

HOSCHTON CITY COUNCIL

Called Council Meeting

November 20, 2008 at 9:00 A.M. at Hoschton City Hall

A Called Council Meeting of the Hoschton City Council was held November 20, 2008 at 9:00 a.m. in the City Council Room at City Hall. Present were Mayor Bill Copenhaver, Council Members Richard Green, Jim Jester, John Schulte, Tom Walden and Theresa Kenerly. Also present was City Clerk Kristen Smith. Absent was Council Member Richard Shepherd. Mayor Copenhaver called the meeting to order at 9:00 a.m.

ORDER OF BUSINESS:

1. Public hearing regarding 2009 budget proposals

Councilman Walden reported the Fiscal Resources Committee had met through five meetings and prepared a proposed budget for the City of Hoschton which reflects General budget revenues of approximately \$785,000 with expenses equal to that amount. The proposed budget indicates Water Sewer Budget revenue projections of \$1,247,000 with expenses equal to that total. The proposed budget has revenue for General Budget SPLOST in the amount of \$104,000 with expenses equal to that figure and Water Sewer SPLOST revenues of \$255,000 with expenses equal to that sum. The proposed budget does not anticipate a property tax, showing a zero in that revenue category. The proposed budget was put on first read during the previous Council meeting and was to be voted on at the next Council meeting. However, in reviewing and scrutinizing this proposed budget to ensure it is correct, I came to the realization that all budgets the city has done have not included the discussion of projected revenues. These revenue projections were made in the April to May time-frame based on 2007 results plus third quarter 2008 results. I have come to the conclusion that these revenues are not viable. The world has changed in the last nine months. As reported this morning in the Atlanta Journal Constitution, the State expert for economic conditions, had made projections in March 2008 that we would not go into a recession but have a mild decrease which would more than turn around in 2009. Five months later the same expert reported we are going into a decrease this year and even more of a decrease in 2009, while there may be a slight turn in 2010 not until 2011 will it come back on board. The economic experts have been unable to correctly project economic conditions. Therefore, with our revenues being projected using 2007 and 2008 data there exists a fallacy in all budgets before this committee. Budgets require balancing expenses back to projected revenues. Until revenues are correct it makes no difference what is done to expenses. Councilman Walden asks Council to start over on the budget to reassess revenues and then balance back to that figure.

Councilman Schulte agreed that with revenues is where Fiscal Resources needed to start.

Councilwoman Kenerly agreed with Councilman Walden because the city is already low in 2008 compared to projected revenues.

Councilman Walden restated his concern that revenues as currently projected are over stated rather than realistic.

Councilman Jester stated that, notwithstanding the legal requirements to announce this meeting, I protest the scheduling of this meeting. We have a budget that has gone through the legal process and all these citizens are in attendance of this meeting because this Council has not reached a consensus in terms of having to consider a property tax. Thomas Mitchell, city attorney, has advised that we have to have these meetings due to timeliness and legal requirements in order to make it effective, but we have a fundamental problem that precedes all this which is that we found ourselves in a position to have these meetings without us coming closer together to

have us agree to have these meetings. I don't disagree with what Councilman Walden said, but I think it should have happened a long time ago and I believe this to be an illegitimate meeting we're holding to be talking about property taxes.

Councilman Green stated not seeing Council having any choice but to act on Councilman Walden's motion.

Public Comments:

Alice Nunley, 300 Peachtree Road, stated that if the budget is going to have to be gone over again then the people of the community should be able to vote before a flat tax is placed on this city. Ms. Nunley stated that if our budget is over then cuts have to be made.

Marianne Wilson, The Village at Hoschton, asked if the city had a hiring freeze at this time. Mayor Copenhaver responded that the city is not hiring anyone at this time and not, at this time, replacing police officers that had resigned. Ms. Wilson asked if police officers had resigned. Mayor Copenhaver reported that two police officers had resigned.

George Nault, Deer Creek Farms, stated he didn't think city could truly discuss revenues without talking about cutting government expenses. Mr. Nault asked to bring cutting expenses into the discussion because the two go hand-in-hand. Mr. Nault feels the city is ignoring cutting expenses as opposed to adding on revenue to the city.

Scott Butler, Deer Creek Farms, states his issue with why it is a mystery that the city suddenly doesn't have any money this year when last year Deborah Donaldson had said the city had no money at that time. Mr. Butler asked how it was ignored for almost two years now. Mayor Copenhaver responded that it had not been ignored and the city had been working toward determining ways to increasing revenues. Mayor Copenhaver further stated that expenditures had been increasing in the general fund and water sewer budget this entire year and previous two years with the city working extremely hard to try to hold everything in line.

Mr. Nault requested an example. Mayor Copenhaver provided that some expenses that had been charged to the general fund were for services provided to water sewer and those expenses had been moved over to water sewer thereby getting some of the money back into the general fund.

Kelly Gary, The Village at Hoschton, stated this being his sixth public meeting he had attended and citizens are always told that the next council meeting was always going to be the important meeting. Mr. Gary stated having come prepared to discuss the budgets that had been presented and sees plenty of opportunity for this council to raise the issue of revenue. Mr. Gary was aware that revenues in this city were not going to be as they had been projected. Mr. Gary stated that since this Council of six plus the Mayor had been elected expenses in this town have gone up 80% since year end August. Mr. Gary stated the city problem is not a revenue problem but an expense problem. Mr. Gary stated his expectation is that the expenses will be lower and will match the revenues. Mr. Gary said he has asked Council during previous meetings if any city of Hoschton staff would be cut and has been told no. Mr. Gary asked which expenses Council would be willing to cut so that revenues and expenses balance.

Mark Williams, The Village at Hoschton, said in order to bring business to Hoschton then things would have to be happening in Hoschton. Mr. Williams stated the one thing Hoschton doesn't has is revenue sources and that is the problem. Mr. Williams said he doesn't like property taxes but the city can't become stagnant because if you're not growing you're dying.

Kelly Gary, The Village at Hoschton, commented that Tuesday night County Commissioner Bruce Yates had a Town Hall meeting across the street at the Depot and no representatives from the city of Hoschton were present. Mr. Gary stated

that several cities had complained of getting no help from the county but yet no one from Hoschton's local government attended to listen or participate. Mr. Gary commented that citizens have volunteered to provide assistance with court services, light construction and maintenance of city hall and Mr. Gary said he has seen no follow-up from the city to accept the help that has been offered. Mr. Gary states that he sees the city asking citizens to pay taxes in order for the citizens to pay for mismanagement and bad leadership.

Councilwoman Kenerly responded to Mr. Gary that she had attended two city meetings Tuesday night, one being the Public Safety Meeting and the Police Community Forum. Councilwoman reported that Mayor Copenhaver, Richard Shepherd, John Schulte, and Richard Green had also attended both these city meetings Tuesday night.

Jim Cleveland, Deer Creek Farms, made proposal to Council that if there was going to be a meeting to discuss revenues that Council doesn't just discuss the property tax because that seems the only source this Council has considered as far as raising revenue. Mr. Cleveland referenced annexation, selling city property, or raising rent as additional revenue sources for Council to consider.

Dallas Knight, Bell Avenue, addressed Council stating he has lived here 22 years. Mr. Knight asked Council how many knew the number of retired citizens living in Hoschton. Mr. Knight commented that a property tax would be hard on retired people.

William Pendergass, The Village of Hoschton, commented that Council had held several meetings regarding the property tax to hear the voice of the people and the people resounded very loudly in a negative manner that they did not want a property tax. Mr. Pendergass stated that some of the negative comments were based on the current economic situation the whole world is facing right now. Mr. Pendergass said the whole world is cutting back on expenses, personnel, layoffs, and many people have experienced losses in retirement investments and savings simply because the economic situation. Mr. Pendergass asked that this Council have compassion for those people that are in that situation and go back to your desk to do what the people initially elected you for which is to manage the city's resources and balance the budget with a property tax.

Councilman Walden made a request to Mayor Copenhaver that going forward all budget meetings should be attended by for participation by all Council members based on the importance of the budget and all Council has a responsibility for bringing in and spending city funds.

All Council Members present plus Mayor and City Clerk completed review and revision of 2009 Water Sewer Revenue Detail during open meeting with citizen participation.

Councilman Walden made a motion, seconded by Councilwoman Kenerly, to reconsider all 2009 proposed budgets that had been presented to council, to include the budget with the proposed property tax and without property tax, based on revenues not being adjusted since April 2008 so that current revenues without property tax can be projected and then review the expense portion of the budget to prepare a revised budget. The motion carried by a 5 member vote with no opposition and one absent.

2. Public hearing regarding possible property tax millage
No discussion outside comments during discussion of 2009 budget proposals.

ADJOURNMENT: Meeting adjourned at 11:35 a.m.

Providing a break prior to the Called Council Meeting at 6:30p.m. Councilwoman Kenerly made a motion, seconded by Councilman Schulte, to adjourn. Motion carried with a 5 member vote with no opposition and one absent.

Respectfully submitted,

Kristen A. Smith, City Clerk

Attachments in Minute Book

APPROVED:

William Copenhaver, Mayor

Kristen A. Smith, City Clerk

Manner of Addressing Council. No member, while the City Council is in session shall speak on any subject unless recognized by the presiding officer. Every speaker shall address the chair, and no member shall interrupt anyone who is speaking, except to call him to order or for explanation.

Limitations on Addressing City Council. Any person not a member of City Council who desires to address the City Council shall first secure the permission of the presiding officer, and then shall step up in front of the council, give his name and address in an audible tone of voice for the record, and direct his remarks to the City Council as a body rather than to any particular member, limiting such remarks to a reasonable time (**2 minutes per person/ 5 minutes per topic**) unless additional time is granted by City Council. Permission to speak is at the discretion of the Mayor and City Council. Persons wishing to bring subjects to attention of the City Council may do so either by providing the City Clerk or the Mayor with a written petition for presentation to the City Council at its regular meeting or by contacting the Mayor or any City Council member informally

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