

**CITY OF DAHLONEGA  
WORK SESSION  
MINUTES  
FEBRUARY 17, 2011**

The Dahlonega City Council met at City Hall on Thursday, February 17, 2011 at 4:30 p.m. Members present were Johnny Ariemma, Sam Norton, Terry Peters, Michael Clemons, Gerald Lord and Ralph Prescott. Also present were City Manager Bill Lewis, City Attorney Doug Parks and Finance Director Christopher Austin. Mayor McCullough called the meeting to order at 4:30 p.m.

**PRESENTATION OF FY 2010 FINANCIAL STATEMENT:**

A presentation of the City's FY 2010 Financial Statement was given by Chris Hollifield of Rushton and Company. Mr. Hollifield informed Council that the introductory section, MD&A and statistics section was put together by Finance Director, Christopher Austin. He stated that the General Fund revenues were up 2.2% due to increased fine revenues and expenditures were down approximately 12.3%. The Water and Sewer Fund revenue was up 21.8% due to rate increases and large tap fees from NGCSU and operating expenses were up 17.2%. The increase in operating expenses was due to depreciation from completion of the water treatment plant and increase in interest expense. Mr. Hollifield informed Council it was very important to look at the water rates, SPLOST and expenses to make sure they are where they need to be in order to meet and maintain the City's Bond debt coverage ratio at 1.15 as recorded by the 2005 Bonds. He stated that he has had discussions with Christopher Austin and Bill Lewis and they are making sure that all requirements are met. Mr. Hollifield informed that a list of adjusting journal entries had been given to the Finance Department to be recorded. He stated that these were not substantial and a normal process for any financial audit. He stated the review of all financials was an unqualified opinion with no management complaints.

Finance Director, Christopher Austin informed Council that this audit was possible because all employees contributed to provide all the information to the Finance Department to make this a success.

Mayor McCullough thanked Mr. Hollifield and his staff for their efforts and professionalism.

**GMA PAYROLL OUT-SOURCING CONTRACT:**

City Manager, Bill Lewis informed Council of the contract from GMA's pilot program for out-sourcing payroll. He stated the City would start with a one week pay period and over six months gradually make the transition into a two week pay period. Mr. Lewis informed Council that GMA have some creative ideas to implement this transition that will have a very small impact on employees. He also stated this would give employees the option of direct deposit. He requested the approval of this contract to be on the March agenda.

Finance Director, Christopher Austin informed Council this is a three (3) year contract and have the option of cancelling the contract by given a thirty (30) day notice in advance.

Councilman Terry Peters requested City Attorney Doug Parks to review contract to make sure the City's interest is protected and compare with other contracts.

**GARBAGE TRUCK DISCUSSION:**

City Manager, Bill Lewis informed Council this item for discussion will be rescheduled.

Work Session was adjourned at 5:10 p.m.