

# **CITY OF DAHLONEGA**

## **WORK SESSION MINUTES JULY 28, 2011**

The Dahlonega City Council met at City Hall on Thursday, July 28, 2011. Members present were Sam Norton, Gerald Lord, Terry Peters, Ralph Prescott and Johnny Ariemma. Michael Clemons and Mayor Gary McCullough were not present. Also present were City Manager Bill Lewis and City Attorney Doug Parks. Mayor Pro-Tem Gerald Lord called the meeting to order at 4:00 p.m.

### **WATER PLANT PROPERTY:**

City Manager Bill Lewis informed Council the disposal of the old water plant property was an agenda item for approval at the August Council meeting. He stated an individual had approached the City to purchase the property or would consider an exchange of properties. He further informed if that was the direction Council wanted to take, each property would need to be appraised for comparable value. Mr. Lewis recommended sending out an RFP for property located on each side of Wimpy Mill Road. The RFP would state the City would have full flexibility to grant or deny the proposal. He also recommended separating the two parcels and only submitting an RFP on the property that includes the water plant. At this time, Councilman Ariemma stated residents are concerned of traffic issues when this property is sold. Mr. Lewis explained the RFP could outline the property having approximately only one-half (1/2) useable acreage and also stipulate what the property could be used for and how it must be maintained. He requested Council to consider all the options before Council meeting approval.

### **PROPERTY LINE ESTABLISHMENT:**

City Manager Bill Lewis informed Council the discrepancy in the property line boundary between Mt. Hope Cemetery and NGCSU Dining Hall parking lot was discovered during construction. The College will be giving the City approximately eight (8) feet. Mayor Pro-Tem Gerald Lord explained this would need to go before the Board of Regents before being final. After further discussion, Councilman Prescott stated he felt the City should go forward and was pleased NGCSU has been cooperative in this decision.

### **2011-12 BUDGET:**

City Manager Bill Lewis requested Council to confine the budget discussion at this session to the General Fund and discuss Water and Sewer at a later session. Mr. Lewis requested Finance Director Christopher Austin to inform Council of the General Fund Revenue expectations. Mr. Austin informed Council there would be a minimal change in the total revenue from last year. He explained property tax revenue was projected to be within \$5,000.00 of last year's collected revenue and there would be a \$5,000.00 to \$10,000.00 decrease in LOST, however if more revenue does come in later, the budget can be amended. Building permits have been projected to be less due to the economy however; an increased is expected in Franchise Tax (Electric) due to the Toyo expansion. At this time, Councilman Prescott questioned why there was a drop in Franchise Tax (Cable) budget. Mr. Austin informed more customers were using Dish satellite and

do not have to pay a franchise tax. Councilman Prescott also questioned the appropriation of Fund Balance. City Manager Bill Lewis informed Council approximately 1.2 to 1.3 million dollars had been contributed to the General Fund Balance for Capital Improvements. He further informed Council it was not allowable to use General Fund revenue to cover daily operations. Councilman Peters stated with the economy he feels it is appropriate to use Fund Balance and this is only our second year in doing so. However, he advised that Council needed to start decreasing the amount transferred every time the budget is prepared. Councilman Ariemma questioned why expenses were significantly more than revenue in the Cemetery budget. City Manager Bill Lewis informed Council cemetery maintenance cost are expensive and need to look at a gradual cost increase in lot fees. He further informed it had been two years since there had been an increase and also explained the revenues are from one cemetery and the expenses are for the maintenance of two. Mr. Lewis informed Council the cost for cemetery lots were \$1,000.00 for a city resident who owned property and paid taxes; \$1,500.00 for a non-city resident. Councilman Norton stated he felt before rates were increased the definition of a resident needed clarification. He informed in his opinion a long term renter who lived in the City was a tax paying citizen. Mr. Norton suggested Council take some time to consider adjusting the fees and clarify the definition of a tax paying city resident. He requested this be an item for discussion on the next Work Session agenda.

City Manager Bill Lewis informed Council the General Fund Expenditures budget had an addition for one employee. This position will be Engineering Tech/Code Enforcement to help with duties needed by the City Engineer and Code Enforcement Officer. This position was created due to personnel changes. The Public Works Director was appointed in house by combining duties of the City Engineer/Projects Manager to also include supervising all Public Works departments. Mr. Lewis further informed there will be no pay increase for employees.

Mr. Lewis informed Council \$118,000.00 was budgeted for the Law Enforcement Contract, \$60,000.00 for Troutman Sanders and \$90,000.00 for Contingency. Councilman Prescott questioned how we evaluate Troutman Sanders. Mr. Lewis informed the City had spent \$240,000.00 over a four (4) year period and had received 1.2 to 1.5 million in grants. He further informed it was important to have someone that could get the grant applications to Senators and Department Heads at different levels in order to receive funding. After further discussion, Mr. Lewis informed Council there were no transfers of Fund Balance however, next year he had concerns that Street Maintenance may need to be funded out of Fund Balance. He advised Council to be thinking and discussing creative ways of funding this budget item. Councilman Ariemma questioned what destroys the roads so badly and what can we do. Mr. Lewis informed the City had acquired a lot of property through annexations and the roads were sub-standard. Some of the annexed streets are very narrow and can only be patched because paving equipment cannot be used.

Finance Director Christopher Austin informed Council the Worker Compensation audit proved to be less than estimated for premiums. One of the factors was increasing our liability deductible from \$1,000.00 to \$10,000.00. He further informed any vehicles over five (5) years old the collision policy was dropped unless it was a larger vehicle such as garbage trucks. Mr. Austin also informed Council the purchase of a new server was included in the budget. The existing server is over eight (8) years old and needs replacing. The software is outdated and no longer serviceable. Mr. Austin stated he was recommending total replacement and the cost of a computer tech to transfer all data and reinstalling network. He further stated he wished to move forward with a RFP as soon as the budget was approved.

City Manager Bill Lewis informed Council the ARC Grant for \$50,000.00 had been approved for the Diving Bell. TVA is ready to start administering the Grant to satisfy the environmental portion, and once completed will be able to bid the project for construction. Mr. Lewis also informed Council a vehicle for the Engineering Tech/Code Enforcement Officer has been added in the General Fund budget.

Mayor Pro-Tem Gerald Lord entertained a motion to adjourn the Work Session at 5:25 p.m. A motion was made by Johnny Ariemma, seconded by Ralph Prescott and approved by all members present.