

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

Mayor Dunagan called the meeting to order.

City Manager Kip Padgett started the meeting by commenting on accomplishments/accolades of the city.

Goals

City Manager Kip Padgett reviewed the 2011 Council goals and provided a status report. He also shared the following goals for the upcoming year:

- Complete LOST negotiations to ensure receipt of equitable distribution considering Gainesville's position as the County's economic driver.
- Reach consensus/final decision on Brenau's use of the Georgia Mountains Center.
- Resolve the Cedar Creek/North Oconee issue
- Begin implementation of financial tools in redevelopment areas identified during the Comprehensive Planning process.
- Begin a new Annual Report.
- Finalize the Olympic site.
- Foster Redevelopment in the downtown and midtown areas.
- Work with the Metropolitan Planning Organization to develop a Community Transportation Plan.

Council Member Bruner commented on the downtown library being vital to the citizens and felt there should be an effort to work with the County to keep it in the downtown area.

Mr. Padgett noted a mid-year update of departmental goals was included in the agenda package.

Financial Update

Chief Financial Officer Melody Marlowe commented on the Senate Bill that has impacted the tax digest and how the implementation of the bill has hurt the City. It was noted that the Tax Office has issued over 700 refund checks. She also called attention to the millage rate decline from 2006 to 2010. The millage rate increased in FY2011 because of the Fire Fighter positions; however, the gains from that increase have been lost due to the changes in the tax digest.

Council Member Hamrick asked if the City was still working with the Department of Community Affairs to address the sales tax inconsistencies. It was noted that the City is providing information and is talking with representatives but the issue is not resolved.

Mrs. Marlowe commented on the decrease in Fines, Fees and Forfeitures over the last three years indicating this was related to the immigration bill and the economy.

Mrs. Marlowe stated permit and zoning fees are low because of the recession. The same was true for occupation taxes.

Mrs. Marlowe stated the General Fund Operating Expenditures and Transfers also showed decreases even with the distribution of Employee Appreciation Checks during the Christmas

season. There had been a 10% reduction in the number of employees. It was also noted employees had not received a pay increase since 2008.

The current year budget shows an amended budget of \$25,234,191 with projected revenues of \$26,231,930 (a 4% increase). For expenditures, there was an amended budget of \$27,435,982 with projected expenditures of \$26,923,766 resulting in expenditures equivalent to 98.1% (a 1.9% decrease). The recap of the General Fund Projected Fund Balance for June 30, 2012 was noted as follows:

FY2012 Projected Revenues over Budget Projections	997,739
FY2012 Projected Expenditures Under Budget Projections	512,216
Change in Fund Balance FY2012	1,509,955
Unreserved Undesignated Fund Balance 6/30/2011	<u>5,114,389</u>
Total Fund Balance 6/30/2012 (Projected)	6,624,344
SAFR Grant Match	(720,000)
Budget Fund Balance FY2013	<u>(1,400,000)</u>
Unreserved Fund Balance 6/20/2012 (Management Reserve)	<u>\$4,504,344</u>

There was discussion about the Safer Grant Match and the strategy for supporting the grant which included increasing the millage rate in 2015.

City Manager Kip Padgett stated it was important to put as much money as possible in capital to address some projects.

The review of the Property Tax Revenue information prompted a comment from Council Member Hamrick that ¼ of the revenue had exempt status.

Mrs. Marlowe projected Gainesville's tax digest would decline by another 9% (net 11%) for next year. Revenue projections for Special Purpose Local Option Sales Tax (SPLOST) are not being met. Money will be needed at the end of the year to offset the difference. She commented on other issues that will impact the millage rate. She also recommended a millage rate roll-up to address the current obligations.

Comprehensive Plan

Community Development Director Rusty Ligon provided some background information on the Comprehensive Plan. The current plan is from 2004. The state requires an update every ten years. The update process has three phases: community assessment, visioning/community input and agenda implementation plan. A tremendous amount of time was dedicated to receiving public comments.

Consultant John Skach shared a variety of information about the work on the Comprehensive Plan. He defined four of the thirteen character areas (areas representing the central core of the city). The thirteen areas are noted as follows: the Central Core, Traditional Neighborhoods, the City Park Neighborhood Center, the Lake District, Longwood Cove, Browns Bridge Corridor, West Side, Limestone Medical Villages, Historic Mill Village, the Economic Development Gateways, Suburban Residential, Suburban Commercial and Regional Recreation/Conservation.

There was extensive discussion about several corridors in the central core.

It was noted that the Short Term Work Program (STWP) would be completed in the next few weeks. Official action was tentatively scheduled for March.

Council Member Bruner asked staff to consider addressing the area near Alliance for Literacy.

Council Member Figueras asked staff to consider addressing the Industrial Boulevard area.

Council Member Wangemann commented on the number of apartments in the city. Some were not kept as well as he preferred and asked what could be done. Mr. Skach stated this sounded like a code enforcement issue.

**Recess: 11:04 AM
Reconvene: 11:18 AM**

Signage

Planning Manager Matt Tate discussed temporary signage noting there was a need to make a better first impression from the corridors leading into the city. He discussed the Code's purpose and intent. He commented on areas that needed some attention. He discussed in detail the temporary signage as allowed by the code. There was also discussion about the types of temporary signage that are becoming more obvious in the community yet also cause visual clutter, i.e., banners, inflatable, flags, pylons, portables, windblown devices and derelicts. Mr. Tate stated reducing the clutter makes the community more attractive. He asked for direction from Council in terms of whether there was a desire to make any changes.

Mayor Dunagan commented on properties along Thompson Bridge Road that are side by side or in close proximity. One business would be in the city and monitored more closely where another would be in the county and may not be monitored in the same fashion.

Community Development Director Rusty Ligon stated there may be a need to offer public education regarding signage. He also stated staff felt the code was appropriate.

Council Member Figueras commented on the need to be consistent about enforcement.

There was some discussion about notifying business owners of the approach to address signage. This would offer some type of educational session before enforcement.

Mayor Dunagan felt there should be two warnings then violators should be sent to Municipal Court.

Inspection/Permit Fees

Community Development Director Rusty Ligon reviewed the fee structure noting the department collects two types of fees: zoning/civil review fees and inspection permitting fees. He also shared information about the departmental budget decreasing by \$200,000 in the last four years. He commended on the state law for collecting fees. Mr. Ligon stated Plan Review Fees were established in 1993 and have not been changed since that time. Commercial Permit Fees were last updated in April 1996 and Residential permit fees were last updated in May 2000. A comparison of 14 different entities ranked Gainesville as ninth in terms of highest to lowest fee structure. Sandy Springs ranked the highest and Valdosta ranked the lowest.

Council Member Wangemann expressed a desire to be sensitive during hard economic times.

Community Development Director Rusty Ligon noted several areas to improve the permitting structure while being sensitive to the economy, i.e., temporary certificate of occupancy, certificate of completion, plan review fees and re-inspection charges.

It was noted that changing the fees to cover the overhead would not cover all of the expenses.

Council concurred with changing the fees.

Executive Session

(Lunch was provided during the Executive Session)

Motion to close the meeting to enter an Executive Session to discuss personnel matters at 12:11 PM.

Motion made by Council Member Bruner

Motion seconded by Council Member Figueras

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

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

STAFF PRESENT: Padgett, Sheppard, Palmour, Marlowe, Jordan

Motion to close the Executive Session to continue the Retreat at 12:49 PM.

Motion made by Council Member Bruner

Motion seconded by Council Member Figueras

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

Community Service Center

Community Service Center Director Phillippa Lewis Moss stated she would discuss how the face of the Community Service Center (CSC) had changed in the last few years. She started the discussion by reviewing the Mission Statement and sharing the purpose of the CSC, i.e., to lend a helping hand for a short period of time. The CSC has a good relationship with non-profits as a supplement not a competitive service. She expressed a desire to be very careful about privatization on the basis that one size doesn't fit all. She commented on the value of city/county partnership and shared some statistical information such as they serve 2757 households (2.5 individuals per home). Mrs. Moss discussed the process of calculating the budget contribution. She stated census data indicates ¼ of the community will be deemed "seniors" by 2015. The FY13 budget challenges were noted as follows:

- Hall County will likely seek additional reductions
 - The amount is unknown but could target one or all CSC programs
 - A targeted reduction would likely be directed to Hall Area Transit (HAT)

Mrs. Moss shared information, including the implications, about the following scenarios that could occur during the upcoming budget discussions:

1. Hall County cuts county-wide grant funded programs
2. Gainesville and Hall County eliminate transit service
3. Hall County assumes responsibility for Dial-A-Ride
4. Gainesville assumes responsibility for Red Rabbit
5. Close the Community Service Center entirely

Upon inquiry, Mrs. Moss stated she hoped she would have an opportunity to present information to the County Commissioners in the upcoming month. She closed the presentation by showing the history of staff reductions which indicated 12 positions had been lost since 2007.

Parks & Recreation

Director of Parks and Recreation Melvin Cooper provided an opening statement addressing the financial status of the agency during a down economy. In summary, the statement expressed a need for a complete change in culture, i.e., a new corporate DNA that alters the mind of every person on staff. He requested support from the Council and the Parks and Recreation Board to provide funding options. The following were noted as options that may or may not be appropriate for the upcoming budget discussions:

1. An additional .25 mills will generate approximately \$700,000 or a tax roll-up.
2. Explore options for receiving hotel/motel tax.
3. Continue efforts to secure grants, private donations, intergovernmental agreements, non-profits, privatization, concessions and sponsorships.
4. Adopt a revenue plan that is built as a business model to consider direct and indirect cost of operating programs while maintaining a balance of accessibility.
5. Adopt a sponsorship policy as an alternative revenue source.

Deputy Director of Parks and Recreation Michael Graham presented information about the effects of the down economy noting the following: lower property tax base, fewer room rentals, use of unreserved funds to meet unbudgeted maintenance issues, utility cost increases, loss of diversion center workers/inmates to support workload and increases in the children at play scholarship applications. On the positive side, citizens are using the parks more. There was increased participation in recreation programs. Efforts were underway to transition to multi-use facilities. There was a redefined way of doing business and the Frances Meadows Aquatic Center had helped maintain fees/charges for services. Mr. Graham discussed the fact that successful organizations understand the eight essential characteristics for financial resilience (diversity, decentralization, foresight, redundancy, collaboration, transparency, flexibility and fail gracefully). The Parks and Recreation Agency remained resilient in many ways. The challenges for the department were noted as growth, balancing pay as you play, maintenance/operation of additional properties without additional funds, capital dollars for aging infrastructure and/or new development and rental space.

Council Member Hamrick expressed a desire to finalize an agreement with the County to manage the Olympic site which would provide another revenue stream.

Council Member Figueras asked the department to not focus so much on business that they fail to see the human side.

Recess: 2:44 PM
Reconvene: 2:55 PM

Streets

Public Works Director David Dockery discussed the responsibilities of the Streets Division. There was an overview of the road rating process and the financing options for paving projects. He briefly commented on recent paving projects and shared the list of proposed paving projects for 2012 which was noted as follows:

- Outsourced: North Enota Avenue, Burns Drive, Mulberry Lane, Beverly Road, Prior Street, High Street, Comer Street, Melody Lane, Rosewood Drive and Shaw Drive
- In-House: Florence Drive, Banks Street (Armour to Queen City), Mott Street (Summitt to Johnson), Longstreet Circle (Green Street to Park Hill Drive) and Laura Lane
- Full Depth Reclamation: Old Flowery Branch Road and Willow Ridge Drive

Mr. Dockery also shared the FY2013 proposed paving projects which were noted as follows:

- LMIG Eligible: Osborn Street, Forrest Lane, Glenwood Avenue (2 segments), Piedmont Avenue (4 segments), Burns Place, Monroe Drive (2 segments), Holly Drive (6 segments), Holly Lane and Washington Street (2 segments)
- Full Depth Reclamation: Lenox Drive and Cannon Ridge Drive

Mr. Dockery discussed problems on Tommy Aaron Drive. The following repair options were presented with advantages/disadvantages, cost information and a recommendation that option 2 was the best way to proceed:

1. Root bridging at a cost of \$245,000.
2. Mill the existing asphalt and resurface at a cost of \$102,000.
3. Remove existing trees and replant Cryptomeria 15 feet behind the curb at a cost of \$110,000.
4. Narrow Tommy Aaron Drive at a cost of \$260,000.

Mayor Dunagan stated he had talked with the Golf Director who thought milling the street would not kill the trees. Based upon that comment, he agreed with the recommendation of option 2.

Council Member Figueras suggested that arborist on staff provide an opinion about the trees.

Sidewalks

Public Works Director David Dockery discussed the sidewalk improvement program. He also discussed the Safe Routes to Schools Grant which represented a partnership between the city and the school system to build sidewalks. The program was through the Department of Transportation (DOT) and work would be completed by DOT contractors. There was a five year overview of the sidewalk construction budget. It was noted that years 2010, 2011 and 2012 did not have any funding.

Vehicle Replacement Policy

Public Works Director David Dockery stated an effort had been made to establish guidelines for standard protocol in terms of replacing vehicles. The policy involved a point system based upon age, mileage, type service, reliability, condition and repair history. A vehicle qualifies for

replacement based upon scores that fall within the eligibility range. He stated the new policy would be implemented in the next budget year.

Engine 209

Public Works Director David Dockery discussed Engine 209 Park noting the train was expensive to maintain. He shared some history dating back to 1978. The current repairs would cost approximately \$25,000. At minimum, the baggage car needed repainting.

Council Member Figueras stated she would like to see the engine open as a museum if we are going to continue spending money on it.

Mayor Dunagan stated the current location was prime real estate and asked about relocation cost. If the trains stay at the current location, they need to be covered which was a segway into a discussion about providing a shelter for the train display.

Mr. Dockery reported staff talked with one contractor about building a shelter. The preliminary estimates fell between \$150,000 and \$200,000. The goal would be to cover the train from prolonged sunlight and shelter it from some rain. He commented on another community obtaining a shelter through an Eagle Scout Project.

Mayor Dunagan requested a price to relocate the train and caboose to the midtown area. It was suggested to sell the baggage car for scrap metal.

Closing Remarks

City Manager Kip Padgett commented on the dollars required to address road projects and the proactive approach displayed by the Community Development Department. There are some things beyond control. The choices for the upcoming budget were slim, i.e., look at a millage roll-up or cut programs.

Recess: 4:06 PM

Reconvene: 4:12 PM

Executive Session

Motion to close the meeting to enter an Executive Session to discuss personnel and real estate matters at 4:30 PM.

Motion made by Council Member Figueras

Motion seconded by Council Member Wangemann

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

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

STAFF PRESENT: Padgett, Sheppard, Palmour, Marlowe, Jordan

Motion to close the Executive Session and adjourn the meeting at 4:58 PM.

Motion made by Council Member Bruner

Motion seconded by Council Member Figueras

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

ADJOURNMENT: 4:58 PM

/dj