City Council of Peachtree City
Minutes of Meeting
August 19, 2010
7:00 p.m.

The City Council of Peachtree City met Thursday, August 19, 2010, in the City Hall Council Chambers. Mayor Don Haddix called the meeting to order at 7:00 p.m. Council Members present: Vanessa Fleisch, Erik Imker, Kim Learnard, and Doug Sturbaum.

Announcements, Awards, Special Recognition
Mayor Haddix recognized the District 4 Big League All-Star Baseball Team, which earned its third consecutive state title this summer. Kim Bramblett, race director for Tri-PTC, presented Council with goodie bags from the triathlon that would be held on August 21 and thanked the City for its support of the event. Mayor Haddix proclaimed September 15 as "Honor Flight Fayette Day" in Peachtree City. The Honor Flight Fayette organization planned to take its seventh, and final, trip with local World War II veterans to the World War II monument in Washington. Darrell Neese of the Fire Department was recognized for 10 years of service.

Minutes
Sturbaum noted a correction on Page 2 of the August 5, 2010, special called meeting minutes. Learnard moved to approve the August 5, 2010, special called meeting minutes as amended and the August 5, 2010, regular meeting minutes as written. Fleisch seconded. The motion carried unanimously.

Consent Agenda

1. **Consider Alcohol License – NEW – TJ's Bistro, 1200 N. Peachtree Parkway**
2. **Consider Budget Amendments – FY 2010**
3. **Consider Bid for Recreation Administration Building Re-roofing – A&W Contracting**

Learnard moved to approve the Consent Agenda. Fleisch seconded. The motion carried unanimously.

Old Agenda Items
07-10-05 Consider Ordinance Amendment – Telecommunications Towers and Antennas Ordinance or Extend Moratorium on Requests for New Applications
Haddix noted there was an additional document on the dais – a letter from T-mobile dated August 18, 2010, addressing concerns with the proposed changes. Community Development Director/City Planner David Rast asked Council to consider repealing the current ordinance and replacing it with the proposed ordinance, which would be known as the Wireless Telecommunications Facilities Ordinance. Rast briefed Council on the highlights of the proposed changes. A copy of Rast's PowerPoint presentation is included in the meeting file.

Rast said the ordinance would restrict the facilities to three zoning districts – Open Space-Public (OS-P), Light Industrial (LI), and General Industrial (GI), adding that staff and the Planning Commission would also like to look at the potential for locating towers in General Commercial (GC) and Office Institutional (OI) zoning. Rast said adding GC and OI would open up more potential locations. He added that staff would bring recommended changes to the Zoning Map to Council in several weeks, recommending the Open Space (OS) parcels be rezoned as either OS-P or OS-Conservation (OS-C). He continued that Council enacted the moratorium on new applications through July 15, 2010, extending the moratorium to August 19, 2010. Staff had researched existing ordinances from other jurisdictions and compared them with model ordinances provided by the wireless industry. The amended ordinance would replace the existing ordinance that was adopted in 1998. It included new and updated definitions and an enactment of approval process, which included administrative review, a conditional use permit review, and exemption criteria.

Rast explained that an administrative review would be used for possible collocation on an existing tower. Most of the towers currently located in the City were maxed out as far as collocation. Rast continued that conditional use permits would be reviewed by staff, Planning Commission, and ultimately would be reviewed by Council. The permits would be needed for any telecommunications facilities or support structures not meeting the requirements of an administrative review. Siting of new telecommunications facilities or support structures would be in accordance with the following hierarchy of facility alternatives – collocation on existing structure, concealed freestanding (stealth application), non-concealed freestanding monopole, and non-concealed freestanding lattice structure.

Rast continued that the carriers were looking for sites to serve residential areas in the City. The submittal requirements included a vicinity map and list of all property owners within 200 linear feet of the proposed facility; an Evidence of Need report certified by a radio frequency engineer; a visual impact assessment with a line of sight analysis, photo simulations, a balloon test (balloon flown during the day so people could see the height of the tower); and documentation from the Federal Aviation Administration (FAA) and Peachtree City Airport Authority (PCAA) indicating their support. He added that property owners within 200 feet of a proposed facility would have to be notified by letter.

Rast continued that the ordinance encouraged collocation. The proposed design standards for monopoles included the accommodation of no less than four telecommunications providers; facilities at the base of the monopole were to be of sufficient size to accommodate accessory equipment for no less than four providers; and unless otherwise required by the Federal Communications Commission (FCC), the FAA, or the City, support structures were to have a galvanized silver or gray finish. Lattice support structures should be designed to accommodate no less than five telecommunications providers; facilities at the base of the support structure must be of sufficient size to accommodate accessory equipment for no less than five providers; and unless otherwise required by the FCC, the FAA, or the City, support structures were to have a galvanized silver or gray finish. Stealth facilities should be designed to accommodate the collocation of other antennas whenever economically and technically feasible or aesthetically appropriate, as determined by the Planning Commission and City Council. Rast continued that, upon request of the Applicant, the Planning Commission could recommend to the Council that they consider waiving the requirement for collocation of other service providers on new sites if it found that collocation at the site was not essential to the public interest, or that the construction of a shorter support structure with fewer antennas would promote community compatibility.

Rast said a minimum setback distance of 250 feet was proposed for all support structures abutting a residential use, school, or place of worship, as measured from the base of the support structure to the boundary of such property. He continued that all support structures would have to provide a minimum front yard setback of 150 feet from any public street right-of-way and sufficient rear and side yard setbacks a distance equal to no less than 50% of the height of the support structure. He added that all accessory equipment should be set back from the property lines in accordance with the minimum setback requirements within the underlying zoning district.

Rast continued that the proposed changes included the height for new support structures in all districts not exceeding 180 feet as measured from ground level to the highest point on the support structure, even if the highest point was an antenna.

Rast said he had received letters that afternoon from the wireless industry, including the Wireless Infrastructure Association (PCIA), Troutman Sanders LLP (representing Verizon), and T-mobile. They had asked the City to also consider GC and OI zoning for towers and to consider using tower height as the required setback rather than the proposed fixed setback.

Rast said that the Planning Commission recommended Council adopt the ordinance as proposed and for staff and the Planning Commission to look at the recommendations for OI and GC zoning. He noted that the Planning Commission would look at those recommendations at its next meeting in September, then forward any proposed changes to the City Council.

Haddix said there had been a great deal of public comment at past meetings and asked Council for their comments first.

Sturbaum asked Rast if the Planning Commission had the opportunity to look at the letters from Troutman Sanders and T-mobile. Rast said no because the letters had just been received that day. The Planning Commission had not seen the recommendations regarding the GC and OI zoning, but they were aware of the proposal for the setbacks.

Learnard asked for more information on the objections from the industry. Rast started with the Troutman Sanders letter, which had arrived first. The letter addressed the addition of GC and OI zoning to open up additional areas for towers. Rast said the reason those zoning areas came up was because the areas identified as lacking service at the beginning of this process were residential areas along the center spine of the City, Peachtree Parkway, from north to south. The available property in the search rings that were identified was predominantly zoned as open space and included recreation facilities, schools, or churches. Rast said that using the village retail centers and other strategic locations would provide an alternative to towers in parks and open space. Office-Institutional zoning was a small percentage of the overall zoning area, but would also provide an alternative to open space.

As for the concern regarding the setback requirements in the Troutman Sanders letter, Rast said they proposed basing the setbacks on the height of the towers. Staff and the Planning Commission felt 250 feet provided a good separation between the towers and the uses where children were gathered, which was a Planning Commission concern. The proposed setbacks from streets were in the current ordinance. The only setback that was increased was the one for places where people gathered.

Rast said the letter from T-mobile addressed the setbacks from public streets, which was 200 feet. In the letter, T-mobile requested flexibility and basing the setback on the tower height. Rast referenced Sec. 18-506, which was addressed in the T-mobile letter, adding that there had been a lot of discussion on the intent of this section, which was to provide the ability to negotiate with the carriers if Public Safety needed antenna access to a tower that was already in the needed location. The concern expressed by T-mobile was that, by requiring the companies to reserve space, the City would not be allowing companies to fully utilize the towers. Rast said that concern could probably be worked out by tweaking the wording.

The letter from PCIA addressed concerns about limitations on specific zoning districts and asked the City to look more closely at OI and GC zoning. Rast said the ordinance was close to where most wanted the ordinance to be, but there were still some concerns from the industry.

Imker asked if golf courses were considered greenspace. Rast said two of the courses were zoned OS, and Planterra was zoned GI. He added that, when the Zoning Map was brought to Council, staff would recommend all three courses be rezoned to Open Space-Public (OS-P). Imker said he wanted to have the option to place the cell towers on golf courses. Rast said the ordinance currently permitted towers in OS zoning. The recommendation was to change the OS zoning in the ordinance to OS-P, which was also the zoning recommended for golf courses. The rezonings should be done within four to six weeks. Staff would schedule a joint workshop between the Planning Commission and Council to discuss the recommendations. Imker said he would like to see all of the work completed before voting on the changes to the ordinance.

Haddix also had concerns, especially about GC and OI zoning, asking what would stop the carriers from putting a tower on top of a building. He liked the more rigid setback distances. Haddix referred to Sec. 18-507, which addressed abandonment of sites, noting that a support structure was not considered abandoned unless the owner of the support structure intended to permanently and completely cease all business activity. It sounded like a way to leave an unused tower in place forever. He also had concerns regarding the visual impact in GC zoning and on golf courses. Towers located behind shopping centers could be right on top of houses, and towers located in the middle of a parking lot or golf course would need visual screening.

Imker said that was an excellent point about abandoned sites, but if the choices were in the middle of a parking lot or a park, he would chose the parking lot. Haddix disagreed, saying he had seen that done in other places and the results were hideous.

Learnard clarified that OS-P could accommodate towers, but OS-C would not. Rast said the areas now zoned as OS would be separated into OS-P and OS-C. The majority would be OS-C.

Fleisch clarified that the City owned most of the OS-P property, and the property owner had a choice of what was on their property. Rast said that was correct. She supported voting on the proposed changes at this meeting, because they were more restrictive. She suggested setting a timetable to look at the other concerns.

Imker said the ordinance needed more editing, and there should be a continuation of the moratorium. Sturbaum also supported bringing the ordinance back. Imker asked if the work could be done in four weeks. Rast said the Planning Commission meeting would be held on September 13, and the Council meeting dates were September 16 and October 7.

Sturbaum said there were a lot of questions from the industry. He suggested continuing the agenda item and bringing it back on October 7.

Fleisch moved to extend the moratorium on the telecommunications ordinance through and including October 7. Sturbaum seconded. The motion carried unanimously.

08-10-01 Public Hearing – 2010 Millage Rate

Financial Services Director Paul Salvatore noted this was the third and final public hearing before adoption of the millage rate, which would be separate agenda item. He gave a brief PowerPoint presentation (a copy is included in the meeting file). Salvatore said the current millage rate for maintenance and operation (M&O) was set at 5.134 mills. The proposed M&O rate was 6.384 mills, an increase of 1.25 mills, representing an increase of 19.1% over the rollback millage rate of 5.36 mills, which was higher than usual due to the decline in the tax digest. The current bond millage rate was set at 0.399 mills and would not change for 2010.

Salvatore continued that the total proposed millage rate (bond and M&O) was 6.783 mills. The 1.25 mill increase would generate approximately $2,288,953 to support General Fund operations. This millage rate option would also result in the lowest total millage rate by 2015 than the other options considered. Any reserves generated in excess of the 20% minimum required would be used to offset anticipated shortfalls in FY 2013 and beyond [Special Purpose Local Option Sales Tax (SPLOST) funds would run out in 2013, and the Local Option Sales Tax (LOST) would be renegotiated based on population in 2013].

Salvatore went over the overall tax bill for City residents, which included the Board of Education, Fayette County, and state taxes. Overall, the bills would have just over a 0.5 mill decrease. Based on the information from the tax digest, the average value of a home in the City had decreased from $272,000 to just under $260,000. The net impact of the changes on the average tax bill was about $220.

Salvatore also looked at the five-year models, noting that if the 1.25 mill increase was approved, there would be 0.196 mill increases each subsequent year that could possibly be avoided, for a total millage rate of 7.168 in 2015. The reserve balance would be drawn down to the 20% minimum during that period.

The public hearing opened.

Robert Brown requested that Council not increase the millage rate more than what was necessary, adding that a 1.25 mill increase would cause the cash reserves to go over 40% when it should be on the path down to 20%. He asked Council to increase the millage rate by a lower amount and make further efforts to increase the efficiency in City government and reduce the budget.

Michael Posey said both France and Germany had gone against what President Obama wanted at the recent G-20 conference held in Toronto, saying they could not spend their way out of the Great Recession. The Council should cut spending, not increase taxes. Posey said he read Imker's letter in the August 18 edition of ***The Citizen***, noting that Imker had stated that the City would go bankrupt by 2013 if nothing was done. That was not going to happen in the City. He expected that Haddix, as an independent, would have supported the higher tax increase, and he commended for Haddix for his stance on a 0.5 mill increase. He commended Sturbaum for his stance. He likened Fleisch and Learnard to Senator Barbara Boxer and Speaker of the House Nancy Pelosi. Raising taxes 40% was ridiculous. Posey noted that Imker had pledged he would not increase taxes. He compared Imker to South Carolina Congressman Joe Wilson regarding his support of the 1.25 mill increase, noting Wilson's well-known comment to President Obama, "You lied."

Scott Austensen noted his father was an attorney for the Rouse Company, the company that developed Columbia, Maryland, which was also a planned community. He looked at Columbia's budget, which was tied to the Columbia's strategic plan. At the end of the year, there were performance analytics that were also tied to the strategic plan and a performance review that included citizen input. While he did not expect a strategic plan, other communities had prioritized their budgets with things that were necessary having a higher priority than the "nice to haves." It seemed that the City had gone in the wrong direction with 3% to 6% compound growth in expenses over the next three to five years. He was concerned that the City planned to spend $883,000 in cash on capital equipment, making the deficit look larger. Austensen recommended holding the line on expenses, not increasing the millage, and not spending cash for capital purchases, because the budget had not been prioritized. It would give Council and staff a full year to put a strategic plan in place. Most residents were willing to pay more in taxes, but to increase taxes in the worst economic climate in the City's history would be embarrassing at it best. It would not attract other businesses, and it would have an additional negative effect on property values.

Bob Morris said he needed help with the math, and asked what an increase would add to a typical tax bill. It looked like a couple of percent would be added to the overall tax bill. He asked if the 19% increase in the City's millage rate would cause the overall tax bill to go up by 19%. Haddix and Sturbaum said only the City's portion would go up by 19%. Learnard added that the majority of the County tax bill, approximately 68%, went to the Board of Education, 15% went to unincorporated Fayette County, and 14.6% of the bill went to the City. Salvatore said that there would still be a net decrease in the overall millage rate of over 0.5 mills with the decrease in the Board of Education millage rate and the decrease in the fair market value of property. The bill would go down $222 on an average home.

The public hearing closed.

<u>**New Agenda Items**</u>

08-10-06 Consider Changes to Budget Policy Guidance & Adoption of Fund Balance Resolution

Haddix noted there was an additional document on the dais – a change in the wording from "reserved" to "restricted." Salvatore said this was a two-part agenda item – an update to the City's financial policy and the adoption of a resolution for the commitment of fund balance in the General Fund.

Salvatore continued that part of the update to the financial policy [City Administrative Regulation (CAR) 9-5] was housekeeping in nature. The Government Accounting Standards Board (GASB) had issued new standards for classifications of fund balance. The new classifications included *unspendable* (items such as inventory, pre-paid items) and *restricted* (restricted by outside third parties, such as legal restrictions on revenue sources like grants); *committed* and *assigned* were self-imposed restrictions committed for specific purposes; and the *unassigned* category was used for anything that did not fall into the other categories.

Several other policies had been discussed during the budget workshops, and those had also been incorporated. Ongoing funding sources would have to be clearly identified in the current and future budgets if new services were added to the budget. Council should consider lowering the M&O millage rate if a new SPLOST or other voted revenue source became available. Council would consider adjusting the M&O millage rate accordingly if a SPLOST or other ongoing revenue source ceased to exist to recover the lost revenue, unless another new or increased revenue source was available.

Salvatore continued with the resolution for the commitment of fund balance in the General Fund, noting that the five-year model presented during the budget workshops included a strategy to reduce the *unassigned* fund balance (cash reserve) to the 20% minimum level over the next five years and to stabilize future millage rate increases for FY 2012 – FY 2015. Salvatore pointed out that the SPLOST funds would be gone in 2013, and the LOST would be renegotiated on a pro rata basis. In order to avoid a $2.5 million hit to the General Fund, the City would have to muscle up the budget to smooth out the spike. The resolution stated that anything over 20% in *unassigned* funds would be put in a *committed* fund to avoid that spike and to stabilize future millage rates.

Salvatore said the resolution was tied to the five-year model associated with the budget that would be adopted by Council. The resolution also including wording that required Council to take formal action if the use of a *committed* fund was changed. Salvatore said the motion should be to adopt the updated financial policies, CAR 9-5, and to adopt the resolution to commit fund balance in the General Fund.

Imker emphasized the three key points to the resolution. The first was Policy 3, regarding additional services – if the City wanted an additional service, a way had to be found to pay for the service. It was essentially a balanced budget amendment. Policy 8 required funds over 20% in the cash reserve to be committed. The growth in the reserve would be needed for FY 2013, FY 2014, and FY 2015, and it was not to be touched. Policy 18 talked about the enactment of a SPLOST in the future and lowering the millage rate accordingly. Imker noted that the City received $10 million from the last SPLOST, and the City Council spent $6 million of that on what was considered day-to-day operations, adding that money should have come from the General Fund. The resolution said that could not be done. To spend any SPLOST funds on day-to-day operations, the millage rate would have to be lowered. Once the SPLOST went away, the millage rate would be increased to cover those day-to-day operations.

Imker moved to approve the changes to the budget policy guidance and the adoption of the fund balance resolution as identified in Agenda #08-10-06. Fleisch seconded. The motion carried unanimously.

08-10-07 Consider Adoption of FY 2011 Budget Resolution
Salvatore noted that several workshops had been held, as well as the required public hearings. He asked Council to take action on the budget resolution, adding that the FY 2011 budget included a 1.25 mill increase and $35,000 in funding for the DAPC.

Imker read the following statement:

At the March retreat the city's financial situation was in disarray. We were facing nearly $20 million in shortfall for Fiscal Years 2011-2015. Previous council had started us off with an FY2010 approved budgeted that included a $451,000 shortfall. By retreat it had ballooned to a $1.084 million shortfall. The reasons for this were clear. Overly optimistic revenues were used to "lesson" the unfavorable picture in an election year. In at least one case an additional

$200,000 recreation revenue that was known would never materialize was included in the budget.

This council took a hard look at the budget picture for the remainder of FY2010 and made cuts. It hurt, but cuts were made. As of today the shortfall for FY2010 is now about $115,000. This is a huge improvement. Rest assured next year's and outyear estimates of revenue are now using only the most conservative figures as possible.

Now back to the $20 million shortfall at retreat. Some of you will remember me saying back in January we had a $20 million shortfall. By making the cuts at retreat for the remainder of this year it has had a favorable forward effect of reducing the shortfall over the next 5 years by nearly $2 million. Hence the $18 million shortfall problem we now have instead of $20 million.

I have insisted this council address the snowballing problem of an unprecedented $18 million shortfall over the next five years. Previous councils have simply ignored or "kicked it down the road" by either not making cuts or increasing revenue. Proposed 0.25 or 0.50 mil increases for the next fiscal year would never solve the problem. In fact it simply makes the problem worse in the long run. You wind up at a higher tax rate while waiting for the inevitable. Had the problem been addressed years ago, the overall millage rate could have been much less. Simply put, we asked for more services and we got them. But through some extraordinary financial strategy, city reserves and $6 million of former SPLOST shell games were used to pay for them instead of being up front with the citizens and saying, your taxes are going to have to go up to pay for those services. There's lots of blame to go around, but it stops now. We will set a course for future fiscal responsibility and sustainability beginning with this council – tonight!

Each year the huge financial shortfall problem approaches closer and closer. We heard it at a recent budget workshop; the city would be bankrupt in 2013 if we did nothing. Each year the shortfall is not addressed causes about an extra 0.25 mil in the final tax that ultimately solves the problem. Again, this is under the pretence that additional cuts will not be made.

I am not ignoring the possibility of new businesses in PTC that may generate more revenue for the city. But I'm not going to depend on that to solve an $18 million problem. We need to tackle the problem that exists now and not hope for some miracle to materialize. If indeed a favorable thing happens over the next year with a sudden influx of millions of dollars then we can adjust the millage rate accordingly. I for one won't hold my breath. Just like the Obama stimulus money, we've been holding our breath since design approval was given back in February for the cart path bridge over Lake Peachtree. Keep holding your breath if you think that money is coming based on our demographics and affluence.

Haddix said that he and Sturbaum had fought budget battles for two years, recognizing there were problems that needed to be fixed, but meeting resistance. They were going from no increase and no funding for the DAPC to all tax increase and no funding of the DAPC. It was trading one error for another, and both would hurt the City.

Imker said he had a number of amendments to the budget he would like Council to consider prior to approving the overall FY 2011 budget.

Imker moved to amend the proposed budget to reduce city salaries by 1% across the board. Learnard seconded. The motion was defeated 1 (Imker)- 4.

Imker moved to amend the proposed budget to enact 32 hours of furlough for full-time City employees to be taken as approved by department directors in such a way as to minimize any service shortfalls. Learnard seconded. The motion was defeated 1 (Imker)-4.

Imker moved to amend the proposed budget to execute a reduction in force to eliminate one position in the Recreation Department. Fleisch seconded. The motion was defeated 1 (Imker)-4.

Imker moved to amend the proposed budget to execute a reduction in force to eliminate one position in Public Works. Fleisch seconded. The motion was defeated 1 (Imker)-4.

Imker moved to amend the proposed budget to eliminate the City's 401k retirement contribution portion as an employee benefit. Haddix seconded. Imker pointed out that cutting out the 401k would save the City $165,000 every year based on the number of participants. There were 235 employees and approximately 135 participated in the program. The $165,000 would do wonders for the budget. The motion was defeated 1 (Imker)-4.

Imker moved to amend the proposed budget to restore the health care contribution for City employees that was in effect prior to March 5, 2009, and to eliminate the City's 401k retirement contribution portion as an employee benefit. Haddix seconded. Imker said this was a compromise position, adding that he proposed eliminating only the City's share of the 401k, which would save $165,000 each year. Employees could still choose to contribute to the 401k, but would not receive the City contribution. He said restoring the health care contributions would put $600 back in the paychecks of the employees that paid for family health care benefits. Employees on the lower end of the pay scale would get that money. The estimated cost was $112,000, saving the City $53,000. The motion was defeated 1 (Imker)-4.

Imker moved to amend the proposed budget to eliminate the special senior management incentive portion of the 401k program and have senior management participate in the same 401k plan as other City employees. Sturbaum seconded. Imker said senior management, those making the highest salaries in the City, received a special additional contribution to the 401k, totaling $19,000 to $20,000 annually. They were the top 2% of employees who made the highest salary, and they should be given the same 401k opportunity as the rest of the employees.

Haddix asked why there was a difference. City Manager Bernard McMullen said the program was in effect when he came to work for the City. The reasons were to help maintain senior leadership who had historical knowledge, and the City wanted to keep for a long period of time. They received 5% compared to the 2% the other employees received. Haddix asked how much would be saved. McMullen said about $19,000 for the seven directors and chiefs. Sturbaum asked Imker if he would consider a continuance on the amendment for further research. Imker said yes, and asked City Attorney Ted Meeker how to word the change to the motion. Meeker said there had been a motion and a second, so he would have to withdraw his motion. Imker withdrew his motion. Sturbaum withdrew his second.

McMullen suggested Council not take action, and the proposal could come back as a separate budget amendment on a future agenda. Imker said that was acceptable. Haddix directed staff to furnish the numbers and other relevant information. Haddix reminded Imker that once a measure failed, it could not be brought back up for six months.

Learnard moved to amend the proposed budget to create within the City's Community Development department the position of a full-time contracted Economic Development Coordinator whose job it would be to serve as the single point of contact for all businesses, new and reorganizing, for Community Development and other business community activities. It should include but not be limited to coordination with the City's Engineering and Planning departments, the Peachtree City Convention and Visitors Bureau, the PCAA, the Water and Sewerage Authority, the Fayette Chamber of Commerce, the DAPC, and the Fayette County Development Authority (FCDA). Proposed duties should be as described in the Economic Development Coordinator Job Description dated August 18, 2010, which was on the dais. Fleisch seconded.

Imker asked Meeker if he had seen the referenced job description and if there was anything illegal in it. Meeker said not that he had seen. Learnard said she had tried to learn all she could about development authorities and had met with all the members of the DAPC, most notably DAPC member Grey Durham. She referred to Durham's comments at the August 5 Council meeting, noting that Durham had pointed out that while a lot of good things were going on with the volunteers, there was too much going on for volunteers with jobs to take care of, and funding for the DAPC was an investment in the City's future. She said she heard what had been said, and she did not disagree. She supported their efforts, but she believed the proposed staff position was the best way to make things happen and keep accountability with the City. She did not think it was realistic for the DAPC to hire someone for $35,000. If approved, help would be on the way for a full court press in promoting economic development activities in the City.

Sturbaum asked if the employee would be contracted with the DAPC and what the proposed salary was. Fleisch said it would be City employee on a contract basis. McMullen said the starting salary would be $50,000, $66,000 with benefits. Haddix asked if there was an operational budget, adding that the employee had to have funds to do the work. McMullen said a car and computer were available. The employee would develop the plan. The employee would not be hired on October 1, so the salary savings would be used for operating expenses. They would have the expert develop a plan and tell the City what the budget needed to be. Sturbaum asked if there would be a trade-off on a current City position. McMullen said there would not.

Haddix said there was a lot that the employee could not legally do. Employees in similar positions in other cities coordinated with development authorities that had more funding. The parameters in the job description did not include recruitment, so that big void was still there. He noted that the Valdosta Development Authority received $800,000 in funding, and the Downtown Development Authority received $108,000 and had its own staff, and the Main Street program also received funding and had its own staff. The coordinator had no control over industry; it went to the development authority. In effect, the City would spend more money and would be in the same position. Sturbaum said the position was a start, but the City should also fund the DAPC, developing the position there. Haddix said the proposal fell short.

Fleisch moved the previous question. Sturbaum seconded. The motion carried 3-2 (Haddix, Sturbaum). Meeker said that Fleisch's motion ended debate. Council should consider original motion on funding for the position. Imker clarified that the intent was to hire an employee to work in the Community Development Department and serve as the central point of contact for all economic development coordination activities. The motion carried 3-2 (Haddix, Sturbaum).

Haddix asked to see monthly reports on the employee's activities. Sturbaum said he wanted to see the metrics and would help with the development of them. Imker added that the City should ensure that the employee understood it was a contract position, and the term of service could be reduced or ended after the fiscal year. Meeker said the contract would have to be renewed by Council each year.

Imker moved to amend the proposed budget to reduce the DAPC funding to zero in the FY 2011 budget, it being the intent that the existing fund balance of the DAPC be used for continuing operations to maintain their core mission of providing financial incentives for potential new or reorganizing businesses. They should maintain Georgia state recognition as a viable entity for this purpose. All other efforts should remain volunteer in nature and would be supported full time by a paid professional economic development coordinator. Requests for future additional funds that were needed to provide potential new or reorganizing businesses financial advantage as authorized, such as legal fees and project expenses by development authorities, should be submitted to Council on a case-by-case basis for budget adjustments. Learnard seconded.

Haddix said the legal line had been crossed in the motion. Meeker asked where the line had been crossed. Haddix said the employee was to perform the functions of a development authority, and an employee could not perform certain functions. Meeker said he understood the employee was to assist the DAPC. Imker re-stated his motion. Meeker said he heard "supported" by a full-time person. Salvatore also asked about zero funding for the DAPC. Imker said the $35,000 funding in the budget would be reduced to zero; the debt service funding would remain. Learnard asked what the existing fund balance was for the DAPC. Imker said they had $16,600, and the existing balance was projected to be $15,100 at the end of September (end of fiscal year).

Sturbaum asked Imker what his problem was with the DAPC. Imker referred to the Official Code of Georgia Annotated (OCGA) Title 36-62-6, which addressed the powers of development authorities. He noted that the powers [listed in subparagraphs (1) – (15)] included executing contracts, receiving grants, acquiring land for projects, selling assets, extending credit, and more. Imker said those powers were about providing incentives for new businesses, which was the primary mission of a development authority. Subparagraph (16) read, *to expend for the promotion of industry, agriculture, and trade within its area of operations any funds of the authority determined by the authority to be in excess of those needed for the other corporate purposes of the authority.* Imker said it seemed the DAPC needed to be re-focused to its primary mission. He went over the original budget provided for the $150,000 the DAPC had asked for in FY 2011, which included $35,000 for a full-time staff person, $6,000 for administrative help for meetings and minutes, $4,000 for professional accounting services, $3,000 for an audit, $7,500 for legal services, and $1,500 for an intern, all personnel-related expenses. Imker continued that $500 was projected for liability insurance; $13,000 for training; $16,000 for advertising; $21,000 for meetings, conferences, and a table at The Fred; $3,000 for dues; $17,000 for studies; $8,000 for an office; $3,000 for prospects; and $5,500 for uncommitted contingency funds. If comparing the DAPC's budget to the City's, Imker said the City would have over $1 million in contingency. There was also an item for undocumented extra funds ($2,500).

Imker continued there was too much overhead with little going toward the primary mission. The DAPC had seven great citizens who were doing a great job, and he did not want to take away from their efforts. To stay viable, the DAPC needed liability insurance by state law for $3,500. They needed $3,000 for a professional audit, and $1,000 or so for the required state training. To maintain viability, the DAPC needed $7,500 annually. Imker said that did not mean the DAPC should not be funded. Requests for additional funds needed as authorized by the state would be considered on a case-by-case basis for budget adjustments. He said he was talking about responsible control of the citizens' tax dollars and budgeting 100% of the intended primary purpose of a development authority. He did not support turning over huge sums to any agency with no control over how the money was spent. He served on Council to be accountable to the citizens.

Imker went over some statistics (a copy of the statistics is included in the meeting file) regarding how much retail space was filled in the City. Imker pointed out that 93.4% of the Industrial Park was filled, with nine vacant buildings and approximately 70 parcels undeveloped. There were 437 businesses filling 89.9% of City's retail space, with approximately 38 buildings vacant. There were still 66.37 acres (29 parcels) of retail zoning still to be developed. Imker continued that 87.2% of the City's office space was developed and filled, with 31.63 acres (15 parcels) still undeveloped. Imker said the way people talked it sounded as though the City was only 75% filled, but it was at 90%. It could be better. The majority of the DAPC's proposed budget was to be spent on conventions, meetings, and overhead. He asked where the 19 44-cent letters were that should have been sent to Sany's suppliers. He explained that Sany had requested its suppliers be contacted to see if they were interested in coming to the City. Haddix said they had not wanted letters. Imker said he had the floor. Haddix told Imker he was finished. Imker asked if that could be done. Meeker said that, as chair of the meeting, the Mayor could stop Imker from speaking.

Imker said he had said nothing for two months on this topic while Haddix had browbeaten Council on this topic. Haddix said Imker had insulted good people who had done a lot of work for the City. Haddix said that Imker's statistics, when looked at as storefronts, were not correct. He guaranteed 30% of the space was empty. Imker asked Meeker if the Mayor could berate him. Meeker said there was an ordinance that allowed people to respond to something that was said, and Haddix was responding to Imker's comments. Haddix said they had been browbeating and criticizing the DAPC. There was not an operational budget for the new City position. Imker said the Mayor was not addressing his comments, but a whole new position. Meeker said Haddix had ruled Imker out of order, and Haddix was now speaking to that. Haddix said Imker had a dislike for volunteers. He continued that the employee would have to be a member of the same groups as the DAPC board, attend training, and would need money to pursue data. The employee would be spending money on top of the salary as well. It was a false scenario to say the DAPC was wasting money left and right. There was no operating budget for the new employee; there would be a person sitting in a chair doing nothing. Haddix said that person would have all the same costs as the DAPC, but would not be able to do all of the things the DAPC could do to bring new businesses to the City. Haddix said his closing point was why put $70,000 into a new position, then add an operating budget, to end up spending $150,000 anyway. He said it was better to fund the people who could do the complete job without the restrictions of a City employee. Imker was berating volunteers, but the same issues would happen with the new employee. The DAPC had the ability to perform. Council had to be fair; they were talking about people.

Learnard said the City had the best volunteers she had ever seen, and she did not think anyone on the dais would argue with her. Many of the volunteers had taken PTC 101 and had spring boarded from there. Fleisch agreed there had been an unfair accusation, and she loved the City's volunteers. Learnard said Council had a healthy respect for the volunteers and what they were trying to accomplish. They needed to find the best way to support them, and at the same time, Council had a responsibility to taxpayers to see a return on the City's investment.

Sturbaum asked if anyone had seen the revised budget the DAPC had worked on. No one answered. Sturbaum said they wanted to show it to Council. There were some obligations that had to be paid, there were cuts, and the funding for the employee had been increased to $70,000. Also included in the revised budget was funding for driving expenses, some of the required training, and training for the turnover members. It was a different budget. Sturbaum said there had been a meeting the day before. Learnard asked Sturbaum to make his point. Sturbaum said Council had told them they had been doing a good job, but those attending the meeting had conversation about having no confidence in some of the volunteers. Learnard again asked Sturbaum to make his point. Sturbaum said if the member was told he was not doing a good job then they should not be heaping it on him. In fairness to the group, Sturbaum said the DAPC was working very hard and the members were doing what they could on a limited budget. They had requirements for the $35,000 budget. They needed a chance and wanted guidance from Council as a group. If Council was not able to provide guidance, then it was not doing its job. Sturbaum said they should not be hacked or cut, but guided. It was time to be leaders and give them guidance instead of arguing. They were accountable to the DAPC and the taxpayers. Council could make a counterproposal for $60,000, asking for metrics and giving the DAPC guidance. Council had worked with other boards and made changes; the DAPC was no different.

Learnard said the numbers in the DAPC revised budget were new to her. She had not seen them and did not understand why they had waited until this meeting to bring them forward. With the economic development coordinator that had been provided, Council would provide the guidance that was needed. As a Council and as a City, there would be control over the guidance. Learnard said it appeared that $20,000 of the $35,000 budget would have been spent by the end of the fiscal year. She asked for clarification. Imker said the DAPC had started the fiscal year with a carryover from the previous fiscal year of about $15,000. They actually started the fiscal year with around $50.000 (change due to error in addition during meeting). Every year, they spent $35,000 and carried over $15,000.

Imker said he would skip his other points. He continued, with no disrespect to the volunteers intended, that the DAPC's mission needed a major overhaul. They had not presented their goals or any information on the expected return for increased funding, nor a plan to track budgeting costs. The new economic development coordinator could help do that. The taxpayers deserved to know their money was being spent wisely. Haddix asked how the DAPC could function with no money. Imker said they had $15,000 to spend in any way they wanted, and they needed $7,500 to maintain the entity's viability as recognized by the state to execute their primary mission of providing financial advantages to new businesses. If additional funds were needed, they could come to Council and ask for them. Once Council turned the funds over to the DAPC, Council had no authority on how the money was spent. Sturbaum noted that Council had just approved a resolution on budgetary control. Imker stressed that the DAPC was another government entity, and once the money was turned over to them, the City had no more control over it. Haddix asked if Imker understood that authorities were set up to take that control away because of past abuses that occurred. Imker said this was a totally different authority, but that would not happen again. Haddix said the comments made no sense to him. Imker said they needed to find out if a majority of Council agreed with the overhaul or not.

Sturbaum called the question. The motion carried 3-2 (Haddix, Sturbaum).

Imker moved to approve the revised five-year plan as presented at the meeting. Learnard seconded. The motion carried 3-2 (Haddix, Sturbaum).

Imker moved to approve the FY2011 budget with the changes that had been approved during the meeting. Learnard seconded. The motion carried 3-2 (Haddix, Sturbaum).

08-10-08 Consider Adoption of 2010 Millage Rate
Salvatore said the three required public hearings had been held, the five-year history had been properly advertised, and they were ready to move forward with the adoption of the millage rate. The motion for adoption should include the bond millage rate of 0.399 mills, M&O rate of 6.384 mills, which also included 0.76 mills for DAPC debt service.

Learnard moved to adopt a bond millage rate of 0.399 mills, M&O rate of 6.384 mills, which included 0.76 mills for DAPC debt service. Fleisch seconded.

Imker asked for a display of an estimated November 2010 City tax bill (a copy is included in the meeting file), including the school taxes (21.650 mills for bond and M&O), County taxes (5.400 mills), the City's M&O rate (6.384 mills), the City's bond rate (0.399 mills), and the state tax (0.250 mills). In 2009, residents paid 34.603 mills, and the proposed rate for 2010 was 34.083 mills (the County had not approved its millage rate as of the August 19 meeting). Imker pointed out the total millage rate would be 0.520 mills lower than in 2009. With the lower millage rate and the reduction of the fair market value, the average homeowner (a property valued at $260,000) would save $220.17 on their tax bill. He continued that after the 1.25 mill increase for 2010, the millage rate would increase 0.~~5~~1 mills every year, solving the budget crisis by 2015. It was unacceptable to him to pay the projected 0.75 mills more in taxes (total increase of 2.102 mills by 2015 for proposed 1.25 mill increase; total increase of 2.836 mills with a proposed 0.50 mill increase) that would be required if action was not taken now, adding that the smaller increments could also be managed out. He was optimistic because, after looking at revenues, the budget projections were more conservative. There would be a change in the hotel/motel tax distribution, allowing the City to have a larger share of the revenue. Although the City's millage rate would go up, the overall County tax bill would be less due to the decrease in the school's millage rate and the decline in the fair market value. He hated to say it, but he advocated the 1.25 mill increase, and felt this was the year to do it.

amended on 2/3/11 per vote by City Council. [initials]

Sturbaum called the question. The motion carried 3-2 (Haddix, Sturbaum).

Council/Staff Topics

Hot Topics
McMullen reported that the contractor had been making good progress on the Paschall tunnel, and there was no issue with finishing by the end of August. McMullen said there should not be a problem with meeting the October deadline for the realignment of Rockaway Road. McMullen

continued that the City Engineer was working with Camden Apartments, and staff hoped to hear from their legal department in seven to 10 days regarding the MacDuff tunnel. The owner should begin removing the foundation at 201 Clear Springs by the weekend. Everything must be removed by August 31. The next Court date was scheduled for September 1.

Imker apologized for raising his voice during the meeting, adding the disagreement was not personal, but about the approach of different philosophies on one issue. Haddix agreed that the disagreement was over the issue, and was not personal.

Sturbaum moved to convene in executive session for a personnel matter at 9:40 p.m. Fleisch seconded. The motion carried unanimously.

Learnard moved to re-convene in regular session at 10:22 p.m. Fleisch seconded. The motion carried unanimously.

There being no further business to discuss, Learnard moved to adjourn. Sturbaum seconded. The motion carried unanimously. The meeting adjourned at 10:23 p.m.

Pamela Dufresne

Pamela Dufresne, Deputy City Clerk

Don Haddix

Don Haddix, Mayor