

**CITY OF GRIFFIN BOARD OF COMMISSIONERS
WORKSHOP
ONE GRIFFIN CENTER, W. ELMER GEORGE MUNICIPAL HALL
TUESDAY, May 24, 2016**

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Chairperson Dick Morrow presided, calling the meeting to order at 9:00 a.m. Commissioners attending: Cynthia Reid-Ward, Doug Hollberg, Ryan McLemore, Cora Flowers, David Brock and Rodney McCord. Also present were City Manager Kenny L. Smith, City Attorney Andrew Whalen, III and Teresa Watson to record minutes.

Discuss proposed improvements and investment in the Fairmont Neighborhood. *Toussaint Kirk, Director of Planning and Development, will address.*

Mr. Kirk noted that the City's efforts to remove blight are meeting with success and he highlighted the five-year strategic plan. The goal is ultimately quality housing for all, but the emphasis today is on improvements to the Fairmont Neighborhood. Funding sources include SPLOST, HOME funds, Low Income Housing Tax Credit, Neighborhood Stabilization Program, Housing Choice Voucher and Square Foot Ministries. Grants targeted this area of the City for rehabilitation efforts, and it will cost approximately \$30,000 to \$35,000 to rehab each home. This is a potential \$15 million project. The County's SPLOST dollars will provide about \$1.8 million to the rehab effort at Rosenwald School. Public Works has already invested about \$1 million in infrastructure improvements, such as sewer, bio retention, culvert replacement and stream restoration. We will be rehabbing three homes initially. In addition to improving the homes and area, this will elevate the tax base with better quality homes. The average cost of a new home in this area is a moving target, made fluid by amenities, types of home, etc.

Slides showing housing on the ground comparable to this effort were presented for Commissioners. Mr. Kirk responded to Commissioner Hollberg that Fairmont is just in the beginning stage while the Springhill area has been in progress for a couple of years. Mr. Smith said the biggest challenge was accumulating the land. Mr. Kirk continued with slides showing home construction on Crawford and Blanton Streets.

Components of the Square Foot Ministry Home Purchase program were reviewed. These establish home ownership requirements and state the qualifying criteria. Commissioner McCord questioned the criteria that people living in the home must be related by blood or marriage. This is a Square Foot Ministry deed restriction and not a City requirement. Plans for the Fairmont new home construction are by Square Foot Ministries, and they are willing to work with the City to accomplish this housing quality improvement.

Commissioner Hollberg wanted to see the same level of foresight and deliberateness when planning for Fairmont that we have seen in the Springhill community. He wanted to see the City continue to elevate and empower these neighborhoods, resulting in less blight and substandard housing not just now, but in the future. He would like to have the City not just spot-renovate homes but improve entire block areas.

Mr. Kirk noted that Fairmont is much denser than Springhill, and it would be nice to build \$90,000 to \$100,000 homes, but we have to start somewhere and build from there. Homes of the infill variety in established neighborhoods have a better chance of success if they are similar in nature to existing homes. New relocation regulations have hampered this process, as well. He responded to Commissioner Hollberg that the City would refocus its efforts to Fairmont when Springhill is completed. The two processes are different and the complexion of the areas are different, as well. The Fairmont project, being denser in nature, will not gel as quickly as Springhill did.

Chairman Morrow said he was never impressed with building small houses just to be building small houses. However, he was understanding that sometimes building small homes that are greatly improved over existing homes can actually raise the quality of neighborhood housing and transition to better in the future, but he did not want to see any housing effort develop into what can become a new slum. Commissioner Flowers took exception to calling a neighborhood where people live a slum. Commissioner Reid-Ward said her perception that the Board should take a strong stand, even if it means being fined monetarily, against landlords who recycle these ragged houses and continue the cycle of poverty and substandard housing. Commissioner Hollberg agreed but noted he would like to see the City get rid of substandard housing before building new homes in the area. City Manager Smith said a relocation effort would have to be made should we go in and just demo all these blighted areas without the benefit of adding homes in which to relocate. The redevelopment overall picture is a complex mixture of planning and moving parts. While not the finished product, how we proceed is important as well. This is an ongoing, fluid process.

Commissioner McLemore said the central argument is that what is being developed should be better than what is located there now. The Land Bank Authority obtained the land, but we are trying to develop the homes without an emphasis on improving the entire area. Commissioner Hollberg agreed, saying he does not agree with developing on a piece-meal basis. To have the cinder block home next to a newly developed home does not constitute block redevelopment in his opinion.

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Commissioner Flowers noted that Fairmont is not a targeted development at this point, and it is not similar in nature to Springhill. What she questioned, at this point, is what is the detriment to providing an opportunity for someone who lives in a cinder block home with a dirt floor to become a homeowner in a new home even if it is small. Commissioner McLemore said the North Hill LCI plan is part of the overall plan, which is ambitious. If we keep talking about these short-term efforts without paying attention to the long term, he believes it is detrimental. He understands the human element, but to look at the Square Foot Ministries homes, although an improved type of home, he felt they were destined to become substandard at some point in the future.

Commissioner Flowers asked what the indicators were that assured these homes would become substandard and bring the neighborhood down. Commissioner McLemore responded one factor would be the surrounding area.

Commissioner Hollberg said he could support settling for the Square Foot Ministries homes, but he favored protecting the investment in the neighborhood by having homes that will appreciate and not depreciate. Chairman Morrow said the bad homes almost always bring down the good ones, rather than the other way around.

Mr. Kirk responded that funding was being established and the project could begin a year from now. This effort would become the anchor for rebuilding the neighborhood. Mr. Whalen said the Housing Authority's project may very well be the catalyst for improving the neighborhood overall, and they can concentrate on bringing in responsible homeowners. Developers will not redevelop this area at a level greater than what the return on their investment would be.

Commissioner Hollberg said it was his desire to put a plan together as a team to redevelop this entire area rather than just settling for replacing a few substandard houses. He was asking for teamwork and a collaborative effort with the Housing Authority to do much the same as they did with Meriwether area.

Commissioner McCord said he agreed that the Board should work collectively to not only improve a few current homes, but to strategically invest in redevelopment of the neighborhood. We do not need to allow what has been developed there in years past to continue to be the standard. We want an improved area, not just improved homes. This, to him, is a great start and we do not want people to live in substandard housing.

Mr. Kirk said the overall plan would incorporate other components, such as parks and green space, as well. The Board thanked him and Mr. Dull for their efforts. Mr. Dull said the Griffin Housing Authority recently won the Charles L. Edson Tax Credit Excellence Award for The Oaks at Park Pointe. Theirs was the best in the nation, beating out Dallas, Denver, and other larger metro areas. Partnerships and collaboration between housing authorities and governmental entities, in conjunction with private investors, have a greater chance of success than just with the private sector. He understood too that private investors look at an overall area when considering projects. We are not just replacing government housing; we are enabling workforce housing. These projects in Griffin have been very successful, but there is a long way to go. Mr. Dull said this award was virtually the "Oscar" in his industry.

Fiscal Year 2016-2017 Budget Presentation. *City Manager Kenny Smith will address.*

City Manager Kenny Smith began by thanking Markus Schwab and Angela Thompson for their great help in developing this budget over the past few months. He touched on the personnel challenges, SPLOST projects, cemetery changes and water/wastewater assessments and rate structure. Our services and operational budgets have been trimmed and have maintained that streamlined structure. He then went into revenue projections with the ideal situation being revenues exceeding expenditures (\$1,872,342 excess for FY 2015-16). The digest decreased in recent years and it does not appear the digest will increase at all although we project a slight increase of \$75,000 in property taxes. Motor vehicle/TAVT has steadily decreased, and we anticipate this will be down another \$95,000. License and permits are on a downward trend, down \$78,500 and fines and forfeitures are projected to be up \$32,000. Total General Fund revenue is projected to be up \$335,527 without transfers. Total General Fund expenses are projected to be up \$291,433. Total projected revenues for all funds will be up \$667,053 and projected expenses up \$1,540,551 from FY 2015-16 original projections.

As for expense highlights, we are requesting \$5,312,983 for capital projects with CDBG accounting for 804,083 of that. Personnel issues include no insurance increase passed along to employees (the City is absorbing the premium increase of 8.45% or \$377,478), modifications to our BCBSGA plan (increasing

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the deductible from \$3000 to \$4000, coinsurance decrease from 100% to 80%, and an increase to the out-of-pocket expenses from \$6600 to \$6850). A pension increase of 1.78% (\$330,425) was absorbed by the City and we will maintain the 401A match at 2%. Not all employees will elect to take advantage of this benefit, but we do budget for all. Workers comp costs increased 1.6% or \$8,000. There is a 3% salary increase proposed, and the previously discussed effort at raising certain salaries to combat loss of employees or attracting new employees. Compression issues have been addressed from the bottom to the top. In the Police Department, we have had 12 openings for about three years that we could not fill. Chief Yates eliminated some of those positions in order to elevate the remaining positions and make them more attractive. We eliminated two lieutenant positions that had been vacant for some time, as well as a few others. This improved the entry level pay and made the positions more attractive to qualified or certified applicants. Another area similar to Police is CDL Equipment Operators where a proposed 15% entry level increase and Water/Wastewater Operators where an entry level increase of 5% increase is proposed. Compression was also alleviated in these areas to avoid salary issues. Most of the budget increases in different departments is due to this personnel increase (between the overall 3% increase and the departmental adjustments for attraction/retention).

As for Personnel, we eliminated the position of Public Safety Director at \$157,000. Fire and Police will report to the City Manager who has maintained his certification. We have added the position of staff attorney, and we advocate that this position will absorb Solicitor at \$22,000 in salary, in-house legal funds for issues like personnel hearings, and substandard housing matters, PSD and other costs, so that we will actually net a positive \$100,000 with this restructuring. We added an Accountant I which has been handled on a contract basis. Parks will move 2 part-time employees to full-time. We added a Water/Wastewater collections crew leader. With the advent of GSBTA, we funded a part-time tourism assistant through hotel/motel tax dollars. We added a Watershed Assistant to assist in the Stormwater Department (not paid through Extension any more). We also added a commercial driver in Solid Waste. We eliminated 1 cemetery laborer through adjustment of contract services. We also are adding a Cogsdale billing agent in Electric. While we added some new positions, it was done strategically in order to mitigate personnel expenditure increases.

The reorganizations of Public Safety, Cemetery, Electric, GSB TA and Meter Divisions will be brought forth to the Board in the very near future. He presented a reorganizational chart. We also added a couple of interns in Public Works and Utilities, as well as in the Police Department. We are working with the local College and Career Academy to utilize interns and hopefully groom some for future employment. Commissioner Hollberg noted that Workforce Investment provides interns, as well. Mr. Smith referenced the Personnel Reorg Chart provided to Commissioners which reflects these changes.

Fuel is an educated guess, but we have been very successful in having both gasoline and diesel come in under budget projections. Hopefully, that will continue. Although summer blends are a little higher, perhaps our projected amounts will cover usage adequately.

Mr. Smith noted expense highlights for General Fund: the Commissioners budget decreased \$21,253; City Manager increased \$11,469; City Attorney increased \$6,000 as previously discussed (can be adjusted in the future); elections decreased \$20,750 and Citizen Engagement decreased \$5,621. Commission expenses include fireworks budgeted at \$8,000; Land Bank at \$95,650; UGA Griffin at \$17,500; UGA Archway Partnership at \$20,000; HPC at \$1,000; and Contingency at \$100,000.

Admin Services expenses increased \$661,301, detailed as follows: Director increased \$24,591; Accounting increased \$37,098; HR increased \$60,666; Risk Management increased \$3,816; Purchasing increased \$4,336 with no capital expenditures.

Central Services decreased \$473,951. He was glad for SPLOST funding as they eliminated the debt service on One Griffin Center \$333,400 and \$2,776,617 that would have been expensed in FY 2017-18.

Public Safety total expenses increased \$278,541. Police expenses increased \$201,479, with 13 replacement patrol cars, remodeling of restrooms, adding range classrooms, establishing a Chief's Kid Camp, additions to inmate housing and Municipal Court. The Motor Pool currently has 14 PD cars that are deadlined.

Fire total expense increased \$277,146. They need to replace 800 MHz radios, turnout gear, bay doors at Station 3, vehicles, ladder truck.

Public Works total expenses decreased \$32,155 (They will add an LMIG match – SPLOST, brush chipper at \$78,000, Pickup at \$29,000, Hydroseeder at \$15,000 and two mowers at \$28,000. Public Works Sign

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Shop is budgeting \$11,700 for building repairs, \$6000 for a grease trap for the pool, mower at \$14,000 for Parks and 0 capital for the Cemetery.

The Planning & Development budget is down slightly by \$71,971. Substandard demos (24) are budgeted; legal expenses are only \$4800 because of the staff attorney addition, testing/abatement/demo totals \$86,400. Title searches were outsourced. Building inspections by contractors account for \$110,200 and \$40,000 will be rolled over for the new pocket park advocated by Commissioner Flowers.

Enterprise Funds: Wastewater revenue increased \$146,522 and expenses increased \$365,268. Potato Creek WWTP, Cabin Creek WWTP and Shoal Creek WWTP were detailed, as well as Wastewater collections. Total Wastewater capital outlay will be \$564,500. Potato Creek sewer model basin study will be done this year (did Cabin Creek last year). The total upgrade to Cabin Creek will approach \$4 million. Water revenue increased \$419,175 (the 9% rate increase is restricted, est. at \$486,967. Revenue streams were detailed, and there is a \$1.8 million cap from Water/Wastewater as has been the case in the last 4-5 years for transfers.

Water expenses decreased \$64,025 and Still Branch, Harry Simmons, Water Distribution and Meter Division were reviewed. Expenses for Water were as follows: Total Water Capital at \$493,000; Total Water/Wastewater Capital \$1,057,500; Water/Wastewater Debt Service \$4,531,390; Restricted Water/Wastewater Funds \$490,315.

Electric Department revenues actually decreased by \$340,294 and charges for service increased \$187,300. MEAG refunding decreased \$627,594 but Off-System Sales increased \$150,000. The MEAG Generation Trust is \$775,000 (restricted) with transfers of \$7,962,601 (compared to \$7,974,156 in FY 16-17). Restricted earnings total \$55,847. Electric expenses increased \$574,889 due to wholesale power cost increases, maintenance, underground reconductoring, system protection, additions and street lighting. Also cited were circuit 102 completion, new customer construction, forklift and mini-excavator, Solomon Park underground, relocations and automated switching. Total Electric capital is \$1,704,900.

Solid Waste revenue increased \$143,500 and revenues should exceed expenses by \$353,823. Residential collections are up \$200,000 but commercial collections are flat, as are yard waste and roll-offs. Transfer Station is up \$115,000 and the landfill is up \$140,000. Recycling at \$52,000 is down \$380,000. Solid Waste expenses increased \$155,126 with total capital expenditures of \$306,000 (roll-off truck, skid steer loader, tractor/bush hog, and ATV). Transfer of \$120,522 and restricted funds of \$120,522 were noted.

Airport total revenue should be \$609,189 with operating revenue at \$525,860 and Spalding County funding at \$83,329. There will be a transfer from General Fund of \$331,329 to subsidize City operations and debt service. Airport expenses total \$1,082,267 with new Airport debt service of \$248,000.

Stormwater revenue increased \$138,478 but expenses increased as well at \$151,528 (underground pipeline, excavator, vehicle and biohabitat assessment). Total capital is \$470,500 with \$117,480 restricted.

Golf course revenue at \$277,398 increased \$13,222. Expenses increased \$40,352 to \$727,285. There will be a transfer of \$396,907 required (compared to \$406,777 last year) Capital expenses include a tee mower at \$28,500.

GSBTA budget (its first) was complicated and incorporated components of both DDA and Main Street. We are still a Main Street City but that designation may change based on GSBTA. Sources of funding includes \$150,000 from Spalding County Hotel/Motel Tax, with a new City of Griffin Hotel/Motel Tax contribution of \$51,562 and a net transfer from General Fund of \$37,454. Total funding sources total \$239,016. Uses of funds include: Chamber of Commerce (\$16,200), UGA (\$17,500), Tourism Product Development (\$74,320) and Operations (\$130,996). Total use of funds is \$239,016, as well. DDA expenses will total \$134,359 and Main Street, \$17,750.

Welcome Center operational cost will be \$68,630, including \$10,000 in rental revenue, \$35,193 transfer from General Fund and \$23,438 transfer from GSBTA.

Special revenues include Hotel/Motel Tax estimated at \$75,000; CDBG at \$835,083 (\$500,000 in grant monies and \$335,083 local); and Court Technology at \$20,000. We do not anticipate any tax increase or rate increase to General Fund items.

Mr. Smith thanked Department Heads and Staff for all their hard work. The completed budget has been on display and available for almost two weeks. There will be a public hearing tonight, another public hearing in two weeks, and proposed adoption in two weeks at the June 14, 2016 meeting. Chairman

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Morrow said he was particularly pleased to see Commissioners' goals and expectations from the annual work session incorporated.

Motion/second by Commissioners Hollberg/McCord to adjourn at 11:03 a.m. carried 7-0.

Respectfully Submitted,

Accepted:

Kenny L. Smith, City Manager/Secretary

Dick Morrow, Chairperson