

SPECIAL MEETING OF THE CITY OF TARRANT, ALABAMA

HELD ON TUESDAY, APRIL 26, 2016

The City Council of the City of Tarrant, Alabama met in special session on Tuesday, April 26, 2016 at 5:00 p.m. at Montgomery Transport, LLC, 2563 Commerce Circle, Tarrant, Alabama.

Mayor Loxcil B. Tuck called the meeting to order. Mayor Tuck requested that Attorney Benjamin S. Goldman open the meeting with prayer.

Lillian A. Keith, City Clerk, called the roll. Upon roll call, the following officials answered present:

Catherine "Cathy" Anderson	Councilmember
John T. "Tommy" Bryant	Councilmember
Laura D. Horton	Mayor Pro Tem
Debra M. Matthews	Councilmember
Betty S. Middlebrooks	Councilmember
Loxcil B. Tuck	Mayor

Also, in attendance:

Rollins Montgomery	Montgomery Transport LLC
Melisa Estes	Montgomery Transport LLC
Nicki Jacobs	Montgomery Transport LLC
Lynn Juneau	City of Tarrant
Lillian Keith	City of Tarrant
Gail Hill	City of Tarrant

It appears theretofore pursuant to letter, the Mayor caused the following notice to be properly served upon all members of the City Council:

NOTICE OF CITY COUNCIL MEETING

April 22, 2016

**CALL FOR SPECIAL MEETING OF THE CITY COUNCIL
OF THE
CITY OF TARRANT, ALABAMA**

TO THE COUNCIL MEMBERS OF THE CITY OF TARRANT, ALABAMA:

I hereby call a Special Meeting of the City Council of the City of Tarrant, Alabama to be held at Montgomery Transport, 2563 Commerce Circle, Tarrant, Alabama 35217, on Tuesday, April 26, 2016 at 5:00 p.m.

Agenda Items

- A) Montgomery Transport
- B) City of Tarrant Aqueduct Multiuse Trail

By: Loxcil B. Tuck
Loxcil B. Tuck, Mayor

In addition thereof, all Council Members executed a waiver of notice of this special meeting as follows:

We, the undersigned Mayor and Council Members of the City of Tarrant, Alabama hereby acknowledge and accept service of the foregoing Notice of Special Meeting of the City Council of said City, and acknowledge having received such notice in ample time to attend such Special Meeting, and waive any and all irregularities in such notice and service thereof and any and all other or further notice and consent, and agree that said City Council shall meet at the time and place therein stated, and for the transaction of any and all other business that may come before said meeting.

This 22nd day of April, 2016.

s/Loxcil B. Tuck
s/Cathy Anderson
s/John T. "Tommy" Bryant
s/Laura Horton
s/Debra Matthews
s/Betty S. Middlebrooks

Mayor Tuck recognized Mr. Rollins Montgomery, owner of Montgomery Transport LLC. Mr. Montgomery welcomed everyone. Mr. Montgomery thanked the Mayor and City Councilmembers for their support. Mr. Montgomery stated that the City had been a major part in the growth and success of Montgomery Transport, LLC. Mr. Montgomery stated that one question he is frequently asked as a business owner, is how he had been able to grow the business at such an aggressive, rapid growth. Mr. Rollins stated that there are a lot of answers to that question. Mr. Montgomery explained that number one – Montgomery Transport, LLC has some of the best employees in the business; 2) obviously Montgomery Transport has a great customer base; and 3) in addition, we have a large select and group of business partners. Mr. Montgomery stated that he wanted everyone in the room to know that they view the City of Tarrant, from the Mayor's group, Ben Goldman's group and the City Councilmembers' group, each considered as one of those partners: Mr. Montgomery stated, "Thank you for your support within our group and thank you for making the meeting."

Mr. Montgomery stated that at this time a power point presentation would begin, for the Mayor and City Councilmembers. Mr. Montgomery explained that Montgomery Transport, LLC is a flatbed transportation business. Mr. Montgomery stated that their number one commodity is steel and estimated 18 to 22 different commodities, which make up their steel group as a whole. Mr. Montgomery stated that the second largest commodity is to related building commodities. Mr. Montgomery stated that there are an estimated 18 different commodities in the building group, which they support. Mr. Montgomery stated that Montgomery Transport also transports miscellaneous items such as machines, heavy equipment and things of this nature. Mr.

Montgomery stated, "We also run on 53 foot aluminum platform, which is a little different than you will see with our competition realm; which has certainly given us an advantage within the market place, to offer more of a specialized service."

Mr. Montgomery stated, "Now to the business - July of 2011 we moved here, day one." Mr. Montgomery stated that when he first moved in the building, he did not know how they would ever fill it up and here we are with the problem of looking for additional space. Mr. Montgomery stated that they currently have just over 425 employees. Mr. Montgomery stated that the company has recently received several awards, of which they take great pride. Mr. Montgomery that they had been made aware this past Friday that they had been honored by *Top Tigers*. Mr. Montgomery explained that *Top Tigers* recognizes the fastest-growing companies founded, owned or led by an Auburn University alumni. Mr. Montgomery explained that to qualify for *Top Tigers* consideration, companies must meet the following standards: Company must be found, owned or led (CEO, CFO, presidents, vice president, etc.) by an Auburn University alumnus; Company must be in business for at least four full years; Company's revenues must be at least \$250,000 by the end of the evaluation period. Mr. Montgomery stated that Top Tigers are ranked according to their revenue. Mr. Montgomery stated that Montgomery Transport, LLC received the first place of *Top Tigers* Large Company Rankings. Mr. Montgomery shared that Montgomery Transport LLC had been awarded last year, 2015 by the *Birmingham Business Journal* as *Best Places to Work*. Mr. Montgomery stated that with the exception of Safety Awards since Montgomery Transport had been in business, they had placed first, second or third place, within the State. Mr. Montgomery stated that Montgomery Transport had also been recognized by the *Birmingham Journal's Fast Tract 30*, in 2014 and 2015. Mr. Montgomery explained that the *Fast Tract 30* recognizes growth. Mr. Montgomery stated that within six months of operation, Montgomery Transport had employed 60 employees and up to this year ending their mark, was 670 employees. Mr. Montgomery stated that they have a very aggressive growth plan for the next couple of years. Mr. Montgomery displayed Montgomery Transports' three year plan as it relates to their growth.

REVENUES GROWTH AND PROJECTIONS

2012	\$23,000,000
2016	\$76,800,000
2017	\$92,160,000
2018	\$110,592,000

Mr. Montgomery stated that as of two weeks ago, Montgomery Transport had formed a new company, Montgomery Logistic, Inc., which is a 3PL. Mr. Montgomery stated that the new company has been forecast at having 20 to 30 employees, by the FY 2017. Mr. Montgomery stated that the employees will be housed where the headquarters are, in the vicinity. Mr. Montgomery stated that the revenues of the new company have been forecast between 25 to 30 million, during the first couple of years. Mr. Montgomery stated that by the second quarter of next year, Montgomery Transport plans to form a second Logistics entity. Mr. Montgomery stated that the number of employees has not been determined, but a rough estimate would be 85 employees, with revenues estimated between 25 to 30 million. Mr. Montgomery shared that Montgomery Transport currently has a relationship with Kenworth. Mr. Montgomery explained that Kenworth leases the shop, from Montgomery Transport. Mr. Montgomery stated that eight employees work for Kenworth, at this location. Mr. Montgomery stated that these employees perform all of the maintenance, on the Montgomery Transport trucks and trailers. Mr. Montgomery stated that if everything works out as well as they hope, there would be opportunity for Kenworth to lease out additional space and their employees could increase to 15. Mr. Montgomery stated that his employees would be housed in Tarrant and generate roughly two million dollars. Mr. Montgomery asked if there were any questions. Councilmember Bryant asked if Kenworth would be doing their truck work in Tarrant or on Finley Boulevard. Mr. Montgomery explained that Kenworth would be completing the maintenance of the Montgomery Transport Trucks and Trailers, which would include minor repairs. Mr. Montgomery stated that major repairs, would be made at the Finley Boulevard facility. Mr. Montgomery stated that another thing that Montgomery Transport has plans for, at some point and time, when they become fully operational in their 3PL – Mr. Montgomery stated that for those that do not know much about a 3PL, he would quickly explain it. Mr. Montgomery explained that Montgomery Transport would actually cater to the same customer base, as it relates to the 3PL, as will Montgomery Transport. Mr. Montgomery stated that the difference is that Montgomery Transport will care for our needs, with our own assets. Mr. Montgomery stated that with the 3PL, Montgomery Transport would be like a middleman or a broker, actually seeking plot capacity to help our customer move their product. Mr. Montgomery stated that at some point Montgomery Transport plans to offer additional services, as a unique partnership, specific to our carriers which will support our 3PL business. Mr. Montgomery stated that once the business is fully operational, Montgomery Transport plans to also provide the same level of service that Kenworth here, at our shop, with our carriers that are active within our 3PL. Mr. Montgomery stated that this would

also generate additional revenues and additional activity, in the City of Tarrant. Mr. Montgomery displayed a Five Year Impact Analysis. Mr. Montgomery stated that Montgomery Transport attorneys Brandley Arrant had provided the worksheet. Mr. Montgomery stated that if it were necessary, they could provide further documentation. Mr. Montgomery stated that they are forecasting over three million dollars, over a five year time period. Councilmember Bryant asked if those were revenues, to the City. Mr. Montgomery stated, "Yes, sir". Mr. Montgomery stated that they are very hopeful of coming to terms by the first of June, as from the first of June would begin the period for five years. Attorney Goldman asked if all of the Montgomery Transport operations, were housed in the City of Tarrant. Mr. Montgomery stated that yes, Montgomery Transport is centralized, so at this point and current time this is our only location. Mr. Montgomery stated that he believed that everyone is familiar with the subject property, to some extent - which this would potentially, hopefully allow Montgomery Transport to grow their business. Mr. Montgomery explained that he would give a quick update. Mr. Montgomery stated, "As I mentioned when we first sat down, this is a good/bad problem." Mr. Montgomery stated, "The bad problem and something that we have to address as quickly as possible is that we are out of room." Mr. Montgomery stated, "We are not only out of room as it relates to our truck and trailer parking, but we are out of rooms as it relates to our office space." Mr. Montgomery stated, "Currently today, I have two to three employees working out of one office." Mr. Montgomery stated, "Within our operations group, we have 41 people in cubicles." Mr. Montgomery stated, "Based on growth, that I showed you earlier, we are out of room." Mr. Montgomery stated, "I have completed two renovations since I bought this building, in June." Mr. Montgomery stated, "We are at a point and time that we will have to do another renovation, in order to support our growth." Mr. Montgomery stated, "To be fully transparent with you guys, we are looking at two options: This would certainly be consistent with option A and Option B, would be to move our business to Birmingham." Mr. Montgomery stated, "Again, to be fully transparent, we have received a very attractive plan." Mr. Montgomery stated, "We have received a very attractive plan and we have also identified a site." Mr. Montgomery stated, "We have also been working very aggressively with the City of Birmingham, to work out several incentives." Mr. Montgomery stated, "They have come back, without disclosure, details or specifics and have agreed to most everything, we have asked for, not only as it relates to incentives, but also construction improvements as well." So if we cannot come to terms and I certainly hope that is something we don't have to get to; as I have expressed to the Mayor, I would like nothing more than to stay her in Tarrant." Mr. Montgomery stated, "You guys have

been great." Mr. Montgomery stated, "The City of Tarrant has been extremely beneficial in our growth here, extremely beneficial to all of our employees and extremely beneficial to our customers." Mr. Montgomery stated, "I am very hopeful that we can come to some terms to be able to discuss Option A, which is what I would like to discuss at this point and time." Mr. Montgomery stated, "So I know that everyone is well aware of the current site (Melissa has outline slides)." Mr. Montgomery stated, "I believe there is about 5.4 acres and I believe there is a current tenant that I am not sure of the entities name, but I believe there is a current tenant and that you guys are leasing out the property." Mr. Montgomery stated "So after looking at several different options, what we have come to the conclusion of, is that the only way we are going to be able to stay here in Tarrant is to be able to work out something with you guys, as it relates to a lease on the subject property at hand - next slide." Mr. Montgomery stated, "The next slide relates to the requirements that we would like to ask for, in additional support." Mr. Montgomery stated, "What we would like to ask the City Council's approval on, is to help us with site preparation, on the subject property that we just mention - 5.4 acres." Mr. Montgomery stated, "Grade work that will comply with our current implication/site preparation, to actually connect our piece of property, with the subject property of 5.4 acres." Mr. Montgomery stated, "Slight improvement as it relates to fencing of property." Mr. Montgomery stated, "As you know it is already well fenced, so I don't think it would require much fencing." Mr. Montgomery stated, "Mayor, I had not mentioned before, but we would like to ask for additional lighting improvement of the subject property, to keep it better lit at night." Mr. Montgomery stated, "We would be willing to agree, as soon as we get approval on hopefully Option A that we just presented, to a five year term, lease and we would also like an option to extend the lease of five year term, for a period of five years." Mr. Montgomery stated, "We would like to have this completed by June 30th, simply due to the fact that I have 20 more tractors, that I am about to take possession of." Mr. Montgomery stated, "We also have employees that we are going to start relocating and actually placing here, not only to support our growth of Montgomery Transport, but also to support our growth of the 3PL." Mr. Montgomery stated, "We have aggressive growth plans, for that entity." Mr. Montgomery stated, "We actually worked out a deal with Action Tire." Mr. Montgomery stated, "We have five employees that are housed there and space for about three more." Mr. Montgomery stated, "We have no space whatsoever here at Montgomery Transport." Mr. Montgomery stated, "There is no way I can ask anyone, to sit in another office in Operations and be uncomfortable." Mr. Montgomery stated, "Once again, based on where we are today, we are going to have to consider moving to Birmingham or hopeful we can come to terms and move

forward on the subject property, that we are discussing today." Mayor Pro Tem Laura Horton asked "In regards to the entire 5.4 acres property, are your plans to use this as a parking, for trucks." Mr. Montgomery stated, "Our plan for the most part would be to use it for parking and would also most likely place a temporary, very nice metal building there." Mr. Montgomery stated, "As you guys have most likely noticed, we take great pride in our work environment here and we want our employees to be extremely comfortable." Mr. Montgomery stated, "Also when a customer, banker, or vendor walks in the door, I want them to feel that they are walking into a professional environment." Mr. Montgomery stated, "We like to maintain a very clean site." Mr. Montgomery stated, "We utilize a very high end service, for all of our landscaping." Mr. Montgomery stated, "We keep our property extremely well maintained and that would be our goal with the piece of property, we are discussing today." General discussion followed.

Whereupon, Mayor Pro Tem Horton made a motion calling for an Executive Session to discuss with Attorney Goldman the controversies not yet being litigated but imminently likely to be litigated if the Council pursued a proposed course of action and for the consideration to buy, sell, lease, or exchange real property. Said motion was seconded by Councilmember Bryant, regularly put and upon roll call; the vote thereon was as follows:

AYES: Councilmembers Anderson, Bryant, Horton, Matthews, and Mayor Tuck

NAYS: None

ABSENT: Councilmember Middlebrooks

The Recording Secretary announced the vote, whereupon Mayor Tuck declared that the motion had carried and that the City Council would reconvene directly following the Executive Session. It was requested that City Clerk Lillian Keith join the Executive Session. Whereupon, the Mayor Tuck, the City Councilmembers, and City Clerk Lillian Keith convened into Executive Session at 4:50 p.m. The Executive Session ended at 6:50 p.m. The Mayor and City Councilmembers reconvened into the Special Meeting of the City Council, following the Executive Session.

Whereupon Mayor Pro Tem Horton moved that the meeting be adjourned. Said motion was seconded by Councilmember Bryant, regularly put and carried, whereupon the meeting was adjourned.

READ AND APPROVED THIS THE 11TH DAY OF JULY, 2016.

APPROVED: Loxcil B. Tuck
Loxcil B. Tuck, Mayor

ATTEST: Lillian A. Keith
Lillian A. Keith, City Clerk