

CITY OF FAIRVIEW

BOARD OF COMMISSIONERS Workshop

September 2, 2014

1:00 p.m.

Beverly D Totty, Mayor
Stuart L Johnson, Vice-Mayor
Patti L Carroll, Commissioner
Allen Bissell, Commissioner
Toney R Sutton, Commissioner
Wayne Hall, City Manager
Larry Cantrell, City Attorney
Brandy Johnson, City Recorder

Present: Totty, Johnson, Carroll, Sutton

Others Present: Hall, Cantrell, Humber, Daugherty, Johnson, Kim Thompson (TDOT),
Kip Mayton (TDOT), John Blade (First Bank), Carlos Murgas (First Bank), Anna
Emerson (Nashville MPO)

Not Present: Bissell

Mayor Totty states the purpose of this workshop is to discuss our options for grants so we can get a clear understanding of our options and make good steps. She thanks Mr. Humber for taking over on the grants in progress. Those present introduced themselves and Mayor Totty asks Mr. Humber to explain where we are on the grants focusing on the resurfacing. Humber states he asked Kim Thompson and Kip Mayton of TDOT here to share their expertise. He continues that the FHA funds must be obligated by the end of September and asks Thompson to share where we go from here. Thompson states that once the FHA funds are obligated construction can proceed as we have already been through the NEPA and design phases and there is no right of way (ROW) for this project. Thompson notes the project total at the top of the handout of \$404,221 is consistent with the construction obligation. She states project oversight will be by TDOT engineering services which covers TDOT staff to perform inspections during construction. Total project is \$491,730 of which \$393,384 is federal funds and \$98,346 from the local agency (Fairview). Vice Mayor Johnson asks about the traffic control listed on the estimation spreadsheet and if that is adding a traffic signal at Cumberland Drive. Mayton responds it is for flags and temporary markings during construction. Mayor Totty asks if the amount of \$491,730 is certain as we have heard of some expiring, some not expiring and the option of extension. Thomson states that there is \$559,432 balance for Fairview and \$465,314 of that must be obligated by September 30, 2014. She states that the construction amounts have not been obligated but once they are total obligated will be \$436,730 so we will lose some. Totty asks how much and Mayton responds around \$30,000 but states if the bids come in higher that could be used as a cushion. Thompson states if you want those funds available they will need to be obligated prior to September 30 and notes that most cities do request to obligate all funds and an email would be sufficient for that request. Vice Mayor Johnson asks if the obligation is transferable and Mayton responds it is possible but not generally done and is quite a lengthy process to complete the transfer. Commissioner Sutton asks if the obligation is simple and Thompson replies yes and it could be used for possible overruns. She continues that overruns are doubtful for this project as she asked the consultant to look at the bids and increase the estimate. Mayor Totty asks about \$94,000 expiring or is this a new allocation, noting it is not in the figures. Thompson says the \$465,314 plus agency match of \$94,118 totals \$559,432 which should be enough to cover the project without adding the \$94,000 adding that we could request an extension on that amount. Mayton notes the extension request would need to be sent on city letterhead. Mayor Totty references the construction amount of \$404,221 and asks if this is notification to go to bid. Thompson replies not yet – not until after the funds have been obligated. The FHA /POFA will forward the NTP to continue construction action and the next step would be going to bid. Mayton notes notification is generally immediately issued after funds are obligated. He continues that NTP is not sending the

contractor to work but to advertise for bids (3 week minimum time frame), submit bids to TDOT for review with agency recommendation which is generally the lowest responsible bidder (he shares an example of a good bid but the contractor did not sign the bid). TDOT will review and give the OK to go forward. City Manager Hall shares that we do have our share and the questionable amount in the draft from the auditors was their mistake and we have approximately \$133,000 in State Street Aid currently. Mayor Totty asks about the time frame and expectations for reimbursements. Thompson shares time frame should be around 30 days noting we did have one that took a lot longer and that one didn't work out like it was supposed to. Generally the process is they receive and turn it around within 5 days and then it goes to Finance if it has been submitted properly. Mayton continues that you can't submit the invoice for reimbursement until you have proof of payment clearance, such as a cancelled check or ACH with the bank letterhead. He states they will turn around reimbursement as quickly as they can. Mayor Totty confirms that a paid receipt will not be adequate for requesting reimbursement but it can be turned around in an expedited manner. Totty asks what types of items would not qualify for reimbursement. Mayton responds that most bid items, stored materials and recognized project costs qualify but when mileage is an issue be sure to use the state rate of 47 cents per mile rather than the federal rate of 55 cents. He also noted that only persons on record with the state as approved to sign invoices may do so. Frank Humber states that we will review the invoice process in the pre-construction conference with the contractors to expedite payment clearance. He notes if the Board decides on the GAN he wants to minimize any interest paid out. Thompson states since you have not submitted a request for payment before please send to me first to review so it doesn't get stopped in the middle of the process. She continues that she can turn it around in a day or two and thinks the hold up on the previous submittal was due to not enough details. Humber thanks Thompson for her offer of assistance. Commissioner Carroll asks if we have submitted a corrected invoice on the \$16,000 and Thompson assures her we have and she expects payment within 5 to 7 days on that. Mayor Totty notes we have two action items of the \$30,000 and \$94,000 as potential options for funding and asks what the state needs from the city. Thompson states the process was started last Friday to request obligation of the \$491,000 and the document she shared today is the submittal document. Humber asks if we request obligation of the additional \$30,000 does the process start over and Thompson states no because it is still in house and we can add that to the request. She continues that it would not be likely to have the additional \$94,000 obligated because that would add up to \$100,000 over what the project will likely need. She suggests finding a new project and keeping in mind we probably won't get through construction by December. Mayton notes the asphalt plants typically close around Thanksgiving and would be better to use the \$94,000 for maybe the first couple of phases of a project by the end of the year and hold the other until more money can be allocated. Maybe work on developing a design now and do construction later as funds are available. Thompson adds they are not sure when STP funds for 2015 will be allocated so this may be riskier than it was in the past as normally they are in the process of letters of allocation at this time in the year. Mayton includes that the current highway bill is expiring this month and the highway trust is funded through next May. Humber asks when we might know something for the next fiscal year and Emerson answers hopefully in January. Totty notes our letters from last year are dated in October. Emerson asks if we feel good about the total amount needed and Mayton states we are required to obligate the full amount including the new allocation. He notes we will hold back the 2014 allocation and could add to if overage or pursue an extra project. Emerson asks about TIP adjustment and Mayton responds we will if the allocation is beyond \$465,000. Mayor Totty asks for clarification of where the funds are and what can be extended as we will need to know what our 20% amount will be and figure possible interest to be paid if we take out the GAN. Commissioner Sutton replies that depends on the amount obligated and if it is the entire \$465,000 our portion is \$93,000. Mayton clarifies that we pay 100% and then we pay 80% back. Commissioner Carroll states she spoke with John Blade of First Bank about the Grant Anticipation Note and feels much better after doing so. Mayor Totty asks Blade to share about the GAN. Blade states that once we have the exact figure he will revise the proposal. He notes that Mr. Hall approached him about the possibility of the GAN and he was happy to consider assisting the city. He notes the original commitment letter had an expiration date but that can be extended. The approval process will be quick and local, the interest rate is prime rate of 3.25%, there is a \$1200 origination fee and also some outside attorney fees for document preparation. It is a non-revolving note that is case and cause specific. You will show us the invoice and we will cut the check or create the ACH transfer. Interest accrues only on the amount outstanding and that money will no longer be available for future draws. Interest is requested to be paid monthly but that can also be negotiated. Non-revolving means it cannot be used over and over again and the note has a one year

maturity (federal law requires a maturity date). Mayor Totty asks what the other options would be other than paying interest monthly and Blade responds they would like at least semi-annual payments but from what he is hearing the project should be completed before then. First Bank wants to be fair in lending and help out the city. Blade adds they can assist with proof of payment from the contractor to submit the reimbursement request as quickly as possible also. Mayor Totty asks for any questions about the Resurfacing and if there were any construction documents to be reviewed on the scope of the project as well as questions about the SRTS grant and how they will impact Cumberland Drive and the resurfacing. Humber replies the sidewalks will not have curb and gutter so they won't conflict with the resurfacing. Thompson confirms the scope on Cumberland is from the intersection of State Route 100 to Chester Road and on Cox Pike from Northwest Highway to Dice Lampley Road. Mayor Totty clarifies that Cox Pike from Northwest Highway to Highway 100 is not part of the project. Commissioner Carroll asks if the rest could be added and Johnson asks where the city limits are. Hall replies at Dice Lampley and Johnson suggests using our interlocal agreement with the County to get that portion paved at cost. Thompson restates we need a letter mailed to Paul and carbon copy Whitney Sullivan and Kim Thompson on the extension of the \$94,000 and the \$30,000 additional allocation request can be emailed.

Mayor Totty releases John Blade and his associate Carlos Murgas and thanks them for coming. Totty asks about the Multi-modal connector grant with sidewalks on Old Franklin Road and right of way requests as well as the Roadscapes grant of which Thompson and Mayton are unaware. Mayor Totty excuses Kim Thompson and Kip Mayton thanking them for their time and attention.

After a brief recess, Mayor Totty asks for clarification on the Multi-modal Connector (MMC) grant and the Safe Routes to School (SRTS) grant noting that both projects will require right of way acquisitions. Codes Director Humber states he has no information on the Multi-modal Connector on Old Franklin Road. Totty shares a report from November of 2013 stating it's still currently active and the last information was it was in the NEPA phase. On Safe Routes to School it was last reported we were in land acquisition and asks if we are not moving forward does the money end. Anna Emerson stated the money should be safe in the TIP under urbanized area STP through the MPO active transportation. Mayor Totty asks about the Multi-modal connector file and getting back on track. Humber states he can get with Emerson on this but he has no file on the project. Emerson states she can't speak to the safety of the funds on SRTS but Diane could. She notes it is in the current TIP and not on the same strict cycles as other funds. Mayor Totty requests the total for this project and Emerson replies it is \$175,235 federal funds and \$43,809 match for total of \$219,044 in the TIP. Emerson asks if the NEPA has been completed and Totty responds with a report from November 2013 of being in the NEPA phase but he construction estimates exceeded the total grant amount and that right of way acquisitions were needed to proceed. Vice Mayor Johnson asks if we are responsible for the ROW acquisitions and Emerson replies yes and adds they can be costly. Totty notes the ROW goes to the middle of the road. Commissioner Carroll states she doesn't know many who wouldn't give the ROW. Totty requests that Humber find the action file and get to the bottom of where we are and where we need to go. Emerson states that updates are good but the money is safe for probably several years. Humber notes we have received an extension through December 2015 and we are in the acquisition stage. He continues that Kimley Horn is our consultant and he has communicated with them recently about the bid documents and they are almost ready to go. Mayor Totty states this grant is to provide safe routes by adding 5 foot wide sidewalks along Cumberland Drive from the school entrance to Grammar Drive noting the engineer shortened the scope to Dogwood due to higher estimates and there are four parcels we need to acquire. She asks if we have funds to use for the acquisition process and Humber replies there is a budget item in the grant for the funds. City Manager Hall states we were advised not to get involved with the acquisition phase by our consultant who was hired by Kimley-Horn. Totty reviewed the timeline for the project: October 2013 100% NEPA, December 2013 50% Design which is now at 100%, currently in ROW acquisition, construction was set for April 2014. She asks when we can expect drawings. Hall states we can probably begin construction April 2015 with the extension. Humber states with the new scope we should be closer to the budgeted amount. Totty asks about the completion of the project and if we might obtain any more funding to complete. Emerson states we could look to other grant sources such as STP, Active Transportation (deadline was this summer), Transportation Alternatives with in TDOT which is in open call now and used to be called Enhancement Local Programs. Humber asks if we could use any funds left over from the Resurfacing and Emerson states you probably could. Mayor

Totty asks how we can get back on track. Emerson notes that SRTS and Multi-modal have funding from different pots. Totty states the project costs were higher than allowed and we need a cheaper bid. Emerson notes need to finish the design and would be great use for extra STP funds. Commissioner Carroll states or the \$30,000 and Humber notes that is for overage. Vice Mayor Johnson asks if the grant money could be used for land acquisition and Emerson replies yes, it could be used for any phase. City Manager Hall states it includes \$14,000 for land acquisition but on Old Franklin Road for the Multi-modal Connector we may not go forward. Johnson states that is probably county not city and Mr. Hall confirmed it is county on both sides of the road. Mayor Totty notes the project was for \$178,000 state funds and \$44,000 match from State Street Aid was earmarked. Totty asks about the status of the school promotions. Humber replies not yet but the two principals have been named and this is a big part of the project as \$30,000 is included as educational/promotional funds. Mayor Totty states this will be a big kickoff day with great fanfare and a party.

Mayor Totty states the last grant to discuss is the Roadscapes grant on a $\frac{3}{4}$ mile stretch of Fairview Boulevard between Old Nashville Road and Fernvale Road and is for \$91,266. Humber states NEPA has been submitted and the DOT hired a consultant to do so we should receive approval soon and be ready to go. He continues that the way it is written volunteers will be doing the planting but even if the City ends up doing the planting it shouldn't be a tremendous cost. The plan has been approved with the plants specified so the city would be responsible for purchasing, planting and maintaining. Mayor Totty asks to look at the plan and if anyone else has seen it. Humber shares the plan with the group. Totty states this is \$91,226 federal funds and \$17,245 in City funds and there was brief discussion on if we might use the Tree Bank fund for our part but unsure if determined state ROW or City property. Mr. Hall notes that any property in the city has been declared city property by the state, that within the city the state ROW is ours. Commissioner Carroll notes the welcome signs were in the original drawing but might have gotten cut out along the way. Hall concurs that he believes it was cut out because we did that on our own but would be nice to get the engineering fees back. Totty states at last review we were in the design stage of this 80/20 grant with our part being \$17,000 and asks where we are on moving forward. Sutton asks if we can bill for the engineering if it was in the original plans and Totty states we can't back bill until notice to proceed. She asks if a scope change needs to be submitted and Humber replies he does not think it is required as long as the reimbursement request includes the original grant offer. Totty asks when the last contact was with the consultant and Humber replies last week. Totty asks if they are working with the City arborist and Humber replies the tree list has been approved and we are waiting on TDOT but are close to NTP and construction. Johnson notes the plan does not include any irrigation or lighting. Totty asks if we are at any risk of expiration of funds and Emerson states we should check with the state office to be sure. Humber states this is not a huge project but is a great one and we will get a lot of mileage out of it. He also asks if some grading has not already been completed at the site. Totty states the city maintains this. Carroll notes a lot of people have worked hard to get this and it will be huge to get it done.

Totty states we have four grants in progress and we have gained knowledge and clarity on the funding and status for all of them. CFO Daugherty states he and Humber are on the same page with the funding and he is excited to hear what the Board decides. Totty asks Daugherty for his input on the Grant Anticipation Note and he states he feels it is the only way we can do the Resurfacing, keep our cash flow and funds as obligated in the budget and any interest paid will be an investment and is minor when you look at the benefits of the resurfacing. City Manager Hall states the closing costs and interest can be paid out of the State Street Aid fund and he believes these two roads are accessed by close to 70% of our population. He feels the safety of these roads are very important with all the subdivisions, individual homes and especially access to schools on Cumberland which is the reason for the staff push behind this resurfacing. Hall continues that he has tried to do as much homework as possible to give the best advice and notes he and Mr. Humber spent a couple of hours in Kim Thompson's office last Friday morning. Mayor Totty asks Mr. Hall to prepare a recommendation from the staff to present at Thursday's Board meeting. She thanks Mr. Hall and Mr. Humber for their input and diligence. Attorney Cantrell compares the resurfacing to the widening of Highway 100 as far as the amount of benefit to the City for the amount of money spent. Cantrell continues there are typically two types of people you will encounter when acquiring right of ways: one who will give the ROW or sell at a decent price and the other who will not sell for any amount of money. In the case of the second type you end up redesigning the project or condemning the property which becomes an open ended bear trap. Mayor Totty states Vice Mayor has

an action item of discussing additional paving on Cox Pike with the County. Anna Emerson notes she is here to serve and asks that we call her anytime. She also notes she is happy to mediate with TDOT and is very well versed on their process as she used to work for them. Mayor Thanks all for coming and participating.

Workshop adjourned at 2:35 p.m.

Brandy Johnson
City Recorder