



**CITY OF DAHLONEGA  
SPECIAL CALLED MEETING  
SEPTEMBER 6, 2016, 9:00 A.M.  
MINUTES OF MEETING**

The Dahlonega City Council met Tuesday, September 6, 2016 at 6:00 p.m. in the Council Room in City Hall for a Special Called Meeting to hold a Public Hearing for Proposed Increase in 2016 Ad Valorem Property Tax Millage Rate.

Council Members Michael Clemons, Bruce Hoffman, Ron Larson, Sam Norton and Mayor Gary McCullough were present. Council Members Mitchell Ridley and Roman Gaddis were not in attendance. Staff members City Manager Bill Schmid, City Attorney Doug Parks, Finance Director Melody Marlowe and City Clerk Kimberly Smith were present.

Mayor McCullough called the meeting to order at 9:15 a.m.

City Manager Schmid announced that the proposed official public copy of the proposed budget is in the lobby for public view and there have been no inquiries. City Manager Schmid said the purpose of this meeting is to take public comment regarding the millage increase included in the proposed budget.

Mayor McCullough asked if there were any comments from the public regarding the ad valorem property millage increase. There were no comments from the public.

Mayor McCullough asked for comment from Council regarding the millage rate increase.

Council Member Norton said, as he has voiced before, he is not in opposition to the increase in the millage rate, he would like to see a better definition of how the additional tax revenue will be used. Even though the mill is ear-marked for Public Safety, he would like it to be defined clearer.

Council Member Norton said he also would like the proposed increase in Sanitation rates implemented over four years rather than the entire 21% increase in one year.

Council member Clemons said he was not in favor of Council member Norton's comments. We have a City Manager who it should be up to, to find the correct uses for the Public Safety funding that result from the millage increase. Council Member Clemons said there have been many years with no tax increase.

Council Member Clemons said he also disagrees with spreading the increase in Sanitation fees out over multiple years because the Council has been informed for years that the fund is not self-supporting. The Council needs to stand by staff and follow their recommendations.

There was discussion regarding the Public Safety needs being more than just labor such as equipment and signage and there currently being no revenue stream to purchase equipment or to fulfill other needs.

Council Member Hoffman said that the majority of the millage increase earmarked for Public Safety would most likely be used to contract with the Sheriff's Department in early spring of 2017.

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City Manager Schmid said that there are a wide variety of improvements that could be made in the City that relate to Public Safety needs such as equipment for the Sheriff's Office or Georgia State Patrol. The Sanitation Fund that is being subsidized by the General Fund would not sustain itself, if the increase in user fees were spread out over four years. There were options given to the Finance Committee and they chose to implement the entire increase at once.

Council Member Larson said the Finance Committee had several options for the Sanitation Fund increase in user fees while the budget was in development. It is the Council's duty to be fiscally responsible with managing the City's finances and not have one fund supporting another. Council Member Larson said the increase, while large, is justified rather than having the General Fund continuing to subsidize the Sanitation Fund.

Council Member Larson said that no one likes to increase taxes, but there are many areas of need for use of the additional funds for Public Safety.

Mayor Gary McCullough said the increase in millage designated for Public Safety will be used in areas of need suggested by the City Manager and staff. Public Safety is much more than police, fire and emergency medical services.

City Manager Bill Schmid told Mayor and Council that they would see specific recommendations for Public Safety needs as the year develops.

Council Member Norton said there was a one-mill tax increase last year and Sanitation increased last year as well as two years before that. Council Member Norton said his intent is not to try to box anyone in on what Public Safety entails; he just wants to know that the money will be for Public Safety.

Council Member Norton said last year's one mill increase was earmarked for paving and while there was a lot of street repair there was not much paving.

Council Member Norton stated that a 21% increase in Sanitation is a large increase. It is hard for citizens to pay a large increase for any service rather than gradual increases over time. Council Member Norton said he is in support of the one mill increase if it is for Public Safety and would like to see the Sanitation increase implemented over several years rather than all at once.

Mayor McCullough asked what the increase would be in sanitation user fees.

Finance Director Melody Marlowe explained that the increase in Sanitation user fee is an across the board 21% increase and a monthly charge of \$4.50 monthly for recycling, which will increase the sanitation rate for residential customers from \$22.00 to \$31.12 per month.

Council Member Larson said the Budget Committee decided to go with the entire increase because recycling is costing the City money. The Finance Committee considered dropping the recycling program due to the cost and because only about one third of residents utilize the service, but because there is an environmental responsibility to retain the program the cost will be included as part of the user fee.

City Manager Bill Schmid stated that the increase in user fees does not include any addition in equipment or employees; it is just a recognition of the full cost of the operation. The Council could take a position in the middle and choose to spread the increase out over time.

Mayor McCullough said the public who will be aware after this meeting of the increase in sanitation including a charge for recycling, might not respond favorably.

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Council Member Larson said, if the increase in sanitation fees are not implemented this year, part of the millage increase would end up being used to fund Sanitation. Funds that do not support their own operations result in cost to the General Fund.

Council Member Norton said that the millage rate increase is supposed to be for Public Safety not sanitation.

Council Member Larson said the millage increase is for Public Safety but if the Sanitation Fund does not generate enough income to pay the expenses the General Fund endures the most of the shortfall, which causes tax revenue usage to support services that should be paid for by the users of the services.

Council Member Clemons said he does not agree that there will be many complaints about the recycling fee because there are so many that want that service.

Council Member Hoffman asked the count of people that actually use the recycling service. City Manager Schmid replied roughly one third.

Council Clemons said there was a millage increase in 2015 not 2014 and for ten years prior the only increases were due to accounting calculations not millage increases by Council. The Council was going to increase the millage rate in 2013 but did not and were reminded many times in the next year of the items that the increase could have been used for.

Mayor McCullough reminded everyone that there were no millage rate increases in the recession years due to the rate of unemployment and other reasons. If you do not make small incremental increases for many years, then you are in a position where a large increase is necessary.

Mayor McCullough called for a motion to adjourn the meeting. Motion made by Council Member Larson, seconded by Council Member Norton. Mayor McCullough called for a vote of all in favor signifying so by saying aye. Like sign for those opposed. The motion carried unanimously.

The meeting adjourned at 9:33 p.m.

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.

\_\_\_\_\_ Gary McCullough, Mayor

Attest:

\_\_\_\_\_ Kimberly A. Smith, City Clerk