



City of Roswell

38 Hill Street
Roswell, Georgia 30075

Meeting Minutes Mayor and City Council

Mayor Jere Wood
Council Member Nancy Diamond
Council Member Rich Dippolito
Council Member Kent Igleheart
Council Member Jerry Orlans
Council Member Betty Price
Council Member Becky Wynn

Wednesday, May 30, 2012

7:00 PM

City Hall

WELCOME

Present: 7 - Mayor Jere Wood, Council Member Nancy Diamond, Council Member Rich Dippolito, Council Member Kent Igleheart, Council Member Jerry Orlans, Council Member Betty Price, and Council Member Becky Wynn

Staff Present: City Administrator Kay Love; Deputy City Administrator Michael Fischer; Assistant City Attorney Robert Hulse; Police Chief Dwayne Orrick; Fire Chief Ricky Spencer; Environmental/Public Works Director Stu Moring; Transportation Director Steve Acenbrak; Recreation and Parks Director Joe Glover; Human Resources Director Dan Roach; Community Development Director Alice Wakefield; Strategic Planning and Budgeting Director Keith Lee; Environmental/Public Works Deputy Director Mark Wolff; Transportation Deputy Director David Low; Recreation and Parks and Historic and Cultural Affairs Assistant Director Morgan Rodgers; Water Resources Manager Alice Champagne; Community Relations Manager Julie Brechbill; Transportation Accounting Specialist Karen Bernard; Strategic Planning and Budgeting Coordinator Denise Brown; Strategic Planning and Budgeting Financial Analyst Lynn Williams; Human Resources Benefits Manager Karin Grindstad; Community Relations RCTV Producer/Director Amy Kargus; Community Relations Digital Media Designer Joel Vazquez; Deputy City Clerk Betsy Branch.

Pledge of Allegiance - Led by Dave Schmit

CONSENT AGENDA

1. **Approval of April 23, 2012 Mayor and Council Meeting Minutes (detailed minutes to replace Council Brief minutes adopted on May 14, 2012); Approval of April 30, 2012 Special Called Mayor and Council Meeting Minutes (detailed minutes to replace Council Brief minutes adopted on May 14, 2012); Approval of May 14, 2012 Mayor and Council Meeting Brief.**
Administration
Approved

2. **Approval for the Mayor and/or City Administrator to sign a contract with The Benefit Planning Group for Health and Ancillary Benefits Brokerage Services in an amount not to exceed \$85,000 for the period of June 1, 2012 to May 31, 2013.**
Human Resources
Approved

4. **Approval of a Resolution Authorizing Temporary Road Closures in Connection with a Special Event or Film/Video Shoot.**
Community Development
Approved

Enactment No: R2012-05-20

5. **Approval of a Memorandum of Understanding (MOU) between the City of Roswell and North Fulton Regional Hospital for forensic patients.**
Public Safety
Approved

Approval of the Consent Agenda*Council Comment:*

Councilmember Orlans requested that Consent Item #3, Approval of a revision to the Human Resources Policies and Procedures Manual Regarding Command Appointments, be removed from the Consent Agenda for further discussion.

There was no public comment.

A motion was made by Councilmember Wynn, seconded by Councilmember Igleheart to Approve the Consent Agenda. Councilmember Orlans requested that Consent Item #3, Approval of a revision to the Human Resources Policies

and Procedures Manual Regarding Command Appointments be removed for further discussion. The motion carried by the following vote:

In Favor: 6

REGULAR AGENDA

Mayor's Report

1. **Flag Presentation by "Operation Give Back"**

This presentation was deferred until the June 11, 2012 Mayor and City Council meeting.

2. **Approval of the FY 2013 Budget for the City of Roswell, Georgia in the amount of \$109,488,246. (Second Reading)**

Mayor Wood introduced this item. Strategic Planning and Budgeting Director Keith Lee stated this would be the second reading of the proposed FY 2013 Budget. He referred to slides while making his budget presentation. Mr. Lee stated the millage rate is 5.455. That millage rate has been consistent for the past five years. Two components of that millage rate 4.059 for the Maintenance and Operating (M&O) and 1.396 for the Debt Service. Mr. Lee stated that the City's FY 2012 Budget was \$57.176 million. The City's FY 2013 Proposed Budget is \$57,519,000, an increase of \$343,000. The largest three sources of funds would be property tax, sales tax, and franchise, alcohol, business, and insurance taxes; sales tax being the largest source of funds at \$19.7 million.

Mr. Lee stated that from an expenditure standpoint, the City's FY 2013 base budget is \$52,613,000. There are proposed initiatives of \$1,251,000, which includes a 2% merit increase, an average increase based on performance. There are \$3,574,000 in maintenance capital; \$2,133,000 in one-time capital for a proposed budget of \$59,572,000. Mr. Lee said, on a departmental basis, the largest expenditures belong to the Police Department; Recreation and Parks; and Administration. With Environmental spread across multiple funds, they have a \$400,000 impact to the General Fund. The General Fund Source of Funds is \$59,653,000; General Fund Expenditures are \$59,572,000. This leaves the City with \$80,592 to program.

Mr. Lee referring to the Special Revenue Funds, stated those would be the Confiscated Assets, 911, Soil Erosion, Cemetery, and Leita Thompson, CDBG, and Hotel/Motel. The Enterprise Funds would be Solid Waste Funds, Water and Sewer Funds, Storm Water Utility Fund, and Recreation Participation fund. Mr. Lee stated the Solid Waste fund is budgeted to use \$1,127,000 in reserves this year. That is a function of reducing the City's sanitation fees at the beginning of FY 2012. In FY 2012, the City budgeted to use \$1,128,000 in fund balance, as well. Internal Service Funds include Group Benefits for risk and liability, worker's compensation and fleet services. The final funds are Capital Projects and Debt Service. Mr. Lee stated the City's total expenditures across all funds are \$108,778,246; the largest expenditures are related to Police, Recreation and Parks, and then Administration. The Source of all Funds is \$109,194,095; the largest source of funds is property tax, which is from Debt Service, as well as the M&O, and General Fund. Charges For Services is related to sanitation fees and water and sewer charges and sales tax. Mr. Lee referred to the Add/Delete List as of to date. He noted that there had been one item added since the first reading, which is a part-time public relations specialist for

\$30,000. The General Fund Proposed Budget is \$60,093,146.

Mayor Wood called for Council questions, amendments, and comments, to be followed by public comments.

Council Comments:

Councilmember Price noted that the Total Source of Funds number that Mr. Lee stated was a different figure than what was shown on the spreadsheet in Council's packet for this meeting. She asked if they were working off the numbers in the Council packet or from prior to the first reading. Mr. Lee responded that the numbers in the packet refer to the Add/Delete list; the Add/Delete list is included in those numbers based on the first reading and the motion of the first reading. Mr. Lee stated that his presentation is based on the proposed budget; the final slide would add the numbers for the Add/Delete list.

Assistant City Attorney Bob Hulsey conducted the second reading of AN ORDINANCE ADOPTING A BUDGET FOR THE FISCAL YEAR 2013 FOR EACH FUND OF THE CITY OF ROSWELL, GEORGIA, PURSUANT TO ARTICLE VI, CHAPTER 6 OF THE CHARTER OF THE CITY, BEGINNING JULY 1, 2012, AND ENDING JUNE 30, 2013, APPROPRIATING THE AMOUNTS SHOWN IN EACH BUDGET AS EXPENDITURES, ADOPTING THE ITEM OF ANTICIPATED FUNDING SOURCES, PROHIBITING EXPENDITURES TO EXCEED APPROPRIATIONS, AND PROHIBITING EXPENDITURES FROM EXCEEDING ACTUAL FUNDING SOURCES AND AMENDING THE CODE OF ORDINANCES TO EFFECTUATE SUCH ADOPTION, stating: Whereas, a proposed budget for each of the various funds of the city has been presented to the Mayor and City Council; and Whereas, appropriate advertised public hearings have been held on the proposed budget, as required by law and regulations; and Whereas, each of the funds has a balanced budget, such that anticipated funding sources equal or exceed proposed expenditures; and Whereas, the Mayor and City Council intend to adopt an annual budget for the Fiscal Year 2013 and a Capital Improvement Plan for the Fiscal Years 2013 through 2017: Now, Therefore, the Mayor and Council of the City of Roswell, pursuant to their authority, do hereby adopt the following Ordinance:

1. The City of Roswell, Georgia hereby adopts an expenditure budget for Fiscal Year 2013, said budget being described below and shown on Schedule "A" for each fund of the City of Roswell, Georgia:

FY 2013 Approved Expenditure Budget May 30, 2012:

100 - General Fund	\$59,982,554
210 - Confiscated Assets Fund	\$413,493
215 - E911 Fund	\$2,067,054
230 - Impact Fee Fund	\$128,000
235 - Cemetery Fund	\$23,500
275 - Hotel/Motel Fund	\$1,039,024
290 - Leita Thompson Rental Fund	\$73,192
350 - Capital Projects Fund	\$8,083,140
410 - Debt Service Fund	\$6,502,575
505 - Water/Sewer Fund	\$3,353,893
507 - Stormwater Fund	\$2,640,301
540 - Solid Waste Fund	\$9,807,779
555 - Recreation Participation Fund	\$6,484,852
601 - Worker's Compensation Fund	\$447,254
602 - Group Benefit Fund	\$6,748,527
603 - Risk and Liability Fund	\$1,023,722
225 - CDBG Grant Fund	\$60,090

604 - Fleet Services Fund	\$609,296
FY 2013 Proposed Expenditure Budget:	\$109,488,246

2. Any increase or decrease in appropriations or revenue of any fund or for any department; the establishment of new capital projects; or the establishment of new grant projects other than those exceptions provided for herein, shall require approval of Mayor and City Council.

3. A millage rate of 5.455 mills is hereby established as part of the approved budget based on the estimated digest of Fulton County. The millage rate has a component of 4.059 for the General Fund and a 1.396 component for the General Obligation Bond Debt Fund. This millage rate may be adjusted at a future date based on receipt of a certified digest.

4. This budget fixes the number of budgeted full-time positions of the City at 594. This number may only be increased or decreased through approval of the Mayor and City Council. The City Administrator or his/her designee is authorized to create policies and procedures for the number, pay grade, classification, and/or cost center location, which may be changed throughout the year.

5. Mayor and Council further also adopt a Capital Improvement Plan for Fiscal Years 2013 through 2017 as attached hereto and incorporated herein as Schedule "B." This plan does not indicate any promise of appropriations for future years. This plan may only be modified through action of Mayor and City Council.

6. Mayor and Council further approve the re-appropriation of all available funds for FY 2012 approved capital projects that have not been completed as of June 30, 2012.

7. Mayor and Council further approve the re-appropriation of the \$468,000 approved in FY 2012 for Pension Plan transition costs.

Mayor Wood called for Council questions. There were no questions.

The Mayor called for Council proposed amendment to the budget.

Amendments to the Proposed Budget:

Councilmember Orlans proposed an amendment, which was discussed at the last Council meeting, which would take the Recreation Participation fund subsidy of \$658,445 down to \$571,391, and transferring that \$87,054 and combining it with the available funds in the General Fund currently. Councilmember Orlans said, "The available funds are \$80,592 but we are talking about \$67,946, for a combination of \$155,000 in the General Fund to pay for the leases of the new artificial turf fields that were originally in the Participation Fund; they would now be with this expense in the General Fund."

Councilmember Diamond asked if the "\$80,000 that was left to program that, that came from is now \$50,000 something, with the Add/Delete." She asked if one is being addressed before the other.

Mayor Wood replied that he would strongly object if this budget were not balanced. He noted that he expected that there might be some competing programs. The Mayor said he wanted to get all the requests on the table for discussion. The amendments may add up to more than there is money for to balance the budget. He reiterated that he was trying to get everything on the table for a full understanding of what is out there.

Councilmember Diamond stated her support was based on that money backing it, so she was not certain how to vote on this.

Mayor Wood clarified that there could be a second to the motion, made for the purpose of discussion or she could not second the motion, and it would fail for lack of a second. Mayor Wood stated he wanted to get every amendment on the table before he turned to the public for their comments. Each amendment would have to be compared.

Mayor Wood called for a second to Councilmember Orlans' motion.

Councilmember Wynn seconded for discussion purposes.

Councilmember Price proposed an amendment to add an item for Transportation to complete a project that was completed in Committee but inadvertently did not make it to a Council meeting. The amount would be \$10,000 for replacing guardrail on Azalea Drive. Councilmember Dippolito seconded the amended motion.

Councilmember Dippolito asked if the guardrail, since it would be a one-time replacement, would be a one-time capital item. Mayor Wood stated that Council could consider it as a capital budget item or could consider it as part of this budget; it could be considered coming from reserves and capital. The Mayor noted there had been talk to consider capital at a separate time. Councilmember Dippolito stated it is really an accounting function; is it a capital item or is it a maintenance capital item. Mayor Wood stated he would consider it a capital item because it is not maintaining; it is tearing something down and rebuilding something. Councilmember Dippolito stated he was asking Mr. Lee's accounting opinion. Mr. Lee stated, "From an expenditure standpoint it would meet the threshold for a capital item. It could be budgeted as a one-time capital." Councilmember Price asked if Council did not want to draw down on reserves, it could be categorized as a maintenance item. Mayor Wood replied yes. City Administrator Kay Love said it is a capital item and would not need to be categorized; however, as a capital project, there are funds in projects left over now and could easily be re-appropriated and could be done now and would not need to be tagged on to FY 2013; there would not be an issue of whether it is maintenance capital or one-time capital. Ms. Love stated that would be the Capital Projects Fund fund balance.

Councilmember Orlans asked if revenues could be discussed at this time. Mayor Wood replied yes, and said there has been some discussion that the revenues may be higher than originally projected, but the budget Council is working on is based upon numbers. Mayor Wood said if they were going to revise the budget projection, he would need to take another "run at the budget." Mayor Wood said, "If Council wishes to revise the budgeted numbers, I am going to ask that we start the process over and give me an opportunity to revise the Presented Budget because the numbers I am working from are the numbers that he has presented. If the Council wishes to revise those numbers and change the budgeted revenues, I need another approach to take to programming those numbers." Councilmember Orlans said his understanding was that the original projections were done with a very conservative viewpoint on sales tax, but there have been continued increases in that. He said they could easily add \$200,000 to the current revenue side of the budget without any issues at all. Councilmember Orlans asked for staff comment. Mayor Wood said if Council wishes to change the budget projection then the process would need to start over. Councilmember Orlans stated he thought that Council could accept the revenue projections based on staff recommendation or start the budget process over but one does not dictate the other. Mayor Wood said he would need to start over and

have another budget presentation. Councilmember Orlans stated, "If it passed tonight, it would be an amendment to the budget; yes, you would have that option, no doubt about it." Councilmember requested again that staff comment.

At the request of Mayor Wood, Ms. Love stated, "Related to sales tax, the projections that are in the Mayor's proposed budget are that snapshot in time for what we projected sales tax. Basically, that was a no growth number. Mr. Lee has done some analysis of several of our revenue numbers since our digest numbers have come in. We certainly would not recommend any changes on property tax. On sales tax, our trend has been greater. We have been receiving more money each month in sales tax than we had estimated." She asked Mr. Lee to provide those exact numbers estimated for the year. Mr. Lee displayed a graph on the overhead. He indicated the current year revenue or distribution of sales tax on a monthly basis and the trend line. He stated that in July and moving out to June the line has increased. For the year, the City has collected \$16,867,000 in sales tax; historically, in May and June, the City averaged \$1,613,000. Mr. Lee stated the City has received the May distribution, an amount of \$1,615,000, slightly above the average. Mr. Lee said with that being said, the City would collect \$20,096,000 by simply meeting the average collections for the final two periods of this fiscal year. He said historically, this has been the City's trend for sales tax; since 2009, the City has been trending up on an annual basis; there was a larger year in 2010 and a slight increase in 2011 and a now a greater increase in 2012. Mayor Wood asked if it is known what the sales tax revenues will be next month. Mr. Lee replied he does not know beyond the projections for next month or even six months out; the projections are based on historical average. Mayor Wood said his suggestion would be, if these numbers hold up, that Council do a mid-year budget change. He said it would be a bad practice to do a budget revision in the middle of the budget.

Councilmember Dippolito stated he understood the Mayor's position and that it made sense. He noted that the Mayor's budget has an \$80,000 surplus. Councilmember Dippolito asked if there was something that the Mayor wanted that he would like to add. Mayor Wood replied that he would like to have a tax decrease but that was not available under the numbers as was projected. Councilmember Dippolito stated he was curious because the Mayor seemed concerned that he wanted to go back to take another look at it. The Mayor responded that if he had \$300,000 more to program, then staff would need to run at it and the Mayor would need to run it. Councilmember Dippolito stated that his point was well taken and suggested that the Parks maintenance number be reduced to \$50,000. Staff has a plan to use some of that maintenance money for the time being and then as suggested by the Mayor, come mid-year, Council could take a look to see if that additional \$60,000 could be added based on the sales tax standpoint. Mayor Wood asked if he was talking about revising the existing Parks maintenance budget or the request for "add" that was previously made. Councilmember Dippolito said the request for "add for \$110,000, because there is an \$80,000 surplus; put \$50,000 into the facility maintenance and \$30,000 for the public relations specialist." Mayor Wood stated an amendment would be needed in the form of a motion.

Amendment: Councilmember Dippolito proposed that the Add/Delete List be revised to decrease the Parks and Recreation facility maintenance from \$110,000 down to \$50,000 and that the additional \$60,000 is looked at mid-year. Mayor Wood inquired about \$30,000 for the public relations position. Assistant City Attorney Bob Hulsey confirmed for the Mayor that the public relations specialist for \$30,000 was included on the Add/Delete List. Mayor Wood apologized that he did not understand it that way.

The Mayor clarified they would need to go back to Councilmember Orlans' proposal

to revise the revenue projections because if he would get a second "that would change this whole discussion" if Council approves.

Councilmember Orlans agreed. He stated that he wanted to get the Add/Deletes on the table at this point in time to be discussed in the total framework later tonight.

Amendment: Councilmember Orlans moved to review the revised Sales Tax numbers and adjust the revenue \$200,000. Mayor Wood asked if he wanted to revise the revenue projects up by \$200,000. Councilmember Orlans stated that was correct. Councilmember Wynn seconded.

Mayor Wood clarified that Councilmember Dippolito motion was to revise the Add/Delete list, to split the \$80,000 to \$50,000 and \$30,000; Councilmember Orlans motion was to take the \$67,946; there was a motion and a second to revise the entire revenue upward. Mayor Wood clarified that if the revenues are revised and pass tonight, he would veto it to give the Mayor's Office an opportunity to present a new budget stating that if the rules are going to be changed in the middle of the game, it should start over again.

No further discussion. The Mayor opened the floor to public comments, noting time limits for public comment would be five minutes per speaker.

Public Comment:

Joyce Boddie, 2435 Roxburgh Drive, referring to Councilmember Orlans suggestion to remove \$87,000 from the Recreation budget and putting it into the general budget, noted that approximately two years ago, fees were raised on all the programs. She asked if there is excess money from the fees that were raised that is not going back into the recreation programs; will the fees be raised again. Councilmember Orlans replied, "Actually, the current budget takes \$155,000 out of it. So, I am actually increasing the Participation fund by \$67,946. I am not reducing that fund at this point in time from what is proposed by the Mayor in the current budget." Ms. Boddie asked if the Mayor was going to take out \$155,000 and Councilmember Orlans wants to take out less but it is coming out of the Recreation and Parks department. Councilmember Orlans replied, "The way it is set up currently, with the amount in the Participation Fee Fund, then the proposal for two artificial fields and the lease on building those two fields at \$155,000 will be taken out of the same fund. I am suggesting that we move that \$155,000 to the General Fund so that it is not coming out of the Participation Fund and adding \$87,000 from the Participation Fund to that in the General Fund. The net result is an increase in the Participation Fee Fund of \$67,946, even though it sounds like I'm reducing it by \$87,000, but we are also eliminating an expense of \$155,000." Councilmember Orlans stated the Recreation and Parks Commission makes the decisions regarding raising the fees.

Lee Fleck, Martins Landing, asked if the Mayor had considered his request. Mayor Wood stated he had considered his request and reminded him that the speaker time clock was running. Mr. Fleck asked that the clock be turned off. Mayor Wood clarified for Mr. Fleck that he could ask him follow-up questions to his request during this public hearing as long as it did not take longer than five minutes. Mr. Fleck disagreed with the public hearing speaker five minute limit. He thanked Ms. Love for answers to his questions that he had previously received. Mr. Fleck said he intended to pursue the area of debt service more fully; he said Council has deviated from the January figures of the pro-forma. He said when he initially looked at it he thought there would be an increase in the payment on the principle, but the debt services in the current budget shows no principle payment next year. Mr. Fleck requested more information regarding the debt service. He said that 2012 and 2014 showed a nominal value of \$6million. He said he went to the comprehensive budget for last

year that was audited by the auditors; the number was \$6.3million. He said he went back to 2007 when the 2008 bond was presented; there still was a comparable figure of \$6.3million in 2014. He said he did not understand why there is no principle to be paid next year. Mr. Fleck asked Mayor Wood if he was "committing that there will be an increase in the M&O millage rate that by State law will have to be announced this time next year?" Ms. Love stated "Mr. Fleck, the previous documents that you put up there are correct. What happened, and I mentioned that to you in one of my answers to you was, in 2002 bonds were defeased so in last year's budget it was presented. The first call date could not occur until February 2012. The budget was adopted back in 2011 in the June timeframe. Fast forward to December 2011; we saw an opportunity because of the market and the upcoming call date, that we could call the bonds, defease them, in other words place the money in escrow and thereby save the future interest cost. That is that difference. You mention that \$538,000. The debt service schedule for 2014 was the debt repayment on those bonds we defeased. Thereby defeasing them in February this year, it took it off the debt service schedule that you are seeing in this year's proposed document. The previous ones were not called yet so that debt service was still payable as scheduled. That is why that's the difference." Mr. Fleck asked if there would be no principle paid next year on any debts; 2008, 2002 is done. Ms. Love stated that is correct; the debt service schedule for the 2008 refunding bonds, when the financing schedule was set up, the City consolidated that with the 2000, with all the debt services the City had outstanding at that time, compared it to the amount of taxes that would be coming in to fund or service that debt; the debt service schedule was developed based upon that. The 2008 does not provide a provision to make that payment early and save anything. Ms. Love stated that is why he does not see anything for 2014. The City is just paying out or paying down that debt service schedule on the 2008 bonds that are left; those are the only ones that are left. Mr. Fleck asked if a 1.396 millage for next year would be unnecessary. Ms. Love replied, "No sir. It is not unnecessary, that supports the debt service. The debt service schedule backs us in to the required millage rate. Back in January, you know the pro-forma, you and I have had this discussion before, it is just a snapshot, it is our estimate based on what we know about the digest then. Those numbers change, they continue to change. The tax assessor's office completes and adjudicates those appeals, gets updated information about what was not on the digest last year as it relates to motor vehicles, new property, new constructions, or reassessments. As we got those updates, we took a look at it at that time because of what we were looking at in the M&O and the General Fund. We felt like there would be some ability for us to transfer that millage rate. Still keeping the total millage rate the same, but transfer between Debt and M&O to help fund the needs in General Fund versus Debt Service. When we got all the numbers finalized, we got all the budget, whether that was General Fund or Debt Service, we decided that the millage rate would need to stay the same across M&O and Debt Service. We made some cuts on the M&O side that are in the document as you see, but we are required to keep that amount in the Debt Service Fund in order to service the debt. The total millage rate, we are not required to advertise anything. Our millage rate is not increasing, the digest did not increase to a percentage that we are required by O.C.G.A. to advertise a tax increase." Mr. Fleck said for 2013. Ms. Love stated that was correct; the City did for previous years and the required public hearings were held. Mr. Fleck responded stating the City next year may need to advertise an increase in M&O if the Debt Service millage rate is reduced. Ms. Love replied, "No sir." Mr. Fleck asked if she anticipated any reduction in the Debt Service millage rate next year. Ms. Love replied she could not speak to that, she was speaking to the necessity to advertise a tax increase; that would be up to the Mayor and the proposed budget, and ultimately the Council to decide what the millage rate will be next year. Mr. Fleck said he appreciated her answers but thought that there will be "a millage rate advertised next year."

No further public comments were made.

Mayor Wood stated that the first order of business would be to consider the revision to the projected revenues on the budget, which would affect everything else. The Mayor noted that there was a motion and a second on the table to revise the projected revenues midstream. Mayor Wood stated he would hear from Council. He said he would object to the process because it is being done midstream.

Council Comment:

Councilmember Igleheart asked, if Council is making adds and deletes to the expenditures after the Mayor's initial proposal, is not that also a change midstream to what the budget was proposed. He asked if the intention of the whole budget process is for Council to determine what the budget should be for the City, both revenues and expenditures. Councilmember Igleheart asked Assistant City Attorney Bob Hulsey if the City Charter or other legal measure through the State, or the City's ordinances, requires that; the Mayor may present the budget, but the Council ultimately puts it together and votes for approval of it. Mr. Hulsey replied, "No sir. I don't think legally we are required to do that. I understand the Mayor has taken the position that if you are increasing the revenue estimate that he wants to have a second one and says he will veto that, which would cause him to come back with a different number, so it is up to Council how it wishes to proceed."

Mayor Wood stated this Council has never set the revenue projection. The Mayor said, "I think it is a bad precedent for the Council to vote on a revenue projection. If the Council sets the revenue projection, not the staff, not the Mayor, then there is nothing to prevent you from saying you have a balanced budget and it is never balanced." He stated there are two elements here; the "add and delete" which is amendments to the budget. Changing the revenue is changing the entire foundation of the budget. The Mayor said it is changing what he began and what was presented to Council. The Charter says the Mayor is to present a budget. If the revenue projections are changing, then the entire budget should be reviewed again and with all the options being looked at. Mayor Wood said he strongly objects to revising it. The best process would be if these revenues hold up, to do a mid-year budget change, which is done on a regular basis.

Councilmember Orlans said the revenue projections came from staff, done December 2011 and January of this year, projected on property taxes and "everything." Council and staff understand that all of these items could change over the next fourteen or fifteen months. Councilmember Orlans said "Staff has taken a more up to date look at the sales taxes since December and January timeframe. They have been trending up. They do a very conservative job every year. Even with this \$200,000 change in revenue, it is a very conservative approach; it is staff looking at it and is not picked out of the air from a Councilmember. As Councilmember Igleheart has said, the whole budget review is done at this point and time. If expenditures is the only side of it, the revenues can change as well. In this particular case, it is a unique situation because in the past few years we had sales taxes going down. It is an item that can be looked by the Council, in my opinion. Mr. Hulsey has given his opinion. We could put all of these add/delete items into a mid-year budget and just put them off for six months or we could deal with it now on a very conservative budget. If sales taxes are not coming in, we could do a mid-year budget the other way."

Mayor Wood replied, "I believe that the Mayor is responsible for presenting the budget and if staff is changing those revisions, the Mayor's office has the responsibility to change his budget and be given that opportunity. I would object to the Council denying the Mayor's office the opportunity to do its job."

Councilmember Price referring to the updated revenue projections asked if there are any other changes in revenue sources that have to come to light, such as property tax, etc., anything else that would either offset or increase or decrease the revenue.

Strategic Planning and Budgeting Director Keith Lee replied, "At this time, I would suggest not. The property tax digest did come in slightly higher than we did expect but due to the number of appeals and the new requirements in the state law to send notices to all property owners, we tend to have a lot of appeals, which has an impact on current year revenues, as we build the properties at eighty-five percent. I don't believe we have any kind of increase that we can make in property tax. Our business taxes are remaining consistent from year to year. We have already recognized some increase in those fees. Permitting has increased as we have seen development take place in Roswell. Some of those increases have been included in this budget. If there were increases there, they would be very minor and I would not suggest making those changes as they are more elastic and dependent on a growing economy."

Councilmember Wynn said she appreciated where Councilmember Orlans was coming from but she is over cautious and likes to make sure that the money is in the bank before it is spent. She understands the money that we are projecting now is a projection. Staff has done a very conservative projection. Councilmember Wynn said she preferred to wait until mid-year. She stated, "I think that maybe the Recreation and Parks facility maintenance can wait until mid-year, and then help out with what Councilmember Orlans wants to do with the turf fields and get the part-time public relations specialist." Councilmember Wynn said she did not feel comfortable going past the original staff projections.

Councilmember Igleheart said the money for the Recreation and Parks facility maintenance "came directly out of our trip to Greenville where a lot of things were in much better shape and we thought we needed to improve what is here and why I suggested that we add this in." He asked, if the discussion is considering it about six months from now, which is December or January, would it be a good idea to plant then or should it wait another year to catch up. He said there is reduced money for maintenance over time because of the budget aspects but that has also had an impact on how things look. Councilmember Igleheart noted that everyone said they wanted to be like Greenville. It makes sense to be concerned about how Roswell's parks look and deal with it when it needs to be dealt with, although not in the middle of winter.

Mayor Wood stated, "The discussion is do we revise the revenue projection mid-stream."

Councilmember Dippolito said, "That suggestion did come from our staff, so I am comfortable with it, but I think you raised a fair point that increasing the revenues at this point did not give the entire staff and yourself an opportunity to go back and rethink some of your suggestions. I think we can do fine with the current revenue projections that we currently have without increasing them."

Vote: Councilmember Orlans, Councilmember Igleheart voted in favor. Councilmember Diamond, Councilmember Dippolito, Councilmember Wynn, Councilmember Price voted in opposition.

Mayor Wood reminded Council that if the budget is to be balanced with the revenue projections which are being accepted, there would be a transfer of \$67,946 from the \$80,000 to Recreation Participation Fund. Councilmember Orlans asked for

clarification. Mayor Wood replied, "We have \$80,000. To balance this budget with the revenue projections that we began with, we have \$80,000 to program. I am trying to simplify it. I know you were trying to get \$67,946 of that. I know that Councilmember Igleheart was asking for \$110,000. Other folks have proposed a more modest number. We had \$30,000 for a position in public relations. We'll discuss those numbers."

Mayor Wood asked if anyone wanted to exceed the \$80,000 available. He wanted to see if this was limited to \$80,000.

Amendment: Councilmember Price said she wished to return to the previous motion she had made, which was seconded, to add \$10,000 for the guardrail, which she understood could be categorized as a capital expense. She stated her concern that it be added to the list as an official action.

Mayor Wood stated it was on the list; there was \$67,000, \$110,000, \$30,000, and \$10,000. He confirmed there was not a second on Councilmember Price's motion for \$10,000.

City Administrator Kay Love noted that what Councilmember Price referred to would be from a different fund. Ms. Love stated, "There is \$300,000 on the screen that we are not considering out of this \$80,000. If Councilmember Price's \$10,000 was seconded it would be out of the \$300,000 pot." Mayor Wood suggested segregating that; her motion would still stand and would be discussed later after this discussion regarding operating expenses. The Mayor said he was trying to see what the competing interest was for the \$80,000.

Councilmember Orlans stated the \$110,000 for Recreation and Parks facility maintenance could be postponed until a mid-year budget or an early mid-year budget once we see the sales taxes coming in. He said he had received feedback from Recreation and Parks on that as a possibility. Councilmember Orlans referring to the part time public relations position at \$30,000 asked Ms. Love where the Administrative budget is at for the current year and whether there would be any carryover funds from this year's budget that would be available for that position. Ms. Love stated yes, staff could certainly look at that. She said that in FY 2012, there is some money which could be appropriated out of the current year budget, just as she was suggesting for Councilmember Price's \$10,000 capital item; it could be allocated out of the 2012 budget for \$30,000, it would not be in that \$80,000 mix; it would be a budget amendment. Councilmember Orlans said, "My overall thoughts on putting all of these items together is that the part time community relations position could be covered under money moved forward in this year's budget. The facility maintenance could be done in an early midyear budget which would leave just the \$67,000 and the movement of the artificial fields to the General Fund, still leaving a balance of \$12,000. I think we could cover all the points and still be within budget as presented tonight."

Mayor Wood clarified that the discussion was \$67,946, \$110,000, and \$30,000. He said that as he understands from Council, they wanted to determine how to program the \$80,000 from those three suggestions. Some may be funded later as Councilmember Orlans suggested.

Councilmember Price said, "My proposal for the \$80,000 would be to reduce the Parks and Recs facility maintenance to \$80,000 and that would balance it."

Councilmember Diamond referred to page 213 of the budget document, noted there are a number of line items in Recreation and Parks for projects including a \$90,000

item for putting in solar panels in the East Roswell Recreation center. She asked if that is something which could be done midyear. Mayor Wood clarified that is capital and would be coming out of the \$300,000. Keith Lee confirmed that the solar panels are a one-time capital.

Mayor Wood stated he knew that at one time Councilmember Diamond and Councilmember Dippolito had proposed \$50,000 and \$30,000. He asked if that was still proposed.

Councilmember Dippolito stated he agreed with Councilmember Igleheart and would like to see a least a portion of this maintenance begin. Councilmember Dippolito asked what could be done for \$50,000 in Recreation and Parks, in the near term. Mayor Wood asked if he was suggesting that Council spend \$80,000 with \$50,000 for maintenance and \$30,000 for the new position in community relations. Councilmember Dippolito confirmed that was correct.

City Administrator Kay Love responding to Councilmember Dippolito's question stated, "What we would do if \$50,000 is appropriated and approved tonight, then Mr. Glover would come back with priority projects such as the heart of Roswell park, Roswell Area Park, or on the boundaries of City Hall for landscaping type improvement projects for the Council to determine which ones you would like him to do." It would require the development of a plan to determine where to put the money in the "most visible places for that amount of money." A plan would be brought forward based on the amount of money; if the amount is \$50,000 it would be different than if it is \$110,000.

Mayor Wood asked if Councilmember Orlans wanted \$67,946 of the \$80,000 to Recreation Participation Fund. Councilmember Orlans suggested "using \$67,946 in the General Fund and moving \$87,000 from the Participation over." The Mayor asked for Council thoughts on how they would program the balance of the \$80,000. Councilmember Orlans confirmed for Mayor Wood that he did not have a preference for the use of the \$12,000 balance but it could go with the Recreation and Parks facility maintenance. Councilmember Orlans stated, "Like I said, we are trying to look at the whole picture. I think the part-time public relations specialist, which we have all said that we need and communicating more to the citizens of Roswell, I think could easily be funded from current year's budget carry over." Mayor Wood said he understood from that that Councilmember Orlans would not fund it from the \$80,000. Councilmember Orlans stated that was correct.

Councilmember Wynn said she would rather draw up a beautification project for Recreation and Parks with an amount of \$110,000 and at mid-year. She said she favored Councilmember Orlans' proposal with \$67,946 into Recreation and Parks turf fields; the \$12,000 could be part of the \$30,000 for the part-time community relations position, leaving an amount of \$18,000. Councilmember Wynn said Councilmember Orlans suggestion is a good compromise for how to handle the money.

Councilmember Igleheart asked Mr. Glover what could be done during the month of January regarding beautification projects. Mr. Glover replied that when the \$110,000 came up for discussion recently, his staff discussed a number of different landscape projects. The list would be brought back to Mayor and Council at a work session or committee meeting to determine their priorities. He thought their list would well exceed \$110,000, but that could be done with "just about any amount of money." If the money was available in July and the planning process began, then November would probably be the earliest they could plant; it could be delayed a little. He noted that it would be best to put an appropriate plan in place; possibly a two-year plan in order to get it done. Councilmember Igleheart asked about spring planting next year.

Mr. Glover replied that the best time to plant is January, February, and early part of March.

Mayor Wood asked Councilmember Igleheart if he had preference for spending the \$80,000. Councilmember Igleheart stated he was fine with the \$67,946 under Councilmember Orlans' proposal.

Councilmember Wynn stated planning could be started but planting of trees, bushes, perennials should be started in October, November, and December. Mr. Glover confirmed for Councilmember Wynn that even if he did have the funding they would not be using that money in the next two or three months. He stated staff would be working on design plans for the planting season.

Councilmember Diamond stated she was comfortable with the part-time community relations position coming from FY 2012 doing the split that Councilmember Orlans proposed.

Mayor Wood noted that Councilmember Price had earlier stated the entire \$80,000 would go to maintenance.

Mayor Wood stated he would not support putting more money into the Recreation Participation Program than is in the current budget. He said he had asked the Recreation and Parks department to prepare an analysis of what programs cost the City of Roswell. The Mayor noted that Joe Glover and Jimmy Yanulavich did a lot of work on the analysis. Mayor Wood stated the analysis showed that subsidies to non-residents of the City Roswell in Roswell Ramblers was \$44 per non-resident; this came to over \$10,000 that we are subsidizing to the residents of Johns Creek, Milton, and Alpharetta to use Roswell facilities. Mayor Wood said he could not support that nor could he support putting additional money in the Recreation Participation Program to support non-residents. Mayor Wood stated the therapeutic recreation subsidy is another example; it is a subsidy amount of \$203 for non-residents. He said the City of Roswell athletic programs receive no subsidy; basketball, football, baseball, lacrosse do not receive a subsidy. Other programs receive subsidies of \$50 and \$60 per participant. Mayor Wood said he does not understand and has not yet received a good explanation of why the City of Roswell is subsidizing some of our children; some families are getting substantial subsidies and some are getting none. Mayor Wood said this is not related to children that are on the lunch program for the children who cannot afford the programs. Mayor Wood clarified that he supports those programs. He does not understand why there is subsidy given to non-residents. The Mayor said he did not understand why the fees are not raised to at least get closer to the cost. The subsidies to non-residents are not fair to the taxpayers of Roswell. Mayor Wood said, "I don't think we can have the best recreation department in the state and also have the least expensive recreation department in the state. I don't think you can have a subsidized recreation program that really does everything the recreation program does unless you put the burden upon the taxpayer and I cannot support putting that burden upon the taxpayer to the extent that we have. I cannot support the \$67,000. As to the balance of Councilmember Orlans' proposal, to take the turf fields out of the Recreation Participation Program where they are being utilized, and to bury them somewhere else goes against where I have been working on for the last fourteen years. That is to get transparent accounting in our Recreation department. It is hard to know what things really cost because of projects like moving something that is a turf field and which is used for the athletics program and putting it somewhere else. The cost of the athletic program should be in the athletic program so the citizens of Roswell know what it costs. It is an accounting game, is misleading the public and goes against my principles to be honest with people. If we are going to subsidize programs, we need

to tell people what the subsidies are and not bury it somewhere else. I cannot support that transfer. It is misleading to the people and not being truthful to the public. We have a responsibility above all else to be honest with our taxpayers to tell them how we are spending their money."

Councilmember Orlans replied, "You are, of course, trying to simplify things and make your argument. We've discussed all these. The fund does cover its charges. The difference comes down to our full time staff that are going to be in the building anyway, working for the City anyway, and trying to ask them what percent of their salary may go to a participation fund. For example: Hembree Park building is open. There are baseball games going on. We have full time staff in the building so they may go out turn the lights on. They may deal with some problems or issues at the field or turn them off after it is done. But, if there was no ball game going on, that building is still open and they are still there. When asked to put a percentage of their salary, trying to get to this transparency, they are trying to pick a percentage. You could use different examples around the City. The question only comes down to our full time staff and yes, maybe we could take Joe Glover who is the director of the entire Parks and Rec department and take ten percent of his salary and charge to all these different programs which are going on through the City, which maybe a couple hundred programs, to charge that down. We are talking about the main full time people and not going up to the top management but it is a philosophy on how much you want to make direct charges to charge fees for people to participate in these programs. The artificial turfs, you have been in agreement with this in fact, Mr. Mayor, that all the buildings, the fields, and cutting the fields is all done out of the General Fund. These are fields. It is consistent. It is the same thing we have been doing as far as those fields being in the General Fund. They wouldn't be in the Participation Fund so that somebody in dance is paying to the fields because they are being used for lacrosse. You can look at this, slice it and dice in many different ways which we have tried to discuss in a logical manner coming to a different conclusion for tonight. Bottom line, we are talking about \$80,000. Bottom line, I think the participation fund should not be taking a hit on a ten-year commitment for the leases on these artificial fields. I think it is a General Fund obligation. It is a Capital Fund obligation. The department is working on making the fees affordable and directly covering expenses. They have raised them \$200,000, which is about salaries, and increases are coming out. This fund is already increasing \$200,000 this year. You can't change all of the fees in a moment. I think they are done by quarter. It takes a whole year to change the cycle of fees. Again, as I tried to discuss with you last week, trying to take an objective viewpoint and a compromising viewpoint on how to work these fields in and try to cover the expenses, just so it is not considered simple sound bites. These are just my comments and opinions, opposite of your comments and opinions."

Motion: Councilmember Orlans moved to accept the \$67,946 out of the current available funds of \$80,000 and moving \$87,000 as outlined in the email from Kay Love of May 29, 2012, for the total amount of \$155,000 to pay the interest in the General Fund for the artificial turf fields that would also be in the General Fund. The allotment to the Participation Fund would be the figure of \$571,000.

Mayor Wood said, "The Rec department has reserves of over \$1,100,000. They could easily accommodate a 3.5 percent increase across the board to come up with this \$150,000. You say that it takes a year to adjust the fees. The request was made last year to adjust these fees. I did not see any adjustments in the numbers that were presented to me. I saw subsidies of \$44 for non-residents in the Ramblers. I saw subsidies of over \$200 for other programs for participants. I don't believe the citizens of Roswell should bear that burden of that subsidy. I believe it is a real subsidy, I did not come up with these numbers, the Rec department came up with

these numbers. The Rec department may not wish to recognize these numbers but they are accurate numbers. They are the numbers that they came up with. We are asking the taxpayer to subsidize folks who want to play tennis with private lessons and they are being subsidized. We are subsidizing a lot of programs that we do not need to subsidize. If this Council continues to raise the subsidy, we will never address the problem. I think the problem needs to be addressed and we need to address it now. I don't think we need to bury the cost of the turf fields in the General Fund when it is being used by the athletic program. We need to reflect that in the athletic program. If the Council wishes to be honest with the public I think they need to show what the true costs are and not bury them somewhere else."

Councilmember Orlans replied, "Your point about \$44 subsidized in Ramblers, you know that again, it is not straight forward, it is not simple. The Ramblers all volunteer as part-time people to run the front desk at the senior center. If they were not volunteering, and all of those desk people are volunteers from Ramblers, then we would be paying part-time people to be there. The Ramblers have raised money and bought buses that the Recreation and Parks department uses, that we use for a lot of other programs. The Ramblers have raised money to increase the gymnasium area of the senior center. It is not easy, not cut and dry." Councilmember Orlans asked Mr. Glover to comment about what \$1.1million in reserve fund really is and if the City allows private tennis lessons on City of Roswell courts. Mayor Wood replied that the number came from Joe Glover. Councilmember Orlans replied he asks that Mr. Glover explain what it is.

Mr. Glover replied the surplus is actually \$1.3million. Mr. Glover said, "By policy, we have to have almost \$900,000 in reserve. That is required by the City Policy. We do have a little bit of surplus that we try to keep in case there is an emergency and there is something that needs to be paid for and we can continue to keep operating for whatever period of time." Councilmember Orlans replied, "Unless we change our reserve policy, that \$900,000 is designated for that and cannot just take and use that for the funds or the participation programs." Mayor Wood replied, "You only have \$400,000." Councilmember Orlans replied, "\$200,000 to 300,000." Mayor Wood noted that \$900,000 subtracted from \$1,300,000 would be \$400,000. Councilmember Orlans asked Mr. Glover what that money is used for. Mr. Glover stated, "It is undesignated money. It is just there in case we need it. If we were to run into an emergency or a problem, we would come back to Mayor and Council and ask for permission to spend some of that money. It is the same thing as the reserve funds in the General Fund." Councilmember Orlans referring to the comment "Not reducing the amount being supported to the Enterprise Fund from the General Fund," stated it "is being reduced this year from the \$658,000 down to \$571,000. They are adjusting non-resident fees. They are looking at all of the different aspects of this and it does not happen overnight. They have made progress from last year. As I said, salary increases and other increases that have already gone through they have already increased that amount \$200,000."

Councilmember Igleheart noted that Council had this discussion last year with the same information. He said the subsidy goes to the full time staff that helps the programs go forward that makes us the best program in the country and that has not changed. He said that money has to be there to pay for those people. The "supposed" subsidy comes about when you say "part of that person's time gets applied to this program." Councilmember Igleheart stated it is an "accounting trick if you want to use your words." Councilmember Igleheart reiterated that Council has had that discussion. He said he was comfortable that Council wants to support the program to the extent that it can, and that the City is not being untruthful. Councilmember Igleheart said, "As Mr. Orlans said, all of our other fields are paid for through General Fund, through Capital Programs. Turf field is a field. It is going to

be used by others than just those in those programs. I don't see how that is hiding anything, it is following the same protocol that we have always followed. I second the motion."

Mayor Wood replied, "The same protocol the City has always followed was for years I could not find out what a program cost. I finally know what they cost and know that we are putting a large subsidy into non-residents. This is the first year that I have found that out. We have discovered information that we did not know. Regarding the salaried employees, they are dedicated to the Rec Participation program, they are not involved in the parks, they are not involved in the policing, they are solely for the Rec Participation Program. If we eliminated the Recreation Participation Programs, those people would go away. They are directly tied to Recreation Participation Program and they should be part of the cost of the Recreation Participation Program. I am simply saying the taxpayers of Roswell who are the property taxpayers should not be subsidizing private tennis lessons and other programs." Councilmember Igleheart interjected, "That is not what's happening so stop going back and forth on things that is your version versus somebody else's." Mayor Wood replied, "No, it is the version which the Recreation department gave me. It is their numbers. I did not generate these numbers." Councilmember Igleheart stated, "Based on your directive for how you..." Mayor Wood interject, "No sir, it was not based upon my directive. It was based upon my question: What does it cost. I did not direct them to tell me what it cost. I said I want to know what these programs cost and they came out with the numbers. I did not direct them to say what the numbers would be. I simply asked the question and I was very careful to try to get an accurate answer." Councilmember Igleheart replied "We disagree." No further comments.

Councilmember Dippolito stated he saw good points on both sides of this discussion. He said the Rec Commission has done a good job over the last couple of years of really getting arms around these participation fees and they continue to do so. He agreed with Mayor Wood that the people are charged fairly and that the City's subsidy is fair to the citizens of Roswell. Councilmember Dippolito noted that he supported Councilmember Orlans' position and his proposal. He said the Rec Commission does support this, although he did not think there had been a formal vote regarding it, but informally the Rec Commission does support this. It is a reasonable compromise that actually works for both the Mayor's and Councilmember Orlans' points of view on this, the Rec Commission will continue to work on these fees and will continue to get the City closer to where the Mayor would like it to be. Councilmember Dippolito stated he supported this.

Councilmember Diamond stated she agreed. She said this points out the delicate nature of this issue. Dealing with programs like Recreation and Parks, is very much akin to school programs. You can say what an average child costs to educate but that does not take into account the child with special needs or the child that has free and reduced lunch or the child that needs special accommodations, and all those have to be in the mix to make it work but it cannot be evenly split. She noted that the staff is tied directly to programs but she did not think that it is an even one for one kind of a formula; it is a much more complicated formula. The Rec Commission as they have become aware of this has been diligent about it. Councilmember Diamond said, "We are hopefully getting to a point where they are recognizing it, they are making adjustments, they are making changes and we are still reducing in effect, their operating subsidy. I am comfortable they we are getting closer to where we need to be. It was not always something that everybody is excited about either way, which means maybe we have reached a fair compromise. I feel like we need to come to some middle ground to keep going forward on getting it where it needs to be. As long as we have programs that are different and have different strengths and bring different things to our City, it is never going to be an equitable, easy formula. I

think this is a compromise that can get us closer to where we need to be."

Vote: Councilmember Orlans, Igleheart, Wynn, Dippolito, and Diamond voted in favor. Councilmember Price was opposed.

Mayor Wood noted that completed the amendments to the motion. He would entertain a motion to pass the budget as amended.

Councilmember Dippolito stated he would like to move forward with the motion. He asked if there was a preference to separate out the Capital Improvement from the budget. Mayor Wood responded that would be his preference.

Motion: Councilmember Dippolito moved to approve the budget as submitted with the amendment recommended by Councilmember Orlans and with the note that the part-time public relations specialist will be funded from FY 2012 funds; look at funding the Recreation and Parks facility maintenance. Mayor Wood suggested that Councilmember Dippolito make a motion on the budget itself and separate motions on the alternate items. Mayor Wood clarified that he preferred to stick to the issue at hand rather than including amending current year budgets. Councilmember Dippolito stated he understood the Mayor's point.

Ms. Love stated, "Councilmember Dippolito, before the motion, could I ask for a consideration of the money that is left over from the \$80,000, the sum \$12,000, may we put that in Operating Contingency so that we have a true balanced budget and we are not having excess revenues over expenditures when the budget is adopted?" Councilmember Dippolito asked if that would require a separate motion to vote on that. Mayor Wood stated he could make that his motion.

Re-stated motion: Councilmember Dippolito moved to approve the budget as submitted with the amendment proposed by Councilmember Orlans for the Recreation Participation Fund; removing Schedule "B" Capital Improvement Program to be voted on under separate motion; the \$12,646 remaining to be placed in Operating Contingency. Councilmember Wynn seconded.

Further Discussion:

Councilmember Price referring to the Add/Delete List in the Council packet with the \$29,408 or any other increase in revenues, asked if that is not part of the motion. Director of Strategic Planning and Budgeting Keith Lee stated that was correct, they would go back to the original \$19,700,000 for Sales Tax. Mayor Wood noted the revenue projections are the original revenue projections. Councilmember Dippolito stated the intent of his motion was to go back to the original budget from the first reading and not to include the Add/Delete List. She said, "Right, but does not that the ordinance that we are voting on reflect a number that includes the current Add/Delete List as in the packet." Mr. Lee replied, "It does, and we would not include it. We would go back to the first reading, which would be the proposed budget and then that would exclude the revenue increase in Sales Tax, and then we would add Councilmember Orlans' addition, as well as placing the additional \$12,000 into Operating Contingency."

Councilmember Dippolito stated he needed to amend his motion because he realized that the sidewalk connectivity is on the Add/Delete List. He further noted that he could add that in the Capital Improvement Program.

Mayor Wood noted there was a motion and second. He called for further discussion.

Councilmember Price stated she would like to see a number that Council is actually

working with. Mr. Lee replied yes, and displayed the numbers, which would be for the General Fund. Mr. Lee confirmed for Councilmember Price that it is the spreadsheet dated 4/27/2012. Councilmember Price said Council had received so many copies that it is hard to know what the number is that they were trying to reconcile. Ms. Love requested that the Add/Delete List be shown. She explained that the ordinance, should this pass tonight, would not be signed tonight since the numbers would need to be adjusted because the second reading as Mr. Hulsey read it had that Add/Delete list incorporated into it. Since Council tonight made changes to that, staff would change the ordinance and Council would sign that revised ordinance with the revised numbers. Mr. Lee confirmed for Ms. Love that his staff was calculating the revised number so that the bottom number would be clarified tonight. Ms. Love noted that the only section that would show change would be the Recreation and Parks number; the Community Relations part-time position would be removed from the Add/Delete list because that would be funded from FY2012. Ms. Love noted that the Capital Projections remains for consideration yet. Mr. Lee displayed the number and explained that the General Fund Source of Revenue would be \$59,653,146, based on the amendment proposed by Councilmember Orlans. With this motion, the \$80,592 would be split between paying for the financing of the turf fields and placing the additional funds into Operating Contingency. Ms. Love stated the \$80,592 would be added to that expenditure number. Councilmember Orlans agreed and that the \$87,000 would also come over. Ms. Love stated that was correct and that the capital would come over, an amount of \$1,500,000. Mr. Lee repeated that the capital would come over. Ms. Love stated staff could provide a schedule; if Council's consideration was to see it all together staff would provide that although it could not be provided at this minute. Mayor Wood asked how long it would take to produce that number. Ms. Love stated the number could be produced as far as viewing it. She explained that she wanted to make certain of the changes before the final number was read out. It is much easier to do it off the Add/Delete List because numbers need to be brought over the \$155,000 from Recreation Participation Fund, their net decrease; the transfer of \$87,000 to General Fund; decrease the subsidy from \$653,000 to the \$500,000 number; incorporate the \$155,000 out of General Fund; on the Capital side, take the \$1,500,000 out of the Recreation Participation Fund and add to the General Fund. Ms. Love stated the net is not any different than what staff was showing but the fund and line item would be different. Mr. Lee confirmed for Mayor Wood that his staff could incorporate those changes within fifteen minutes. The Mayor wanted Council to view the changes before their vote. Council continued further discussion.

Mayor Wood noted that Councilmember Dippolito wanted to discuss funding of the part-time position in Community Relations.

Councilmember Dippolito stated the Citizens Survey last year showed the desire of many citizens for an increase in City communications with the public.

Motion: Councilmember Dippolito moved to add a Community Relations part-time position funded through the current year, FY 2012 budget. Councilmember Wynn seconded. Public comment invited. None were heard.

Further Discussion:

Councilmember Price stated this only officially came up today by email this afternoon. She asked if this has gone through the proper process of vetting this out. She was not in favor of doing that today. Mayor Wood stated that would ultimately be for Council to decide but he was entertaining the motion and it would be voted on tonight. Councilmember Dippolito stated it was discussed at length at the last Administration and Finance Committee Meeting at which time Council seemed to support and why it was brought forward as part of the budget process. He said he

supported Councilmember Orlans' suggestion to move it to FY 2012. Councilmember Price stated, "Did we at that time move it forward to Council for a vote?" Mayor Wood replied that whether or not it moved forward to Council for a vote or not he was entertaining the motion. Councilmember Price asked if it was on the agenda for this evening. Mayor Wood replied it is on the Add/Delete List so it was not there in its current form but he still would entertain the motion. Further discussion invited. None was made.

Vote: Councilmembers Orlans, Igleheart, Diamond, Wynn, and Dippolito were in favor. Councilmember Price was opposed.

Mayor Wood asked Councilmember Dippolito for any further motions. Councilmember Dippo

A motion was made by Councilmember Dippolito, seconded by Councilmember Wynn, for Approval of the FY 2013 Budget for the City of Roswell, Georgia in the amount of \$109,488,246 on Second Reading with the following amendments to the FY 2013 Mayor's Proposed Budget as presented on May 14, 2012:

- 1) Reduce the General Fund subsidy to the Recreation Participation Fund by \$87,054,**
- 2) Move the Turf Fields lease payment of \$155,000 from the Recreation Participation Fund to the General Fund,**
- 3) Move the Turf Fields financing proceeds of \$1,500,000 and purchase of \$1,500,000 from the recreation Participation Fund to the Capital Projects Fund,**
- 4) Authorize the use of \$300,000 of General Fund Reserves for the Sidewalk Connectivity Program,**
- 5) Authorize the use of \$10,000 of General Fund Reserves for the replacement of the Guardrail on Azalea Drive,**
- 6) Allocate \$12,646 for Operating Contingency, and**
- 7) Approve a part-time Public Relations Specialist for Community Relations to be funded using FY 2012 available funds.**

The motion carried by the following vote:

In Favor: 6

Enactment No: ORD 2012-05-07

3.

Approval of the Millage Rate of 5.455 mills for the FY 2013 Budget. (Second Reading)

Mayor Wood introduced this item. Assistant City Attorney Robert Hulsey conducted the reading of an ORDINANCE TO ADOPT MILLAGE RATE, stating: Whereas, the Mayor and Council of the City of Roswell are the governing authority of the City of Roswell; and Whereas, the governing authority of the City of Roswell is authorized by State Law at O.C.G.A. § 48-5-32 to set the millage rate for the collection of ad valorem taxes; and Whereas, all required notices have been published or are scheduled to be published in a newspaper of general circulation throughout the jurisdiction pursuant to such statute; Now, Therefore, the Mayor and Council of the City of Roswell wish to establish a millage rate of 5.455. The millage rate has a component of 4.059 for the general fund, operating and capital improvements budget, and a 1.396 mills component for servicing bonded indebtedness. The millage rate may require adjustment upon approval of a certified Tax Digest for the year 2012.

Mr. Hulsey noted that if approved, this would be the second reading.

There was no council discussion.

A motion was made by Councilmember Dippolito, seconded by Councilmember Orlans, for Approval of the Millage Rate of 5.455 mills for the FY 2013 Budget on Second Reading. The motion carried by the following vote:

In Favor: 6

Enactment No: ORD 2012-05-08

Administration and Finance Department - Councilmember Rich Dippolito

4. Approval of a Resolution to accept the 2012 HOME Investment Partnership Act grant in the amount of \$106,655 and Budget Amendment 22115000-05-30-12A.

Presented by Michael Fischer, Deputy City Administrator

Deputy City Administrator Michael Fischer stated this is the HOME grant worth \$106,655 plus the City's match. He said that \$50,000 of this grant will go to the Roswell Housing Authority for the Veranda at Groveway redevelopment project and \$45,989 to the North Georgia Community Housing Development Corporation, and the remaining funds will be used for administration. He said these two community housing development organizations are the only ones the City has that qualify for these funds. He said staff is requesting approval of the Resolution to accept these funds.

There was no public comment.

A motion was made by Councilmember Dippolito, seconded by Councilmember Orlans, for Approval of a Resolution to accept the 2012 HOME Investment Partnership Act grant in the amount of \$106,655 and Budget Amendment 22115000-05-30-12A. The motion carried by the following vote:

In Favor: 6

Enactment No: R2012-05-21

5. Approval of the Priorities for the 2013 Community Development Block Grant (CDBG) Entitlement program.

Presented by Michael Fischer, Deputy City Administrator

Deputy City Administrator Michael Fischer stated that each year the City of Roswell receives CDBG funding. Priorities are set for that funding each year, and that has been in discussion by the Mayor and City Council for 2013. He said staff is requesting priority approval for the amount of \$177,587; in the past year it has been used by the City for a city project. The request tonight is for it to be used for redevelopment for the Veranda at Groveway project.

Mayor Wood said he understands this will help the project in getting points toward a \$12 million grant. Mr. Fischer said that is correct; there is about \$9 million for tax credits that will be discussed in the next agenda item. He said this would be part of the support the City will give to receive points on the score sheet for the credits that are key for the project.

Council Comment:

Councilmember Igleheart said he totally supports this project and hopes it is

successful, but he has a major issue with the City donating public tax dollars to the project. He said it goes to the Roswell Housing Authority (RHA) and will have some public benefit for providing below market housing but they are giving away Roswell tax dollars for no specific public benefit. He said for example, Greenville, South Carolina got infrastructures, streetscapes, parking decks or something that had a broader benefit and we would not. He said he had no problem with the CDBG and other funds going to it but not to just give \$500,000 of the City's reserves for which they already know there isn't enough of.

Mr. Fischer interrupted to say at this time they are only identifying some of the funding from CDBG and that the tax credits will come up in the next agenda item.

Councilmember Igleheart apologized and said he thought they were already on the next item. He said he supports CDBG money going for this project.

There was no further council discussion. There was no public comment.

A motion was made by Councilmember Dippolito, seconded by Councilmember Price, for Approval of the Priorities for the 2013 Community Development Block Grant (CDBG) Entitlement program. The motion carried by the following vote:

In Favor: 6

6.

Approval of a Resolution in support of an application to Georgia Department of Community Affairs (DCA) for 2012 low-income housing tax credits for the redevelopment of the Roswell Housing Authority Veranda at Groveway project.
Presented by Michael Fischer, Deputy City Administrator

Councilmember Dippolito introduced the item and said Councilmember Igleheart had already led into the conversation. He said one option presented in the supporting memo is for the \$500,000 City grant but he does not support that for the same reasons stated by Councilmember Igleheart. He said the other option which he does support is to provide \$650,000 to infrastructure improvements that would be streetscapes, utilities, etc.

Deputy City Administrator Michael Fischer presented this item and said there have been a lot of changes on this and staff has worked diligently to come up with the best options. He said following discussion in Committee, they realized there is more than one way to get some of the points that the Mayor alluded to for getting the tax credits. He said they are looking at three points that are extremely important. One way of acquiring the points is to have the City provide a \$500,000 grant in cooperation with some other grant funds that were going to that project. He said they could also support the project as a City by doing infrastructure or what is called in the score sheet as "off-site improvements." These improvements would need to total at least \$650,000. He said even without any engineering yet for the project, there is roughly \$475,000 in water infrastructure improvements that would need to be done.

Mayor Wood noted that item #6 is for the \$500,000 but Councilmember Dippolito has said that his department has withdrawn support for this and they now want to support \$650,000 for infrastructure improvements.

Councilmember Dippolito said for clarification, there are several components; a \$50,000 2012 HOME grant, a \$50,000 2013 HOME grant, and in lieu of putting \$500,000 into project cost, he suggested putting \$650,000 into infrastructure costs.

Mayor Wood asked if Councilmember Dippolito's proposal is on the current agenda. Councilmember Dippolito said it is, as an alternative. Mayor Wood apologized and said he did not catch that right away.

Mr. Fischer said getting support to the RHA for this project is on the agenda; how to get that support is what the discussion is about. He said originally it was a \$500,000 City grant, but it could also be up to \$650,000 in infrastructure improvements to get the same points.

Mayor Wood asked then if Councilmember Dippolito is proposing a \$650,000 investment in infrastructure in this area. Mr. Fischer said that is correct. Mayor Wood said then it would not be a grant, it would be a City infrastructure project. Mr. Fischer said that is correct. Mayor Wood asked him to define the infrastructure project. Mr. Fischer said the engineering is not completed, they only have concepts but it looks like it will be water and sidewalk connections within the Groveway area. It is not yet known what will be needed on the streets, but there will be a street connection at the end of the project. At least four infrastructures should be improved with this project: streets, sidewalks, water and possibly stormwater.

Mayor Wood said the motion would be to commit \$650,000 for infrastructure improvements, which is unusual, but they can do it. He said he understands that if the project does not move forward, this money might not be committed; they could withdraw or reallocate it.

Mr. Fischer said all of the support that is being discussed tonight is contingent upon the award of the tax credits from Georgia DCA to the project.

Mayor Wood said this is a confusing motion and asked Councilmember Dippolito to clarify the motion.

Mr. Fischer said \$650,000 is the commitment needed for the infrastructure to support the project and \$50,000 of the 2012 HOME grant would still need to go to the RHA because they are a qualified CHDO. This fits perfectly within that grant, because only RHA or Habitat can use that and it would still allow them to get the 2 points that are needed from the grant side. This would include \$50,000 for the 2012 HOME grant, which has just been accepted, and \$650,000 for infrastructure improvements.

Mayor Wood asked if they could pass one at a time. Mr. Fischer replied it is all for the same support and they have already approved the \$50,000. Mayor Wood said he understands it all goes to the same place, but they should try to get one motion at a time. Councilmember Dippolito stated Council approved \$177,000. Mr. Fischer agreed and said they would approve \$177,000 if we were doing the \$500,000 City grant. Mayor Wood said they are not. Mr. Fischer said that is what Councilmember Dippolito is asking, but they don't need to use the \$177,000 if Council is going with the \$650,000 infrastructure, that will go back to the City for a City project.

Mayor Wood said they should first make a motion on the \$650,000 and if that passes then bring it back to Council for possible elimination of the \$177,000.

Council Comment:

Councilmember Wynn asked how much money was needed to help with this grant. Mr. Fischer replied \$650,000 for infrastructure and \$50,000 from the 2012 HOME grant that has been approved.

Councilmember Wynn said she was hearing then that \$700,000 would make the RHA

happy and asked if they get the \$177,000, can they still put in the \$50,000. She said if they keep the \$177,000 where it is, can they take theirs down to \$500,000. Mr. Fischer replied, no because it is a separate area and the off-site improvements must be at least \$648,000. He said they should do \$650,000 to ensure there is enough in that one. Councilmember Wynn said she had been confused about that, but understands now.

Councilmember Diamond said she wasn't sure that meant they could eliminate the \$177,000. Mr. Fischer said he did not know because this had changed since originally being done.

City Administrator Kay Love said per the memo provided in the backup materials, the total commitment of \$927,587 includes the \$177,000. She said if they change that makeup, then they need to provide that explanation, but Council had already voted on the \$50,000 to accept the HOME grant. Mr. Fischer agreed with Ms. Love's explanation.

Mayor Wood clarified that Council has passed the \$50,000. He asked what else is needed to pass in order to maximize the points that are available. Mr. Fischer replied \$650,000 for infrastructure improvements and the \$50,000 from the 2012 HOME grant. Mayor Wood asked if the \$177,000 gives any more points. Mr. Fischer replied no, that was all that was needed. Mayor Wood said if Council wished to they could, but if they are only doing it to maximize points that does not add more points. Mayor Wood said that would be reconsidered after passing the \$650,000.

Councilmember Diamond requested clarification from the RHA.

Dave Schmit, representing the RHA, said there are two categories, a grant side that gets points and the off-site improvement that gets points. In order to get 2 points on the grant side, they must get \$650,000. He said with the City, they were talking about \$50,000 from the HOME grant in two years and \$170,000 in CDBG and the RHA would make up the difference from their own funds to get the 2 points. He said the other category for off-site improvements has to be \$650,000, which gets 1 point. They would need two \$50,000 HOME grants and \$170,000 in CDBG. Mayor Wood asked if they get more points for the \$177,000. Mr. Schmidt replied yes, and if they get approval of the two \$50,000 HOME grants over the two years and the \$170,000 in CDBG, that would take care of the points on the grant side and the \$650,000 takes care of the points on the off-site improvements.

Mayor Wood asked Council if they understood this and added that if they want to maximize, they will need all of it.

Further Council Comment:

Councilmember Dippolito said they had already approved the 2012 HOME grant and the \$177,000; he asked if the 2013 HOME grant goes to the RHA. Mr. Fischer replied yes, because they are a qualified CHDO but they don't have any of those papers yet, that would be part of the support letter to be sent in. Councilmember Dippolito thanked Mr. Fischer.

Mr. Schmit said for clarification that both sides are conditional on award of the tax credits and if they are not awarded, then it all stays with the City or HOME.

Councilmember Price said she was excited about the project and the ability to facilitate it, but wanted to know where the \$650,000 was coming from and if it was in this year's budget. She asked if it would be taken from the mid-year budget adjustment that they discussed might happen.

Ms. Love responded that it will come out of reserves from some fund depending on what the infrastructure ends up being. She said when they come back with the specifics, for instance if it is for water lines, it could be a combination of water fund and general fund, or all water fund, or all general fund, but it would ultimately be up to Council to decide but it would come out of reserves.

Mayor Wood asked if there is sufficient money in the reserves. Ms. Love replied, yes.

Further Discussion:

Councilmember Igleheart said after the last discussion he didn't feel bad about being confused because everyone else apparently was. He said he adamantly opposes giving the money away, but putting the money towards public infrastructure changes that. He said he was still somewhat uncomfortable because every project coming forward after this might want money put towards it and there is not money for that. He said as this applies to Groveway, he is in support.

A motion was made by Councilmember Dippolito, seconded by Councilmember Wynn, for approval for the City to provide funds to the Roswell Housing Authority Veranda at Groveway project for specific infrastructure needs in the amount of \$650,000. Mayor Wood clarified that the City would not be giving them the money but would be spending money for sidewalks, water, streets, and other public infrastructure. This is conditional upon the granting of the tax credits. The motion passed unanimously.

A Second Motion was made by Councilmember Dippolito, seconded by Councilmember Wynn, for approval of \$50,000 in 2013 HOME Grant funds to the Roswell Housing Authority. Mayor Wood stated that would be a grant for the Roswell Housing Authority through the HOME Funds. The motion passed unanimously.

In Favor: 6

Enactment No: R2012-05-22

7.

Approval of a Resolution accepting the 2012 Community Development Block Grant (CDBG) and Budget Amendment 22115000-05-30-12B in the amount of \$417,613.

Presented by Michael Fischer, Deputy City Administrator

Deputy City Administrator Michael Fischer said this is for CDBG funds that have been in the works for some time. The letter for acceptance of the award has been received and this is the resolution for Council to accept the funds that will be allocated as follows:

- Child Development Association: \$50,000*
- City of Roswell Recreation & Parks: \$177,587*
- Drake House: \$25,000*
- HomeStretch North Fulton: \$40,000*
- North Fulton Community Charities: \$25,000*
- Senior Services of North Fulton: \$10,000*
- YMCA: \$10,000*
- City of Roswell Grants Division: \$80,026 (for administration of the grants)*

Councilmember Dippolito said there are a lot of wonderful charities and non-profits in Roswell and this will go a long way towards helping them do what they can for our

citizens.

There was no council discussion or public comment.

A motion was made by Councilmember Dippolito, seconded by Councilmember Price, for Approval of a Resolution accepting the 2012 Community Development Block Grant (CDBG) and Budget Amendment 22115000-05-30-12B in the amount of \$417,613. The motion carried by the following vote:

In Favor: 6

Enactment No: R2012-05-23

- 8. Approval for the Mayor and/or City Administrator to sign the necessary pension plan documents with the Georgia Municipal Employees Benefit System (GMEBS) and the International City/County Management Association (ICMA) for implementation of the Pension Plan design for individuals hired on or after March 1, 2011. (This item was deferred from the May 30, 2012 Mayor and City Council meeting)**
Presented by Dan Roach, Human Resources Director

Councilmember Dippolito stated that since the last Committee meeting, he and other Councilmembers have had discussions about looking at other ideas for the defined contribution plan. Councilmember Dippolito suggested deferring this item to the next council meeting.

Motion: Councilmember Dippolito made a motion that this Item be Deferred and placed on the June 11, 2012 Mayor and City Council agenda. Councilmember Wynn seconded. There was no council discussion. The motion passed unanimously.

Council Comment:

Councilmember Price asked if council will need to discuss this again or will it be put on a committee agenda.

Councilmember Dippolito replied that Human Resources Director Dan Roach will be distributing some information and it can be brought back to committee but the goal is to resolve this quickly.

Mayor Wood asked if there is a committee meeting before the next council meeting. Ms. Love replied the next committee meeting is June 12, the day after the Council meeting. Mayor Wood asked Councilmember Dippolito what date he would like to bring it back to Council. Councilmember Dippolito replied he was deferring to the next council meeting. Mayor Wood said since that is prior to the committee meeting, they would not bring it to a committee meeting unless Council requests it. Councilmember Dippolito said if Council is not comfortable with that, he would defer it to after the next committee meeting. Mayor Wood said there was a motion and a second and it passed, but it was not brought forward to a specific date. Councilmember Dippolito said he made the motion for the next council meeting. Mayor Wood said alright, that motion has passed.

A motion was made by Councilmember Dippolito, seconded by Councilmember Wynn, that this Item be Deferred and placed on the June 11, 2012 Mayor and City Council agenda. The motion carried by the following vote:

In Favor: 6

Community Development - Councilmember Nancy Diamond

9. Approval of the Unified Development Code (UDC) Steering Committee Appointments.

Presented by Alice Wakefield, Director of Community Development

Director of Community Development Alice Wakefield said this is a request to approve the appointments to the Unified Development Code Steering Committee that is proposed to be made up of twenty members. Twelve members are to be from the various boards and commissions with the full Planning Commission, the Design Review Board, the Historic Preservation Commission, the Board of Zoning Appeals, a representative from the Comprehensive Plan Advisory Committee, and the Downtown Development Authority. The remaining eight members will be community representatives. She said staff recommends approval of these appointments.

A motion was made by Council Member Diamond, seconded by Council Member Igleheart, that this Item be Approved with the following appointed to the UDC Steering Committee:

**Planning Commission - Cheryl Greenway - Chair; Bryan Chamberlain; Lisa DeCarbo; Sidney Doss; Joe Piontek; Mark Renier; and Harvey Smith.
Design Review Board - John Carruth - Chair
Historic Preservation Commission - Tony Landers - Chair
Board of Zoning Appeals - Glenn Maggiola - Chair
Comprehensive Plan Advisory Committee - Jim Parris
Downtown Development Authority - Monica Hagewood - Chair
Community Representatives - Eric Clementi; Michael Gould; Chad Mann; Ian Mari; Angelia Parham; Denise Rauch; Cliff Rhodenizer; and Alison Vrojlik.**

The motion carried by the following vote:

In Favor: 6

Environmental / Public Works Department - Councilmember Kent Igleheart

10. Approval for the Mayor and/or City Administrator to sign contracts for Standby Engineering Design Services with the following companies: 1) American Engineers, Inc., 2) Brown and Caldwell, 3) Engineering Strategies, Inc., 4) Gresham Smith and Partners, 5) River to Tap, Inc. (R2T), and 6) URS Corporation for Water Resources related work in the Public Works/Environmental Department.

Presented by Stuart Moring, Director of Public Works/Environmental

Director of Public Works/Environmental Stuart Moring presented this item and said this is the second round of Standby Engineering contracts done by the department for services in the Water Resources Division. He said thirty-three firms submitted qualifications through a qualifications base selection process, the list was narrowed

to six firms. He said they will be selected individually for specific task orders as has been done with firms currently on the list. This would be a yearly renewable contract with these firms for up to three years, at which time the City would solicit proposals again.

A motion was made by Council Member Igleheart, seconded by Council Member Orlans, that this Item be Approved. The motion carried by the following vote:

In Favor: 6

Public Safety - Councilmember Becky Wynn

3. Approval of a revision to the Human Resources Policies and Procedures Manual Regarding Command Appointments. Human Resources

*****Consent Agenda Item #3 removed from Consent for discussion.*****

Human Resources Director Dan Roach said this item allows flexibility in the assignment of the ranks of Captain, Major, and Deputy Chief in the Police Department to Command Appointments which effectively removes them from the classified or merit system protected divisions of the City government into the unclassified or at-will status in the City government. This will allow greater opportunity for flexibility of these appointments and unity of command, making sure the right people are in the right positions at the right time. He said staff is requesting approval of this policy change.

Council Comment:

Councilmember Orlans said he and Councilmember Wynn had brought up a point in the Committee meeting about the HR Director's involvement and requested that a correction be made to the amendment. He referred to Section 1.10 of the manual in the paragraph shown in red at the bottom of the first page that reads, "The following persons are appointed by the City Administrator, with the recommendation of the Chief of Police..." He requested that the words, "and the HR Director" be inserted there. He said he understands that the HR Director is involved in the hiring process but the Committee discussed that the recommendation from the Chief of Police should also include the HR Director.

Mr. Roach said there are provisions currently in the policy that address this issue. Section 3.6.4 regarding involvement and selection processes, indicates that the HR Director is required to be involved in selection activities for individuals at the level of Division Director and above. Section 3.6.5 indicates that department heads make recommended hiring decisions to the HR Director for review and approval and, per this policy as currently written, the HR Director has the authority to accept or reject those recommendations. If the HR Director rejects a hire, the department head can appeal that to the City Administrator. He said regrettably it appears over time some practices evolved that aren't consistent with policy and Ms. Love has directed him to engage a thorough audit of the hiring practices to ensure that what is being done in practice matches what policy states. He said that review is underway.

Councilmember Orlans said he understands the involvement process, but the Committee has discussed for the appointments of these positions by the City Administrator, where the policy reads, "with the recommendation of the Chief of Police," it should also include "with the recommendation of the HR Director." He said the involvement of the HR Director in the process may not be the same thing as a

recommendation. He said he is trying to clarify the wording and asked Assistant City Attorney Robert Hulseley to provide his comments on this.

Mr. Hulseley replied it would not hurt to put it in, he did not think it conflicted with the other. He said he was not sure it was necessary, but people do not always read the other provisions so it might be a good idea to have it in this one.

Mayor Wood asked if this is a motion to amend the policy. Councilmember Orlans said that is correct.

Councilmember Orlans moved to amend the policy first page, regarding the paragraph which states: "The following persons are appointed by the City Administrator with the recommendation of the Chief of Police." by adding the words "and the HR Director." Councilmember Orlans explained that at Committee it was discussed that the recommendation at this point would also include the HR Director. Councilmember Igleheart seconded. The motion to amend passed unanimously.

Motion: Councilmember Wynn moved for approval of a revision of the Human Resources Policies and Procedures Manual Regarding Command Appointments with the amendment from Councilmember Orlans. Councilmember Dippolito seconded. The motion passed unanimously.

In Favor: 6

11.

Approval of a Resolution authorizing the City of Roswell to apply for a Grant in the amount of \$5,000 offered by Target. Presented by Dwayne Orrick, Chief of Police

Chief of Police Dwayne Orrick said staff is asking for approval of a Resolution to apply for this grant from Target which is a neighborhood grant program they offer throughout the nation to law enforcement agencies. He said they are proposing to use the Grant funds to implement a program called "RAD Kids," a self-defense program that teaches children how to avoid and deal with negative behaviors such as aggressive dog encounters, bullying, abductions, and how to use 911. This would be a ten-hour training class. The money would pay for a one-time expenditure for teaching the class.

Council Questions:

Councilmember Price asked where the program will be held. Chief Orrick responded it would be in varying locations and they would be working with Parks and Recreation about using some of their facilities.

A motion was made by Council Member Wynn, seconded by Council Member Dippolito, that this Item be Approved. The motion carried by the following vote:

In Favor: 6

Enactment No: R2012-05-24

Recreation and Parks Department - Councilmember Jerry Orlans

12. **Approval for the Mayor and/or City Administrator to sign a contract with Roswell Bikes, Inc. for bike rental and concessions in Don White Memorial Park.**
Presented by Joe Glover, Recreation, Parks, Historic and Cultural Affairs Director

Recreation, Parks, Historic and Cultural Affairs Director Joe Glover said the City had an original contract with Roswell Bikes, Inc. (RBI) and that contract has been renegotiated. He said the facility for the bike rental and concessions will be located at the house formerly owned by Thomas Threat at 925 Riverside Road. The outside of the house has been refurbished. The contract would begin July 1, 2012. The changes in the contract from 2012 to March 2013 is that RBI will be paying the City a minimum of \$500 per month or 5% of the sales and beginning in March 2013, RBI will pick up the original agreement of paying \$1,500 per month. He said during the first six months, RBI will do some rehab to the building to include electrical work and possibly changing out some of the doors to fit their needs. RBI will do all of the work and will not pay the City during that timeframe. However, the money they would have paid to the City will pay all of the maintenance fees.

Motion: Councilmember Orlans moved for Approval for the Mayor and/or City Administrator to sign a contract with Roswell Bikes, Inc. for bike rental and concessions in Don White Memorial Park. Councilmember Dippolito seconded. There was no Council discussion. The motion passed unanimously.

A speaker came forward who said he was not there representing Roswell Bikes, Inc.

Mayor Wood apologized for not providing an opportunity for public comment on this item. Mayor Wood stated he knew the speaker was with Fresh Bike Service.

Mayor Wood cancelled the vote and opened the item for public comment.

Public Comment:

The speaker did not state his name. He said he was representing Fresh Bike Service. He asked how many entities were offered the potential to open concession operations at the park, how the 5% figure came about, what the recourse is if it is a fully operational bike shop within the City, and what is the cut off. He stated that their salespeople would make 10% commission and asked why the City would cap the possible dollar amount at 5%. He asked if this is for bike rentals only or would a fully operational bike shop be allowed in a City park.

Mayor Wood asked Mr. Glover to respond to these questions.

Mr. Glover said a request for bid of the entire project, open to all bidders, was submitted and advertised for three weeks in the newspaper and only one bid was received which was from Roswell Bikes, Inc. He said a proposal was written by RBI and turned in as his bid; RBI did not know if anyone else had bid on the project at that time. He said the negotiated amount is what RBI turned in and is what was accepted by the City at that point. This agreement allows RBI to have a concession and bike rental and bike shop in that facility. Mayor Wood said RBI can then sell bicycles. Mr. Glover stated yes.

Mayor Wood asked how often the concession comes up for re-bid. Mr. Glover said

this is for ten years but is negotiable every three years. Mayor Wood said this contract is valid for three years; he asked if after that point someone else could bid on this. Mr. Glover replied that he thinks the contract is for ten years and at the end of three years, the City would negotiate the dollar amount. Mayor Wood said ten years is a long term; he asked what the reason is for a ten-year term. Mr. Glover replied, this was the proposal from RBI. Mayor Wood said he had a problem with committing to ten years for this lease, he knew there would be start-up costs and an investment but he was not comfortable locking it in for ten years.

Council Comment:

Councilmember Orlans said he thought there were options for getting out of the contract and that he had brought that issue up before the last committee meeting. He said it was his understanding that there would not be bike sales, it was strictly bike rentals, concession, and minor repairs or service. He thought it was primarily rental and that there would not be enough room to have bikes in there; the exposure would most likely help their bike shop sales but he didn't think there would be actual bike shop sales at the City location. Mr. Glover replied there are bike sales in the agreement.

Mayor Wood asked Assistant City Attorney Bob Hulseley how the agreement read. Mr. Hulseley replied that the amendment of April 10, 2012 states that it is to manage and operate bike rental concession services for the City of Roswell. He said that would supersede anything in the earlier agreement. Mayor Wood asked Mr. Hulseley if his opinion were that if this proposal passes, it would not allow the sale of bikes. Mr. Hulseley replied that is how he understands and interprets the contract.

Mayor Wood said he still had a problem with committing to a ten-year contract unless there were substantial capital improvements that needed to be written off over ten years. He asked how often the Chattahoochee River Outfitters contract comes up. Mr. Glover replied about every three years. Mayor Wood said he believed this contract should be more on that cycle rather than every ten years to be consistent and because ten years is a long time.

Councilmember Dippolito said he understood that the tenant was going to do substantial improvements to the premises, which is the reason for the long term. Mr. Glover replied that was correct. Mr. Wood said he wanted to hear about that.

Mr. Glover said the building will require a lot of electrical work and the City could have done some of that prior to the agreement. However, due to the way the shop will operate, the City needed RBI to be able to dictate things such as where electrical outlets will be located, types of lighting, doors, door locks, and doorframes that are needed. He said they need a very secure facility. Mr. Glover said it would be better for RBI to do that work to their standards and make it as safe as they feel is necessary and that amount will be deducted from their rent. Mayor Wood asked what the capital investment will be for the tenant improvements. Mr. Glover replied it could be \$3,000 to \$6,000 at this point. Mayor Wood said that is not a substantial capital improvement amount and he would be more comfortable with a shorter term.

Councilmember Dippolito asked if the budgeting department could run some numbers to come up with a reasonable term based on the tenant investment and the amount of funding the City will receive from this. Mayor Wood said he was fine with that and said the higher it is the more important it is but that is in question. The Mayor said he would be fine with deferring this item.

Councilmember Diamond asked if there was anything in the Request for Proposal about a time line or contract length. Mr. Glover replied he did not remember exactly

what it said but they had originally planned to have it open as early as possible in the spring because summer will be the most successful part of the entire operation with very little winter activity and with the delay, the whole contract was renegotiated.

City Administrator Kay Love said the term of the contract was specified in the Request For Qualifications (RFQ) that was sent out and a ten-year term was stated but the City is not bound by that.

Councilmember Orlans asked Mr. Hulsey to explain the options for getting out of the contract or renegotiating the contract while it is in process. He thought these provisions were in the contract.

Mr. Hulsey replied that section 6.1 of the main contract says if there is any default in the contract, that the other party can ask for cure within 30-days. He said it further states that, "the City of Roswell shall, in its sole reasonable judgment, determine that such Services are inadequate, unsatisfactory, no longer needed, or substantially not conforming, the City may terminate this Agreement upon thirty (30) days written notice." Mr. Hulsey said this language gives the City unilateral power to terminate upon a thirty-day notice.

Mayor Wood said he was not comfortable with that interpretation because there would need to be cause to terminate. He said he was more comfortable with the approach taken with Chattahoochee River Outfitters, which is to periodically put it back up, subject to what this current tenant improvement is.

Councilmember Orlans suggested the initial contract to be five years with renewables after that because there will be a lot of up-front investment getting the business moving and it takes time for people to know it's there.

Mayor Wood said Councilmember Orlans had referred to a substantial front-end investment, but he had heard \$4,000 to \$6,000 and did not think that was a substantial amount.

Councilmember Orlans said from the standpoint of having staff time, staff investment, just being open and just getting the business started is going to take some time.

Mayor Wood suggested a compromise with a five-year initial term and a three-year term after that. Councilmember Orlans said that was what he was saying, initially five years to give them the opportunity to get it started within a five year period.

Mayor Wood said he was more comfortable with five and three.

Councilmember Dippolito said he was comfortable with the shorter term. He asked Mr. Hulsey since this was bid out with a ten-year term, would that nullify the agreement altogether.

Mr. Hulsey said he didn't think so, he would have to look at the agreement. He said RBI could refuse to enter into the contract if this is what Council wants to do because they set the parameters and can shorten the term. He said they would have to go back to RBI and ask if they agree and if they do not, this will have to be put out again for bid.

Ms. Love said she wanted to add that this was not a bid, it was a Request for Qualifications and the City is not bound by anything in there except by this contract. She said, it was not a price only or for scope of work. The City put it out there to determine who was qualified and they would make a proposal about how they might

execute the business. The City identified the scope of work. She said the City is wide open on that; the contract would be the issue. She said from a procurement standpoint, the City is not bound by that because it was an RFQ.

Mayor Wood asked the representative from Fresh Bike Services if he had any other questions or comments.

Further Public Comment:

The representative from Fresh Bike Service asked if there is a cap on how much money the City of Roswell taxpayers can expect to collect from the concessions or from the 5%. He said he had just learned tonight that this would cap at \$2,000. He said the average bike shop in the U.S. earns over \$500,000 per year and Roswell Bikes, Inc. earns over \$3 million per year as an established business in Roswell. He said granted they may not do sales out of this location but it would not be hard to do a satellite sale to their other shop. He said he wants to make sure that the Roswell taxpayers are getting the benefits from helping a business operate in one of their City parks.

Mayor Wood said he appreciated that and asked Mr. Glover to address the question.

Mr. Glover said starting in April 2013, the minimum will be \$1,500 per month and the maximum will be \$2,000. Mayor Wood asked why a maximum was placed on this. Mr. Glover replied that was proposed from RBI. Mayor Wood said he didn't understand the maximum.

Council Comment:

Councilmember Diamond said if there had been more than one bidder that might not have flown, but that was the bid and that was accepted. Mayor Wood said we have not accepted; we are voting on accepting it tonight. He said that was the bid, but we don't have to accept this and said he still didn't understand why there is a cap. Mr. Glover replied, the City didn't put a cap in the Request for Proposal. Mayor Wood said we don't have to accept this proposal.

Councilmember Orlans said he asked that question as well and had an hour-long conversation with the applicant to determine where this came from. Councilmember Orlans clarified that there was only one bid. He said the applicant had outlined the average bike rentals in the U.S. which is not that great; he was not convinced they would even get to \$2,000. Councilmember Orlans said he was just trying to get some background information on this. That is where the applicant was coming from when he put it in the contract.

Mayor Wood said perhaps rather than a flat cap, if it goes up, we collect less and encourage the business to lease more. The Mayor said he didn't know enough about bike shop rentals to cap it. He asked why cap it. He said if this were leased as just a building itself, then is it still \$2,000 per month. Mr. Hulseley replied, yes \$1,500 minimum and \$2,000 maximum. Mayor Wood said if the business isn't worried about hitting the \$2,000 because they say they won't rent that much, then why put a cap on it? He said he still didn't understand.

Councilmember Orlans said that was the other side of it; it would not be a minimum if we went up and Parks and Recreation wanted to have the minimum of \$1,500 coming in per month and that is a year round average when most of the sales would be a couple of months in the summer. He said those were the different reasons presented; right, wrong or indifferent.

Mayor Wood said he has no knowledge of how bike shop rentals do and he is not in

a position to comment but he could see they probably would not make their number in the winter months. He asked what the fair market rental value would be of the house just as a building. Mr. Glover replied they had estimated earlier that if they received \$1,000 per month rental from any group, they would have done extremely well. Mayor Wood asked if they had conferred with anyone in the real estate building about the fair market rental value. Mr. Glover replied they had not. Mayor Wood said he wasn't sure how much expertise they have on staff. Mr. Glover replied they don't. Mayor Wood said he would like to wrap this up because it needs to move forward.

Councilmember Diamond said they are focusing on the maximum but the thing that struck her in Committee was that RBI was guaranteeing a minimum of \$1,500 even through the winter months when they were not yet an established business and starting up in mid-season; they are not going to have a fully operating rental business. She said she couldn't imagine that wouldn't average out. She said this had been advertised and had gone through the proper bid process and they had made an agreement that could be adjusted, and she didn't think they should go back and start from scratch. Mayor Wood said he wasn't trying to start from scratch.

Councilmember Price said per the contract amended amendment, the payment does not kick in for a year. Councilmember Diamond asked if that isn't because they are making improvements. Mr. Glover said, correct because they are starting late in the season and the full \$1,500 agreement will not begin until 2013. Councilmember Price referred to item #2 of the amended contract and said it was mentioned earlier that they were not to have sales. She asked Mr. Hulsey if sales are allowed. Mr. Hulsey replied the contract says they are operating bike rental concessions and his interpretation is we don't anticipate sales there; it is just bike rental and concessions. Councilmember Price said if that is the case and sales are not going to happen, then perhaps the wording of item #2 should be changed.

Mayor Wood said he would support sales if it would raise more money for the City. He said he beats up the Recreation Department because they're not raising enough revenue and in this case he appreciates them raising revenue and wants to do anything to get the revenues up.

Councilmember Price said, however if it is referred to another location and there are no sales there, then we are going to get 5% of sales of which there are none and then we get nothing.

Mayor Wood suggested cutting this back to four years and live with this. Councilmember Price said her simple recommendation was to change the word "sales" to "proceeds" and then decide whatever else that entails. Mayor Wood asked Mr. Hulsey if that solves any problems. Mr. Hulsey replied it would be fine to use the word "proceeds."

Ms. Love said she would respectfully request that Council define on behalf of the person they are contracting with that proceeds from an accounting or business standpoint may or may not be defined the same way for tax purposes and everything else, such as gross sales. She said, in the Request for Proposal there is a schedule of what the bike rentals will be, or rehabilitations or whatever is done for a bike, it is in there. She said we know what that scope is, but she didn't know about specifically selling a new bike and didn't see that in there but she hadn't read every word of it. She cautioned about using "proceeds" in a contract of this nature.

Mayor Wood said he would support selling bikes and asked if bike sales from that location would count towards his revenue and was that clear in the contract. Mr. Hulsey replied, gross sales would include that. Mayor Wood asked Councilmember

Price how "proceeds" changes this. Councilmember Price said she wants to make sure that if sales are what we are asking them to do, that also includes rentals. Mayor Wood said yes it does.

Ms. Love said this is "sales" as in what is rung on the cash register or accounted for as sales, when people make a transaction or purchase, not necessarily selling a bike. She said rental fees are considered sales, transactions made or purchase made. She said, to the point about selling bikes, with a cap of \$2,000 it would be best for sales not occur at this location. The sales should come from the rentals for the City to receive the maximum amount of revenue; if a lot of bike sales occur, they could reach the \$2,000 cap very quickly outside of the rental cost. Mayor Wood asked how that would maximize the revenue. Ms. Love replied it does on the rentals.

Councilmember Orlans said they were going in different directions. He said he understands, as was clarified by Mr. Hulsey, that under the current setup, there would be rentals only and minor repairs but no bike sales. He said in the whole explanation of bike rentals and what they bring in, the \$1,500 minimum that Recreation and Parks wants is good and \$2,000 would probably work out to be more than a maximum of anything they would sell. He said if actual bike sales are included, then there should not be the cap of \$2,000 because theoretically with the bike sales, the total sales and revenue would go up. He said the contract is based on the total sales and revenue because that is the easiest way for the City to keep check on this. He said you can't do it on net revenue or profits after expenses because things can be manipulated. He said if the business is turning in actual sales from that location on a monthly basis then the 5% is easy to calculate as based on total sales with nothing being taken off and no expenses off for anything. He said Council was getting away from the original intent, which is to provide bike rentals, not allowing the sale of bikes on park property.

Mayor Wood said his intention is to raise revenue for the Recreation Department and the more revenue the better. He said Councilmember Orlans' intent might be to rent bikes but his intent is to raise revenue for the department. Councilmember Orlans said then the other side of it is if we are going to remove the \$2,000 cap then the minimum should be eliminated because it will be up and down; if we are going to benefit from the maximum then we should not charge them for under minimum.

Mayor Wood suggested that the term be shortened from five years to three or four years and then renegotiate. Councilmember Orlans said he agreed in order to see how it works out. Mayor Wood said we will have a track record and if a lot of money is being left on the table and the business is making a lot of money, we can renegotiate. On the other hand, if the business is losing money, they can get out of it in three years. He said he prefers three years unless there is a substantial startup investment that he has not heard about. Councilmember Orlans said there had been concern about a short contract because of startup and cost of employees. Mayor Wood said since this summer is about gone, we should give them this summer plus three full summers. Councilmember Orlans said that would be four years. Mayor Wood said that sounded fair.

Mayor Wood said he knew RBI could terminate for cause and asked Mr. Hulsey to explain their options to terminate. Mr. Hulsey said they do not have an option, other than for cause.

Councilmember Igleheart said that perhaps Mr. Kaib, with Roswell Bikes, Inc., was not present at this meeting because this had all been discussed before and they thought everything was done. He said he was not comfortable making these changes without his input. Mayor Wood said they could come back and say no deal.

Councilmember Orlans said what he is hearing at this point, is nothing will change in the contract other than the initial period, which will be for four years to be renegotiated after the initial four years. Mayor Wood agreed and said that was reasonable. Councilmember Orlans said they will retain the current minimum and maximum amounts with no bike sales and the same startup over the first year. Mayor Wood said again he thought bike sales should be allowed; the real sales will come from the sale of the rental fleet at the end of the season which he is all for that if it raises more money for the department. He said he realizes that will be competing with other bike shops but on the other hand it will get more bikes on the street, which he supports.

Mayor Wood called for another motion because he had not given the public a chance to speak before the vote was taken.

Re-stated Motion: Councilmember Orlans moved for Approval for the Mayor and/or City Administrator to sign a contract with Roswell Bikes, Inc. for bike rental and concessions in Don White Memorial Park, as presented, except for the stipulation of the initial period being changed to four years and renegotiated after that.

Mayor Wood clarified it would be rebid not just renegotiated, to be opened back up for other bidders. Councilmember Orlans said if they were renegotiating and it doesn't work out, then they would rebid it anyway. Mayor Wood said there is a difference; renegotiating is negotiating with one person, rebidding is opening it back up for the public. Councilmember Orlans said he was thinking of the revenue renegotiation at that point. Mayor Wood asked if it was to be rebid after the four years. Councilmember Orlans replied yes.

Councilmember Dippolito asked for clarification if it is three years from July 1, 2012. Mayor Wood replied, yes from July 1, 2012.

Councilmember Price seconded the motion.

Councilmember Diamond expressed concern about ending the contract in July because it did not seem like a good time to stop or start a contract with anyone. She requested changing it to end in December. Councilmember Orlans said he thought it would be rebid in January, long before the July period would hit. Mayor Wood said it should be rebid early on. Councilmember Diamond thought the contract should not end in the middle of the summer but at the end of the season because neither party would benefit from a change in businesses at that point. Mayor Wood asked if she is suggesting December. Councilmember Diamond replied, yes. Mayor Wood said then the term will be this summer plus three more summers to end in December. Councilmember Orlans said that will be about four and one half (4.5) years.

Further Clarification of the Motion:

Mayor Wood asked Councilmember Orlans if he is in agreement with that. Councilmember Orlans agreed. Mayor Wood said then it will be four and one half (4.5) years ending in December. Mr. Glover confirmed it would end in December 2016. Mayor Wood said we have a motion and a second. There was no further discussion.

A motion was made by Council Member Orlans, seconded by Council Member Price, to accept the contract as presented except for the stipulation that the initial period will be four and one half (4.5) years and then re-bid. The motion carried by the following vote:

In Favor: 6

City Attorney's Report

13. **Recommendation for closure to discuss personnel and acquisition of real estate.**

A motion was made by Council Member Wynn, seconded by Council Member Igleheart, that this Item be Approved. The motion carried by the following vote:

In Favor: 6

Adjournment - With no further business, the Mayor and Council meeting adjourned at 10:12 p.m.