
Regular Meeting of the Sandy Springs City Council was held on Tuesday, October 6, 2009, at 6:00 p.m., Mayor Eva Galambos presiding.

INVOCATION

Rabbi Ellen Nemhauser, Temple Emanuel, offered the invocation.

CALL TO ORDER

Mayor Galambos called the meeting to order at 6:03 p.m.

ROLL CALL AND GENERAL ANNOUNCEMENTS

City Clerk Michael Casey reminded everyone to silence cell phones and pagers at this time. Additionally, those wishing to provide public comments, either during a public hearing or before the conclusion of the meeting under the Public Comment section, are required to complete a public comment card. The cards are located at the back counter and need to be turned in to the Clerk.

City Clerk Casey called the roll.

Mayor: Mayor Eva Galambos

Councilmembers: Councilmember Doug MacGinnitie, Councilmember Dianne Fries, Councilmember Rusty Paul, Councilmember Ashley Jenkins, Councilmember Tibby DeJulio, and Councilmember Karen Meinzen McEnery present.

PLEDGE OF ALLEGIANCE

Mayor Galambos led the Pledge of Allegiance

(Agenda Item No. 09-244)

APPROVAL OF MEETING AGENDA

Motion and Vote: Councilmember Fries moved to approve the Meeting Agenda. Councilmember Meinzen McEnery seconded the motion. The motion carried unanimously.

CONSENT AGENDA

(Agenda Item No. 09-245)

1. Meeting Minutes:
 - a. June 16, 2009 Regular Meeting
(Michael Casey, City Clerk)

Motion and Vote: Councilmember Fries moved to approve the Consent Agenda. Councilmember McEnery seconded the motion. The motion carried unanimously.

PRESENTATIONS

1. Heritage Sandy Springs on Sandy Springs Festival

Representative from Heritage Sandy Springs thanked everyone for the financial support and coming out to the festival. The festival had a turnout of about 16,000 people. The Heritage Representative gave the Mayor and Councilmembers a commemorative T-shirt, cup and poster.

PUBLIC HEARINGS

(Agenda Item No. 09-246)

1. Ad valorem Tax Rate for Fiscal Year 2010 – First Public Hearing

Mayor Eva Galambos invited Chief Appraiser Burt Manning from the Fulton County Tax Assessors office to come and speak before the public hearing started.

Chief Appraiser Burt Manning stated he wanted to give a brief update on the two temporary collection orders that the City is currently operating under for the Fulton County Tax Digest. The 2008 Digest is still under a temporary collection order, although it is down to 1.5% of the value in dispute and it is his understanding that this Tax Digest will be submitted to the Revenue Commissioner before the end of the month and it is expected that it will be approved and over with. The Sandy Springs Tax Digest still has approximately 190 parcels still under appeal and they are being worked through. The number is actually less than that because the Tax Digest system has been locked for corrections for the last three weeks while tax bills were printed. He was proud to say that the bills are printed and in the mail. Beginning tomorrow morning, the system will be available for correcting the ones that are settled and the number will decrease. 1.14% of the actual Sandy Springs Digest is still in dispute for 2008 and will be settled out in very short order.

The 2009 Digest is different due to significant changes/downturns in real estate markets, particularly in different areas of the county. On the 2009 Appeals Summary countywide the numbers are sitting at about 6.3% of the value in dispute, but that was three weeks ago and it is expected that this number will go down. This year the parcel count or value in dispute needs to be fewer than 5% and they expect to do that in short order also. Hopefully, a month or so after the 2008 digest is done, the 2009 digest can be done and submitted timely. Sandy Springs has slightly over 4% of its tax parcels in dispute and slightly less than 5.5% of value is in dispute for 2009. These are somewhat important numbers to take into consideration when doing the budgets and millage rate, which the City has already done. The digest is in good solid shape with only a small percentage in dispute. There won't be a tremendous change or reduction to the bottom line. The 2006-2009 tax digest has grown over the years. There was a large change upward for 2008 in the commercial portion of the digest, but it stayed somewhat flat this year. Similarly, residential values have gone steadily up until this year, and they are in fact down countywide this year. Sandy Springs did add 132 tax parcels between 2008 and 2009, not as many as in prior years. Because of new construction, in spite of the residential downturn, there is approximately a 1.25% gross increase in assessed value. Remember, 4% is under appeal. It is anticipated that once it is all through, Sandy Springs will be either flat or slightly down from last year. If the City gives up half of that 4%, there will be more than 2%, or a little less than what was actually gained. Sandy Springs for three years, from 2007 -2009, shows the tax digest is up and the assessed value is right at \$7.5 billion. Residential is virtually flat due to new residential construction that was picked up this year. The Commercial Digest shows a slight increase, but as we go through the appeals process it will end up being flat. The good news is it won't change much, even if it is down.

Chief Appraiser Manning was asked by City Manager McDonough to comment on what is predicted for the future. Regardless of what our FED chairman says, there has not been a turnaround yet in the real estate economy in Fulton County. The values countywide after January 1 have continued to fall. As a matter of fact, one of the digest measures, called level of assessment, is studied every year. Since January 1, 2009 there was a 7.5% to 8% decrease in overall average value of real estate in Fulton County. Unless there is some turnaround of significance between now and Jan 1, 2010, expectations are the 2010 digest will be down slightly or level. With a city like Sandy Springs, it's pretty flat. Going through the roll back sheets, one of the numbers may be down 1% and another number might be up 1% and there are several reasons for that. One reason depends on the date that the roll back sheets are created. Appeals are still being settled for 2008, but then new construction is picked up from 2009. In all fairness you have a very solid stable real estate tax digest that is basically flat from 2008 – 2009. Mr. Manning stated that he

would like to be optimistic and say it won't be negative for 2010. Mr. Manning then asked if there were any questions.

Councilmember Dianne Fries questioned if Mr. Manning had a breakdown of which percentage was commercial versus residential.

Chief Appraiser Manning stated that he would send that information to John McDonough for distribution to the Mayor and Council.

Councilmember Karen Meinzen McEnerny stated that she is concerned about the stability of our commercial tax base in terms of value declines due to increases in vacancies and the illiquidity in the market.

Chief Appraiser Manning stated for 2009 the City is relatively safe, because the maximum to give up would be 5%, because that's what's under appeal. The City certainly won't lose all of it, because the values aren't that bad. He stated his concern is especially for commercial in 2010. The City hasn't seen a true turn around or even the evidence of a true bottoming out of real estate. There has been a little turn around in the better residential areas of the community when sales happen. However, some commercial properties aren't as lucky. Mr. Manning visited an office building in Sandy Springs, because it is under appeal, and sure enough it was locked up and empty. It had sold for a couple million dollars a couple years ago and that is more than it is worth now. There are problems coming in the commercial refinance market as mortgages come due. Whether they were three, five or ten year deals and they come due in the next couple of years. If there are not lenders willing to work with them to make loans, then more properties will be in default. Gloom is not the prediction for Fulton County and certainly not for Sandy Springs, but it is not an upturn market at the moment. There are properties that are well positioned and well rented and happy to keep their tenants. However, there are other properties that will see significant problems in the way of vacancy, rent reductions and ultimate value reductions.

Mayor Galambos questioned if apartments were included in residential or commercial. She stated that residential, according to the state laws or state regulations, includes the apartments.

Chief Appraiser Manning stated that apartment buildings eight units or larger are considered commercial like an income producing property.

Mayor Galambos pointed out that the Fulton County Tax Assessors numbers are different than what's posted on the state report.

Councilmember Fries asked what "other" meant on the documentation.

Chief Appraiser Manning stated "other" is neither commercial nor residential real estate. It is motor vehicles, public utilities, mobile homes, and timber. A timber tax is collected when it's harvested and sold, and occasionally there is a heavy equipment tax.

Mayor Galambos asked City Manager McDonough if he needed to make a statement before the public hearing.

City Manager John McDonough stated there was no need for a statement since there was no change in the FY10 budget as proposed to Council in the spring and adopted in June with an anticipated millage rate of 4.731 mils. That is the staff recommendation.

Mayor Galambos called for any public comments regarding the millage rate. There were no comments from the public.

City Manager McDonough reminded everyone that the second hearing and the final hearing for adoption of the millage rate will be held on Friday, October 16th at 7:30 a.m. and 6:00 p.m. respectively.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

(Agenda Item No. 09-247)

1. Temporary State Route Designation on the Sandy Springs Circle and Hammond Drive Pedestrian Enhancements, Phase 1 Project (T-0006)

Transportation Planning Manager Garrin Coleman stated that this is a continuation of paperwork discussed at the last Council meeting regarding temporary state route status for Sandy Springs Circle and a section of Hammond Drive. Approval is needed for the use of federal funds for the purchase of right-of-way. GDOT supplied paperwork late last week and if the paperwork is signed tonight, it can be hand delivered to GDOT district 7 tomorrow to get the process moving along. GDOT states it takes two months and the Transportation Division would like to try and condense that to several weeks if possible.

Motion and Vote: Councilmember Paul moved to approve agenda item 09-247, authorize Temporary State Route Designation on the Sandy Springs Circle and Hammond Drive Pedestrian Enhancements, Phase 1 Project (T-0006). Councilmember Jenkins seconded the motion. The motion carried unanimously.

Resolution No. 2009-10-69

(Agenda Item No. 09-248)

2. Resolution to Approve and Authorize the Mayor to Enter into an Inmate Housing Agreement with the City of Pelham, Georgia

Assistant City Attorney Cecil McLendon stated that this is an agreement that the Chief of Police asked us to negotiate with the City of Pelham. Pelham has jail space with some availability for capacity. The agreement is based on the same format that the City currently has with Irwin County. Some provisions with this agreement are more favorable than with Irwin County. The Chief intends to keep both agreements active, so there is a backup to use capacity from either jail.

Councilmember Karen Meinzen McEnery questioned if the two jails were relatively equidistant.

Assistant City Attorney Cecil McLendon confirmed that they are equidistant.

Councilmember Tibby DeJulio questioned which provisions are more favorable in Pelham.

Assistant City Attorney Cecil McLendon stated that Pelham is \$35 a day; less than what is currently being paid at Irwin. There is also a difference in cost for provisions regarding basic inmate care. At Irwin County there is a charge the moment some of the staff starts doing some of the very basic inmate care. Under the Pelham agreement as long as it's something done by someone already on staff, there is not a charge.

Councilmember Rusty Paul questioned if Sandy Springs has reached capacity at Irwin County and needs additional capacity or if the Pelham agreement was an alternative at a better value that can be utilized. Does this become the preferred vendor for jail services?

Assistant City Attorney Cecil McLendon stated that the Chief would make that determination, but it is not believed that capacity has been reached in Irwin County.

City Manager John McDonough stated that there may be issues with Irwin County where the Feds are going in and trying to do some type of long term contract. The Chief is being proactive by looking around for a better deal.

Motion and Vote: Councilmember Paul moved to approve agenda item no. 09-248, a Resolution to Approve and Authorize the Mayor to enter into an Inmate Housing Agreement with the City of Pelham, Georgia. Councilmember DeJulio seconded the motion. The motion carried unanimously.
Resolution No. 2009-10-70

(Agenda Item No. 09-249)

3. Resolution to Authorize Transfer of Funds from the Local Government Investment Pool, Georgia Fund 1, to RBC Bank

City Manager John McDonough stated that as part of the ongoing efforts to diversify holdings, it is recommended that Council authorize a resolution for both this item and the next. Each item will allow funds to be moved from the Georgia Fund 1 into both the RBC Bank and the US Treasury program.

Motion and Vote: Councilmember Jenkins moved to approve agenda item no. 09-249, a Resolution to Authorize Transfer of Funds from the Local Government Investment Pool, Georgia Fund 1, to RBC Bank. Councilmember DeJulio seconded the motion. The motion carried unanimously.
Resolution No. 2009-10-71

(Agenda Item No. 09-250)

4. Resolution to Authorize Transfer of Funds from the Local Government Investment Pool, Georgia Fund 1, to U.S. Department of the Treasury Legacy Treasury Direct Program

City Manager John McDonough stated this is the same as the previous item.

Motion and Second: Councilmember Jenkins moved to approve agenda item no. 09-250, a Resolution to Authorize Transfer of Funds from the Local Government Investment Pool, Georgia Fund 1, to U.S. Department of the Treasury Legacy Treasury Direct Program. Councilmember Fries seconded the motion.

Councilmember Rusty Paul questioned if this would allow the City to buy Treasuries direct.

City Manager McDonough replied that it would allow the City to buy Treasuries direct. The Treasuries will be held in the name of the City of Sandy Springs. The plan is to buy short term U.S. Treasuries for 3 to 6 months and at some point look at extending that out. There is also a TIPS program. The plan is to look at what is in the best interest of the City from an investment practice going forward.

Councilmember Paul asked if this saved the City bank and brokerage fees

City Manager McDonough replied that there are no brokers involved.

Councilmember Karen Meinzen McEnerny asked what kind of financial advice was relied on to go into some of these programs.

City Manager McDonough stated that this was done in consultation with the former Finance Director, the City Attorney, staff, Council's esteemed colleague who is well skilled in these areas, as well as doing a lot of reading about what's prudent following our adopted investment policies and procedures.

Vote on the Motion: The motion carried unanimously.
Resolution No. 2009-10-72

REPORTS AND PRESENTATIONS

- a) Mayor and Council Reports
- b) Staff Reports

PUBLIC COMMENT

Mayor Galambos called for any public comment. There were no comments from the public.

EXECUTIVE SESSION

There was no Executive Session called.

(Agenda Item No. 09-251)

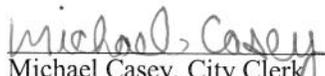
ADJOURNMENT

Motion and Vote: Councilmember Paul moved to adjourn the Regular Council meeting. Councilmember Fries seconded the motion. The motion carried unanimously. The meeting adjourned at 6:38 p.m.

Date Approved: April 20, 2010



Eva Galambos, Mayor



Michael Casey, City Clerk