



**CITY OF DAHLONEGA
SPECIAL CALLED MEETING
AUGUST 15, 2016, 4:30 P.M.
MINUTES**

The Dahlonega City Council met for a Special Called Meeting in the Council Room in City Hall Monday, August 15, 2016. Present at the meeting were Council Members Michael Clemons, Sam Norton, Mitchell Ridley, Ron Larson and Mayor Pro Tempore Bruce Hoffman. Mayor Gary McCullough was absent recovering from knee surgery. Council Member Roman Gaddis joined the meeting at 4:35 p.m.

Staff present at the meeting were City Manager Bill Schmid, City Attorney Doug Parks, Finance Director Melody Marlowe, Planning Director Chris Head, Public Works Director Mark Buchanan and City Clerk Kimberly Smith

Mayor Pro Tempore Hoffman called the meeting to order at 4:30 p.m. and asked for a motion to approve the agenda. Motion by Council Member Ridley, seconded by Council Member Larson. Mayor Pro Tempore Hoffman asked for all in favor to indicate so by saying aye, like sign for opposed. Motion carried with a unanimous vote.

Discussion of Property Tax Millage Rate

Finance Director Melody Marlowe said the property tax digest from the Lumpkin County Tax Commissioner increased by 2.13% that equates to 4.2 million dollars total digest of 416 billion dollars, and the net digest increased by 1.5% that equates to 2.7 million dollars in property value. Finance Director Marlowe said if the recommended budget that includes a tax increase of 1 mill goes forward with no change, the publications required to give notice of the three public hearings required for a tax increase are ready for publication.

Mayor Pro Tempore Hoffman asked the Finance Committee if they were in agreement with the proposed budget and tax increase. Council Member Larson replied that the Finance Committee is in agreement with the proposed budget. The one-mill tax increase will add \$187,000 to the FY2017 budget for consideration of meeting the ongoing need for public safety due to growth in the city and at the college.

There was discussion regarding the proposed millage rate increase; additional revenue going into the General Fund as all property tax does; possibility of use of the funds for public safety and possibility of use of the funds for capital projects.

Discussion continued regarding the budget request for FY 2016 including a recommendation for a two-mill increase that Mayor and Council reduced to one mill with the anticipation of the additional mill being included in the FY 2017 budget. The one mill increase equates to roughly \$40.00 of tax for each \$100,000 of net property value.

Mayor Pro Tempore Hoffman called for a motion to move forward with the process of publication of notices required for public hearings for ad valorem property tax millage increase. Motion made by Council Member Clemons, seconded by Council Member Ridley. Mayor Pro Tempore Hoffman asked for all in favor to indicate so by saying aye, like sign for opposed. Motion carried with a unanimous vote.

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Mayor Pro Tempore Hoffman called for a motion to approve the calendar presented by the City Manager for public hearings and meeting dates and times for the millage rate increase and the meeting for adoption of the budget as presented. Motion made by Council Member Gaddis, seconded by Council Member Clemons. Mayor Pro Tempore Hoffman asked for all in favor to indicate so by saying aye, like sign for opposed. Motion carried with a unanimous vote.

Discussion of Proposed Budget for Fiscal Year 2017

Council Member Larson stated that the budget received is a summarization that comes to Mayor and Council following a one and one half hour meeting by the Finance Committee consisting of Council Members Clemons, Gaddis and himself. Council Member Larson said following the committee meeting the committee comments, which were few because of the excellent job done by staff, were taken back and incorporated into the budget presented today, which is a conservative budget that includes needs for the future. Council Member Larson commented that the City Manager Summary Recommended Comments do an excellent job of highlighting the changes and needs for each fund. The budget includes capital needs and improvements that have been put off for some time; brings funds into balance that were not in the past which stops the need to draw from the General Fund.

City Manager Bill Schmid thanked the Finance Committee for their input and said the attempt this year was to develop a programmatic budget with a Five Year Capital Improvements Program.

City Manager Schmid gave a review of the proposed budget as follows:

General

Three point three percent pay increase; health care cost increase of 15%; two full time positions one in the Street Department and one field position in Water and Sewer Distribution and Collection. Use of a Capital Improvements Program that incorporates a five-year look ahead for capital needs reserving three month's operations in the General, Water and Sewer Funds by budgeting the current year capital needs in the current year's budget and leaving outlying years capital needs as advisory.

Operating Funds

General Fund- one mill increase in property tax to augment public safety services and creation of a Storm Water Utility that could potentially move \$852,000 of already identified projects for FY17 – FY21 from the Projected General Fund capital needs.

Downtown Development Fund – Addition of expenses for Economic Eevelopment activities of parking management, upkeep and appearance improvement of the Square, and North Georgia Film Initiative projected roughly at 10% of General Fund Expenditures or 4.3% of combined General Fund and Water & Sewer Funds.

Enterprise Funds

Water & Sewer Fund – Rate increase of 5% as anticipated from the rate study done with the bond reissuance and several million dollars of capital project needs as identified in the Capital Budget in addition to pending work at the Wastewater Treatment Facility.

Solid Waste Fund - Rate increases for all customers to cover shortfalls in revenue currently funded by the General Fund.

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Miscellaneous

Capital Improvements Program – Five-year plan that includes 16 necessary projects or purchases totaling in excess of 3 million dollars.

Streetscape Fund – Funding combination of \$450,000 of Local Maintenance and Improvement Grant, \$500,000 Transportation Enhancement Grant and \$500,000 of City Funds to total 1.45 million for construction of ADA ramps, storm drainage improvements, sidewalks, road milling and asphalt and pavement parking with thermoplastic. Grant programs all currently under discussion with Georgia Department of Transportation and are subject to change.

SPLOST Fund – Funding for renovation of the Wastewater Treatment Facility.

Discussion followed regarding necessary Mayor and Council approval for purchase of capital items in proposed budget vs. capital item amounts being contingency rather than specified items. Progress of Wastewater Treatment Facility renovation. Potential meter replacement as needed in the future. Solid Waste Fund subsidized by the General Fund. Staff providing original budget for prior year rather than amended budget so comparison will be more accurate. Additional funding for parking, landscaping and ambassadors going into the Downtown Development Authority from the General Fund. Online payment and billing capabilities and the need for better security and more reliable IT services.

Mayor Pro Tempore Hoffman asked for a motion to approve the proposed budget being the copy for public review. Motion made by Council Member Norton, seconded by Council Member Gaddis. Mayor Pro Tempore Hoffman asked for all in favor to indicate so by saying aye, like sign for opposed. Motion carried with a unanimous vote.

Mayor Pro Tempore Hoffman called for a motion to adjourn the meeting. Motion made by Council Member Clemons, seconded by Council Member Larson. Mayor Pro Tempore Hoffman asked for all in favor to indicate so by saying aye, like sign for opposed. Motion carried with a unanimous vote.

The meeting adjourned at 5:28 p.m.

APPROVED THIS _____ DAY OF _____, 2016.

Bruce Hoffman, Mayor Pro Tempore

Attest:

Kimberly A. Smith, City Clerk

