

Council Minutes
City of Gordon
Work Session
March 20, 2017

The Council of the City of Gordon held a Work Session on Monday, March 20, 2017 at 4:31 p.m. at the City Annex located at 108 Elam Street. The purpose of the Work Session was to discuss water and sewer rates. Members present were Mayor Mary Ann Whipple-Lue, and Council Members Mr. Bruce Daniel, Mr. Freddie Densley, Mr. Terry Eady, Mrs. Barbara Towles, Mrs. Doretha Whipple, and Mr. George Wynn. Also present were Laura Mathis and Matt Garvin from the Middle Georgia Regional Commission, Kathy Ross from the USDA, and several citizens.

Mayor welcomed all present to the Work Session.

Invocation was given by Councilman Eady.

Mrs. Laura Mathis presented a package consisting of three things: City of Gordon Water/Sewer Fund History, City of Gordon Water and Sewer Rates, and City of Gordon Water/Sewer Rates based on January consumption rates. (Copy of package attached.)

Matt Garvin explained the Water/Sewer Fund History Report which recapped water and sewer revenues from 2013 - 2016. Revenues have gone down about \$35,000.00 over the last four years and expenses have stayed fairly consistent. The operating loss over the last four years is around \$132,000.00. (Water/Sewer History Report attached.)

Mrs. Mathis stated that one of the concerns is that the General Fund is having to support the Water & Sewer Fund. The Water & Sewer Fund should be as self sufficient as possible. From a financing stand point, the USDA is looking at the fact of the funds financial stability and the ability to pay debt. She pointed out that water and sewer rates haven't increased since 2006.

Mrs. Mathis stated that Towana and Heather provided billing data so they were able to look at consumption. She explained the Water and Sewer Rates Consumption Report which reflected the current rates and rates with increase. The report reflects the percent of rate increase from the lowest water and sewage usage to the highest. (Copy of Water & Sewer Rates Consumption Report attached.) With the proposed increase of water and sewer rates, there is a proposed annual increase of approximately \$142,000.00.

Mrs. Mathis then explained the City of Gordon Water/Sewer Rates sheet reflecting the current rate for water and for sewer and the new draft rate for each. (Copy attached.) The new rate structure would cover the annual expenses for water and sewer and allow the city to fund things like depreciation and the Sinking Fund. In comparison to other cities the size of Gordon, Gordon has the eighth lowest rates in our size range or service potential of between 2000 - 4000 people.

The new water and sewer rates would get the city closer to the rate structure of other cities our size.

There are approximately 200 customers or approximately 1/4 of users using 2000 gallons or less of water each month who would fall under the minimum rate.

The water and sewer fund is supposed to be self-sustaining and capture 100% of your operating cost which includes your personnel. The proposed rate increase would put the city on the path to being self-sufficient in the Water & Sewer Fund.

The need to have extra money built up in the Water and Sewer Fund to support future projects was discussed. Also discussed was the impact the proposed rate increase would have on larger water users.

All customers are billed at the same rate. The possibility of a different rate structure for businesses and industries was discussed. It was decided to have Middle Georgia Regional Commission prepare a different rate structure for the industries.

Council agreed on summary minutes for this Work Session.

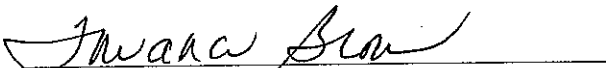
The city has an Intergovernmental Agreement with the City of Ivey to charge them \$1.25 per thousand gallons for processing their sewage. The Middle Georgia Regional Commission will also look into a rate schedule for the City of Ivey also.

The Middle Georgia Regional Commission will aim to have the requested information prepared by the April 17, 2017 Council Meeting.

Work Session was adjourned at 5:24 p.m.

April 17, 2017
Approved & Adopted


Mayor


City Clerk