

**DAHLONEGA CITY COUNCIL
WORK SESSION
AUGUST 25, 2008**

The Dahlongega City Council met on August 25, 2008 at City Hall. Council members present were Michael Clemons, Guy Laboa, Sam Norton, Gerald Lord and Terry Peters. Mayor Gary McCullough called the meeting to order at 10:00 a.m.

City Manager Bill Lewis advised that adjustments were made from recommendations presented at the August 20, 2008 Work Session concerning the FY 2009 Budget. He reminded the council that all General Fund Revenues are not meant to balance with expenditures for each General Fund Department and the expenses of each department are paid from the total General Fund revenues. The Enterprise Fund, however, is run like a business.

Sam Norton was concerned that over \$100,000 has been appropriated during the last three years for sidewalks but this has not happened. Mr. Norton asked if we have the work force to do this. Guy Laboa asked who changed the priorities for these projects and why were the funds not set aside for the next year. He stated that we are not making progress as planned. Mr. Lewis requested to come back before the council for discussion of these issues. Mr. Lewis stated that a lot of sidewalks need repairs. It is hard to keep the Street Department on schedule due to unplanned projects. Guy Laboa stated that we need to program all activities. Mr. Lewis recommended that the council prioritize a list for new sidewalks. Michael Clemons stated that he would rather repair sidewalks instead of add new ones. Mr. Lewis stated that he would give a recommendation for sidewalk repair and new sidewalks. He reminded the council that a new packer and concrete mixer were included in the FY 09 Budget. This will enable the Street crew to repair sidewalks. Guy Laboa recommended renting needed equipment. Guy Laboa asked for more precise estimates for costs on all projects. Mr. Lewis advised that two small streets are to be paved by LARP this year. Gerald Lord and Guy Laboa asked for more detail on the entire budget including the specific number of projects for the entire year. Mr. Lewis advised that in the future a quarterly financial report will be given at council meetings. Guy Laboa requested the number of new positions included in the FY 09 Budget. Mr. Lewis advised there are no new positions included in the FY 09 Budget.

Finance Director Chris Austin presented a slide presentation for expenditures in the General Fund. After discussion, council members agreed that the charges for cemetery lots should include an increase on the charges for single lots to \$1000 for city property owners and \$1500 for others that do not own property within the city limits. There was a discussion on increasing the charges for opening and closing graves. Mr. Lewis was asked to obtain more information concerning the costs by the city to open and close graves. Guy Laboa recommended that cemetery maintenance be contracted.

The council discussed salary increases for city employees for the upcoming year and agreed there would be no step increase but a 3 percent COLA increase would be included in the FY 09 Budget.

Mr. Lewis advised that we may be able to cut computer costs by obtaining a multi license for all new computers. The council discussed whether to include the estimate of \$60,000 for the services of lobbyist in the FY 09 Budget. The council agreed to look at this option again after meeting on August 27 with a representative from Troutman Sanders.

Mayor McCullough recommended that a bucket truck be purchased to assist the Street Department in hanging banners and for other activities. Mr. Lewis advised that it would be more cost effective to rent a scissor lift.

Sam Norton advised that he would not support the cost of alcohol audits. City Attorney Doug Parks stated that a qualified audit firm is needed for borderline cases in which the restaurant owner is not meeting the 50/50 quota for food sales.

There was a discussion on whether to include the Sheriff's Contract in the FY 09 Budget. Council members agreed that they want to keep code enforcement activities under the control of the city. Council members advised that deputies are not visible on the square and there is a need to verify their activities and time schedules. After discussion council members agreed to leave the Sheriff's Contract in the FY 09 Budget and to continue to monitor the activities of deputies. Council members also agreed that a work session is needed with the new sheriff.

DDA Director Joel Cordle gave a presentation of activities planned for the DDA during FY 09. Mayor McCullough reminded the council that the DDA is focused on downtown development not tourism. After discussion council members agreed to leave \$58,000 in the FY 09 Budget for projects and programs sponsored by the DDA.

DDA Director Joel Cordle also gave a presentation on grant funds expected during FY 09 and the matching money needed for these projects.

A slide presentation was presented on the Water and Sewer Fund. Mr. Lewis advised that an unprojected rate increase for water and sewer is proposed because of conservation requirements, lack of growth and the closing of Mohawk Industries. He recommended a \$.25 increase per thousand gallons of water and sewer and a \$1.00 base fee increase for water and sewer. He also recommended a 15 percent increase in water and sewer tap fees. The average water bill will increase by \$4.50 monthly. The question was asked if water and sewer tap fees could be increased to pass the increase along to new customers instead of increasing the fees for present customers. Mr. Lewis advised that this would not be recommended as new customers are discretionary. The Bond Ordinance requires that the city maintain 1.5% of the revenue flow for debt service reserves. Finance Director Chris Austin stated that rates must be set to build the cash reserve to make future bond payments. Mr. Austin gave a presentation on the SPLOST/Bond Administration for the Enterprise Fund which included changes in fund equity. Mr. Lewis advised that at the end of FY 09 it is projected that \$300,000 will be reserved for capital outlay. He stated that we could have a problem if a new water and sewer line is required. Guy

Laboa recommended that we look at every expense item to see if it is as efficient as possible. Mr. Lewis advised that costs have increased for fuel, chemicals and electricity in every department. The cost for raw materials has also increased. Gerald Lord recommended that we advertise the reason for the fee increases. Mr. Lewis stated that a public hearing will be held on at the September 3 Council Meeting and Mr. Austin will give a presentation on the reasons for the increases.

Mr. Lewis recommended that the council approve a one dollar a month residential solid waste rate increase and a 10 percent increase in commercial rates to cover the rising cost of garbage collection and recycling. Council members discussed options for reducing the cost of recycling. Council members were also given information concerning options of using the city's transfer station or hauling solid waste to the county's transfer station. Mr. Lewis also advised that the city will need to either rebuild or purchase a new sanitation truck soon. Council members proposed to pick up recycling every two weeks or to charge a fuel surcharge for recycling. They also discussed the option of a centralized pickup area for subdivision and placing recycling bins in different location.

The meeting was adjourned at 2:30 p.m.