

City of Sugar Hill Council Meeting  
Monday, June 9, 2003  
4988 West Broad Street, Sugar Hill, GA 30518  
Community Center 7:30 pm

The City of Sugar Hill City Council held its regular meeting on Monday, June 9, 2003 at 7:30 PM in the Community Center.

Notice of the meeting was placed on the doors of City Hall and the Community Center, on the board at Alton Tucker Boulevard and Peachtree Industrial Boulevard, and was sent to the local newspapers.

Those present at the meeting included Mayor Gary Pirkle, Mayor Pro-Tem Meg Avery, Council Members Kim Hall, Ron Johnson, Thomas Rhodes and Chris Abbey. Also present were City Manager Bob Hail, City Attorney Lee Thompson, Assistant City Manager for Development Jim Osborn, and taking minutes was Kim Landers.

#### **CALL TO ORDER, PLEDGE OF ALLEGIANCE TO THE FLAG AND INVOCATION:**

**Mayor Pirkle** called the meeting to order at 7:30 PM, led the Pledge of Allegiance to the Flag and gave the Invocation.

#### **APPROVAL OF AGENDA:**

**City Manager Bob Hail** stated that he would like to add one agenda item, the authorization approval for the Mayor to sign the contract with Phillips Prison for our work crew. Due to the State budgetary constraints this year and being late they don't have their contracts out yet, but the city's contract terminates June 30<sup>th</sup>. Phillips will get the contract to the city as soon as possible, rather than having to call a meeting to receive approval for the Mayor to sign the contract if it is preauthorized a called meeting won't be necessary. **Council Member Kim Hall** made a motion to add agenda item # 5 Prison Contract. **Council Member Thomas Rhodes** made the second. **Motion passed unanimously 5-0.**

#### **APPROVAL OF THE APRIL MINUTES**

**Council Member Chris Abbey** made a motion to approve the minutes for the May 12, 2003 and May 27, 2003 meetings. **Council Member Ron Johnson** made the second. **Motion passed unanimously 5-0.**

#### **CITY ATTORNEY REPORT**

**City Attorney Lee Thompson** stated he had nothing to report for this month.

#### **COUNCIL REPORTS**

**Council Member Chris Abbey** stated he was the liaison for the Street Department. The road improvement program for this year is already completed. There will be a review of funding to see if any additional streets can be improved. There is a priority list that is in city hall where the roads are graded so that the worst roads are paved first. Grinding should begin this week on Springhill Drive. During a recent rainstorm the pipes along Davis Drive failed, repairs were made and completed.

**Council Member Thomas Rhodes** stated that Rob Lebeau from the ARC came out and spoke at the DDA work session. At the next council work session Mr. Rhodes will be approaching the council with some ideas. The Gas Department has replaced and or expanded service by almost 1 mile, which allows for growth. There are over 130 new services YTD. The first billing has gone out using the new gas invoices. Favorable comments have far out weighed the negative comments. The price per therm cost for May was \$.81. The market price has risen significantly over the last few months. The city's action to purchase gas for the future has been successful in keeping our prices to a minimum during cost increases. The city will continue to monitor the market for next year's gas prices.

**Mayor Pro-Tem Meg Avery** read her recreation report which is attached and incorporated as 'ATTACHMENT 1" to these minutes.

**Council Member Kim Hall** stated for the Planning & Development Department she had no report this month except for reminding everyone that the Planning & Development Department is temporarily located at the old Church Fellowship building off Church Street, and they will be relocating to the upstairs of city hall hopefully within the next 60 days when the construction is complete.

**Council Member Ron Johnson** stated that the Golf Course opened May 1<sup>st</sup>. There have been 39 possible days of golf with 12 rain out days, for an actual 27 days of play. There have been 2,602 rounds played during this time period. Nutter & Associates now has the correct data from Gwinnett County for the topo on planning the extension of the spray fields. Council Member Johnson thanked Dr. Joe Clarino and Dr. Deb Cirone for successfully running the last two festivals. He met with Congressman Johnny Issackson and has a meeting reset for August, the date to be determined. Mr. Issackson will also be his guest at the festival. Police & Fire Protection – Council Member Ron Johnson stated that he's been talking about this a lot the last couple of months. It doesn't necessarily have to be the cities own he just wants to see the correct protection the citizens are paying for. The city is paying tax dollars and is not getting the proper protection. By their own standards (Gwinnett's) there should be 1.1 officers/1,000 people. The City of Sugar Hill has 12,000 people alone. They cover unincorporated Gwinnett, Sugar Hill, and Buford with 8 officers per shift. Just in Sugar Hill alone they should have three officers per shift. Their response time is unacceptable. Gwinnett informed the Mayor their response time was 9 ½ minutes. It would take the fire department 20 minutes to get out to Twin Creeks, this is unacceptable. The County has the land bought but hasn't built the fire station and the city council needs to put pressure on them for this.

#### **MAYORS REPORT:**

**Mayor Gary Pirkle** stated that he would like to announce that Jane Whittington has been hired for the City Clerk's position. She has 12 years experience in the clerk's office, including the last five as the City Clerk for Stone Mountain. She will begin on June 16, 2003 and the Mayor and City Council is looking forward to her arrival and feel that she will be a great asset to the city.

### CITY CLERK'S REPORT

Kim Landers stated the Clerks office had nothing to report.

### CITY MANAGER'S REPORT

Copy of Report attached and incorporated as "ATTACHMENT 2" to these minutes. City Manager Bob Hail stated the construction of City Hall is well on its way, it will be completed within the next 60 days. At this time Planning and Zoning will be moved back to City Hall. There will be an elevator for all who require ADA compliance. The City is currently in the design phase of the old fellowship hall to be developed into a new Community Center. Construction will start once the bid documents are completed. The project is anticipated to be completed sometime in the winter months. As mentioned by Council Member Thomas Rhodes on the cost of the price per therm City Manager Bob Hail compiled some comparisons. The average usage for this time of year is 22 therms. Sugar Hill's cost would be \$30.95, Georgia Natural Gas \$41.83, Southern Gas \$42.56, Scanna \$42.68, and Shell \$42.88. The city continues to work on this on behalf of the citizens. These figures are for total bills. The city's service fee is \$13.00, which is used to cover all operational cost, manpower, trucks, gas, pipe, maintenance materials and everything else. The rest of the bill is strictly for gas.

### UNFINISHED BUSINESS:

#### CITIZENS AND GUESTS COMMENTS:

Alan Charach of 5303 Under Way stated that at E.E. Robinson Park he would like to see an area for Hockey, and for Skateboarding.

### NEW BUSINESS:

#### 1. Johnny Wilkins Plaque Presentation.

City Council Member Chris Abbey presented Johnny Wilkins with his plaque. Council Member Chris Abbey thanked Johnny Wilkins for his time served (1999 – 2003) on the Planning & Zoning Board. At the time of his departure he was the Chairman of this board. Johnny Wilkins thanked the city for the plaque his experience and time served.

#### 2. City Auditor Report

Wayne Bowen, CPA from Gainesville and the city's auditor stated he would like to review where the city was five years ago verses where they are now and secondly to bring to focus the issues facing the city in terms of auditing compliance in the future. Wayne Bowen presented the members of the Mayor and City Council with some statistics which is attached and incorporated as "ATTACHMENT 3" to these minutes. As presented a five-year history - In 1998 the city's bottom line citywide was a loss of \$118,000. The progression throughout the years up to 2001 with a bottom line of three funds \$2,684,000, which will drop to an estimated \$2,196,600. Another words the city has went from below zero to a very healthy bottom line in five years. The other item of interest would be the debt structure. Starting out in 1998 \$2,879,000 in long-term debt, dropped to a mere \$129,144 at the end of the current fiscal year, which is a dramatic turn around. The other indicator is cash in the bank, in 1998 less than \$112,000 to well over \$6,000,000 in a five-year period, which is a remarkable turnaround. Mr. Bowen's opinion is City Manager Bob Hail, City Manager Frank Ginn and the Mayor and City Council are responsible for this. Mr. Bowen's firm is a

few days away from completing the audit and then they will be able to be more specific about the current year. Mr. Bowen stated the other issue of discussion was concerning that at the end of the audit for the 2002 year his contract expires. He would like to continue his term for at least another year. His firm has a combined 58 years experience in Governmental auditing, 75% of his time is spent on Governmental Auditing and the other 25% is utilized for tax purposes. Every year a report has to be filed with DCA, who is powerful, even more powerful is the Department of Audits who can cut off sales tax monies, and DOT monies in a moments notice if the audits are not accepted. In 1998 when Mr. Bowen's firm took over as auditor he discovered there was 3 years outstanding exceptions with the Department of Audits and it took quite a while to get this straightened out. Auditors must go under peer review and his review is attached and incorporated as "**ATTACHMENT 4**" to these minutes. This is a once every three years examination that auditors have to go through to make sure they are in compliance. They are under the gun to make sure they do what is proper. Mr. Bowen also wanted to inform the mayor and city council that his firm was independent, unbiased. The city gets an independent view of what's going on which is essential in having an auditor. The last two years of his fees have been very reasonable. The Governmental Accounting Standards Board GASB, whatever they say is what you have to do. One of the big pronouncements is GASB 34. This changes all the accounting rules and auditing rules pertaining to every state and local government for the state of Georgia. It is a very complex document, there is a lot of work put on the finance director and anyone connected with the accounting area and the auditor. The City of Sugar Hill is a Phase 2 Government according to GASB 34. By definition Phase 2 Government means when you have revenue that exceed citywide more than \$10,000,001 per year. The City was slightly over for the 2002 period. The implementation of GASB 34 is applicable for the current year of 2003. In order to comply with state law, an implementation plan needs to be devised in order to have a road map through GASB 34. It affixes responsibility as to what area the finance director is responsible and what area the auditor is responsible for in order to comply. In doing the audit there will be many additional things that will have to be done. Under GASB 34 everything will be depreciated, roads, curbs, gutters, bridges, lighting systems, etc. which have not been accounted for before. The basis of accounting will change completely from the current basis the city is under, and this goes on and on. Bottom line is that the auditing cost will go up, the plan of implementation will run around \$3,500.00. The auditing cost for 2003 will rise in the neighborhood of \$4,000. He's asking the Mayor and City Council to consider this. After the city is over the GASB 34 hump it will be more downhill. Since the city is in midstream it would behoove the Mayor and City Council to continue with Mr. Bowen's firm for one more year. Mayor Gary Pirkle stated the process is typically you want to rotate your auditors every so many years and he's spoke with City Manager Bob Hail and the GASB 34 is a huge undertaking for the city. City Manager Bob Hail stated that he feels this year and next year are critical to implement the plan and therefore his recommendation would be to retain Mr. Bowen for the 2003 and 2004, that way you have the plan, implementation and operation in 2004. Mayor Gary Pirkle stated that this was something that the Council will be talking about and making a decision on in the near future. City Council Member Kim Hall asked Mr. Bowen in the GASB 34 as they are booking assets for the roads, curbs, gutters, etc, the office of accounting has not given the cities any recommendation as to what dollar figure they can use. For instance Sugar Hill could use \$1.00/linear foot and the City of Snellville Could use \$4.00/linear foot thereby making their assets appear humongous. Mr. Bowen stated that this was one of the fallacies of GASB 34. You'll have governments showing a loss in the general funds because of all of these assets being depreciated. Statements will be misunderstood. Council Member Kim Hall stated there seems to

be no clear communication on how to proceed with these assets. Mr. Bowen stated to his knowledge there is no set way on how to do it. DOT should be able to help the city with coming up with a fair estimate. The city will have tremendous discrepancies because of GASB 34. Council Member Kim Hall stated that the city wants to be fair but they don't want to underestimate the assets to our citizens but over inflation would also seem unwise. Mr. Bowen stated for the Mayor and City Council to keep in mind they will be depreciating these assets against the revenue. Mayor Pro-Tem Avery stated that even though the council has been saying for months the city was debt free, she can still remember the first council meeting they were able to announce this, it was such a great feeling to know that the city was in such a great position. Also she thanked Mr. Bowen for providing the spreadsheet of information of the past five years, seeing these figures and changes in black and white are wonderful. ***Mr. Bowen stated that in his 37 years he's never seen a government large or small completely turn around in such a short period of time like Sugar Hill has.*** He was just reading in the paper this week that East Point went from a 9 mil rate to a 13.62 mil rate last year and now they are going to a 15 mil rate on top of a revaluation and still don't have enough money. City of Atlanta is short too; City of Sugar Hill is not that way.

### **3. Resolution to adopt the Updated Five-Year Short Term Work Program**

Assistant City Manager of Development Jim Osborn stated that in March the Mayor and City Council adopted a Resolution to transmit the Five Year Short Term Work Program for the Comprehensive Plan to ARC and the State. The State conducted its review period and found it was consistent internally, regionally, and with other jurisdictions it met the standards of the Georgia Planning Act of 1989. With that it is the staff recommendation the Mayor and Council adopt the resolution, which will adopt the five-year short-term work program of the Comprehensive Plan. By doing this the city will be eligible for state grants and funds for the next five years. **Council Member Ron Johnson** made a motion to adopt the five-year short-term work program update for the Comprehensive Plan. **Mayor Pro-Tem Avery** made the second. **Motion passed unanimously 5-0.**

### **4. Application for Alcohol License by Skelly's Bar and Grill**

City Manager Bob Hail stated the applicant has applied the background check has been conducted and checked out and his recommendation is for approval of this application. **Council Member Thomas Rhodes** made a motion to approve the alcohol license for Skelly's Bar and Grill. **Council Member Chris Abbey** made the second. **Motion passed unanimously 5.0.**

### **5. Prison Contract**

City Manager Bob Hail stated that the Prison Contract for Phillips State for a work crew is an annual contract agreement. This agreement expires June 30, 2003. Because of the delay in the Georgia Budget this year the renewals were late being distributed, in fact they have still not been distributed yet. The prison has confirmed they are in the legal department of the prison system, and they will honor the contract effective July 1, 2003 thru June 20, 2004. They will send the contract to the city as soon as the legal department releases it. The contract will be for the sum of \$34,617 payable in 12 equal payments, which is in our 2003 budget. The recommendation is to authorize the Mayor to sign the Phillips State Crew Work Contract after the City Attorney has reviewed and given his approval. **Council Member Kim Hall** made a motion to allow the Mayor to sign the Phillips State Crew Work Contract pending the review and approval of the City Attorney. **Council Member Ron Johnson** made the second. **Motion approved unanimously 5-0.**

**Mayor Gary Pirkle** stated that he would like to remind citizens there would be a called meeting next Monday at 7:00 PM to set the millage rate for 2003. The City Council was unable to do this at this meeting because of state requirements for advertising of two weeks. A reduction in the millage rate is planned, the current rate is at 3.87% and the request to set is for 3.80%.

**Mayor Pro-Tem Meg Avery** made a motion to enter into executive session to discuss legal, real estate and/or personnel issues. **Council Member Ron Johnson** made the second.

Entered into executive session at 8:07 p.m.

**Mayor Gary Pirkle** called the meeting back to order at 8:19 PM.

**ADJOURNMENT:**

**Council Member Chris Abbey** made the motion to adjourn the meeting. **Council Member Thomas Rhodes** made the second. **Motion passed unanimously 5-0.**

Meeting adjourned at 8:19 PM.

Date approved: \_\_\_\_\_

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Attachments:

1. Mayor Pro-Tem Meg Avery Recreation City Council Report
2. City Manager Bob Hail City Manager Report
3. Auditor 5 year statistics
4. Auditors peer review