Regular Meeting of the Sandy Springs City Council was held on Tuesday, October 2, 2012, at 6:00 p.m., Mayor Eva Galambos presiding.

INVOCATION

Rabbi Ellen Nemhauser, Congregation Or-Hadash, offered the invocation.

CALL TO ORDER

Mayor Eva Galambos called the meeting to order at 6:01 p.m.

ROLL CALL AND GENERAL ANNOUNCEMENTS

City Clerk Michael Casey reminded everyone to silence all electronic devices at this time. Additionally, those wishing to provide public comment during either a Public Hearing or the Public Comment segment of the meeting are required to complete a public comment card. The cards are located at the back counter and need to be turned in to the City Clerk.

City Clerk Casey called the roll.

Mayor: Mayor Eva Galambos present.

Councilmembers: Councilmember John Paulson, Councilmember Dianne Fries, Councilmember Chip Collins, Councilmember Gabriel Sterling, Councilmember Tibby DeJulio, and Councilmember Karen Meinzen McEnerny present.

PLEDGE OF ALLEGIANCE

Mayor Eva Galambos led the Pledge of Allegiance

(Agenda Item No. 12-236)
APPROVAL OF MEETING AGENDA

Motion and Vote: Councilmember Fries moved to approve the Regular Meeting agenda for October 2, 2012. Councilmember Sterling seconded the motion. The motion carried unanimously.

CONSENT AGENDA

(Agenda Item No. 12-237)

1. Meeting Minutes:
   a) September 18, 2012 Regular Meeting
   b) September 18, 2012 Work Session
   (Michael Casey, City Clerk)

(Agenda Item No. 12-238)

2. Consideration of the Acceptance of the Agreement to Purchase Right of Way (1170 Hightower Trail)
   (Kevin Walter, Director of Public Works)
   Resolution No. 2012-10-61

Motion and Vote: Councilmember Fries moved to approve the Consent Agenda for October 2, 2012. Councilmember Paulson seconded the motion. The motion carried unanimously.

PRESENTATIONS

There were no presentations.

PUBLIC COMMENT

Justine Petruska, 6900 Roswell Road N-15, stated she is on the Homeowners Association (HOA) board for Highgate Condominiums. After she joined the board she found out the board had no reserve funds and the property was in need of repair. The Board put in place a parking and vehicle tag registration system. The reason for this was to know which vehicles were allowed on the property. This system requires anyone parked on the property to have a parking tag. The risk for no parking tag is the vehicle will be booted or towed. There is limited parking at Highgate. Once the booting policy and vehicle registration system were implemented, the HOA was able to enforce many rules on the property, including recouping unpaid HOA dues. The association was previously over twenty percent in arrears. The association is now on budget and property owners are making regular payments due to the booting and towing policy put in place. The booting company does not boot a car unless there is a violation. A violation includes not having a parking tag, having the parking tag on backwards or an expired vehicle tag registration.

Mayor Eva Galambos stated she believed the booting company was charging $500.

Ms. Petruska stated her HOA charges a $100 booting fee. She is aware the booting fee has become an issue where the Police Department has been called to her neighborhood. There are repeat offenders in the neighborhood that do not pay their dues on time. She has worked very hard to improve the neighborhood. If the booting and towing fee is reduced to $40, the booting company will no longer want to boot in the neighborhood.

Councilmember Dianne Fries asked Ms. Petruska how many bootings are done in her neighborhood in one month.

Ms. Petruska stated the property manager calls the booting company at least once or twice a week. Resident's cars become subject to booting when they are behind on their HOA dues. The booting company comes out every week to pass through the neighborhood to check for expired vehicle tags.

Councilmember Fries asked how much money the homeowners association receives from the booting fees.

Ms. Petruska stated the homeowners association does not receive any money from the booting fee. The booting is only used as a means to get the resident to make payment arrangements.

Councilmember Tibby DeJulio asked if the vehicles are booted because they are parked illegally, due to no parking sticker, or because the resident is behind in their homeowner's dues.

Ms. Petruska stated the resident's car can be booted if they are behind on their homeowner's dues.

Anthony Leete, 1918 Bonaventure Way, Marietta, GA, stated his company performs the booting of vehicles in Sandy Springs. His company has a contract to boot vehicles at the Highgate Condominiums. His company normally focuses on the booting of vehicles in shopping centers along Roswell Road. There are issues with tractor trailers parking in shopping centers. The tractor trailer booting fee is $500. The normal towing fee for tractor trailers is $650. Once a tractor trailer is booted, his company will contact the truck driver's company through a GDOT phone number. The company will then locate the

truck driver. The trucking company normally pays to have the boot removed. Decreasing the City's booting fee to $40 will put him out of businesses. If he no longer operates within the City, there may be more issues with tractor trailers parking in unauthorized locations. He agrees with regulating the booting fees for vehicles. A fee of $100 may be excessive, but a $40 fee is too low. Many of the truck drivers talk over the citizens band (CB) radios regarding where they can and cannot park their tractor trailers. If the truck drivers find out that Sandy Springs only charges a $40 booting fee, they will park in the City. His company boots in twenty-five different shopping centers along Roswell Road. He is not sure why the City is now looking at regulating booting. He assumes it is due to many bootings at the condominiums. The booting serves a purpose and benefits the community.

Mayor Galambos asked about the owner of the trucking company being notified that his tractor trailer had been booted.

Mr. Leete stated once a vehicle has been booted, the trucking company is then notified to locate the driver before the tractor trailer is towed.

Mayor Galambos asked if the $500 has to be paid, if the truck driver agrees to move the vehicle.

Mr. Leete stated once the boot has been put on, the driver is held responsible for the boot fee.

Mayor Galambos asked if the driver pays the fee, will their vehicle not get towed.

Mr. Leete responded yes. The truck driver then sends a message to the rest of the truck drivers to not park in Sandy Springs. The trucking company may pay for the booting once or twice, but after that the responsibility will more than likely be on the driver. The responsibility should be on the driver.

Councilmember Fries asked if the twenty-five shopping centers he boots for have signs posted.

Mr. Leete responded yes.

Councilmember Gabriel Sterling stated the cities of Atlanta and Roswell have a maximum boot fee of $50.

Mr. Leete responded the City of Roswell has a boot fee of $35. No company will boot in the City of Roswell for $35. No company can viably boot with fees of $35 to $40.

Councilmember Chip Collins asked if tractor trailers are parked all over the City of Roswell.

Mr. Leete responded he does not know.

Councilmember Sterling stated the City of Roswell has only one interstate exit compared to Sandy Springs which has several.

Mr. Leete stated there was recently an ordinance passed in the City of Marietta. The City of Marietta has a problem with tractor trailers parking along Cobb Parkway. Marietta devised an ordinance to regulate the booting fee based on the gross weight volume for the vehicles. Any vehicles weighing less than 12,000 lbs. are not allowed to be charged more than $50. For vehicles weighing over 12,000 lbs. there is not a maximum fee.

Mayor Galambos asked if the drivers of the tractor trailers that are booted are resting in the parking areas or are there to get a Coke.

Mr. Leete stated there is no reason or explanation of why the drivers park where they park.

Councilmember DeJulio asked about the weight of vehicles.

Mr. Leete stated the tractor trailers weigh about 75,000 lbs. If you look around Sandy Springs you can see where the tractor trailers have broken up the pavement and asphalt in the shopping centers. It is then up to the property owner to repave the parking lot.

Councilmember Collins asked where the drivers of the tractor trailers go after parking their trucks.

Mr. Leete stated the truck drivers may be at home, visiting a friend, out dining, or in a nearby hotel.

Gloria Taylor, 6061 Heards Drive, stated for the past thirty-six years she has lived on Heards Drive, close to the Heards Ferry cemetery. The cemetery is in danger of being developed. She is speaking on behalf of friends of the cemetery. She thanked the City for its efforts to protect the historical site and she hopes there will be no development. She urged Council to visit the cemetery. The cemetery is over 100 years old and holds a tremendous amount of history. The property being used for personal gain would be a tremendous loss for people and future generations. She would love to see the cemetery preserved.

Judie Padgett, 6065 Heards Drive NW, thanked the Mayor and Council for helping with the Heards Ferry Cemetery project. She has been Ms. Taylor's neighbor for thirty-one years. This area is a quaint place to live. The Heards family lived on the cemetery property that was later developed and sold. The cemetery has been sold in the past, which resulted in this possible redevelopment of the property.

Councilmember Chip Collins asked which house Ms. Padgett lives in.

Ms. Padgett stated the front door of her house faces the cemetery.

Rachel Rosner, 1095 Riverside Trace, stated she has lived in Sandy Springs since 2000. She was pleased to be able to vote for the incorporation of the City. The Heards Cemetery is about a mile away from her home. The cemetery is a beautiful historic site. The cemetery represents what it was like to live in Georgia in the late 1800's and early 1900's. She takes her children to the cemetery as a means of presenting history lessons. The area where the cemetery is located is where General Sherman crossed the river many years ago. The historical site means a lot to her and other Civil War enthusiasts.

PUBLIC HEARINGS

City Clerk Michael Casey read the rules for the Public Hearings segment of the meeting.

Community Development

(Agenda Item No. 12-239)

1. Resolution for the Adoption of Consolidated Annual Performance and Evaluation Report (CAPER) for the 2011 CDBG Program

Director of Community Development Angela Parker stated in order to meet the requirements of the Community Development Block Grant (CDBG) program, the City is required to report accomplishments to the citizens and to HUD. The Consolidated Annual Performance and Evaluation Report (CAPER) report states the City's actions are consistent with the City's plan adopted in 2008. The CAPER has been publicized as an item for this public hearing. There was a public comment period that closed on September 27, 2012. She recommended Council approve this item.

Councilmember John Paulson asked about the $500,000 from 2011 that has not been expended.

Director of Community Development Parker stated that funding has already been allocated by Council towards the project that is currently under design. That project is the extension of the Roswell Road sidewalk project as well as the Hightower Trail component. The design will be let to construction in the near future.

Mayor Eva Galambos called for public comments in support of or opposition to the application. There were no comments from the public. Mayor Galambos closed the public hearing.

Motion and Vote: Councilmember Sterling moved to approve Agenda Item No. 12-239, Resolution for the Adoption of Consolidated Annual Performance and Evaluation Report (CAPER) for the 2011 CDBG Program. Councilmember Paulson seconded the motion. The motion carried unanimously.
Resolution No. 2012-10-62

(Agenda Item No. 12-240)

2. **RC-12-01SS** - 1715 Brandon Hall Drive, *Applicant: Rick Mentzer*, The owner of the property proposes the construction of a swimming pool at the existing residence

Director of Community Development Angela Parker stated this item is a request to construct a swimming pool. The property is located within 2,000 feet of the river. The existing improvements on the property predated or were constructed prior to the Metropolitan River Protection Act. Staff recommends approval of this item.

Mayor Eva Galambos called for public comments in support of or opposition to the application. There were no comments from the public. Mayor Galambos closed the public hearing.

Motion and Vote: Councilmember Paulson moved to approve Agenda Item No. 12-240, RC-12-01SS - 1715 Brandon Hall Drive, *Applicant: Rick Mentzer*, for the construction of a swimming pool at the existing residence. Councilmember Sterling seconded the motion. The motion carried unanimously.

UNFINISHED BUSINESS

(Agenda Item No. 12-241)

1. Consideration of Renewal of Agreement for the Gas South Municipal Alliance Program

Assistant City Manager Eden Freeman stated this item is an update on the Gas South Municipal Alliance Program. Since the September 11, 2012 City Council meeting, staff contacted Gas South to clarify the terms of the renewal agreement. Under the terms of the original agreement, which was in effect on August 2011, the renewal must occur in writing. The amount of royalty payments the City receives could be fifteen percent higher than in prior years. A Gas South representative is in attendance this evening, if Council has specific questions. If the agreement is renewed for the current year, Gas South's projections indicate the City can expect to receive $23,776.

Motion and Second: Councilmember Sterling moved to approve Agenda Item No. 12-241, Renewal of Agreement for the Gas South Municipal Alliance Program. Councilmember Fries seconded the motion.

Kevin Greiner, Gas South representative, thanked Mayor and Council for partnering with Gas South over the last year. Gas South has ten other municipal partners as well that have found the program to work well. He hopes the City will renew the agreement.

Mayor Eva Galambos asked what the savings would be for a customer if they have a Gas South account.

Mr. Greiner stated Gas South offers a $.02 per therm discount off of all the rate plans for any resident or business that comes through the program. For a customer who uses 800 therms a year, there would be a $16 savings per year. The program also waives the connection fee for anyone that is establishing service within the City, which is a $35 fee.

Councilmember Dianne Fries asked if fees are waived for customers that switch to Gas South.

Mr. Greiner stated typically there are no fees for a customer that switches to Gas South. The only time a customer would be charged is in the event they switched companies more than once in a twelve month period.

Councilmember Fries stated if a person has a large house and uses a certain number of therms, the $5.99 customer service fee will not be charged. Many residents can take advantage of this discount.

Mr. Greiner stated Councilmember Fries is referring to Gas South's value plus program. Customers using over 1,000 therms per year qualify for not ever being charged a customer service fee. The customers would only pay the per therm rate.

Councilmember Karen Meinzen McEnerny stated she has not heard from one person that understands or supports why the City logo is being used on marketing information. She has received a lot of pushback on this item. For a savings of $16 a year, she is not sure she would support renewing the agreement.

Councilmember Fries asked how many people Councilmember Meinzen McEnerny heard from that do not support this item.

Councilmember Meinzen McEnerny responded about twenty-five.

Councilmember Chip Collins stated he previously did not have strong opinions regarding this program. He is not sure $13,000 would justify a private company using the City logo. He has received no complaints from his constituents. He is not aware of the City receiving complaints from competitors either. The extra $13,000 is additional revenue for the City. He supports the program and hopes the revenue continues to increase.

Mayor Galambos stated she still feels negative about the program. The citizens of Sandy Springs do not understand the use of the City's logo on marketing materials. Not many residents have voiced opposition, but she has heard no one voice approval.

Councilmember Gabriel Sterling stated about seven hundred people have signed up for the program, which is a positive indicator.

Vote on the Motion: The motion carried 5-1, with Councilmember Meinzen McEnerny voting in opposition.

NEW BUSINESS

(Agenda Item No. 12-242)

1. Amendment to Chapter 58 of the City of Sandy Springs Code of Ordinances ("Code") to create a new Article IV, regulating vehicle immobilization services and operators operating within the City of Sandy Springs (the "City"); and resolution setting fees for vehicle immobilization services and operators

City Attorney Wendell Willard stated this item was discussed at the last Work Session. There have been issues where the Police Department has served as mediator between parties involved with the booting of vehicles. The booting fees charged are currently unregulated in the City. Staff drafted an ordinance that is similar to the City of Roswell's. There was a suggestion from Council to change the daily boot fee to $40. Before Council this evening is a final draft of the ordinance. There were areas in first draft of the ordinance that addressed towing that were changed or removed.

Councilmember Dianne Fries asked if the booting companies can boot cars with expired tags or unpaid homeowners association dues.

City Attorney Willard stated the City is not familiar with the condominiums by-laws and regulations.

Councilmember Fries asked about the booting of vehicles with expired tags. She believes this is a Police Department issue.

Councilmember Chip Collins stated the homeowners may have contractually agreed to those terms regarding the expired car tags.

Motion and Second: Councilmember Sterling moved to defer Agenda Item No. 12-242, Amendment to Chapter 58 of the City of Sandy Springs Code of Ordinances ("Code") to create a new Article IV, regulating vehicle immobilization services and operators operating within the City of Sandy Springs (the "City"); and resolution setting fees for vehicle immobilization services and operators, to the October 16, 2012, City Council meeting. Councilmember Fries seconded the motion.

Councilmember Collins asked Mr. Anthony Leete, whose company boots vehicles in the City of Sandy Springs, what would be an ideal daily boot fee.

Mr. Leete stated a $50 boot fee would be sufficient for automobiles.

Councilmember Collins asked about a maximum boot fee for tractor trailers.

Mr. Leete stated $500 is lenient. The minimum amount for the towing of a tractor trailer is $650. That fee does not include storage or other fees. The total cost for a tractor trailer to be towed is $700 to $800.

Councilmember Collins asked Mr. Leete if there are any other areas of concern in this proposed ordinance.

Mr. Leete stated he has other suggestions for changes to the ordinance.

Councilmember Fries stated she likes the idea of using the weight of vehicles to determine the boot fee. There should also be a maximum boot fee for tractor trailers. She suggested the City legal staff discuss the ordinance with Mr. Leete.

Councilmember John Paulson stated what initiated this ordinance was some citizens were being taken advantage of by being charged exorbitant fees. The intent of the ordinance is to regulate the high boot fees. He thanked Mr. Leete for his comments regarding the ordinance.

Mayor Eva Galambos stated Council heard that one of the truck drivers went into a convenience store to buy a Coke. When he was in the convenience store his vehicle was booted.
Mr. Leete stated sometimes the truck drivers will say anything to get out of a booting fee.

City Attorney Willard stated he believes the property did not have a booting sign.
Councilmember Tibby DeJulio asked if vehicles can be booted where a sign is not located.

Mr. Leete stated currently that is unregulated. He is not aware of there being no signs on the property.

Police Major Bo Eskew stated the sign states unauthorized vehicles will be towed at the owner's expense.

Councilmember Fries stated that is not a proper sign.

Mr. Leete stated the sign is the responsibility of the towing company. His company does not tow, but only boots vehicles.

Mayor Galambos stated the sign should have both the towing and booting information.

Mr. Leete stated he cannot have the towing company's information on his sign.

City Attorney Willard stated the City has a towing ordinance to address towing. The Police Department, legal staff, and the booting company will be involved with reviewing the ordinance.

Vote on the Motion: The motion carried unanimously.

(Agenda Item No. 12-243)

2. Consideration of the Extension of the Atlanta Grand Bohemian Hotel Land Disturbance Permit under Chapter 103, Article 6, Section 103-27(b)(4) Development Regulations Ordinance of the Code of the City of Sandy Springs

Director of Community Development Angela Parker stated in August 2009 City Council approved an amendment to the ordinance that calls for any extension to a land disturbance permit after a certain period of time to be approved by Council. This item is another extension for the Atlanta Grand Bohemian Hotel. Staff recommends approval of this item.

Councilmember Tibby DeJulio asked if this would be the third or fourth extension of the permit.

Director of Community Development Parker stated this would be the third extension.

Councilmember DeJulio asked how many times this permit will be extended.

Councilmember Dianne Fries stated the permit will be extended for an indefinite number of times.

Mayor Eva Galambos stated the company is very interested in this property. If Council does not extend the permit, there may not be another prospect for this property.

Councilmember DeJulio stated he believes this permit has been overextended.

Councilmember Karen Meinzen McEnerny stated the applicant has made a financial commitment and owns the site. There will be an upcoming new expansion of the Cox Enterprises building and Northpark building. These two improvements are adding to the financability of this wonderful Class A hotel. She is in support of working with the applicant until they obtain financing.

Motion and Vote: Councilmember Sterling moved to approve Agenda Item No. 12-243, Extension of the Atlanta Grand Bohemian Hotel Land Disturbance Permit under Chapter 103, Article 6, Section 103-27(b)(4) Development Regulations Ordinance of the Code of the City of Sandy Springs. Councilmember Fries seconded the motion. The motion carried unanimously.

(Agenda Item No. 12-244)

3. Consideration of Approval of a Design Contract Amendment for Atkins Engineering for the Abernathy Greenway

Director of Recreation and Parks Ronnie Young stated in August 2012 an item came before Council which was a request for design additions for the Abernathy Greenway. Council approved the contract for $33,500 for Atkins Engineering. Some modifications have been made to that particular contract that involve changes that deal with the restroom/pavilion building, barrier wall, two trails, and the fence in front of Ms. Woodward's house. For providing these services, Atkins has requested an additional $19,250. He asked that Council approve the additional funding.

Mayor Eva Galambos asked how much Atkins Engineering was paid for the design work prior to this item. An amount of $19,250 for the design of moving the restrooms and trails is somewhat high.

Director of Recreation and Parks Young stated the changes include modifications to forty pages within the design drawing documents, preparing the package for bidding, and permits.

Mayor Galambos asked about the City paying again for water and sewer permits. She asked about the City paying for connections that will not be used and now the City will have to pay again for other connection locations.

Director of Recreation and Parks Young stated he does not believe payment was made for the actual connection. The sewer line was on the east side of the Woodward property in the original design. With the changes that have been made, the sewer line will be located on the west side and extended from the restrooms out to the Abernathy Drive connection instead of going behind the Woodward property.

Councilmember Chip Collins stated the modifications and extra expenses are the result of changes made to accommodate requests from the neighborhood. Staff has been working to establish new processes and procedures for the Abernathy steering committee to interface with the City. This will be done so that the next phase input is gathered before the final plans and bids are made.

Motion and Vote: Councilmember Collins moved to approve Agenda Item No. 12-244, A Design Contract Amendment for Atkins Engineering for the Abernathy Greenway. Councilmember Fries seconded the motion. The motion carried unanimously.

(Agenda Item No. 12-245)

4. Consideration of Issuance of a Task Order for the Economic Development Manager Position

City Manager John McDonough stated about a year ago Council adopted economic development as one of the City's top priorities. In the FY12 budget Council resourced $150,000 for an economic development plan and for a staff person to act as the City's lead in the area of economic development. The City has the option of adding a staff person as a City employee, or hiring an independent contractor, or issuing a task order to The Collaborative. Staff recommends issuing a task order to The Collaborative. Included in the agenda package is a task order for the creation of a position for an Economic Development Director under The Collaborative's contract. This amount would be prorated for the remainder of the fiscal year. The employee will begin work on October 15, 2012, for approximately thirty-seven weeks at a cost to the City of $95,859.80. This amount is based on a salary of $85,000 a year. The burden rate of The Collaborative's contract is 58 1/2 %. The annualized amount with the fully burdened rate is $134,707. It is staff's recommendation that Council approve the task order.

Motion and Second: Councilmember Sterling moved to approve Agenda Item No. 12-245, Issuance of a General Government Services Task Order to The Collaborative for the Economic Development Director Position. Councilmember Fries seconded the motion.

Councilmember Karen Meinzen McEnerny asked if the source of the funding is part of the initial $150,000.

City Manager McDonough responded yes. There are funds remaining in the FY13 under the $150,000 to cover the cost of this position. He introduced the new Economic Development Director Andrea Hall. She has a Master's degree in city planning from Georgia Tech and graduated from Georgia State. She previously worked with Arthur Anderson and Myrant. For the past five years she served as the redevelopment coordinator in Community Development at the City of Smyrna.

Vote on the Motion: The motion carried unanimously.

Economic Development Director Andrea Hall thanked Mayor and Council for welcoming her.

(Agenda Item No. 12-246)

5. A Resolution of Support of the I-285 at Georgia 400 Interchange as the Top Priority Project of Regional Significance

Mayor Eva Galambos stated this item is to show support for the I-285 at GA400 interchange project along with PCID. The Governor of Georgia suggests proceeding with the improvement of the GA400 and I-285 interchange. This resolution is encourage the Governor to move forward with the improvement at this interchange.

Councilmember Karen Meinzen McEnerny asked if the interchange of Roswell Road is included in the major improvements at the GA400 and I-285 interchange and is part of the $850 million.

Mayor Galambos stated she is not sure. She invited the President of PCID to the front.

Yvonne Williams, President and Chief Executive Officer of the PCID, stated the TIA included the interchange for $450 million, but the TIA did not pass. It is appropriate to focus on the center of Sandy Springs at GA400 and I-285 for an improvement project. She distributed a package to Mayor and Council that includes briefings to move this project forward. The City of Dunwoody will have the same resolution on their Council agenda next week. The cities of Doraville and Chamblee will support the resolution along with two Chambers of Commerce. With the support of neighboring jurisdictions, it will help the region to become economically connected and allow the prosperity to continue.

Motion and Vote: Councilmember Sterling moved to approve Agenda Item No. 12-246, A Resolution of Support of the I-285 at Georgia 400 Interchange as the Top Priority Project of Regional Significance. Councilmember Fries seconded the motion. The motion carried unanimously.
Resolution No. 2012-10-63

REPORTS

1. Mayor and Council Reports
   a) Nomination to Sandy Springs Development Authority – Mayor Galambos

Motion and Vote: Councilmember Fries moved to approve the nomination of Gabriel Sterling to the Sandy Springs Development Authority. Councilmember Paulson seconded the motion. The motion carried unanimously.

2. Staff Reports
   a) July and August Financial Reports – Finance Director

Finance Director Karen Ellis stated Mayor and Council were emailed the August financials for review. Included in the financials was an investment review.

   b) Update on Investment Policy – Finance Director

Finance Director Karen Ellis stated she provided a memo for review in regards to staff recommendations. Staff was asked by the City Manager and Council how to invest the City's surplus revenues. Currently, the City is using Georgia Fund 1, which has a poor interest rate. She provided Mayor and Council with an overview of the different instruments for investment. She recommended investing up to $10 million outside of the Georgia Fund 1 money market in an investment portfolio of callable and noncallable securities with maturity dates that range from three to five years. She investigated Treasury Inflation Protected Securities (TIPS). She was advised that TIPS are presently delivering a negative return. Money markets rates are poor and banks that offer good interest rates of 1% are very small banks that are not in business for long. It would not be wise for the City to invest outside of where the City currently invests. She has provided Council with information on interest rates from three to five years, between callable and noncallable securities, as well as the current yield for Georgia Fund 1.

Councilmember Tibby DeJulio stated he has a negative view on the economy and interest rates. The primary financial duty is to protect City funds. The primary duty is not to second guess interest rates or to see how high a return the City can receive on its funds. He would take the lower returns and be more secure with the investments. The economy is not responding and has not completely improved. He would be extremely cautious with the City's money. The TIPS have a current negative yield. The reason TIPS have a negative return right now is because people are getting their return from their inflation protection on them. He believes there will be a round of inflation over the next several years and interest rates will increase as well. He would err on the side of caution in regards to the taxpayers' money.

Councilmember Gabriel Sterling stated staff is not proposing changes to the City's current investment policy. Anything the City invests in as a government has to be backed and securitized with collateral. Other instruments the City has used in the past are similar to the three to five year yield with First Tennessee. Currently, the City is receiving .15% in Georgia Fund 1. A small percentage of the City's money can be invested in a CD at no risk. The CD is held by a bank that has collateral to back it. The City has had this option for several years, but chose not to do it. The City has been remiss to not take the small steps in order to get the marginal gains to help the tax payers by using the City's money more effectively. The City had about $114,000 at .15% last year and $68 million in Georgia Fund 1. The City can receive a lot higher than that by taking a small amount of the fund balance under a tiered system and still be able to access the money. It is the Finance Director's responsibility to manage the City's money and not to be so risk averse that the City loses money for the taxpayers.

Mayor Eva Galambos stated Council needs more information on this topic.

Councilmember Karen Meinzen McEnerny stated she appreciates the fact research has been done on this topic for ways to improve managing the City's funds. She is not comfortable making a decision this evening on this topic. She would like to review the security options first.
Councilmember Sterling stated Council previously adopted an investment policy. Everything suggested by staff falls within the investment policy.

Councilmember Dianne Fries stated when the policy was created these types of decisions were left in the hands of the City Manager and Finance Director.

Councilmember Chip Collins stated if the City can increase the financial returns without increasing the risk, it should be looked at.

Finance Director Ellis stated last year at this time the City had $10 million invested with U.S. agencies for three year terms. Those have come to maturity and have been deposited into Georgia Fund 1 making half of what was made in Georgia Fund 1 last year. This is not a risky investment or outside of the City's policy.

City Manager John McDonough stated this is not a new policy and staff is not asking for guidance this evening. This was meant to be an update on where the City's money is invested, which is included in each monthly financial statement. The vast majority of $40 to $50 million is in the Georgia Fund 1. Staff was asked to bring this update to Council on where the money is invested and what other options are available. The City has been very conservative. Working with the Finance Director, he ultimately makes the decision on where the City's funds are invested.

Councilmember DeJulio asked about the Georgia Fund 1.

City Manager McDonough stated the Georgia Fund 1 was used because staff was concerned about the return of the City's investment. The City has had a good experience with First Tennessee; given them principal and received the principal back. The guidance received from Council last year was to be conservative on investments and staff is operating within the investment policy. Staff will move $10 million of the total amount into investments for a three to five year period. The majority of the other $50 million will be left in Georgia Fund 1. On a $10 million basis annualized, the total return will be around $65,000 or $70,000 in interest income to the City. Staff will continue with a conservative approach unless directed otherwise.

Councilmember Meinzen McEnerny stated generally in the past matters of such importance are first brought up in a Work Session. She suggested this item be brought back to a Work Session and she would like to hear Councilmember Sterling's explanation of the investments.

Councilmember Sterling stated the City has a policy in place and these decisions should not be micromanaged. The investment choices are being done in the best interest of the City.

City Manager McDonough stated staff takes a very conservative approach and the City has always received the principal back.

Mayor Galambos asked for this item to be brought back to Council in two weeks to understand Councilmember DeJulio's objections and to fully understand the callable and noncallable funds.

There was a consensus of Council to bring this item to the next Work Session.

c) Review of Pavement Condition Map

Director of Public Works Kevin Walter stated this map shows the pavement condition index from a survey completed this summer. The index is categorized into groups that include very poor (0 to 40), poor (40 to 50), marginal (50 to 60), fair (60 to 70), good (70 to 80), very good (80 to 90), excellent (90 to 100). There are approximately 2,800 road segments in the City and some are as small as 500 feet. Staff has grouped the roads on the assumptions of where they fall into the categories. The bar graph attached to the map shows the results of the three different surveys the City has done in 2005, 2009, and 2012. The number of roads that are in the excellent category have increased. This is an indication of how the roads have improved. The number of poor and very poor roads has decreased. Adding those two categories

together is known as the backlog rate and that category is from 0 to 50. The roads in this category are no more than fifteen percent of the City's roads. When the City began in 2005, those two categories were twenty-three percent of the City's roads. In 2009, that number decreased to fifteen percent by repaving the very poor roads. In 2012, that number is at twelve percent. Staff is working on a list of roads that are in the very poor and poor category, including roads that are marginal and fair, that the City should invest money in. The very poor and poor roads need to be rebuilt. The other roads need to be resurfaced.

Councilmember Dianne Fries asked if the very poor roads have to be reconstructed.

Director of Public Works Walter responded yes.

Councilmember Gabriel Sterling asked if the poor roads have to be reconstructed as well.

Director of Public Works Walter responded half of them will.

Councilmember Fries asked if staff has a cost estimate for the reconstruction of the very poor roads.

Director of Public Works Walter stated staff will bring a recommendation back to Council. There are a few roads where it will not be feasible to reconstruct right now because they may be small cul-de-sacs. To get the equipment to a road that is 200 feet long may cost $4,000 and to fix the cul-de-sac might cost $2,000. The City would be spending $6,000 for a $2,000 repair and that would not be worthwhile to the City. Not every road in the very poor category can be repaired. All the roads on the map will be repaired.

Councilmember Fries stated she lives in a neighborhood of all cul-de-sac roads. Most of the roads are in the very poor category. Four and a half miles of Huntcliff Trace have been resurfaced. She asked if the forty cul-de-sacs cannot be repaired will not be resurfaced

Director of Public Works Walter stated the repair of the roads is on a case-by-case basis. Most of the roads will be repaired.

City Manager John McDonough stated if there is a substandard road that ranks low, whether it is a cul-de-sac or a short road; it is his expectation that the road will be repaired.

Councilmember Sterling asked about the cost to repair all of the very poor roads.

Assistant City Manager Bryant Poole stated staff will come back to Council with those numbers.

City Manager McDonough stated there is $5.2 million in the budget to repair roads this year. Staff will come back to Council with a recommendation on specifically how to spend the money.

Councilmember Chip Collins asked if the recommendation is not just to repair the worst roads first, but also to repair the marginal roads before they deteriorate more.

Director of Public Works Walter responded yes. The question is how much money to spend on the very poor roads and the marginal roads.

Councilmember Collins asked if the suggestion is some cul-de-sacs are so short in length they will never be repaired.

Director of Public Works Walter responded no.

Councilmember Karen Meinzen McEnerny stated when Fulton County was paving the streets, residents that lived on North Island Terrace, in her district, came in with photographs of large holes in the road. That road had not been repaired in thirty years.

Director of Public Works Walter stated staff has worked very hard in the last year and a half to see that thirty miles of roads were repaved.

PUBLIC COMMENT

There were no public comments.

(Agenda Item No. 12-247)
EXECUTIVE SESSION – Real Estate

Motion and Vote: Councilmember DeJulio moved to enter into Executive Session to discuss real estate. Councilmember Fries seconded the motion. The motion carried unanimously, with Councilmember Paulson, Councilmember Fries, Councilmember Collins, Councilmember Sterling, Councilmember DeJulio, and Councilmember Meinzen McEnerny voting in favor of the motion. Executive Session began at 7:36 p.m.

Motion and Vote: Councilmember DeJulio moved to adjourn Executive Session. Councilmember Paulson seconded the motion. The motion carried unanimously, with Councilmember Paulson, Councilmember Fries, Councilmember Collins, Councilmember Sterling, Councilmember DeJulio, and Councilmember Meinzen McEnerny voting in favor of the motion. Executive session adjourned at 8:11 p.m.

Motion and Vote: Councilmember DeJulio moved to approve the purchase of real property parcel C21 for an amount not to exceed $215,000. Councilmember Sterling seconded the motion. The motion carried unanimously.

(Agenda Item No. 12-248)
ADJOURNMENT

Motion and Vote: Councilmember DeJulio moved to adjourn the meeting. Councilmember Sterling seconded the motion. The motion carried unanimously. The meeting adjourned at 8:12 p.m.

Date Approved: October 16, 2012

Eva Galambos, Mayor

Michael Casey, City Clerk