



**WORK SESSION OF THE  
MAYOR AND COUNCIL  
CITY OF DULUTH, GA  
JUNE 8, 2009**

**PRESENT:** Mayor Harris, Councilmembers Bomar, Dugan, Mundrick and Whitlock  
City Administrator, Department Directors, City Attorney

**ABSENT:** Councilmember Hall

A conference call was held at 5:45 with Go-Go Creative to discuss the status of the branding and logo project. No action taken.

A work session was held prior to the regular scheduled meeting to allow the elected officials to discuss and ask questions of department directors regarding this evening's agenda items. No other items were discussed and no action was taken.

**MINUTES OF THE  
MAYOR AND COUNCIL  
JUNE 8, 2009**

Mayor Harris called the meeting to order at 7:00 p.m.

**INVOCATION/PLEDGE:** Councilmember Mundrick

**WELCOME RESIDENTS:** Richwood/Hampton Arbors

**ANNOUNCEMENTS:**

Brown Bag lunches – live entertainment at the fountain every Thursday from 12:00 noon – 1:30 pm.

Saturday, June 13<sup>th</sup> “Duluth’s Most Talented” (from 11:00 a.m. – 2:00 p.m.) and Flicks on the Bricks will feature “Hotel for Dogs” (at approximately 8:45 p.m.)

**I. CEREMONIAL MATTERS**

**1. RECOGNITION – 20 YEARS OF MEMBERSHIP – DULUTH MERCHANT’S ASSOCIATION**

John Monk, Treasurer of the Duluth Merchant’s Association came forward to thank and present a plaque to the City of Duluth for 20 years of membership and support of the DMA. He further stated that the DMA has given out approximately \$200,000 to local charities since 2003. Mayor Harris thanked the Duluth Merchants Association for their support and community service to the City of Duluth.

## II. CONSENT AGENDA

1. APPROVAL OF MAY 11, 2009 MINUTES
2. ORDINANCE TO AMEND THE DULUTH CODE – FINANCE COMMITTEE COMPENSATION  
*[Exhibit "A"]*

Approval of this ordinance amends Chapter 2, Article VI, and Section 2-96 (c) to pay the volunteer members of the Finance Committee \$25 per meeting, with a maximum of four meetings per calendar year.

3. ORDINANCE TO APPOINT CORE PRESERVATION DISTRICT–COMMERCIAL (CPD-C) REVIEW  
*[Exhibit "B"]*

Approval of this item appoints Ron Osterloh to fill the unexpired term of Ed Gulesserian to the CPD-C Board, term to expire on March 31, 2010.

4. ORDINANCE TO APPOINT ASSOCIATE COURT SOLICITOR  
*[Exhibit "C"]*

Approval of this item appoints Shawn Fitzpatrick Bratton as Associate Court Solicitor to replace Mike Sheffield, term to expire the second Monday of March, 2010.

5. ORDINANCE TO AMEND THE DULUTH CODE – PENALTY SURCHARGE  
*[postponed]*

**A motion was made by Councilmember Bomar, seconded by Councilmember Dugan, to approve items 1-4 of the Consent Agenda, and to postpone item 5 until June 22<sup>nd</sup>.**

**Those voting for: Council members Bomar, Dugan, Mundrick and Whitlock**  
**Motion carried.**

## III. PUBLIC HEARING

1. CITY OF DULUTH FISCAL YEAR 2010 BUDGET PRESENTATION  
*[Exhibit "D"]*

Mayor Harris opened the public hearing to consider the FY10 budget and accept public comment. As per State law, (O.C.G.A 36-81-5 & 6) cities are required to hold a public hearing prior to adopting the annual operating budget. An ordinance for the final adoption of the FY10 City of Duluth operating budget will be considered by Council June 22, 2009.

City Administrator Phil McLemore presented the budget summary and power point presentation.

Mr. McLemore explained that the FY10 budget was the most challenging budget he has had to present to Council, not because of increase in city expenditures, but rather from loss of revenues due to the drop in the economy. A \$4 million deficit was recognized very early in the process, and City staff was tasked with cutting \$2 million from their budgets. Staff volunteered not to take any merit or cost of living pay increases; a freeze was placed on hiring of non-essential positions, and general funds were removed from Capital Projects.

A "citizen's budget committee" was then formed to review ways to increase revenues as well as cut an additional \$2 million more. This committee was made up of 44 residents who listened to presentations by each department as to the efforts that each had made in reducing their departmental budgets. They also discussed and voted to recommend that Council consider charging "user fees" for certain programs beginning July 1, 2009, such as Court Use Fees, dumpster card user fees, a garbage bag fee increase and a potential park user fee for nonresidents.

Mr. McLemore reported that the revenues have been dropped from \$19,721,000 in 2009 to \$15,721,000 in FY10 and decreased the operating budget from \$21,000,000 in 2009 to \$17,884,000. No new Capital Improvements were added other than those continuing projects funded by grants. Fortunately, the City has, been very frugal with its money over the years, and has established a reserve fund for six months of operations, but utilizing the prior years' to balance the FY10 budget will significantly decrease the City operating reserves to approximately three months.

Georgia Municipal Association has asked Duluth to present our concept of using the Citizens Budget Committee at the Annual GMA conference in June.

Councilmember Mundrick explained that even though the proposed millage rate is going to be the same (5.191 mills), City residents will likely see a \$40-\$50 increase in their property tax bills due to the loss of the Governor's Homestead Tax reduction. He explained that the City has not yet received last year's HTRG from the State.

Mayor Harris called for comments from the public.

Ms. Shelly Howard of 3657 West Lawrenceville Street commented on proposed rent increase for merchants on the old City Hall block that she read about in a news article. She said that the merchants are there to keep up energy in downtown Duluth and plan events that keep people flowing through the area. They are renting on a month-to-month basis and realize that they probably will not make a profit in their business in such a short term available to them. As to the suggestion that the City should charge "market rate," the current renters are responsible for repairs and maintenance. If a requirement is put in place to pay "market rate" then it would be necessary for the owner to make repairs. She also said that a councilmember challenged the City to get out of the "landlord" business. She referred to the Downtown Development Authority Articles of organization section 36-42-8, whereby it commands the DDA to acquire by purchase lease or otherwise and hold lease and dispose of real and personal property of every kind and character or any interest therein and furtherance of the public purpose of the Authority. Ms. Howard believes the merchants are keeping the City alive and pleaded with the City not to raise rents.

Mr. Chuck Mason of 3029 Regal Park, member of the New Dawn Theatre-2<sup>nd</sup> stage, commented that an increase in rent would cause them to move. He would like to offer their time and event space in lieu of raising rent.

Mr. Billy Jones of 2794 Heath Lane, Parks and Recreation Advisory Board member, commented on the Capital Improvements in the FY10 budget, specifically Taylor Park Playground, the Dog Park, and WP Jones activity center. He expressed surprise that there are no projects slated for WP Jones and would like to see this being moved to priority to provide a place for Senior activities who currently have no permanent space.

Mr. McLemore explained that funds are allocated for WP Jones but the Citizen Budget Committee requested that projects be put on hold which would increase the “overhead” expenses of the City, such as a new building which requires additional utilities, maintenance, etc. to operate facility. The WP Jones Center will be pushed off for one year, but there is SPLOST money available to begin with plans.

Councilmember Mundrick concluded by noting that in taking prior year reserves to balance the budget, at some point in time Council will either have to raise property taxes or take critical steps toward a reduction in services.

Being no further comments, Mayor Harris closed the public hearing and announced that the formal adoption of the FY10 budget is scheduled for June 22<sup>nd</sup> and that copies are available in the office of the City Clerk.

#### **IV. NEW BUSINESS**

##### **1. RESOLUTION TO AMEND ADMIN. CLASSIFICATION SCHEDULE/PAY PLAN *[Exhibit “E”]***

Chairman of the Finance Committee Bradley Carroll came forward to request the Council consider a recommendation by the Finance Committee to approve a resolution to amend the Administrative Classification Schedule/ Salary Survey and Pay Grade Study and by adding the City of Dunwoody to the primary study.

The 2008 Study, conducted by Human Resources Manager Ed Johnson and reviewed by the Executive Pay Committee and the Finance Committee, is being presented for Council’s consideration. As part of an annual process to keep Duluth competitive, maintain a fair salary for employees, and to avoid large salary increases in any one year by staying current with the market, the study also reviews the classification of various duties performed to determine if they have been placed in the appropriate pay range compared to other cities.

This year’s summary of recommendations by the Executive Pay Committee and the Finance Committee:

1. The 8 positions as recommended to be upgraded at no cost for this year. In light of the current economic conditions, the recommendation is to re-grade jobs, but not to increase the actual salary of incumbents. Therefore, there is no cost to implement. The 8 positions are: Accounting Officer, Information Technology Technician, City Administrator, Clerk of Municipal Court, Chief Judge/Court Administrator, Director of Planning and Development, Deputy Police Chief, and Police Chief.
2. Move the City jurisdiction of Dunwoody to the primary jurisdictions.

If approved, the changes will be implemented on July 1, 2009.

**A motion was made by Councilmember Dugan, seconded by Councilmember Mundrick, to approve the resolution to amend the Administrative Classification Schedule/Salary Survey and Pay Grade Study and to add the City of Dunwoody to the Study as presented.**

**Those voting for: Council members Bomar, Dugan, Mundrick and Whitlock  
Motion carried.**

## 2. FINANCE COMMITTEE RECOMMENDATIONS – EMPLOYEE INSURANCE INCENTIVE

Bradley Carroll, Chairman presented a recommendation from the Finance Committee to authorize the City to implement an Insurance Incentive Plan. The Plan would provide an incentive to employees who are covered under the City's medical benefit plan as of June 1, 2009. Employees and/or spouses who choose to be taken off the City's Insurance Plan and be covered under an outside insurance plan would be allowed to choose one of the following options:

1. (Flexible Spending Account) \$2,000 each for employee and/or spouse to be placed in the City's Medical or Dependent Care Flexible Spending Account (FSA) plan. This has to be deposited in total and the City can not recover if the employee decides to leave after using the payment.
2. (Cash option)\$1,500 cash payout per employee or spouse, to be paid through the normal payroll process over a one year period.
3. Must provide proof of "other" insurance before any benefits are paid to employee.
4. Two- year pilot program due to different enrollment periods of the spouse's employer.
5. Employees and/or spouses desiring to switch back to City insurance may do so during any future open enrollment.
6. Employees and spouses that must switch due to loss of insurance or job may get back on the City's insurance immediately.
7. Payments continue each year that an employee and/or spouse continues the program.

The City Attorney requested a review of documentation.

Councilmember Mundrick explained the proposal would be a two- year pilot program due to different enrollment times for businesses. He further stated that the purpose for this incentive is to get spouses and children off the City insurance and save taxpayer money. The employee will be paying more for insurance benefits along with foregoing any salary increases next year.

**A motion was made by Councilmember Bomar, seconded by Councilmember Mundrick, to approve the Insurance Incentive Plan as a two year pilot program subject to approval by legal review of documentation.**

**Those voting for: Council members Bomar, Dugan, Mundrick and Whitlock  
Motion carried.**

## 3. AMENDMENT TO SOLID WASTE CONTRACT WITH UNITED/ROBERTSON

Mayor Harris announced that the City has looked for ways to avoid a property tax millage increase to cover the loss of revenue that has resulted from the current state of the economy. The City solicited ideas from a Citizens Budget Committee, who recommended charging "user fees" for various services. The Committee found that the City's current cost of trash service is one of the lowest in this area and felt that this would be an appropriate area to increase the cost. An increase of \$5 per box of 20 bags is expected to produce an additional \$75,000 per year in revenue. There was an additional positive to the recommended increase--an incentive for Duluth to become more "green." Duluth is already one of the

leaders in recycling by providing a free service, but with an increase in the cost of bags it is expected that more people will make an effort to use free recycling rather than use more bags.

The Mayor and Council considered amending the Waste Service Agreement with United/Robertson by increasing the cost per box of bags for the 32-gallon to \$32 per box and increasing the 13-gallon to \$21 per box, effective July 1, 2009. Eligible seniors or the disabled (with total annual household income under \$25,000 per year) will be entitled to purchase up to four boxes of bags per year at the reduced rate of \$16 for the 32-gallon or \$11 for the 13-gallon (only available at City Hall.)

**A motion was made by Councilmember Whitlock, seconded by Councilmember Bomar, to approve the contract amendment with United Waste/Robertson sanitation as presented.**

**Those voting for: Council members Bomar, Dugan, Mundrick and Whitlock**  
**Motion carried.**

#### 4. APPROVAL OF WASTE DISPOSAL USER FEE SCHEDULE

As recommended by the Citizens Budget Committee and authorized by City Charter section 1-13(11), approval of this item adopts a fee schedule for use of the City dumpsters located at the Public Works Facility on Chattahoochee Drive. The following fee structure is hereby established for new cards issued beginning July 1, 2009:

- First card issued per calendar year – six punches – Free
- Second card per calendar year – six punches - \$25
- Third card per calendar year – six punches - \$25
- Fourth and subsequent cards per calendar year – six punches - \$50

All previously-issued cards with remaining punches will be honored through the remainder of 2009. Councilmember Bomar commented that the convenience of dumpster services for the community is strictly for residential use and not for businesses. To dispose of similar items elsewhere, a minimum charge would be up to \$35 for small loads and \$100 for large loads.

**A motion was made by Councilmember Mundrick, seconded by Councilmember Whitlock to approve the dumpster user cards as presented.**

**Those voting for: Council members Bomar, Dugan, Mundrick and Whitlock**  
**Motion carried.**

## V. MATTERS FROM CITIZENS

### 1. RENTAL CONCERNS – CITY BUILDINGS

Ms. Jennifer Freeman of 3129 Main Street came forward and asked what was the controversy or source of raising the rent. Councilmember Bomar stated that during the budget hearings staff was asked to determine fair and reasonable rental rates. Ms. Freeman asked if Council is going to change rates now, on the people in those spaces. The City Attorney stated that the leases are on a month-to-month basis and can change at any time. Councilmember Dugan stated for clarification nothing has been set in concrete or decided, currently these items are in discussion.

Stacie Stamper of 2930 Fitzgerald Place stated she had made \$25-30,000 dollars in improvements to the former Corley Insurance building and is concerned about raising the rent on downtown merchants. She said that her tenants express the necessity of having these businesses occupied. Ms. Stamper also asked how she would obtain authorization to "Paint the Town" on October 3<sup>rd</sup>. She has over 100 volunteers that would paint the old City Hall block. Ms. Stamper also asked about how she could contribute and gain community involvement to utilize the restored Methodist Church on Hardy Street. Mayor Harris directed her to Economic Development Manager Chris McGahee.

Councilmember Whitlock voiced concerns on a few items. He stated the City has not made a decision to raise rent at this point only to investigate possibilities. One concern of Council is the question of the City using tax dollars to subsidize private businesses. Currently, the rent is not consistent; the goal is not to raise the rent but to be fair across the board.

No action was taken.

## **VI. MATTERS FROM COUNCIL/DEPT HEADS/CITY ATTORNEY**

### **1. CONTINGENCY REQUEST – \$65,000 - PURCHASE OF BACKHOE**

The Mayor and Council considered a contingency request for the purchase of a backhoe as originally requested for funding in the 2010 budget. Public Works has many projects that they need to work on and are faced with renting equipment or contracting out the work. The City Attorney has determined that SPLOST funds should not be used for this expense. If approved for contingency, this item would be removed from the 2010 budget.

Public Works Director Audrey Turner came forward and explained that there are numerous stormwater projects are on hold. Both pieces of current equipment are over 30 years old and are unsafe to drive to the worksites. Even with the purchase, some of the projects may still have to be contracted out.

**A motion was made by Councilmember Mundrick, seconded by Councilmember Dugan, to approve the contingency request in the amount of \$65,000 as requested.**

**Those voting for: Council members Bomar, Dugan, Mundrick and Whitlock  
Motion carried.**

*Mayor Harris announced that, after the Executive Session, a public work session of Council would be held in the Main Street Conference Room.*

## **VII. EXECUTIVE SESSION - REAL ESTATE, PERSONNEL, PENDING/POTENTIAL LITIGATION**

**A motion was made by Councilmember Mundrick, seconded by Councilmember Bomar, to adjourn to executive session at 8:10 p.m.**

**All for. Motion carried unanimously.**

**After the discussion, a motion was made by Councilmember Bomar, seconded by Councilmember Mundrick, to return to regular session at 8:45 p.m.**

**All for. Motion carried unanimously.**

#### **VIII. ADJOURNMENT**

**A motion was made by Councilmember Mundrick, seconded by Councilmember Bomar, to adjourn at 8:45 p.m.**

**All for. Motion carried unanimously.**

### **POST COUNCIL MEETING WORK SESSION JUNE 8, 2009**

#### **1. TAYLOR PARK PLAYGROUND**

Parks and Recreation Director Kathy Marelle came forward to report on some of the recent changes at Taylor Park. After recommendations from GMA Risk Management division, Mr. David Gelsthorpe and tree arborist Mr. Dechant, a few changes would be necessary for the construction of the new playground including cutting trees and excavation. Council member Bomar questioned the trees being cut down last week; she is very concerned on the amount of digging and would like a better understanding of the final layout of Taylor Park. According to the Arborist, three trees were dead and/or sick and needed to be addressed. These trees will be replaced with 4" trees for optimal growth in the shortest time possible. The excavation being questioned is necessary for the playground to be level and comply with ADA standards. Council member Mundrick noted that all costs need to be tracked due to the change of scope of the project.

Council authorized staff to move forward on playground with the attempt to save the Pecan tree, take down the dead tree at top of stairs and for new trees to be planted as soon as excavation in completed tentatively July/August.

#### **2. RED LIGHT CAMERAS (LASER CRAFT)**

Police Chief Randy Belcher presented his recommendations on the red light cameras. Laser Craft has proposed to reduce the cost of their cameras to \$1,200 per intersection, and to decrease the number of cameras by two. The Buford Highway and Sugarloaf Highway cameras would not be re-activated.

Council authorized the Chief and City Administrator to negotiate a contract with Laser Craft and reactivate cameras for a 6 month period at reduced price of \$1,200 per camera with the exception of cameras at Sugarloaf and Buford.

### 3. LICENSE PLATE RECOGNITION SYSTEM

Police Chief Randy Belcher requested the purchase of license plate recognition software that will allow the Police to detect license plates numbers. For example, the system will recognize license plates with outstanding warrants, cars that are reported stolen; it also can identify license plates belonging to someone on the sex offender list. This system will not be a revenue generator. The cost of this system is \$26,000, however the company has indicated that they would price this to the City for \$21,000. Council member Dugan and Mundrick questioned if this system will be used on a car that is used on all shifts and if this will create more work for dispatch. Chief Belcher responded that the system will not put any extra work on dispatch and will be used for all shifts. City Administrator Phil McLemore indicated that the City had received the final 2005 additional SPLOST funds and that the purchase of this equipment could be purchased through the Public Safety allocations that totaled \$404,753.16. The Chief had submitted a list of needed equipment of \$380,000 previously to the City Council and the Council had authorized expenditure of \$179,123.00 immediately. The amount of Public Safety funds unallocated is \$24,753.16 which is sufficient to purchase the License Plate Recognition System. Chief Belcher commented funds could be available through drug funds as well.

Council authorized staff to bring forward an amendment to the Fy10 Budget, bringing forward the additional 2005 SPLOST funds into the proposed projects line item expenditures. They further authorized the purchase of the license plate recognition software to be purchased from the additional 2005 SPLOST funds and the use of "drug funds" if needed.

There being no further business to discuss, the work session adjourned at 9:50 p.m.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Mayor Nancy Harris

ATTEST:

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City Clerk Teresa S. Lynn