded by Mr. Skelton. Mr. Ivey called for discussion. There being none, on voice vote the motion carried unanimously.

5. **RESOLUTION NO. 4373-10 – AUTHORIZE MAYOR TO EXECUTE SUPPLEMENTAL AGREEMENT NO. 1 WITH ALDOT – CHAPEL LANE EXTENSION PROJECT**

The City Attorney read Resolution No. 4373-10. This would authorize the Mayor to execute Supplemental Agreement Number 1 to the Utility and Construction agreement with the Alabama Department of Public Safety regarding the Chapel Lane Extension project.

Mr. Wright made a motion to approve **Resolution No. 4373-10**. This motion was seconded by Mr. Skelton. Mr. Ivey called for discussion. There being none, on voice vote the motion carried unanimously.

6. **2ND READING ORDINANCE NO. 10-2188 – CALL FOR SPECIAL ELECTION TO BE HELD ON APRIL 27, 2010**

The City Attorney had the second reading of Ordinance No. 10-2188. This ordinance would call for a Special Municipal Election to be held on April 27, 2010, at the request of the Board of Education, to determine whether or not the 24 mills of ad valorem tax levied for public

school purposes, which become due and payable on October 1, 2027, should continue to be levied annually, commencing with October 1, 2028 and for 18 consecutive tax years next succeeding thereafter.

Mr. Wright made a motion to adopt **Ordinance No. 10-2188**. This motion was seconded by Mr. Skelton. Mr. Ivey called for discussion. There being none, on roll call vote of the Council the votes were as follows: Mr. Ivey, "Yea", Mr. Greene, "Yea", Dr. Lott, "Yea", Ms. Morrison, "Yea", Mr. Skelton, "Yea", Mr. Smith, "Yea", and Mr. Wright, "Yea". The motion carried unanimously.

7. **PUBLIC HEARING – CONDITIONAL USE – LIVE ENTERTAINMENT AND/OR COMMERCIAL RECREATION AMUSEMENT – 585 SHADES CREST ROAD – KEITH T. HARRELSON**

Mr. Ivey stated this is the public hearing to consider the request of Keith T. Harrelson for **Conditional Use** approval to allow live entertainment and/or commercial recreation amusement consisting of the presentation of live folk music in evening hours 7:00 P.M. – 11:00 P.M. at **585 Shades Crest Road**. This property is owned by Noel Allen and is zoned C-2 Community Business District.

Ms. Morrison made a motion to approve the conditional use. This motion was seconded by Dr. Lott

Mr. Ivey called for discussion. Mr. Smith asked if this facility would have beer, wine, and food service or was it just a gathering place for the entertainment.

The applicant, Mr. Keith Harrelson, 2009 Wedgewood Road, Vestavia Hills, stated he would not be offering food or alcoholic beverages of any sort. The entertainment is an extension of the photo and video business he is operating at that location.

There being no further discussion, on voice vote the motion carried unanimously.

8. **PUBLIC HEARING – CONDITIONAL USE – ON PREMISE SALE OF ALCOHOLIC BEVERAGES – DANBERRY VILLAGE – 235 INVERNESS CENTER DRIVE – DANIEL SENIOR LIVING OF INVERNESS I, LLC**

Mr. Ivey stated this is the public hearing to consider the request of Daniel Senior Living of Inverness I, LLC, for **Conditional Use** approval for the on premise sale of alcoholic beverages (Type License: 160 Special Retail – More than 30 days) at **Danberry Village** located at **235 Inverness Center Drive**, Hoover, AL. This property is owned by Daniel Senior Living of Inverness I, LLC, and is zoned PO Planned Office.

Ms. Morrison made a motion to approve the **conditional use**. This motion was seconded by Mr. Skelton. Mr. Ivey called for discussion. There being none, on voice vote the motion carried unanimously.

Ms. Morrison then made a motion to approve the **ABC Application** for Daniel Senior Living of Inverness I, LLC. This motion was seconded by Mr. Skelton. Mr. Ivey called for discussion. There being none, on voice vote the motion carried unanimously.

9. **PUBLIC HEARING – CONDITIONAL USE – ON PREMISE SALE OF RESTAURANT RETAIL LIQUOR – BARRISTERS TAVERN – 1535 MONTGOMERY HIGHWAY – KIRIT PAREKH**

Mr. Ivey stated this is the public hearing to consider the request of Enaam Smadi, Smadi, LLC, for **Conditional Use** approval for restaurant retail liquor at **Barristers Tavern** located at **1535 Montgomery Highway**. This property is owned by Mr. Kirit Parekh and is zoned C-2 Community Business District.

Ms. Morrison made a motion to approve the **conditional use**. This motion was seconded by Dr. Lott. Mr. Ivey called for discussion. There being none, on voice vote the motion carried unanimously.

Ms. Morrison then made a motion to approve the **ABC Application** for Smadi, LLC. This motion was seconded by Dr. Lott. Mr. Ivey called for discussion. There being none, on voice vote the motion carried unanimously.

10. **PUBLIC HEARING – FOURTH AMENDMENT TO ROSS BRIDGE PUD – MASS GRADING WITHIN CERTAIN AREAS OF SHADES CREEK FLOODPLAIN**

Mr. Ivey stated this is the public hearing to consider the request of John Gunderson, Daniel Realty Company, LLC, on behalf of United States Steel Corporation, for approval of the **Fourth Amendment to the Ross Bridge Planned Unit Development** to allow mass grading operations in certain areas within the Shades Creek Floodplain located in the James Hill Phase 3 area of Ross Bridge.

Mr. Dwight Sandlin, Signature Homes, requested to continue this public hearing to the next Council meeting to allow time for additional discussion with city staff regarding this matter.

Mr. Wright made a motion to **continue to the March 1, 2010 Council meeting**. This motion was seconded by Ms. Morrison. On voice vote the motion carried unanimously.

11. **SET PUBLIC HEARING FOR MONDAY, MARCH 15, 2010, AT 6 P.M.**

Mr. Ivey stated a public hearing is hereby set for **Monday, March 15, 2010, at 6 p.m.**, to consider the following request which was approved by the Planning and Zoning Commission at their February 8, 2010 meeting:

The City of Hoover is requesting approval of a proposed amendment to the Municipal Code, Appendix A., Zoning, regarding fences and walls.

The City Attorney had the first reading of **Ordinance No. 10-2189**.

12. **APPROVAL OF BUDGET – FISCAL YEAR ENDING SEPTEMBER 30, 2010.**

Mayor Petelos thanked the City Council for their input and patience on this revised budget. This budget, which was given to the Council last week, reflects revisions that reduced the original budget given to them in December by approximately \$2.6 million. The operating expenses have been reduced by \$1.6 million and personnel expenses by \$400,000, which includes cuts made to overtime reduction and not filling some vacant positions. Investment income is better than projected; therefore, \$600,000 was added to the budget. The total

budget is \$84.6 million. He stated this is a balanced budget and one that he feels very good about. He intends to keep his promise to the Council to have a budget to them on time for the next fiscal year. He has begun working on the budget for next year. It will include an energy audit to be paid through the federal grant previously approved by the Council. The energy audit will include City Hall, Library, and the Park and Recreation Center. The City will also be looking at the Public Safety Center using city staff to determine ways to reduce energy consumption. In a recent meeting with the city's solid waste disposal company he learned that the City of Hoover could possibly save \$250,000 by having the citizens bag their leaves instead of putting them on the street. Bagging the leaves would also resolve the issue of leaves being blown into neighbors' yards. The elimination of some positions will have a financial affect on next year's budget.

Mr. Smith stated the Mayor talked about adjustments made to the budget presented to the Council in December. Mr. Smith was concerned that other than making the budget available at the Library and City Clerk's office the public had not been given an opportunity to hear a public presentation of the budget. He asked the Mayor if that was not going to take place this year.

Mayor Petelos stated it being as late as it is and the fact that the budget has been available at the Library, City Hall, and on the web-site, he would be glad to answer any questions the City Council or the public might have at this time.

Mr. Smith asked if the budget still contained \$2 million for the school system. Mayor Petelos answered yes. He said there is also \$50,000 unallocated in the budget that can be used for transit.

Ms. Morrison asked if this budget is less than the budget for 2009. Mayor Petelos answered yes; it decreased from \$87.5 million to \$84.6 million. The 2008 budget was \$96 million. This is a reflection of the national economy.

Mr. Greene stated he understood there were some jobs eliminated from the budget. Mayor Petelos stated that was correct. There are a total of six positions, some of which are vacant at this time. Some of the positions being eliminated will see a financial gain in next year's budget. Mr. Greene asked what changed between the first budget given to the Council and this amended budget regarding these jobs. Mayor Petelos stated the jobs were always in there. The changes are in the reduction of operating expenses and the increase in revenues on investment income.

Mr. Wright explained that the revenues were understated. The \$31 million of reserves produces approximately \$2 million of revenue to the City and to the extent you would spend it you would eliminate that revenue. The projection was conservatively \$1,600,000 to \$2,000,000 of potential revenue. Looking at it more realistically he believes the city is doing well and that the interest rates will improve in the next twelve months.

Mayor Petelos stated the good news is that the City is not spending any of the reserves. Mr. Wright concurred noting that this produces revenue and gives the City its credit rating. Mayor Petelos stated many cities in Alabama are not as fortunate as the City of Hoover at this time.

Ms. Morrison commended the Mayor on the balanced budget. She stated this is exactly what the citizens expect of their leaders.

Mr. Greene asked the Mayor to further clarify the number of people being affected by the job eliminations. Mayor Petelos stated there is a total of six positions, two of which are vacant. Mr. Greene asked if the four employees had been notified. The Mayor answered yes.

Mr. Smith stated four weeks ago there were no recommendations to reduce staff. He asked what had changed in that time frame that we now have developed the need to reduce staff.

Mayor Petelos stated this is in response to the City Council's request to reduce this budget. The revised budget is reduced by \$2.6 million and he will continue to do everything possible to reduce operating and other expenses. He said he presented the original budget to the Council for review in December. Since that time each member of the Council has spoken with Mr. Pate and Mr. Yeager regarding their concerns and he wanted the Council to know that their concerns were heard loud and clear.

Mr. Smith stated when he met with Mr. Pate and Mr. Yeager he was given what he was told was the balanced budget at that time.

Mr. Skelton expressed his support for the Mayor in this budget. He said he responded to the Mayor on the original budget presented based on the national economy and the percentage of the City's payroll and benefits versus revenue. He conveyed his concerns to the Mayor that this is something that needs to be monitored closely. The Mayor and staff responded and he believes this is something that will have to be looked at again in the next budget.

Mr. Wright concurred. He said when looking at the projected revenue from three or four years ago before this economic downturn, the City was hoping to be at \$104 million in revenue this year. However, it is \$20 million less than that projection and as such the fixed costs of the total compensation package with benefits is 68.5 percent of the revenue. It would be a much lower and more palatable number if the City had \$104 million in revenue and he hoped to see the City return to that number eventually. He stated these numbers must be managed.

Ms. Morrison stated the Mayor and Finance Director review monthly financial reports and adjustments could be made during the year if necessary. This budget reflects realistic expectations of revenue.

Mayor Petelos stated these are very realistic numbers and he felt very good about the budget. He emphasized that he and his staff will continue to look at ways administratively to cut operation expenses.

Mr. Wright stated utilities are a major issue. The City has grown and the cost of electricity is approximately \$2.8 million. He emphasized the importance of conserving electricity.

Mayor Petelos noted that city employees have been great during these unprecedented times. Insurance increased for those with family coverage and salaries have been frozen. The employees are grateful for their jobs.

Mayor Petelos stated Hoover has had some positive activity recently with the opening of the largest Super Target in the nation, the new Chace Lake development, the opening of Aveda Institute in the old theatre at the Galleria, the opening of Bye-Bye Baby in the Circuit City building at Patton Creek, and the opening of JoAnn's Fabrics in the old Marshall's tenant space on Montgomery Highway.

Mr. Wright noted that most cities in this country would be thrilled to be in the financial position and have the quality of employees of the City of Hoover and we should be thankful for what we do have. Mayor Petelos concurred.

Mr. Greene asked the Mayor if he felt that every stone had been turned before eliminating any jobs. Mayor Petelos said operation wise they have implemented programs and are seeking grants. The City has been very successful with some of the grants it has received. He said if they have not turned over every stone it is not because they have not tried.

At this time Mr. Wright made a motion to approve the Budget for Fiscal Year Ending September 30, 2010. This motion was seconded by Mr. Skelton. Mr. Ivey called for further questions or comments.

Mr. Smith stated he felt that because this budget was not presented to the public in a timely fashion it is not as transparent as it should have been. He expressed disappointment in himself and felt responsible that he did not ask for a Finance Committee hearing or meeting in public. He apologized for not requesting that a meeting be held and presented to the public in a more timely fashion. He said he saw this "train wreck" coming last spring. He announced that he had not received any salary from the City of Hoover since March, 2009 because he knew what was coming. He could see that position eliminations were coming down the road. He apologized to the staff and department heads because it was his understanding they were not consulted before these numbers were reduced and possibly even before they were ever produced. He invited anyone else who wanted to join him, where it would not affect their personal family income, to forego their income because of those that the City has to freeze their salaries and go up on their benefits or eliminate their job. He welcomed them to stand with him.

Mr. Ivey called for further comments or questions from the Council or the audience. There being none, on voice vote the votes of the Council were as follows: Mr. Ivey, Dr. Lott, Ms. Morrison, Mr. Skelton, Mr. Smith, Mr. Wright, "Yea"; Mr. Greene, "Nay". The motion carried.

13. **RESOLUTION NO. 4374-10 – AUTHORIZE MAYOR TO EXECUTE
MEMORANDUM OF UNDERSTANDING WITH TRANSIT AUTHORITY**

The City Attorney read Resolution No. 4374-10. This would authorize the Mayor to execute a Memorandum of Understanding with the Birmingham-Jefferson County Transit Authority.

Mr. Skelton made a motion to approve **Resolution No. 4374-10**. This motion was seconded by Ms. Morrison. Mr. Ivey called for discussion.

Mayor Petelos introduced Mr. James Smith, a paratransit customer who uses the paratransit system that runs through the City of Hoover.

Mr. James Smith addressed the Council. He is a Jefferson County resident who frequently travels through Hoover for business and pleasure via the MAX VIP Paratransit Service. The City Council's actions with transit will ensure that the Birmingham-Jefferson County Transit Authority does not arbitrarily and permanently cancel services to and from Hoover. The City of Hoover contributes \$50,000 annually to the Birmingham-Jefferson County Transit Authority for unlimited MAX transit service with no contract, as it did for 2009. He said it was alarming to read in the Birmingham News in late September that Mr. William Copling, Interim MAX Director, met with the City of Hoover and demanded that the City increase its contribution 138 percent to \$119,000. When the City of Hoover did not meet Mr. Copling's demands he immediately without notice effective October 1 cancelled all day Saturday service and nightly service through the week to and from Hoover. Mr. Smith learned about ten days later that the BJCTA sent the City of Hoover an invoice in the amount of \$60,235 for services rendered over and above the agreed amount already paid. The City of Hoover was not legally bound to pay that invoice or any other amount therein. Yet, the Mayor graciously negotiated a one time payment of \$30,000 and the City Council approved it to ensure that transit would continue. Transit commuters in the Hoover area depend upon bus service for employment, business, pleasure, and recreational needs. Hoover businesses depend upon shoppers and customers who commute to them by bus. Unfortunately, the BJCTA has repeatedly portrayed Hoover as the villain in transit and reported it to the media. He said to the Mayor and City Council that they had done nothing but provide excellence in leadership and great services for the Hoover residents and people of the surrounding areas. He stated their actions exemplify this great leadership. He said they exhibit honesty and integrity as they conduct the business of Hoover for its residents and that will ensure transportation needs will be met appropriately. He expressed his appreciation to the Mayor and City Council.

Mr. Ivey and Mayor Petelos thanked Mr. Smith for coming and sharing his comments.

Mayor Petelos stated the City of Hoover has had its problems with transit in Jefferson County. He plans to continue to work with the Chairman of the Board and the Interim Director to determine what can be done to improve transit. This memorandum of understanding is for \$50,000. This is a one year agreement.

Mr. Wright applauded the Mayor for having a contract and he felt that the City of Hoover would be safe by paying quarterly. He also applauded the efforts of Birmingham Mayor William Bell in trying to determine how the money is being spent with regard to the transit authority. He noted that federal money is funding this sixty year old transit system and there are problems.

Mayor Petelos agreed there are problems with the system and there are people like James Smith who depend on it daily. The memorandum of understanding is for one year and is in four payments to protect the City of Hoover should something happen to the transit system.

Mr. Ivey called for further questions or comments. There being none, on voice vote the motion carried unanimously.

14. **PAYMENT OF BILLS**

Mr. Wright stated the bills had been reviewed. He made a motion to pay the bills in full as submitted. This motion was seconded by Mr. Skelton.

Mr. Ivey called for discussion. There being none, on voice vote the motion carried unanimously.

Mr. Ivey called for additional comments or questions. There being none, the meeting was adjourned.

Margie Handley
City Clerk