



CITY OF DAHLONEGA
WORK SESSION MEETING MINUTES
JULY 17, 2018 4:00 P.M.

Mayor Norton called the Work Session to order at 4:00 p.m.

Members Present

Mayor Sam Norton and Councilmembers Bruce Hoffman, Ron Larson, JoAnne Taylor and Mitchell Ridley were present. Council Member Roman Gaddis arrived at 4:07 p.m.

Staff Present

City Manager Bill Schmid, Finance Director Melody Marlowe, Community Development Director Kevin Herrit, Public Works Director Mark Buchanan, Assistant Finance Director Kimberly Stafford, City Municipal Clerk Stacy Sides, Water Plant Superintendent John Jarrard, Accounts Payable Clerk Angi McDonald, Vince Hunsinger and City Clerk Mary Csukas were present. City Marshal Jeff Branyon was present. City Attorney Doug Parks was present.

City Manager Schmid thanked Finance Director Marlowe and Staff for the fabulous job the whole team has done with tracking expenses and giving monthly projections that has allowed this budget project to move smoothly through the process.

City Manager Schmid gave a printout from the Georgia State Tax and Spending database that reports rankings of 172 reporting jurisdictions showing total revenue bond debt per capita and our ranking at 8th place. The ranking is based on debt divided by population and our ranking at 8th place is not where we want the City of Dahlonega. This report was the guiding principle for the 2019 Budget as we do not want to incur more debt. City Manager Schmid stated that at this time the City does not have General Obligation Debt which a great place to be, but our Revenue Bond Debt is high and our goal is to bring that down.

Mayor Norton and Council Member Taylor expressed concern with Dahlonega's ranking of #8 in the state.

City Manager Schmid explained that this data is from 2016 Consolidated Financial Statements statewide and as Council Member Taylor asked, the goal of City is to bring our ranking below \$3,500 to improve our ranking.

Council Member Hoffman asked what the debt would be without the Water Plant and City Manager Schmid stated that it would be zero as point of reference to today's discussion.

City Manager Schmid presented a report showing the average of 482 Cities that collect millage rates or property tax with mean or average at 7.351. The City of Dahlonega is at 6.781 and expects to continue a reduction of 2 tenths reduction over time, possibly being affected by the need to increase funds to the Public Safety under the City Marshal's Department.

Mayor Norton stated that the budget being presented would have an effective rollback of 2 tenths. City Manager Schmid explained that this rollback would be a full millage rate over a 5-year period.

City-wide Considerations:

- Total revenue, all funds = \$11.1 million
- Total spending plan, all funds = \$12.2 million
 - Fund balance is used to fund capital

Revenue

- Interest Income: Increase 64% (\$28,000) due to re-negotiated banking services contract

Expenses

- Motor Fuel: Increase 15% - Allowance for price increase (9.5%) plus overhead charge for use of Lumpkin County fuel center (5.5%)
- Property & Liability Insurance: Anticipated increase of 5%; reallocated premium to appropriate departments causing shift of expense
- Employee Costs:
 - Pay adjustments +3%, effective mid-year
 - Medical insurance +10%
 - Retirement contribution decreased from 15.64% to 15.04% payroll due to improved investment returns
 - Worker's Compensation +5%

Council Members and Staff discussed the timeline for the City to use the Lumpkin County fuel center. Assistant Finance Manager Stafford stated that we expect this to happen within in the coming months.

Council Members and Staff discussed that rate increases for all employees can be based on merit instead of cost of living.

General Fund:

Revenue

- Operating revenue \$3,945,146 (+5.0%, \$189,550)
- Property Tax +3.1% from real growth in the digest: mileage rate to be rolled back to 6.392 mils for growth from reassessments
- Franchise Tax: decrease 2.3% (\$14,000); fluctuates with weather trends and customer behavior
- LOST \$873,291 (+12.0%, \$93,291), budgeted at 97% of estimate
- Title Ad Valorem Tax \$180,000 (+28.6%, \$40,000), improving economy & increased distributions from State
- Cemetery Sales: decreased \$16,000 (75% sales now directed to capital)
- Municipal Court Fines: decreased \$30,000 (fluctuates, last year budget too high)

Council Member Taylor inquired about the change in Cemetery sales which City Manager Schmid stated now reflects the Council approval of 75% to capital.

Mayor Norton discussed that Municipal Court is not designed to generate revenues but to collect fees which does not always offset cost.

Expenditures

- Total Operating Expenses \$3,612,694 (+5.1%. \$174,940) - (FY2018 \$3,437,754)
- Legislative: \$201,608, decrease 2.9% (\$6,079)

- Decrease in personal services due to change in personnel and benefit elections
- Increase in professional services for MuniCode support and agenda management software subscription
- Increase in advertising to allow for publication of every meeting agenda (\$300/meeting)
- Increase in training for clerk certification
- Capital outlay of \$4,000 for records storage shelving

Mayor Norton discussed his feeling that the Agenda's should be in the newspaper for the Public. Council Member Taylor and City Manager Schmid discussed the future of digital record management.

- Executive: \$272,798, increase 8.8% (\$22,051)
 - Training: \$8000 increase for department head training
 - Insurance increased \$3,000 due to reallocation of liability premium

Finance Director Marlowe and Mayor Norton discussed insurance allocation to the proper departments and an increase in Property and Liability by 5% and Health by 10%.

Council and Staff discussed the increase in wages that will include an intern and different avenue with the Federal Work Study program that is no cost.

- Election: \$15,450, decrease 16.3% (\$3,000)
 - Legal fees decreased: last election required additional legal expense

No Referendum for the Brunch Bill for the 2019 Election.

- Administration: \$957,371, decrease 2.3% (\$22,615)
 - Vacant FT position is being filled with two PT positions: one assigned to Community Development
 - Professional Fees: +\$12,000 for website development and maintenance; +\$20,000 for audits and studies
 - Repairs: additional amount to address needs at City Hall
 - Advertising: decrease due to council meeting ads being charged now to Legislative
 - Dues and Fees: decrease due to savings on Microsoft licenses
 - Capital Equipment: no needs

Postage was discussed with the understanding that the water bill mailing cost is part of the at department. The cost for the Christmas party itself, excluding any employee bonus, is part of this budget line item

- Municipal Court: \$230,640, increase 6.1% (\$13,359)
 - Increase in personal services due to change in personnel and benefit elections

City Manager Schmid explained that the Lumpkin County Public Defenders' contract and CJT software is in this budget.

- Street Department: \$1,020,651, increase 3.3% (\$32,570)
 - Professional: \$9,000 added for sign refurbishment
 - Communications: \$5,000 added for radios
 - Small Equipment: Includes 2 Speed Warning Signs \$10,000
 - Operating Capital \$50,000 = zero turn mower, flail mower, mower trailer, and equipment trailer

Council and Staff discussed the use of cellphones vs two-way radios. Cell phones are not as effective especially with the need to use Bluetooth in the trucks. First Net will be an option through AT&T.

Council and Staff discussed sidewalk and crosswalk at a cost of \$40,000 for general repair with new projects under Capital Expenditures.

- Shop Department: \$110,883, increase 9.5% (\$9,591)
 - Insurance: increase due to reallocation of liability premium
- Cemetery: \$59,384, decrease 9.2% (\$6,049)
 - Small Equipment: decrease to necessary level (prior year increased to cover gates for \$8,800)
- Parks: \$76,808, increase \$46,212
 - Professional: includes \$30,000 for sycamore tree removal
 - Repairs: includes \$12,000 for signs and \$5,000 for playground equipment
 - Capital Outlay: \$12,400 for City Park/Dog Park

Council and Staff discussed the removal of two Sycamore Trees due to damage of sidewalks and buildings. An arborist should be engaged to discuss this topic with the City and Public for a true understanding of the safety issues involved. An idea for tree replacement would be London Plane Tree for Street purposes as opposed to the smaller Japanese Maple which was used for the street light settings. Mayor Norton stated that if the Sycamore Trees are removed pace them out over 3-5 years and begin a tree maintenance program for tree removal and have the Public informed. The Sycamore Trees make the Dahlonga Square. This line item would stay in the budget for other tree removal and the use of an arborist.

A future Work Session will include line items State Property, Dog Park and 3 Hr. parking

- Community Development \$303,849 increase 2.1% (\$6,227)
 - One new PT position: vacant FT position in Finance is being filled with two PT positions, one assigned to Community Development
 - Professional: decrease reliance on contractual services

Council and Staff discussed Single Family dwelling inspections being conducted in-house soon, with Commercial inspections being out sourced.

- Public Safety: \$332,451, increase 18.5% (\$51,875)
 - Personal Services includes PT Code Enforcement Officer and PT Clerical position
 - Professional: decrease \$18,000, shift from contracted enforcement to staff position
 - Small Equipment: 3 lasers for GSP (\$6,300)

Council and Staff discussed increase in State Patrol Officers who are working in our area and the 3 lasers would be a good investment since the device will stay at the post.

Council and Staff discussed the need for future staff of Officers as opposed to using off duty County Officers.

Capital Expenditure of a 2nd vehicle in the coming budgets.

- Transfers/Capital
 - \$1,602,765 of fund balance is used to balance the general fund budget and is used for capital program funding.
 - Total transfer to capital project funds = \$1,566,000
 - Total transfer to Solid Waste fund for capital = \$40,000

Council and Staff discussed the Extension of Wimpy Mill Sidewalk and other reservoir through Wellness Grant Funds and TAP Grant funds.

Council and Staff discussed the idea to develop the School site property as a joint venture with a developer for public parking and a revenue generator that would produce Hotel / Motel tax too. Keep the footprint of the building and develop a Hotel or Condominium. The DDA would negotiate the RFP that would come back to Council for approval. This process would allow the City to control the outcome of the building structure at this site.

Council and Staff discussed the use of Stormwater user fee plans to bring more persons paying into Stormwater projects. At present these funds are supplied through Personal Property Taxes which is currently shrinking due to more exemptions being given to qualified persons.

Council and Staff discussed Martin Street widening that will include a Right of Way on the road and additional parking that will be created along Meaders on the Methodist Church property under a long-term lease agreement for the parking spaces. This parking idea will free space from Choice parking and downtown parking areas. No special rights will be given to the Church for parking.

Park and Chestatee Street parking needs to be changed to 3 hours and discussed at the next Work Session.

Adjournment