

STATE OF ALABAMA

CITY OF RED BAY

FRANKLIN COUNTY

MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL
DECEMBER 20, 2004

The City Council of Red Bay met in a regular meeting December 20, 2004, at 7:00 p.m.

Present and presiding was Mayor Tommy G. Nelson and Council Members present were Bobby Nelson, Rayford Seahorn, Pat Hammock, Ann Wilkins and Jeff Reid.

Shirley J. Cody, City Clerk, was present and recording.

Rayford Seahorn led the Invocation.

Pat Hammock led the Allegiance to the Flag.

Others present were Police Chief Pat Creel, City Inspector Bob Hardin, and Fire Chief Bud Strickland.

Police Chief Pat Creel requested 6 more Tasers to be used to control offenders. Jeff Reid made a motion to purchase 6 Tasers to be paid from the Equipment Fund, seconded by Rayford Seahorn. Unanimously passed.

City Inspector Bob Hardin discussed inspection of electric services and notice given to owners of condemned houses and salary. Bob Hardin asked Mayor and Council to decide on the salary. No action was taken. Tabled until a future meeting.

Jeff Reid made a motion to adopt RESOLUTION TO PARTICIPATE IN THE MUNICIPAL WORKERS COMPENSATION FUND, INC. #04-12-20 and authorize its appropriate agent to sign such documents as necessary to complete said coverage. The motion was seconded by Bobby Nelson. Unanimously passed.

Ann Wilkins made a motion to adopt the agenda with the following additions under New Business:

13. Sewer Superintendent
14. Gas & Water Board By-Laws
15. 2000 Chevrolet Tahoe
16. Sewer Department Files
17. Persons authorized to sign checks
18. Resolution that authorizes only the city clerk to record minutes of council meetings and board meetings of the various departments under the control of the City of Red Bay.

A lengthy discussion concerning the Mayor's pay as Superintendent of Sewer, records on file, and Mayor Nelson explained as of right now he would not be Superintendent of Sewer and he would clean out his files in the morning.

The council was informed that the Water & Gas Board does not have by-laws. They operate under D.O.T. and Public Service.

A question concerning the 2000 Chevrolet Tahoe whether it belonged to the City of Red Bay or Red Bay Water & Gas Board was advertised to sell and for sealed bids to be opened December 21st at 3:00 p.m. According to the attorneys it was in order for the council to request to suspend the bids until a later date depending on the proper papers and minutes.

Rayford Seahorn made a motion authorizing Mayor Tommy G. Nelson, Mayor Pro-Tem Jeff Reid, and City Clerk Linda Holcomb to sign all checks on all funds. Any two combined signatures are required. The motion was seconded by Ann Wilkins. Unanimously passed.

Ann Wilkins made a motion for City Clerk Linda Holcomb to record minutes of all board meetings. Rayford Seahorn seconded the motion. Unanimously passed.

The request for Dixie Youth for wiring batter's cage in the amount of \$800.00, Field D - repair hole in the amount of \$45.00, Field A - repair hoe and one post in the amount of \$65.00, to be raised by them but if not would the city contribute. Rayford Seahorn suggested to table until Dixie Youth raises their money.

Copies of letters to the State Department and letter from First Baptist Church, letter to house of Golden Road concerning clean up Ordinance #98-01-19C, letter concerning junk cars on Highway 24 East were given to the council.

Rayford Seahorn made a motion to table the request on medical insurance which was 30% of family coverage premium being paid by the city, seconded by Pat Hammock. Unanimously passed.

Questions were asked about the occupational tax.

Bobby Nelson made a motion to approve due bills, seconded by Jeff Reid. Unanimously passed.

Bobby Nelson made a motion to approve previous minutes of December 6, 2004, seconded by Rayford Seahorn. Unanimously passed.

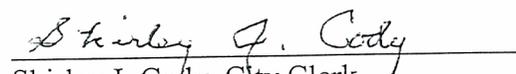
Ann Wilkins read: We are concerned over the employment contract of the Mayor which in on the Water & Gas Board meeting agenda for Tuesday afternoon. This is a 15 year employment contract which has language in it which is definitely not in the best interest of the people of Red Bay, Alabama.

We want to go on record as opposing the consideration of this contract and each member of the Water & Gas Board serves at the discretion of the council, and we request a letter be sent from the Red Bay City Council to each member of the Water & Gas Board asking that this employment contract not be considered until the Council's legal counsel has an a opportunity to investigate the legality of it. Mayor Nelson stated that the document was a draft.

..
Jeff Reid made remarks defending himself.

Jeff Reid made a motion to adjourn, seconded by Ann Wilkins. Unanimously passed.


Tommy G. Nelson, Mayor


Shirley J. Cody, City Clerk



TOMMY NELSON, Mayor

City of Red Bay

P.O. BOX 2002
RED BAY, ALABAMA 35582
PHONE 256/356-4473
FAX 256/356-3105

COUNCILMEMBERS:

BOBBY NELSON
RAYFORD SEAHORN
PAT HAMMOCK
ANN WILKINS
JEFF REID, Mayor Pro Tem

December 21, 2004

Water Works and Gas Board
City of Red Bay
P.O. Box 2007
Red Bay, Alabama 35582

Re: Employment Contract - Mayor Tommy Nelson

Dear Water and Gas Board Members:

The Red Bay City Council met on the 20th of December, 2004. The Council Members wish to go on record as opposing the employment contract concerning Mayor Tommy Nelson.

The Council request that the Water and Gas Board not consider the contract until the Council's legal counsel has an opportunity to investigate the legality of the contract.

Sincerely,

Jeff Reid, Mayor Pro-Tem

RESOLUTION TO PARTICIPATE IN THE
MUNICIPAL WORKERS COMPENSATION FUND, INC.

NOW COMES, City of Red Bay, a municipal entity, and desires to participate in the Municipal Workers Compensation Fund, Inc. for the purpose of being insured for workers compensation risk.

After due consideration with appropriate motion being made and seconded the following Resolution was adopted:

RESOLVED, the City of Red Bay Board of Directors hereby joins the Municipal Workers Compensation Fund, Inc. for the purpose of obtaining workers compensation insurance coverage and authorizes its appropriate agent to sign such documents as necessary to complete said coverage.

This Resolution adopted this 20 day of December 2004.

Shirley A. Cady
witness

James H. Nelson
Mayor or Chairman

STATE OF ALABAMA

COUNTY OF MONTGOMERY

AGREEMENT

THIS AGREEMENT, entered into by and between MUNICIPAL WORKERS' COMPENSATION FUND, INC., hereafter referred to as "Company" and the undersigned of the State of Alabama, hereafter referred to as "Member" for the purpose of providing statutory benefits prescribed by the Alabama Workers Compensation Law for employees of such member;

WITNESSETH:

WHEREAS, The undersigned member has heretofore been accepted by the Workers Compensation Division of the Department of Industrial Relations of the State of Alabama as a "Self-Insurer" Workers Compensation Employer and desires to become one of the members of Company's Fund of Self Insurer Employers Members. The conditions of membership agreed upon by and between the parties are as follows:

1. The initial term of the contract shall commence on February 1, 2005, and shall continue in force annually thereafter until terminated. Either party may terminate on the first day of any month by giving 30 days written notice to the other party of their intention to terminate.
2. An annual estimated payroll, by payroll classifications, will be furnished by the member to the company. It is understood that this is an estimate that shall be adjustable at the end of each premium year so as to reflect the actual payroll of the books of each member.
3. The member agrees to pay a premium payable for its payroll classifications computed on a formula determined by first computing the rates using as a guide the classification of payrolls for the rates published by the National Council on Compensation Insurance multiplied by the applicable payroll classifications and as adjusted according to an applicable State Regulations. The result shall be the manual rate. Premiums shall be modified by the experience modification by reason of having been insured by a workers compensation insurer and having earned an experience modification promulgated by the appropriate rating bureau, i.e., the Southeastern Compensation Rating Bureau. It is understood and agreed that the company may from time to time and in its sole discretion determine and authorize discounts to the members. The member agrees to pay premiums, in advance, for the initial coverage period, commencing on

the date of this agreement and thereafter, annually, on February 1ST of each year. It is understood and agreed by the member that there may be rate adjustments, as required, because of increased benefit levels mandated by amendments to the Alabama Workers Compensation Law and published by the said rating bureau.

4. The estimated premium for the member shall be based upon payroll estimate and shall be payable as provided for in Section 3, above. At the end of the year, there will be submitted by the member, actual payrolls reflected by the books of the member and any additional amounts payable to the company, based upon the actual payroll, shall be paid and any lesser amounts payable shall be adjusted by refund to the member. The company reserves the right to audit the payroll records of any member.

5. The company agrees to use as a guide a workers compensation rating plan as prescribed by a rating bureau and to calculate and furnish each member with individual experience modifications, if earned, in accordance with the provisions of such experience rating plans.

6. The company hereby agrees to maintain, at all times, with underwriters adequate reinsurance coverage for protection of the member.

7. It is agreed that the member shall have no joint or several liability with other members of the Fund; except that the total sum of premiums over and above fixed costs paid by all members shall be available for payment of Workers Compensation claims of all members. Any surplus to the company resulting from overall loss experience less than 70% of the paid in premiums shall be available for dividend credit to future premiums, or as a reserve, or for the company and/or members use as determined and declared by the company's Board of Directors.

8. The company (through its designee) agrees to handle and pay any and all claims legally required to be paid by the member under Alabama's Workers Compensation Laws (except as provided in Paragraph 13), after timely notice of injury has been given, (any penalty collectible because of untimely notice shall be borne by the member), to prepare all required forms and to provide a defense if required. The company or its designee shall carry on all negotiations with the injured employee or his attorney and negotiate settlements. If a personal appearance by an employee of the member is necessary in any dispute, the expense of such shall be paid by the member. The company or its designee will retain and supervise legal counsel on behalf of an at the expense of the company necessary for the

prosecution or defense of any litigation. The company assures the member that the services agreed upon by it in the Service Contract entered into by and between the company and its designee shall be performed where appropriate for and on behalf of the member. It is agreed that this coverage includes employer's liability insurance.

9. The company agrees to provide to the member, quarterly, a computer print-out showing a statement of claims, claim status, and activities report.

10. The member agrees to execute necessary authorization forms permitting the company and its designee to obtain information and data required in determining the experience rating modification of the member. The member agrees that upon termination hereof that the company may file with the appropriate authorities loss and payroll data pertaining to the member used to develop the experience modification.

11. In the event the member fails or refuses to make payments of premiums, as provided for above, the company reserves the right to terminate such member by giving 30 days written notice. Upon such termination, the member agrees to pay any and all premiums that are owed, pro-rata, for the period preceding termination hereunder and shall not be entitled to any part of the surplus distribution which has not been declared prior to the date of termination.

12. The member agrees that any suit brought against it by one of its employees under the Workers Compensation Laws (except as provided in Paragraph 13) shall be defended in the name of the member by counsel selected by the company, and the member agrees to fully cooperate by supplying any information needed or helpful to defend such action.

13. The company will pay any and all claims which the member must pay under the Alabama Workers Compensation Laws except as provided herein:

a. VOLUNTEER FIREMEN AND AUXILIARY POLICEMEN: The company will pay medical benefits to a member's volunteer firemen and/or auxiliary policemen provided the member has supplied to the company, or its designee, a certified roster of the volunteer firemen and/or auxiliary policemen for said member and paid the premium associated with the member's volunteer firemen and auxiliary policemen's rosters.

b. MOONLIGHTING: The company will neither pay any claim nor defend any claim made by a member's employee who, at the time

of the accident, was not working for the member and who was working for another employer performing substantially similar services for the other employer.

c. CO-EMPLOYEE LAW SUITS: The company will neither pay any claim nor defend any claim made between two co-employees of the member against one another.

d. AMERICANS WITH DISABILITIES ACT: The company will neither pay any claim nor defend any claim made against the member under the Americans with Disabilities Act.

e. LACK OF NOTICE OF EVENT: If a member is put on notice of a workers compensation incident and does not report the incident to the company or its designated agent on the State of Alabama First Report of Injury form within 60 days of said notice of event, the company, in its sole discretion, may refuse to accept the claim as covered under this agreement for workers compensation benefits.

f. LACK OF NOTICE OF LEGAL ACTION: If a member is put on notice of legal action taken by an employee against the member and the member does not put the company or its designated service company on notice of the legal action by delivering a copy of any legal documents pertaining to the legal action to said representative within 7 days of such notice of legal action, the company, in its sole discretion, may refuse said claim as covered under this agreement for workers compensation benefits and defense to said legal action.

g. PRE-EMPLOYMENT DRUG AND ALCOHOL: The company will neither pay any claim nor defend any claim where said employee tested positive on a pre-employment drug and alcohol test and subsequently incurs a workers compensation incident and tests positive on a post-accident drug screen for drug or alcohol use.

14. The member agrees to abide by and is bound by the rules, regulations and bylaws relating to the operation of the Fund which are adopted by the Board of Directors of the Fund.

15. In order to have an orderly, complete and well-understood basis for contributions to Fund, the current plans and future amendments with respect to workers compensation rates and premiums are hereby adopted as a guide, but by such adoption, it is recognized by each party hereto that the rating structure promulgated by the appropriate rating bureau is not applicable to self-insurance. Any

reference at any time in this agreement to an insurance term not ordinarily a part of self-insurance shall be deemed, for convenience only, and is not to be construed as being contrary to the self-insurance concept.

16. Notice shall be effective if mailed by certified mail to Fund at its address - Post Office Box 1270, Montgomery, Alabama, 36102, and to the member at its address _____ P.O. Box 2002, Red Bay, Alabama 35582, Alabama.

IN WITNESS WHEREOF, The parties hereunto set their hands and seals in duplication, with each copy to have the force and effect of an original, by their representatives, thereunto duly authorized, on this the 20th day of December, 2004.

MUNICIPAL WORKERS COMPENSATION FUND, INC.

ATTEST:

By: _____

Its President

By: _____

Its Secretary

MEMBER: _____

ATTEST:

By: _____

Its Chief Executive Officer

By: _____

Witness