

COUNCIL PRESENT: Bruner, Dunagan, Wangemann, Hamrick, Figueras  
STAFF PRESENT: Padgett, Sheppard, Marlowe, Jordan

Mayor Bruner called the meeting to order.

### **Welcome/Opening Remarks**

City Manager Kip Padgett reviewed the agenda for the day indicating Council direction would be required. He stated the operating budget had been reduced by 10% and the workforce had been reduced by 10% through attrition. The FY2010 goals (as noted below) were discussed to provide a status update.

- Implement an in-house Communication/Tourism Department to promote the city and encourage downtown activity
- Evaluate solid waste services
- Improve access to and encourage development around Lake Lanier to attract both citizens and visitors to Gainesville
- Encourage residential property development in downtown Gainesville
- Increase emphasis on youth programs and youth education
- Spearhead a community-wide effort to stabilize and improve the Olympic Venue on Clarks Bridge Road
- Promote additional play at Chattahoochee Golf Course to achieve the revenues projected to sustain the expenditures being made requiring general fund support for capital purchases only
- Evaluate city vehicle usage to eliminate unnecessary expense
- Evaluate revenue sources and increase fees where appropriate
- Strive to eliminate furloughs effective July, 2010

### **ADMINISTRATIVE SERVICES**

#### **Current Financial Status**

Administrative Services Officer Melody Marlowe commented on projections for FY2011. Council shared comments about the comparison of general fund operating revenue pie charts for FY2005 and FY2011. It was noted that the two largest revenue streams, i.e. Local Option Sales Tax (LOST) and Property Tax, were influenced by the actions of the State.

There was some discussion about the decrease in revenue as it pertains to Local Option Sales Tax (LOST) noting the partnership with the Department of Revenue and LOST negotiations were critical toward increasing this revenue stream. It was suggested that there be a proactive approach to working with the Chamber to focus on retail.

Fines, permits and fees had also decreased. It was suggested that departments review fee structures compared to other municipalities to determine if changes are appropriate.

LOST revenue has decreased. Upcoming negotiations may create an avenue for increasing that percentage.

Council Member Wangemann shared the following as areas he'd like to address: education, creation of jobs, quality of life, community cleanliness, family oriented/friendliness, crime, governmental cooperation, cohesiveness within the community and incentives to bring jobs to the community.

During the review of property taxes for 2005 compared to 2011, Mrs. Marlowe stated there were a number of challenges. The county is addressing numerous appeals and had discussed an across the board roll back. Senate Bill 346, effective January 2010, created a major impact because it requires taxes to be lowered for property sold at a lower value. Mrs. Marlowe stated she was uncomfortable trying to provide figures for FY2012. She was certain the revenue would be considerably lower than FY2011.

A review of LOST indicated the last 12 month's projections have been 9% higher than the previous 12 months. The trend had been flat for the last few months.

Fines, Fees and Forfeitures showed the high point in 2007. Immigration laws, recession and the ability for offenders to pay have contributed to the decrease. Mrs. Marlowe stated the number of tickets had increased but the fines were lower amounts.

In regards to operating expenditures, the capital outlay items (small capital items) have been affected by budget cuts. Repairs and maintenance remained relatively flat. Supplies and operating charges were relatively flat. Professional and other services increased to allow outsourcing. Personal services represent 80% of the operating expenditures. The trend shows an increase as revenue increased until 2009. The reduction in staff gives the impression that this area should have declined but it hasn't because benefit costs have increased. These costs are beginning to stabilize.

The slide showing General Fund Transfers to Other Funds indicates the transfers are decreasing. The Capital Transfers have been delayed. It was noted transactions related to the Frances Meadows Center and the Public Safety Complex caused capital transfers to spike in FY2007 and FY2008.

In regards to where we are now, Mrs. Marlowe distributed FY2011 Budget Review information which indicated revenue could be \$520,288 more than anticipated. Expense savings were anticipated to be \$848,000. This meant \$1,017,150 in savings. In total, there should be a positive change in the fund balance of \$1,368,288. Unreserved fund balance (unaudited projections) for 6/30/11 is anticipated to be \$4,976,565.

Mrs. Marlowe stated the Fund Balance Policy requires a one month operating expense reserve; however, there has been a lot of discussion as to what the reserve should be. She felt this was an area that Council should discuss to provide direction.

City Manager Kip Padgett stated staff recommended increasing the reserve to two months. It was suggested that the two month reserve be phased in, i.e., initially increasing the reserve from one month to six weeks. During the recap of goals established during this meeting, Council

Member Hamrick questioned what would be gained from a larger reserve indicating money could be borrowed to address emergencies. There was discussion about saving money for capital projects and moving away from using the prior year's fund balance to balance the budget.

There was discussion about the increased millage rate to cover the fire fighter grant noting it was designed to absorb the funding required to address this grant. It was noted that the grant gradually declines over a 5 year period before the City fully absorbs the cost of the personnel that were hired. The millage rate was purposely set to gradually phase out the grant funds. She felt it was important to take \$465,000 out of the management reserve for the fire fighter grant.

There was also a brief discussion about Other Post Employment Benefit (OPEB) liability and establishing funds for this purpose. This doesn't have to be addressed immediately but will need to be addressed in the near future.

### **Next Year's Budget Process**

City Manager Kip Padgett stated the City is preparing to work on three major projects (the Local Option Sales Tax negotiations, the Comprehensive Plan and the Short Term Work Program). He wanted to move into the next budget year by establishing goals/objectives that are based upon the Short Term Work Program. To move in this direction, some changes to the budget process were required which would be discussed by Financial Analyst Matt Hamby.

Mr. Hamby used a PowerPoint presentation to explain the changes which related to three specific areas: (1) budget format; (2) goals, objectives and performance measures; and (3) the Capital Improvements Program.

The new budget format added long-term/short-term goals and strategies; a Capital Improvements and Debt section; and more graphs and/or narrative sections. Also, some information may be relocated to a different section of the budget document.

The changes to the goals, objectives and performance measures are designed to reveal a closer relationship between department goals and city-wide goals. Also, the department goals will link to the long term and short term strategic plans.

Changes to the Capital Improvements Program will result in the expansion of the capital narrative to: (1) see more of a capital improvement process, (2) display the ranking criteria, (3) show prior fiscal year capital achievements, funding sources, and operating impact; and (4) link to the city-wide goals/objectives. There would also be slight changes to the budget calendar as well as reformatting the five year plan and the capital improvement request form.

In summary, the changes are being made to conform to the Government Finance Officers Association's recommended format and to address recommended changes based upon budget comments. The benefits of the changes include increasing transparency, improving usefulness to user departments and creating a more user friendly document for the public.

Council Member Wangemann asked if there was a way to determine how much of the budget was related to unfunded mandates.

City Manager Kip Padgett asked for input about changing the departmental presentations to address the vision, goals, and capital purchases during a regularly scheduled work session

instead of scheduled budget sessions in addition to the regular meeting calendar. The City Manager and Administrative Officer would present the budget at a later date.

There was consensus among council to proceed with this change.

**RECESS: 10:45 AM**  
**RECONVENE: 10:55 AM**

### **Public Works**

Public Works Director David Dockery stated the department consisted of eight divisions. Three of them would be addressed during the discussion. He provided an overview of several big issues faced in the last few months.

- There had been discussion as to how the City could be better prepared for heavy storms in the future.
- Staff was 31 days into the new solid waste program. They were receiving some calls but nothing major.
- There were resource allocation issues in regards to leaf pickup. They have the equipment necessary for normal operating conditions. This year, staff was faced with colder than usual temperatures which required waiting until later in the morning for the pickup. There were also some equipment failures.

### *Streets*

Mr. Dockery stated the department was responsible for 139.5 miles of local streets. There was discussion of funding for street resurfacing and a brief overview of the type work that occurs. It was confirmed that all streets within the City are hard surface streets.

There was discussion of problems with streets in terms of base failure, physical damage and natural degradation. There was also discussion about the problems that occur when (1) asphalt is laid over concrete streets and (2) water damage occurs.

Council Member Wangemann asked what percentage of the streets were concrete.

Mr. Dockery stated a street should last 45 years with maintenance every 10 years. At the end of the 45 year period, a full reclamation should be considered. It was noted that the base specifications play a key factor in how long the street will last.

There was discussion about the road rating process which occurs annually. The rating process follows a prescribed procedure where the inspector evaluates a street segment, enters data into a computer program (CarteGraph) and a rating is generated for that street. The rating is used to prioritize the streets needing work, is the basis for capital improvement requests, and helps maintain objective criteria for justifying the streets that need the most attention. There has been less paving in the last two years. There was considerable discussion about paving projects in terms of the streets to be addressed, when they were expected to be addressed and the funding source(s) for the projects.

An overview of the last five years in terms of street resurfacing revealed the budget had decreased from \$700,000 to \$475,000 from FY2007 to FY2011. There was confirmation that the City does not receive funding from the County for street resurfacing.

### **Sidewalks**

Public Works Director David Dockery commented on the Sidewalk Improvement Program indicating the master plan was developed in 2006 with implementation in 2007. Budget constraints caused the program to become stagnant shortly after implementation. The program created a prioritized sidewalk construction plan based upon access to medical resources; schools/government facilities; shopping; and parks and recreation facilities. The program provided 41 miles of sidewalk. If funding was available, staff would be working on this project today.

There was discussion about the Safe Routes to Schools Grant which is a partnership with the School System. In 2009, the City received grant funding that would build approximately \$500,000 of sidewalk, i.e. 2.5 miles of sidewalk based upon Georgia Department of Transportation (GDOT) criteria. The project is currently on hold at GDOT. The emphasis was on providing pedestrian pathways to schools. When the project begins, GDOT will take the lead based upon state protocol.

The five year budget overview for sidewalk construction revealed the budget had decreased from \$70,000 to no funding for the period 2007 to 2011.

### **Airport Update**

Assistant Public Works Director Chris Rotalsky gave some history of the airport noting it began as a dirt strip prior to WWII. The navy converted it a training facility then transferred it back to the City. Two runways are currently maintained. There are 81 T-Hangars and 12 Corporate Hangars. Champion Aviation serves as the Fixed Base Operator (FBO).

Mr. Rotalsky briefly commented on the facilities available at the airport. He also discussed recent improvements related to the Instrument Landing System (ILS), taxiway relocation and runway 11-29 overlay project.

The Financial report indicated revenues have declined. There are 13 vacant hangars. Fuel sales are slightly higher which means more people are using the airport. The airport has a five year capital improvement plan which is submitted to Federal Aviation Administration (FAA) every December.

The airport master plan is used to project possibilities for the runway and encouraged for planning ahead. The plan was drafted in 2010. There are some decisions to be made in regards to commercial versus general aviation, passenger services, terminal upgrades and space tourism.

Mr. Rotalsky indicated there were issues relevant to hangar tenants, hangar occupancy, winter weather damage, geographic constraints, and general aviation versus commercial interest. He closed by stating most airports of the same size don't have an Instrument Landing System and two runways. He felt the airport provided opportunity but also presented some challenges.

**RECESS: 11:59 AM**  
**RECONVENE: 1:02 PM**

## **GOLF COURSE**

### **Financial Review**

Director of Golf Rodger Hogan reviewed the Fiscal Year 2011 year to date activity report for the golf course. Revenue projections were approximately \$6,000 lower than anticipated through December 2010. It was noted that the cart fee payment was not reflected in the report. He felt good about the status of the budget and felt the goal was to obtain more play time.

### **Capital Needs**

Director of Golf Rodger Hogan reviewed the five year maintenance capital forecast as well as the long range and Club House needs. He used a power point presentation to show photographs of upgrades that had occurred. He also showed photographs of items yet to be addressed including items that, in Mr. Hogan's opinion, were critical needs.

Council Member Dunagan stated golf carts are not included in the five year plan and the carts will be needed in four years. He also noted the course is not handicap accessible.

Upon inquiry from Council Member Hamrick, Mr. Hogan commented on the Friends of Chattahoochee Event. He also talked about the Adopt a Tree Program.

### **Tournaments**

Director of Golf Rodger Hogan commented on the 2011 tournament schedule. Seven new events were noted on the calendar.

## **COMMUNITY DEVELOPMENT**

### **Comprehensive Plan**

Director of Community Development Rusty Ligon stated the plan serves as a 20 year blue print for growth that guides elected officials and staff in everyday decision making. It is mandated by the state for all cities and counties to have a plan. The last plan was adopted in 2004. The next one should be adopted by June 2012. The update is a 12 month process. A consultant will be selected to help with the process. Four firms will be interviewed this week. Mr. Ligon stated the previous Plan's accomplishments included two Neighborhood Planning Units, adoption of an Impact Fee Program, a midtown overlay zone, a Tax Allocation District, and the local historic designation of the Green Street and Ridgewood Neighborhoods.

There was discussion about the elements of a Plan, i.e., land use, transportation, community facilities, population, housing, natural and cultural resources and economic development. Other planning efforts to be integrated included the 2040 metropolitan transportation plan, 2009-2013 HUD Consolidated Plan, Vision 2014 Strategic P&R Plan and Vision 2010 Plan. There are three main components of the Plan: community assessment, community participation program and community agenda. Mr. Ligon stated the new planning standards have character areas which have unique/special characteristics that should be preserved or enhanced. Citizen involvement will be the key to this process and could include email, Facebook, the city's website, community forums and an online survey tool as methods for obtaining comments. The draft scheduled was

presented identifying the dates in which specific tasks relevant to this project were expected to be addressed.

Mayor Bruner suggested possible models for the downtown areas. Mr. Ligon stated he wanted the forum to generate a design.

### **Census Update**

Director of Community Development Rusty Ligon stated the census serves as the foundation for the Comprehensive Plan. The decennial census was just completed and the results are expected to be released over a three year period. He shared a website that would provide some census information as of 2009 and shared how the data would assist with development efforts as well as grant funding. He stated there were plans for Census data to be released annually which reduced the need to rely on population projections.

Upon inquire from Council Member Figueras, City Clerk Denise Jordan provided an overview of the redistricting process as it pertains to the City of Gainesville.

### **Midtown Greenway**

Special Projects Manager Jessica Tullar stated in 2001, the idea of a greenway emerged. The concept/idea was defined in 2003 and blossomed to life. The next step was to work with CSX to negotiate property purchases which included working with an environmental attorney to ensure appropriate cleanup in an effort to protect the City from future law suits. After the cleanup, the department partnered with the Jaeger Company to update the master plan and to create civil design plans. Mrs. Tullar showed design diagrams of a Midtown Park noting the greenway connection was integral for connecting the downtown area to Rock Creek. Mrs. Tullar stated the cost estimate was just under \$2 million and commented on grant funds that have been received to assist with this project. The project timeline was 18 to 20 months for having an open greenway in the midtown area.

### **Housing/Non-profit Update**

Housing Program Manager Chris Davis provided an overview indicating the Housing Department merged with Community Development in 2009. This division is composed of two programs, i.e., the Community Development Block Grant Program and the Gainesville Nonprofit Development Foundation. Both are designed to help low income families and to eliminate slum/blighted living conditions. He provided an overview of recent accomplishments and discussed current activities. Mr. Davis stated the future has many opportunities such as targeting specific areas and exploring innovative affordable housing concepts.

**RECESS: 2:35 PM**  
**RECONVENE: 2:41 pm**

## **PARKS AND RECREATION:**

### **Vision 2014 Update**

Director of Parks and Recreation Melvin Cooper began the discussion by addressing successes associated with the Vision 2014 Strategic Parks and Recreation Plan with a notation that challenging times generated questions from citizens. The strategic planning elements would address: GIS Maps for parks, facilities, services and demographics; agency comparisons; operational analysis; organizational structure; fee policy analysis; facility needs assessment; concept plans; and financial plans. Mr. Cooper defined the phases of the planning approach and shared the timeline for completion.

Council Member Hamrick asked if Hall County had approached the Parks and Recreation Agency about consolidating services.

## **GOALS FOR NEXT YEAR:**

City Manager Kip Padgett recapped the goals heard during the meeting:

### **Administrative Services**

- Move toward a two month reserve policy
- Review fees, fines & forfeitures
- Tweak employee benefits for future new hires by addressing
  - vacation leave accruals
  - total leave accruals that can be carried over
  - how quickly employees reach the maximum accrual
  - Increasing retirement age (Public Safety Employees to age 55 and everyone else to age 65)
- Boost moral for current employees
- Look for bilingual staff

### **Public Works**

- Address road repairs
- Modestly resume sidewalk projects
- Secure road monies from the county
- Fee simple rate for airport hangars
- Address tie downs with the Fixed Base Operator
- Redefine the vehicle replacement policy to establish a uniform practice with guidance addressing the size of the vehicle to ensure the size is appropriate for the use

### **Golf Course**

- Address capital needs associated with greens, the clubhouse and aesthetics

### **Community Development**

- Complete the Comprehensive Plan
- Attract businesses
- Provide a means for walking traffic to access Frances Meadows Aquatic Center

**Parks and Recreation**

- Funding for and annexation of the Olympic Park including Special Purpose Local Option Sales Tax funds if possible.
- Retail options at Holly Park
- SPLOST funds for Olympic Park

**Miscellaneous**

- Develop the downtown area and review responsibilities of the Downtown Development Authority
- Work toward more cooperative efforts with Hall County
- Generate more ideas if the City is expected to develop the 2030 Vision
- Talk with the Governor about financial needs for large projects
- Continue pursuing the implementation of Municipal Option Sales Tax (MOST)

**EXECUTIVE SESSION:**

City Manager Kip Padgett requested an Executive Session to discuss personnel matters.

**Motion to close the meeting for an Executive Session to discuss personnel matters at 3:49 PM.**

Motion made by Council Member Dunagan

Motion seconded by Council Member Figueras

**Council Members voting in favor of the motion were Bruner, Dunagan, Wangemann, Hamrick and Figueras.**

COUNCIL PRESENT: Bruner, Dunagan, Wangemann, Hamrick, Figueras

STAFF PRESENT: Padgett

Administrative Services Director Melody Marlowe participated in the Executive Session from 3:49 PM until 4:25 PM.

**Motion to close the Executive Session and to adjourn the meeting at 4:50 PM.**

Motion made by Council Member Wangemann

Motion seconded by Council Member Figueras

**Council Members voting in favor of the motion were Bruner, Dunagan, Wangemann, Hamrick and Figueras.**

**ADJOURNMENT: 4:50 PM**

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