

COUNCIL PRESENT: Dunagan, Wangemann, Hamrick, Figueras, Bruner
STAFF PRESENT: Padgett, Sheppard, Marlowe, Jordan
OTHER STAFF: Hogan, Felts, Gregson, Mansfield, Ligon, Kansky, Davis, Tullar
(at various times)

City Manager Kip Padgett called the meeting to order by reviewing the agenda for the day.

GOALS:

City Manager Kip Padgett commented on the status of the following goals:

- Complete Local Option Sales Tax (LOST) negotiations.
- Finalize Brenau's use of the Georgia Mountains Center.
- Resolve the Cedar Creek/North Oconee issue.
- Implement financial tools in redevelopment areas identified during the Comprehensive Plan.
- Finalize future use of the Olympic Site.
- Foster redevelopment in the downtown and midtown areas.
- Work with the Metropolitan Planning Organization (MPO) to develop a Community Transportation Plan.
- Initiate program to successfully promote more homeownership within the city.
- Initiate a program to encourage better property maintenance within the city to include a mechanism for addressing absentee landowners.
- Implement an Agenda Manager Program to transition into paperless meetings.
- Develop implementation and funding programs in response to the recommendation of the Transportation Plan with traditional and non-traditional solutions.
- Ensure the city's water customers and Gainesville tax payers do not shoulder the financial responsibility for any reservoir or other regional water system that takes away Gainesville's currently identified water requirements from the Metropolitan North Georgia Water Planning District Plan.
- Ensure that if an optional water supply source to Lake Lanier is submitted by the State of Georgia to the USACOE, it is seen as part of a solution to the regional water supply needs. As such, the region shall equally share in its operational costs and construction and shall not rely on the City of Gainesville water customers and tax payers to fund its construction and operation.

Mr. Padgett stated these goals were generated from discussions heard in various meetings of the Council. He expressed the need to add a goal to work with the Department of Transportation about roadway maintenance.

Mr. Padgett commented on a recent article documenting the City's MSA ranking. Council requested a copy of this information for future reference.

Council felt there was not enough emphasis from the Chamber on the Olympic Venue Site being an economic development tool. There was some concern that the county's district voting process was a deterrent.

Council Member Wangemann asked for entrance way signs to the city that are welcoming and user friendly. City Manager Kip Padgett stated the Communication and Tourism Department has

been working with a sign company to address this request. Revenue is a consideration with this goal. He stated discussion was underway to have signage in the New Holland area.

Mr. Padgett stated the Communication and Tourism Department was also considering way finding (directional) signage. Council Member Hamrick suggested seeking assistance from the Master Arborist regarding beautification for the signage projects.

Mr. Wangemann suggested having the Chamber and/or other non-profit agencies to solicit for funds to support this project.

Council Member Figueras felt the height of the Eye Care Center sign near Gainesville Middle School took away from the Community Way signage.

Council Member Wangemann expressed a desire to work with Hall County to beautify the inside of the downtown square. Council Member Hamrick felt the property owners could be encouraged to help with this too.

FINANCIAL UPDATE:

Chief Financial Services Officer Melody Marlowe stated there was no bad news for today. The city has a strong financial status which is a reflection of the Council's past decisions. She used a power point presentation to supplement her comments. Points of interest were noted below.

- Property tax, franchise fees and Local Option Sales Tax (LOST) represent 65% of the city's revenue in the General Fund.
- There has been a 4% decline in revenue since the recession began.
- The economy has shifted to increase reliance on property taxes.
- The tax digest and the millage rate impact property tax revenues.
- Conversation occurred with Hall County to obtain an idea of what to expect regarding taxes for the next year. No helpful information was available at that time.
- Bank sales are impacting property taxes and delaying tax digest projections.
- Local Option Sales Tax (LOST) is slowly increasing. Negotiations are underway with Hall County to establish collections for 2014.
- The Pilot Program initiated in FY2010 with the Department of Revenue (DOR) hasn't produced a resolution to the sales tax problem and DOR is not sharing information.
- There was discussion about Point of Sales which supported the position of municipalities.
- Franchise fees are impacted by the economy and the weather.
- Permits and Zoning Fee collections are starting to increase. There were no negative comments regarding the fee changes.
- In regards to Occupational Tax, 14% of the revenue comes from banking institutions. Also, the number of businesses and the number of employees have both declined.
- General Fund Operating Expenditures are mostly Personal Services (78%). The cost in this area has decreased 1%.
- A review of the General Fund Operating Expenditures by service group indicated public safety generates 61% of the expenditures.
- A slide regarding the General Fund Transfers to Other Funds showed a decline in operating transfers. It also showed a significant decline in regards to capital transfers with a few peaks related to specific projects. The last two years show where there were funds available for capital expenditures.

- General Fund Budget Review revealed the projections for the year. There's a 4% savings at mid-year.
- The General Fund Expenditures projections indicate departments will be at least 1% below their budget which included savings from personnel vacancies. There have been quarterly meetings with Department Directors to keep a close eye on the budget. At mid-year, there was 2.6% savings on expenditures.

The recap of the projected fund balance as of June 30, 2013 was noted as follows:

FY2013 Projected Revenues Over Budget Projections	\$ 983,490
FY2013 Projected Expenditures Under Budget Projections	\$ 733,189
Changes in Fund Balance FY2013	\$ 1,716,679
Unassigned Fund Balance as of 6/30/12	\$ 5,874,076
Total Fund Balance as of 6/30/2013 (Projected)	\$ 7,590,755

Mrs. Marlowe stated the two month management reserve (\$1.7 million) and money for the SAFER grant (\$720,000) must be set aside which leaves almost \$2.4 million for appropriation into the capital budget.

Mrs. Marlowe closed with information about the Property Tax Digest. The gross digest has dropped over the past five year. The net digest has dropped even quicker because exempt properties have increased by 20% (from \$800,000 million to \$1 billion).

Mayor Dunagan expressed a concern about the hospital acquiring properties. He also asked a few questions. The top five exempt properties were noted as the Hospital Authority, Riverside Military Academy, Brenau, Free Chapel and Hall County Government. Mr. Dunagan requested a copy of the list of exempt properties. He suggested that the Georgia Municipal Association (GMA) recommend legislation for a public safety tax that exempt properties would pay.

Council Member Wangemann suggested a user fee in lieu of a tax.

DEPARTMENT PRESENTATIONS:

Chattahoochee Golf Course

Director of Golf Rodger Hogan stated the heat over the last few summers has been hard on the grass at the golf course. Today's presentation was designed to discuss converting the course from Bent Grass to Bermuda Grass. He shared the history of both as it pertains to golf courses. He shared a list of Georgia Golf Courses that have converted to Champion Bermuda Grass and the courses that have converted to Mini Verde Grass since 2005 as well as a list of courses scheduled to convert in 2013. The benefits of converting were noted as follows:

- Heat tolerance
- No ball marks
- Less fungicide applications during the summer months
- Elimination of wilt watch in the summer months
- Green conditions are best during peak play times
- Rounds of golf should increase in the summer instead of golfers playing other courses when the greens are stressed from summer heat
- Potential revenue increase due to an increase in the number of rounds played

Mr. Hogan commented on the downside of converting indicating Bermuda Grass goes dormant after the first frost but the greens are still playable year round. It was noted that the course is less played when the greens are dormant. Also, the greens must be covered when temperatures reach 28 degrees or lower. Any savings from wilt watch would most likely be used to cover the greens during the cooler temperatures.

There was discussion about the cost of converting to Champion Bermuda Grass (\$234,500) which included installation, sand/fertilizers/soil, winter covers, green surfacing, collar work, tree removal and new equipment. There was also discussion about converting to Mini Verde Bermuda Grass. The total cost was \$252,500 which included the same items referenced in Champion Bermuda. It was noted that the Champion Bermuda Grass is guaranteed where the Mini Verde Bermuda Grass is not.

There was discussion of the historical data rounds played from 2009 to 2012 for the months of July and August. He also commented on potential revenue gains (\$73,950) associated with converting the greens to another type grass.

Upon inquiry, Mr. Hogan stated his preference was the Mini Verde.

There was discussion about the consequences of losing golfers to another course noting if conversion occurs, the process would begin in June and would continue over a 12 week period.

Council Member Wangemann asked about funds to pay for this project. It was noted that the reason for the discussion was to determine if/when this project should be included in the budget.

Mayor Dunagan asked about capital needs for the golf course over the next 2 to 3 years. He didn't object to the project but wondered if it needed to be done in the future. Mr. Hogan reviewed the list. Council asked staff to consider reissuing the golf course bonds and converting the greens to a different grass in FY2015. Council asked about staging the conversion to address nine holes at a time.

Mr. Hogan stated the conversion could be staged as requested but didn't feel this was the best option for two reasons: (1) two different maintenance procedures would be required and (2) there was a higher risk of losing golfers. Mr. Hogan felt it was reasonable to consider the conversion in 2015 if the bonds are reissued. He also commented on a conversation with Bob Benson who didn't recommend converting to either grass if the contours of the greens remained unchanged.

RECESS: 10:39 AM
RECONVENE: 10:47 AM

Tourism

Communication and Tourism Director Catiel Felts stated their directive was to promote Gainesville, Georgia. She commented on the City's image and unveiled a new tag line/slogan, i.e., Gainesville Looks Good on You.

Tourism and Trade Manager Deb Gregson presented a new logo that can be used citywide. She stated tourism is big business noting the purpose is putting heads in beds and allowing visitors to have a good time in hopes that they will return in the future. The focus was on SMERFS, i.e., Social/Sports, Military, Educational, Religious and Fraternal groups. She

commented on economic impact information noting regional and county-wide information is sent to the State. Information is also maintained specific to the City of Gainesville. She commented on hotel/motel tax information for FY2010 to FY2012 noting each year the amount had increased. In regards to advertising, it was noted that staff was looking to find the best way to spread the word about Gainesville. Ms. Gregson stated ads/articles appear in several magazines noting Mrs. Felts is writing a bi-monthly article for one magazine. The following were noted as tourism partners: The Arts, Brenau University, Museums, Parks and Recreation, The Olympic Venue and local hotels/businesses. Ms. Gregson commented on promotional projects and upcoming events for 2013.

Mayor Dunagan asked that this presentation be used at a future Chamber Board Meeting as well as to support the need for funding to support a local Convention Center.

Mainstreet Update

Main Street Manager Regina Mansfield commented on a new logo for downtown. She commented on a four-point committee approach addressing organization, promotion, design and economic restructuring. She also provided a brief explanation of the focus for each committee.

Council Member Figueras requested coordination with the Georgia Municipal Association's Renaissance Downtown Program.

Ms. Mansfield also commented on business recruitment and the 2013 projects. Business recruitment includes giving people the necessary information for opening a business in the City. Upcoming projects include the following: QR Code Project, Social Media and a Building/Business Inventory. Ms. Mansfield closed with providing a downtown investment summary indicating the following:

- Over 930 volunteer hours were worked (the equivalent of nearly \$10,000 in labor)
- Over 156 events with more than 80,000 people attending
- 23 job creations
- 5 new businesses
- \$500,000 in private investment spent on rehabilitation projects in 2012

Downtown Investment

Traffic Engineer Dee Taylor presented a few ideas from a group focusing on expanding the downtown streetscape. The idea was to expand northward along Bradford Street from Washington Street to Brenau; from Washington Street eastward toward Green Street; and along a portion of Green Street on the east side across from the bank. There are no funds available at this time. Mr. Taylor commented on the reduction of thru lanes being the most dramatic change followed by the concept of creating a pedestrian plaza. Staff was still working on the concept before pursuing funding options.

Downtown Master Plan

Community Development Director Rusty Ligon commented on the Comprehensive Plan adopted in June 2012 which serves as a blueprint for future growth. The consultant felt the downtown was unique and recommended a detailed Downtown Master Plan resulting in block by block planning for this area. He commented on downtown opportunities associated with the Main Street lots, Brenau moving into the Georgia Mountains Center, Roosevelt Square, the Pedestrian Bridge and the City View Project. Staff contacted the University of Georgia Fannin Institute about developing a Downtown Master Plan. The Fannin Institute provided some possibilities for existing buildings which were presented to the Council.

Council Member Figueras commented on the funding element of Vision 2030 not having been developed.

Upon inquiry from Council Member Bruner, City Manager Kip Padgett stated this project would be addressed through the budgeting process.

RECESS: 11:41 AM

RECONVENE: 11:49 AM

Community Development

Community Development Director Rusty Ligon stated the next segment of discussion was about housing. He commented on the structure of the Community Development Department which includes Planning, Housing, Inspections, Code Enforcement and Special Projects. Historically Gainesville was considered a small town. There has been a significant amount of population and housing growth over the last 20 years. A comparison of statistical data indicated Hall County unincorporated areas were experiencing a decrease in the growth rate. Census data information indicated occupancy levels were standard but the type of occupancy raised some concerns because 35% were owners and 65% were renters. A review of other jurisdictions in the state validated the concern. Gainesville has older housing stock with 1/3 of its housing being historic or having historic potential. Mr. Ligon also indicated there's a growing number of vacant and/or foreclosed properties.

Code Enforcement

Code Enforcement Manager Gary Kansky commented on enforcement of all codes of the city. He showed before and after photos of violations within the City limits. He commented on not being able to demolish a structure based upon looks alone. There was discussion about the Property Maintenance Code being the tool used to determine if a violation exist. He also commented on the Nuisance and Abatement process indicating it involves the City Attorney, budgeted dollars and other resources. Mr. Kansky stated staff is working to educate the community. Last year, staff investigated 3,357 complaint calls that produced 21 written warnings and 37 citations.

Mr. Kansky commented on situations where the property owner is deceased and the family failed to complete probate proceedings. These situations required the City Attorney's assistance to properly address any problem.

Georgia Initiative for Community Housing (GICH)

Housing Program Manager Chris Davis commented on the GICH Program which started in 2004 as a partnership between the University of Georgia, the Department of Community Affairs and the Georgia Municipal Association. The city joined GICH in 2012. Its purpose is to provide communities with a three-year program for collaboration and technical support to address the community's housing needs. At present, 41 Georgia communities have participated. The program required the creation of a housing team which included staff, non-profit groups and others. The purpose of the team is to generate a list of the community needs. Networking was a key aspect of the program. There was discussion about the work plan in terms of the mission, the vision and the goals. Staff worked with the Carl Vinson Institute of Government to obtain renderings to show examples of potential improvements to several homes in poor condition.

Next Steps

Special Projects Manager Jessica Dempsey Tullar commented on potential tools to help address housing issues. She indicated nearly 1/3 of the housing was older noting older housing receives less rehabilitation making it vulnerable to declining value. Staff was interested in partnering with the Georgia Mountains Regional Center GMRC to conduct a citywide housing condition survey. They will review 7,300 residential structures to rate their condition. Staff had already piloted the assessment form that would identify the type of unit, occupancy, defects and other related information to determine the overall conditions of the property. Overall rating will fall into one of the following categories: excellent, good, fair, deteriorated or dilapidated. Information will be mapped in GIS to determine target areas. The survey is to provide the awareness of the condition as the foundation for taking action.

Mrs. Tullar shared details associated with five tools to identify vacant/foreclosed properties as noted below indicating this was a way for the community to monitor these properties. The tools establish ownership and responsibility which make it easier for the community to pursue corrective action.

1. Decorative boarding
2. "Eyes on Gainesville" newspaper photos or call-in hotline
3. Vacant/foreclosed property registration
4. Community redevelopment tax incentive program
5. Land bank authority

Mr. Ligon stated there had been conversation with Athens/Clarke County indicating they had decided not to pursue the vacant/foreclosed property registration because they think they've found a better way to address this. More discussion will occur.

Council Member Bruner and Mayor Dunagan felt staff should explore the Community Redevelopment Tax Incentive Program.

Mrs. Tullar stated staff wasn't advocating a particular approach and was happy to explore any ideas in detail. She reminded Council that housing is a citywide issue. The current housing situation didn't occur over night. It will take a deliberate, creative and coordinated approach that involves City, County and other agencies to make a change.

EXECUTIVE SESSION:

City Manager Kip Padgett requested an Executive Session to discuss litigation noting the discussion would occur during lunch.

Motion to close the meeting to enter into an Executive Session to discuss litigation matters at 12:56 PM.

Motion made by Council Member Bruner

Motion seconded by Council Member Figueras

Votes favoring the motion: Dunagan, Wangemann, Hamrick, Figueras, Bruner

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

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

Motion to close the Executive Session and adjourn the meeting at 1:55 PM.

Motion made by Council Member Bruner

Motion seconded by Council Member Figueras

Votes favoring the motion: Dunagan, Wangemann, Hamrick, Figueras, Bruner

ADJOURNMENT: 1:55 PM

NOTE: Council participated in facility tours immediately after the meeting.

/dj