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3-1 vote leads to construction contract for \$2.5 million city hall



At the special meeting Friday (Jan. 12) are (from left) Councilman Kori Lamb, City Council President Charles Goodman, City Council and City Council Vice President Nancy Wininger. City Councilman Elihu Ross was absent from this meeting.

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Story and Photos By Jeff M. Hardison © Jan. 13, 2018 at 3:27 p.m.

WILLISTON -- Despite having a case of influenza and potentially being contagious, Williston City Manager Scott Lippmann attended the Friday afternoon (Jan. 12) special meeting of the Williston City Council meeting, and it was at that meeting when two resolutions were adopted for a \$3 million loan and a \$13,000 electric generator.



City Manager Scott Lippmann explains to the city leaders that the least expensive method for the employees to have a place to serve the public during construction of the new City Hall is to rent a building from the Levy County School Board by purchasing a generator for that county government group for a price between \$10,000 and \$13,000.

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<https://youtu.be/TcLJnSvuJl8>

In this video, City Finance Director Stephen Bloom explains his idea of using the most flexible loan structure to not encumber the General Fund or other revenue sources too much. His plan for the loan structure shows an ability to revise the structure over the 30-year planned loan period.

This special meeting was called because City Council President Charles Goodman and others felt uncomfortable adopting the resolutions that had been prepared for approval at the regular Tuesday night meeting (Jan. 9).

With predicated costs of construction materials believed to continue an upward escalation that has been noticed from the past few years, the Williston City Council chose against delaying the start of construction on the \$2.5 million (plus) Williston City Hall any more than absolutely necessary.

The current City Hall is now scheduled for complete vacation of staff by Jan. 28, and the city functions will be done at the former Williston High School's Multipurpose Building (the old band building, next to Noble Avenue {U.S. Alt. 27}).

Present for the special meeting, in addition to City Manager Lippmann and City Council President Charles Goodman were City Finance Director Stephen Bloom, City Clerk Fran Taylor, and City Council members Nancy Wininger, Kori Lamb and Marguerite Robinson.

Absent from this meeting were Mayor R. Gerald Hethcoat, City Councilman Elihu Ross and City Attorney Frederick L. Koberlein Jr.

The first matter approved was the purchase of an emergency electric generator to power a lift station that pumps sewage from the new Williston Middle High School campus. The price range for the as-yet unpurchased generator is between \$10,000 and \$13,000, Lippmann said.

The cost includes installation, a transfer switch, etc., for the 45-kilowatt (more or less) generator. Lippmann mentioned for the edification of listeners that the new WMHS campus already has a full-campus generator, which was used during a recent hurricane event where the school was used as a shelter.

This expense, even at \$13,000, Lippmann explained to Goodman and others, is less than the cost of renting temporary buildings for city staff to perform their duties during the year or so of anticipated construction time.

While the Levy County School Board is accepting this benefit, it is helping the city by lending use of that structure during that time. The old WHS campus is on the market, but a buyer would have to wait for the city government to move out before it could use that one building.

In previous conversations by the Williston City Council, it has been mentioned a couple of times that the roof on the cafeteria leaks too much for it to be considered by the city for use.

The approval of the generator purchase, too, was conditioned on the subsequent approval of the city signing a contract with Oelrich Construction to build the structure at an estimated cost currently at \$2.5 million (plus).

On a motion by Vice President Wininger, Seconded by Councilwoman Robinson, the four City Council members present approved the purchase of the generator by a 4-0 vote.

As for the resolution to contract with Oelrich Construction to build the future City Hall, that motion was a Wininger-Robinson action. President Goodman joined the two motion makers in voting "Yes."

Councilman Lamb said he voted "No" because although he wants the City Hall construction to

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begin, after listening to Finance Director Bloom say the loan for the project is not final, Lamb was not comfortable enough in approving the start of construction.

Bloom provided the four City Council members with a verbal review of his plan for financing the project, before the motion was made to adopt the resolution for Oelrich Construction to begin building City Hall.

Bloom's plan shows the city leaders over the next 30 years will enjoy maximum flexibility within financing the project. For instance, there will be no penalty for early payments on the principal part of the loan.

By using his method, the other part of this loan proposal shows it is made to not interfere with funding for future projects or other capital expenditure needs that may occur in the next three decades.

More specifically, Bloom structured a method to where the loan repayment was split between the General Fund, the Utilities Fund, the Airport Fund and the CRA Fund.

The current percentages for those will be 50 percent from the General Fund; 40 percent from the Utilities Fund and 5 percent each from the other two funds.

Given that City Hall will serve to meet needs from operating Williston Municipal Airport and the Community Redevelopment Agency's projects, using those funds is justified.

Bloom said the \$2.528 million projected cost of the project is what he used in his calculations. He sees 100 percent of the loan coming from a bank.

The loan is being sought from several banks including some local institutions like Drummond Community Bank and Ameris Bank.

The potential to use funding from reserves exists as well. In fact, even if a bank did not loan the city any money, there is enough money in the city's various reserve funds to pay for the new city hall.

In spite of Bloom assuring the four City Council members present that he sees a very strong likelihood of a bank loaning the city the money, City Councilman Lamb voted against signing the contract with Oelrich Construction to start the program – because the financing has not been secured yet.