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**Meeting of the Sandy Springs City Council was held on Thursday, January 13, 2011, at 4:00 p.m., Mayor Eva Galambos presiding.**

**INVOCATION**

There was no invocation.

**CALL TO ORDER**

Mayor Eva Galambos called the meeting to order at 4:00 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 comment during either a public hearing or the Public Comment section 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 Ashley Jenkins, Councilmember Tibby DeJulio and Councilmember Karen Meinzen McEnery present.

**PLEDGE OF ALLEGIANCE**

Mayor Eva Galambos led the Pledge of Allegiance.

**(Agenda Item No. 11-001)**

**APPROVAL OF MEETING AGENDA**

**Motion and Vote:** Councilmember Fries moved to approve the Meeting Agenda for January 13, 2011. Councilmember DeJulio seconded the motion. The motion carried unanimously.

**CONSENT AGENDA**

**(Agenda Item No. 11-002)**

1. Meeting Minutes:
  - a) December 21, 2010 Regular Meeting  
*(Michael Casey, City Clerk)*

**Motion and Vote:** Councilmember Fries moved to approve the Consent Agenda for January 13, 2011. Councilmember DeJulio seconded the motion. The motion carried unanimously.

**PRESENTATIONS**

1. FY2010 Audit Report – Finance Director Amy Davis

**Finance Director Amy Davis** stated the 2010 audit is complete. It is an unqualified opinion. Mayor and Council have a copy of the audit. The grey sheet located in the packet is the single audit, which is

required for municipalities and governments that received grants. She introduced the auditors Adam Fraley and James Bence to present the findings of the audit.

**Adam Fraley, Partner with Mauldin and Jenkins**, stated Mayor and Council should have two documents. One document is the City's comprehensive financial annual report and the other document is the City's annual audit agenda. He stated they will focus on the annual audit agenda, which is a summary version of the results of the audit.

**James Bence, Audit Manager for Mauldin and Jenkins**, stated he will start on page two of the audit agenda. The audit statements are the responsibility of the City. It is the responsibility of the auditors to offer an external opinion on those statements. On page three there is a brief summary of the numbers and the results of the segmented assets. There is a summary for the statements that will tell the highlights of what each of the footnotes mean. On page six there is a required communication that was made to management and Council from the auditors. The management recommendations are located on page eight and management is working on making the corrections.

**Councilmember Dianne Fries** said on an earlier page there is a section that discusses compliance with 2010-5 and 2010-6. It states it does not comply and questions the cost of the disaster grant. There is also monitoring on the 2010-5 and there was an amount of \$320,000 with questions of that cost. On 2010-6 there was a disaster grant of approximately \$87,000 with questions of cost. She asked for clarification on what this means.

Mr. Bence responded that with the disaster grants the City was unable to provide matches with what expenditures were related to specific projects. From a compliance standpoint, the auditors were unable to test some of those items. The auditors stated those are question costs, because they cannot say they are not allowed.

Councilmember Fries asked why the auditors do not have the information they need to audit the grants.

Finance Director Davis stated this was primarily due to the flooding of 2009. The City spent more on the flood than was reimbursed by FEMA. Some of the FEMA projects and other projects completed independently by the City were accounted for in the same project code. There was confusion on which items were related to specific projects within that project. The auditors had a hard time matching up work orders to the actual expenditures.

Councilmember Fries asked if this is something that happens quite often.

Mr. Bence stated with this particular FEMA grant it is something that has been seen at other municipalities. This is not a common grant that is seen on a normal basis.

Councilmember Fries stated that was in the 2010-6 document. A note was also made in the 2010-5 which stated there was subrecipient monitoring of \$320,002.

Mr. Bence stated yes, that is where the City passed along grant monies and responsibilities to the PCID. The City should have in place certain monitoring responsibilities and guidelines to ensure that PCID is doing what they need to from an accountability standpoint with that grant. Those controls were not in place.

Councilmember Fries asked if both of these are on grant type money.

Mr. Bence responded yes.

Councilmember Fries asked if a process of better managing the grant money will be set in place.

Finance Director Davis stated all of the comments have been reviewed by Grants Administrator Eden Freeman and the appropriate staff. The problems have been corrected going forward.

Councilmember Fries asked why 2009-4 stated that staff should do certified payrolls for contractors and subcontractors.

Mr. Bence stated regarding the items labeled 2009-4 and 2009-5, those are scheduled prior audit findings. Those items were cited in the June 30, 2009, report. The auditor's response to the findings of the 2009 report is located on the current document. It states the City has made the corrective measures. It is a requirement that the auditors have to cite the prior findings and update the status.

Councilmember Fries asked if the payrolls for the contractors and subcontractors are now being certified.

Mr. Bence stated they were being certified for 2010.

**Councilmember Karen Meinzen McEnerny** stated she is concerned about section 20-10 page thirteen, regarding the cash reporting. The recommendation was the City should take the necessary steps to ensure monthly bank reconciliations are properly reconciled to the general ledger balances and that cash transactions are timely posted to the City's general ledger. This seems to be a very basic elementary procedure in public accounting. She asked to have described the scope of this problem.

Finance Director Davis stated staff does bank reconciliations every month. With this particular item there is a single operating account which incorporates several different funds. This item came in with the Health Stabilization Fund where it was accounted for within the cash account and not recorded separately in its own fund.

Councilmember Meinzen McEnerny stated then a small portion of the cash account was this Health Stabilization Fund and that was the problem with the account.

Finance Director Davis responded yes, it was a single transaction.

Councilmember Meinzen McEnerny asked if it could be labeled as one small component of the cash account.

**Councilmember John Paulson** stated the amount is \$550,000.

Mr. Bence stated it was the adjustment that was not being recorded to the general ledger. It is a matter of keeping the general ledger up to date.

Councilmember Meinzen McEnerny stated it was not clear to her that only one item was not timely done. She would like the auditors to state it was just one item.

Mr. Bence stated they can certainly do that.

Councilmember Meinzen McEnerny added this gives the wrong impression on the cash account.

Mr. Bence stated he enjoys working with cities that do correct the audit matters. The City of Sandy Springs has always taken the auditors findings and implemented corrective actions.

## **PUBLIC HEARINGS**

**(Agenda Item No. 11-003)**

1. 12901 - Approval of Alcoholic Beverage License Application for BP Convenience Store at 8763 Roswell Rd, Sandy Springs, GA 30350. Applicant is Malik Jivraj for Retail/Package of Wine & Malt Beverage

**Administrative Services Director Robert Logan** stated this is an application for retail/package of wine and malt beverage for the BP Convenience Store located at 8763 Roswell Road. Staff has reviewed the application and recommends approval.

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

**Motion and Vote:** Councilmember Fries moved to approve Agenda Item No. 11-003, Approval of Alcoholic Beverage License Application for BP Convenience Store at 8763 Roswell Rd, Sandy Springs, GA 30350. Applicant is Malik Jivraj for Retail/Package of Wine & Malt Beverage. Councilmember Paulson seconded the motion. The motion carried unanimously.

**(Agenda Item No. 11-004)**

2. 12828 - Approval of Alcoholic Beverage License Application for Peter Cheng Cuisine at 6450 Powers Ferry Rd, Sandy Springs, GA 30339. Applicant is Dahe Yang for Consumption on Premises of Wine and Malt Beverage

**Administrative Services Director Robert Logan** stated this is an application for consumption on the premises of wine and malt beverage for Peter Cheng Cuisine at 6450 Powers Ferry Road. Staff has reviewed the application and recommends approval.

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

**Motion and Vote:** Councilmember Meinzen McEnery moved to approve Agenda Item No. 11-004, Approval of Alcoholic Beverage License Application for Peter Cheng Cuisine at 6450 Powers Ferry Rd, Sandy Springs, GA 30339. Applicant is Dahe Yang for Consumption on Premises of Wine and Malt Beverage. Councilmember Fries seconded the motion. The motion carried unanimously.

**(Agenda Item No. 11-005)**

3. 12895 - Approval of Alcoholic Beverage License Application for WRIG Hammond-The Derby at 1155 Hammond, Suite C-1 Sandy Springs, GA 30328. Applicant is Anita Will for Consumption on The Premises of Wine, Malt Beverage & Distilled Spirits

**Administrative Services Director Robert Logan** stated this is an application for consumption on the premises of wine, malt beverage and distilled spirits for The Derby located at 1155 Hammond Drive. Staff has reviewed the application and recommends approval.

**Mayor Eva Galambos** called for public comments in support of or opposition to this application.

**Councilmember Dianne Fries** asked if this was a change of ownership.

**Melissa Haisten, Representative of the applicant from Sams, Larkin and Huff,** responded yes.

Mayor Galambos closed the public hearing.

**Motion and Vote:** Councilmember Meinzen McEnery moved to approve Agenda Item No. 11-005, Approval of Alcoholic Beverage License Application for WRIG Hammond-The Derby at 1155 Hammond, Suite C-1 Sandy Springs, GA 30328. Applicant is Anita Will for Consumption on The Premises of Wine, Malt Beverage & Distilled Spirits. Councilmember Fries seconded the motion. The motion carried unanimously.

**(Agenda Item No. 11-006)**

4. 12896 - Approval of Alcoholic Beverage License Application for WRIG Spalding-The Derby at 7716 Spalding Dr, Sandy Springs, GA 30092. Applicant is Anita Will for Consumption on The Premises of Wine, Malt Beverage & Distilled Spirits

**Administrative Services Director Robert Logan** stated this is an application for consumption on the premises of wine, malt beverage and distilled spirits at The Derby located at 7716 Spalding Drive. Staff has reviewed the application and recommends approval.

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

**Motion and Vote:** Councilmember Paulson moved to approve Agenda Item No. 11-006, - Approval of Alcoholic Beverage License Application for WRIG Spalding-The Derby at 7716 Spalding Dr, Sandy Springs, GA 30092. Applicant is Anita Will for Consumption on The Premises of Wine, Malt Beverage & Distilled Spirits. Councilmember Fries seconded the motion. The motion carried unanimously.

**UNFINISHED BUSINESS**

There was no unfinished business.

**NEW BUSINESS**

**(Agenda Item No. 11-007)**

1. Design Review Board Appointments

**Mayor Eva Galambos** stated she nominates Colin Lichtenstein for the architectural slot. He has been on the Design Review Board from the inception. He has done a great job and is highly regarded by all members of the Design Review Board. She also nominated Mary Catherine Ealick-Anderson to be a member of the Design Review Board. This would fill the slot of a resident who has a business in the overlay district in Sandy Springs.

**Councilmember Dianne Fries** asked what Ms. Ealick-Anderson's business is.

Mayor Galambos responded she has a legal practice.

**Motion and Vote:** Councilmember DeJulio moved to approve Agenda Item No. 11-007, Design Review Board Appointments with the nominations from the Mayor. Councilmember Collins seconded the motion. The motion carried unanimously.

**Resolution No. 2011-01-01**

**REPORTS AND PRESENTATIONS**

1. Mayor and Council Reports

2. Staff Reports  
a) November Financial Report

**Finance Director Amy Davis** stated on the November Financial Report there were general fund revenues of \$47.3 million, which is approximately fifty-seven percent of the budget. There were expenditures of \$31.1 million, which is 37.5%. Our funds balance for the general fund was \$35.9 million. The property tax collection as of the end of November was \$26.3 million, for a total collection rate of ninety-seven percent. In the month of December there was an additional \$500,000 collected to bring the total to 98.9% collection. There is a cash balance of \$67.9 million. The sales taxes were down approximately \$560,000 due to a sales tax audit of several large businesses within Sandy Springs and North Fulton. It resulted in a credit of \$565,000.

**Mayor Eva Galambos** asked if this is something that the City of Roswell inquired about.

Finance Director Davis responded correct. There were several large companies there were audited.

**Councilmember Tibby DeJulio** asked what company completed the audit.

Finance Director Davis stated the audit was performed by the Department of Revenue.

Mayor Galambos asked where the total for the property tax collections in hand stands in terms of what was projected in the budget.

Finance Director Davis stated staff projected approximately 97.2% of the budget. It will be 98.9% as of the end of December.

Councilmember DeJulio asked what this amounts to in dollars.

Finance Director Davis stated \$26.8 million.

Councilmember DeJulio asked what amount was projected.

Finance Director Davis stated \$27.2 million was the budgeted amount. The City has received \$26.3 million as of the end of November. Another \$500,000 was received in December 2010. The total is approximately \$26.8 million.

Councilmember DeJulio asked about the amount the City is short. Do we know how much of that is institutional property that may be in foreclosure versus residential?

Finance Director Davis stated she does not know, but she can inquire with the tax commissioner.

Councilmember DeJulio stated there are some properties in the City that are in foreclosure. Staff has had problems getting in touch with the owners regarding these properties. He wonders if there are similar problems with collecting the taxes.

Finance Director Davis stated staff inquired on the accounts receivable outstanding and the amount was \$1.7 million.

Mayor Galambos stated it seems to her the property taxes received have been better than expected.

Finance Director Davis stated the digest decreased 3.47 percent.

**Councilmember Karen Meinzen McEnerny** stated in 2009 the commercial tax base in Fulton County was under a court review and therefore they only paid at 85%. This year they had to pay the other 15%.

**City Manager John McDonough** called the following staff members to the front: Police Chief Terry Sult, Deputy Fire Chief Dennis Ham, and Public Works Director Tom Black. The City has been busy, as well as other city and county municipal governments in the north metro area, for more than three days. These individuals represent the men and women of their departments. The departments have been working twenty-four hour operations since Sunday evening, January 9<sup>th</sup>, at 7:00 p.m. The City Manager has been able to spend time with each one of these individuals, their employees in the field, and in the Emergency Operations Center. They have done a fantastic job and he thanked them for all of the work they have done. The City staff went above and beyond from the standpoint of preparing in advance for the storm. They cleared the roadways with salt and sand crews. Mayor and Council have the storm report which details the actions that were taken by each department for the last three and half days.

**Councilmember Karen Meinzen McEnerny** stated this is a helpful report that should be posted to the City's website. She did not realize the City salted and cleared Roswell Road two different times. DOT did not do that. This story should be shared with the community.

City Manager McDonough stated do not forget the work that staff did on I-285 in assisting the jackknifed eighteen wheelers. This information is already located on the City website. There is a log of the storm event kept in the EOC. The log will be reviewed to see what lessons can be learned. Each group will provide a report that will also be reviewed.

#### **PUBLIC COMMENT**

There were no public comments.

#### **EXECUTIVE SESSION**

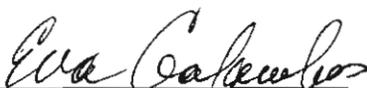
There was no executive session.

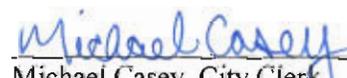
(Agenda Item No. 11-008)

#### **ADJOURNMENT**

**Motion and Vote:** Councilmember DeJulio moved to adjourn the meeting. Councilmember Fries seconded the motion. The motion carried unanimously. The meeting adjourned at 4:36 p.m.

Date Approved: February 1, 2011

  
Eva Galambos, Mayor

  
Michael Casey, City Clerk