



**MINUTES OF THE  
CITIZENS BUDGET REVIEW ADVISORY COMMITTEE (CBRA)  
CITY OF DULUTH, GA  
COMMUNITY ROOM  
3167 MAIN STREET  
DULUTH, GA. 30096  
6:00 P.M.  
FEBRUARY 28, 2018  
770-476-3434  
[www.duluthga.net](http://www.duluthga.net)**

Present:

Alana Moss  
Manfred Graeder  
Eva Kuhn  
Richard Meehan  
John Howard  
Denise Auger  
Jim Adkins  
Amy Fuchs  
Chantal Scantlebury  
Stephanie Wright  
Anmaar Habib  
Greg LaHatte  
Susan Porteous  
Charlie Dorlich

City Representatives

City Manager, James Riker  
City Clerk, Teresa S. Lynn  
Finance Manager, Ken Sakmar  
Rob Froehbrodt, Facilitator  
City Council Kelly Kelkenberg

I. Meeting called to order at 6:05 p.m.

**II. APPROVAL OF FEBRUARY 21 MEETING NOTES**

A motion was made by Stephanie Wright, seconded by Richard Meehan to approve the February 21<sup>st</sup> meeting notes as presented.

All voted for. Motion carried.

### III. ACTIONS/RECOMMENDATION FROM PAST CBC COMMITTEES

City Manager James Riker presented information on actions taken from the Mayor and Council from past CBC Committee:

#### 2015 Recommendations

- Increase the millage rate
- Attract businesses by offering tax incentives x
- Facilitate Proctor Square Redevelopment x
- Review debt service x
- Increase fees for Businesses
- Revisit contract for landscaping services x
- Provide more graphic representation on City content x

#### 2016 Recommendations

- Increase the millage rate x
- Look closely at expenditures – reduce utility expenses x
- Maintain adequate Capital Reserve Funds x
- Support current redevelopment activities x
- Hire Code Enforcement supervisor x
- Increase Tax for Businesses
- Increase storm water fee
- Fees for services to non-residents x
- Careful Annexation

#### 2017 Recommendations

Continue to foster community (events, service, etc.) X  
Attract New Businesses which bring tax revenue and capital investments X  
Evaluate adding third staff person to Economic Development team or refocus duties to allow department manager to participate in more business outreach events such as expos  
New Revenue Sources (Advertising, Corporate Sponsorships, Concerts, Business Expo, et.)  
Business Occupational Tax Rate Change  
Evaluate use of SPLOST Funds to Commission a Comprehensive Development Plan for Bike/Walk in Duluth X

X implemented

### IV. DISCUSSION/QUESTION BY COMMITTEE FROM FEB. 21<sup>st</sup> MEETING

City Manager James Riker

1. Homestead exemption discussion

The Group appeared not to support at this time, modification to the City's current Homestead Exemptions structure.

2. Other matters

Pie Chart presented showing the Property Tax bill percentage by Government. Mr. Riker pointed out the County School tax is 55%, Gwinnett County is 29% and the City of Duluth is 16% of the taxes.

Mr. Riker addressed the questions received from CBC members.

1. Can the city consider reducing rental fees for residents seeking to use meeting space?

Response – Staff is reviewing

2. Why is the city using reserves to balance the budget?

Response – due to short fall in projected Revenues (permits slated to be collected on development, project put on hold and reductions in Court fines)

3. Is the cash reserves amount of \$12M required by Charter or State Law?

Response- No. The city has internal policies which drive the amount.

4. Why has the city not chosen to roll back property taxes?

Response – Past Citizens Budget Review Committee recommended NOT to roll back but instead recommended an increase.

## **V. FINANCIAL UPDATE**

Finance Manager Ken Sakmar presented an update on current FY18 Budget revenues and expenditures to project year end surplus or deficit and examined the top 18 revenue sources which is approximately 95% of total revenues as well as salaries and benefits. (Projected actuals). He also presented the updated Financial forecast/Capital reserves.

### **Items worth noting:**

Property tax are projected to be 104% of budget  
Insurance Premium Tax was 105% of budget  
Garbage bag rebate likely to be 107% of budget  
Intangible tax could be as much at 113% of budget  
Franchise taxes meet projection  
Intergovernmental revenue slightly above budget  
Occupation tax slated to meet projection  
TAVT tax slightly above budget  
Alcohol beverage tax slated to meet projections  
Park Camps slated to meet projection  
Recreation programs slightly above budget  
Motor vehicle tax slightly above budget  
Beer, Wine, liquor consumption slightly above budget  
Occupational tax admin fee slated to meet projection

Revenue items slated not to meet projection are:

Court fines projected to be 12% below projection  
Building permits residential projected to be 33% below projection  
Building permits commercial projected to be 18% below projection  
Salaries and benefits to be \$600,000 to \$650,000 below budget

All other line items to be \$350,000 to \$400,000 below budget

2017 Actual Charts shown. It was pointed out that the year 2020 is unknown due to renegotiation with the County on the Service Delivery Strategy. Chart showing the projected reserve balance noted that the reserve balance does not include the SDS, Capital Reserve Fund or 4-month operating reserves.

## **VI. SMALL GROUP DISCUSSION**

The group broke out into three groups and each group was given a question to discuss among themselves. Following presentation from each group, the committee was given the opportunity to present their thoughts.

1. If you have \$100.00, how would you divide it between city services?

The group agreed that \$50.00 would go to the police, \$20.00 would go to Public Works, \$15 would go to Economic Development and \$15 would go to Community Development (clean, safe city provides for better Economic Development).

2. If Duluth suffered a revenue shortfall, what ideas do you have for increasing revenues?

Strategic reinvestment would be made in underperforming properties

1. Creative repurpose
2. Cultural infrastructure
3. Target market and develop needs (green)
4. Providing tax breaks to non-profits

3. What is the appropriate amount of Capital Reserves for the city to maintain (outside the 4 months operating reserve)?

Following discussion, the committee agreed that no current services should be reduced. They stated that they weren't sure that they could provide a specific number. Instead, what they suggested was that Staff and Council should build a number based on the following:

1. Replace what we're down
2. Seed money for possible redevelopment
3. Develop guidelines for reserves building:
  - a. Systems replacements
  - b. Economic conditions and risk
  - c. Deficit spending
  - d. Technology development

Overall, most of the discussion centered on the quality of life issues and their desire to see the city preserve that quality.

## **VII. ELECTION OF CHAIRPERSON**


Motion made by Stephanie Wright, seconded by Charlie Doerich to elect Amy Fuchs and Manfred Graeder to be the 2018 Citizens Budget Committee Co-Chairs. The Co-Chairs will make presentation on behalf of the Committee before the Mayor and Council.

**VIII. ADJOURNMENT**

Being no further discussion, a motion was made by Amy Fuchs, seconded by Jim Adkins to adjourn at 8:00 p.m.

Motion carried.

  
  
Co-Chair Amy Fuchs/Manfred Graeder

ATTEST:   
Teresa S. Lynn, City Clerk

The next scheduled meeting of the Committee is March 7 at 6:00 pm.

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