

MINUTES
RESCHEDULED MEETING OF THE VALDOSTA CITY COUNCIL
11:30 A.M., MONDAY, AUGUST 31, 2009
COUNCIL CHAMBERS, CITY HALL

OPENING CEREMONIES

Mayor John J. Fretti called the rescheduled meeting of the Valdosta City Council to order at 11:30 a.m. Council members present were: Sonny Vickers, Tim Carroll, Alvin Payton, Jr., John Eunice, and Robert Yost. Councilman Willie Head, Jr. arrived at 11:45 a.m. and Councilman James Wright was absent. The invocation was given by Councilman Alvin Payton, Jr., followed by the Pledge of Allegiance.

CITIZENS TO BE HEARD

Alison Stokes, 209 Jennifer Circle, stated that she represented the Valdosta-Lowndes County Chamber of Commerce, the Government Affairs Council, and the Valdosta-Lowndes County Chamber Board of Directors. Ms. Stokes wanted to share the following prepared statement regarding public transit: "Public transit is a key item on the Chamber's local legislative agenda. The Chamber endorses a coordinated public Transit System that promotes and benefits the business community and their employees. The Chamber membership has made it clear a transit has major business development and economic development implications. Public transportation has consistently been one of the top legislative issues on the minds of our 1,500 plus members and the citizens of our community. In fact, in 2001 the Chamber surveyed the citizens of Lowndes County by way of the Valdosta Daily Times where 60% of the respondents said that public transportation was one of the most important transportation improvements needed in Valdosta and Lowndes County. Clearly the City of Valdosta has been a leader in public transit study. It goes without saying Valdosta has a strong position on transportation. This is a very difficult decision and we know and we agree this is an important initiative. The Chamber realizes the financial realities that all of us are facing at this time. The Chamber asks that you give this serious consideration in supporting this important community and business development issue."

George Boston Rhynes, 5004 Oak Drive, stated that he had several items of concern which included the Community Forums on domestic violence, the crime in our community, the Little White House, removing debris from the streets in the City, and threats at public meetings. Mr. Rhynes stated that he attended both of the Community Forums and he commended the City for having those to try to curtail crime in our community; however, he was saddened that there were no black African-American pastors in our community at the Forum. That was of great concern and when he walked out the door he was asked that question by others in attendance. He was also asked why there was not more ordinary people from the community who live in these areas and the young people who are mostly committing these crimes at the Forum. Mr. Rhynes stated that the second item of concern is the "Little White House." Mr. Rhynes stated that he received a telephone call about the Superintendent's office in the City being referred to by educators within the school system as the "Little White House." He knew absolutely nothing about it until he started getting calls. In the black community, if not the white community and other communities, it is a concern to him as an individual because it was brought to his attention. He requested an Open Records Release and asked that he be informed of the employment situation among different areas of the system and why educators within the school system call it "the Little White House." Mr. Rhynes wanted to bring this to Council's attention. Mr. Rhynes stated that his next item of concern was removing debris following a traffic accident within the City. Mr. Rhynes had an encounter on Saturday that almost got him arrested. He was traveling south on Fry Street and he followed the traffic that was cutting around some debris in the road due to an accident. The Police Officer was busy writing his report and both of the trucks involved in the accident had been moved to the side of the road. Mr. Rhynes pulled into John's Body Shop to get around the debris and as a citizen he does not believe in letting things go. He parked at Eastside Training Academy and walked over to the Police Officer and inquired as to whether the Officer was doing something to clean the debris out of the street. The Police Officer stated that he was not and asked if that was a problem. Mr. Rhynes stated that it was a safety hazard because there were people driving through the filling station. The Officer asked Mr. Rhynes for his name and address. Mr. Rhynes stated that his name was George Boston Rhynes and that he lived at 5004 Oak Drive in Valdosta. The Officer asked again for his name and Mr. Rhynes told him again and offered to give the Officer his driver's license. The Officer told him he did not want his driver's license and stated that he was taking care of it. Mr. Rhynes told the Officer that it was dangerous. By this time, a citizen had gone into a store and got a bucket and a broom and began picking up the debris that was in the street. When Mr. Rhynes went back across the street the individual told

him that all he does is complain and that he does not get up and do something. Mr. Rhynes told him that it was dangerous for him to be standing in the street. Then citizen made some negative comments to Mr. Rhynes and the discussion became elevated. The Police Officer asked Mr. Rhynes why he was arguing with the gentlemen. Mr. Rhynes told the Officer what it was about. Mr. Rhynes stated that he contacted Police Chief Frank Simons about the incident but he wanted the Mayor and Council to know about it because it happened within the City. Mr. Rhynes told the Officer that he was a professional and should know that something needed to be done about the debris like placing cones there. Mr. Rhynes asked the following questions: (1) Is it lawful for Police Officers to leave the streets in a hazardous condition? (2) Should cones have been placed there until someone arrived to secure that area so that no one got hurt? (3) Is it safe for citizens to enter the street to clean it without a license when a Police Officer is there? (4) Is it interfering with a Police Officer when you feel and try to prevent an accident from happening because you see cars driving around an area that is unsafe? Mr. Rhynes stated that his last concern was regarding alleged threats at public meetings. Comments were made about a funeral versus human life and which is cheaper for the City. Another comment was made by a citizen who stood before this body and talked about having a firearm that he carried in his hip pocket without a permit. Nothing was said to that individual to lead him along the right path to get a permit to carry that gun lawfully. Law enforcement was here on that day. Comments were also made at a public meeting regarding certain groups of citizens and when and if they should have children. We all have value and are important and there are some things that you do that offend people. There are a lot of blacks in this community and they do not always speak out on the issues because they think nothing will happen and that no one cares. He would like to move forward in the future because they take on the valid issues and not cover them up and invite the right people to these Community Forums who will speak to the interest of trying to curtail and stop crime. He could have been in jail today looking for a bondsman because he was trying to do a good deed as a concerned citizen. Mr. Rhynes stated that he expected answers to his questions in some form at some time.

LOCAL FUNDING AND REQUESTS

ORDINANCE NO. 2009-34, AN ORDINANCE TO ESTABLISH THE 2009 TAX MILLAGE RATE

Consideration of a request to establish the 2009 Tax Millage Rate.

Mark Barber, Deputy City Manager of Administration, stated that the millage rate for the City of Valdosta is ranked one of the lowest when compared to other sister cities. The total millage that a City of Valdosta property owner will pay is 29.902. The millage rate affects property owners in the following manner: (1) City of Valdosta Schools – 15.980, (2) Lowndes County – 7.310, (3) City of Valdosta – 4.112, (4) Recreation Authority – 1.250, (5) Industrial Authority – 1.000, (6) State of Georgia – 0.250. The Homeowners Tax Relief Grant (HTRG) Credit is an additional \$8,000 exemption from the State of Georgia and when multiplied by 29.902 mills, the HTRG Credit would be \$239 for property owners. The \$6,000 Homestead Exemption is still in place; however, there will be an approximate 23% tax increase this year due to the State not funding the HTRG. Larry Hanson, City Manager, stated that regardless of the value of the property the credit would have been the same and the City would have only received \$33 of that amount. Mark Barber stated that for every tax dollar the City of Valdosta receives the Industrial Authority gets \$0.03, Lowndes County gets \$0.25, the Valdosta City Schools get \$0.53, the Parks and Recreation Authority gets \$0.04, the City gets \$0.14, and the State of Georgia gets \$0.01. Overall, the net digest stayed the same from last year which was expected, but the roll back millage rate is determined based on reassessment growth. In the past the City had positive reassessment growth that was rolled back or it would have been considered a tax increase. This year the City had negative reassessment growth because of the other initiative by the Governor where positive reassessment growth is not recognized. This meant that the millage actually could have been 4.131 which is slightly higher than what is being proposed. The City has decided to keep it the same at millage rate of 4.112 due to the HTRG going away in order to help property owners as much as possible. There was not a lot of growth in the tax digest this year and when you apply the 4.112 mills to the tax digest it will generate approximately \$5.9 million in taxes which represents a \$131,000 increase from last year. If the 4.112 millage rate is adopted, the City will be slightly under budget for this year by approximately \$17,000. Mark Barber recommended that Council approve the 4.112 millage rate, the 15.98 millage rate for the City School Board which has already been adopted, and include the Downtown millage rate of 10.00 which is 5.0 mills for operation and maintenance and 5.0 mills for repayment of debt. Last year this was 15.0 mills and it was changed this year due to many of the Downtown property owners having higher tax bills due to the growth in that area.

Councilman Carroll stated that Tax Assessor's Office reassessed existing properties \$6.5 million lower versus 2007 and inquired as to whether there has been any conversation with the Tax Commissioner's Office in regards to what is projected for next year's digest. Mark Barber stated that he did speak with the Tax Assessor and he felt that this number will be slightly larger next year. From the City's calculations it almost forces us to increase the millage rate which is what they want the local government to do. When you work these calculations and you have negative reassessment growth as is the case this year, you will have a larger millage rate. Councilman Carroll inquired as to whether there would be a small millage rate increase next year. Mark Barber stated that could be a possibility or if the real growth digest grows then that would compensate for it.

A MOTION by Councilman Head, seconded by Councilman Payton, was unanimously adopted (6-0) to enact Ordinance No. 2009-34, an Ordinance to establish the 2009 tax millage rate of 4.112 mills, 15.98 mills for the City School System, and 10.0 mills for the Downtown Business Association, the complete text of which will be found in Ordinance Book XI.

A RESOLUTION AND FUNDING COMMITMENT FOR THE OPERATION OF A TRANSIT SYSTEM DENIED

Consideration of a Resolution and funding commitment for the operation of a Transit System.

Corey Hull, MPO Coordinator, stated the budget for the Transit System has changed within the last couple of weeks due to information received from the Georgia Department of Transportation. The Transit Study process began in 2006 and it was determined that an Urban Transit System was feasible in the Valdosta Urbanized Area based on need, large population concentrations with schools, access to activity centers for jobs and shopping, and overall density of the entire community. In 2008, the City of Valdosta hired Grice and Associates to complete and recommend a Service Plan and Delivery Options and to provide assistance in the implementation of transit services. Public meetings were conducted in early 2009 to gather input on what the community wanted in a Transit System and to help determine the routes and major destinations in the community. The Service Plan was completed and it was recommended that there be a full implementation of a five-route system with comparable paratransit. It was also recommended that the Transit System be operated by the Valdosta-Lowndes County Metropolitan Planning Organization (MPO) and Southern Georgia Regional Commission (SGRC) through the use of third party contractors utilizing a turn-key model while the creation of a Transit Authority is explored. The Capital Budget was revised from \$8.5 million to \$2.4 million to best fit the needs of the community. Some of the capital items were moved to an operations standpoint because of the third party operator that we have decided to go forward with. Types of purchases and refining transit vehicles have also been changed. The construction of a maintenance facility which was estimated to be approximately \$2 million has also been removed and that is now built into the Operations Budget at a much more reduced rate. They also removed some extra vehicles, sidewalk construction, reduced the number of shelters, and changed the type of transit center central location which was originally budgeted for \$750,000 and will now be approximately \$100,000. Because the Capital Budget was changed, that freed up some Federal money to apply to the Operations Budget which brought down the local commitment. The Operations Budget is now at \$955,000 for the local commitment. Another thing that has helped throughout the process and changed the type of Transit System we are looking at is the Economic Stimulus Funding from the Federal government. We had been told to program for \$1.4 million in Stimulus funding and we received \$933,375 from the Federal government as our apportionment for the Valdosta Urbanized Area. We had been asked by the Georgia Department of Transportation to program up to 150% so we programmed \$1.4 million. We are on the second round of Stimulus projects and part of the requirements was that 50% of the money had to be spent by a certain date. Other Transit Systems in Georgia have spent the money and met the 50% requirement so the other Transit Systems helped us out by going ahead and programming up to the 50% mark for the entire State. We now have approximately \$3.5 million for the entire State of Georgia for Transit Systems. One of the things that they have done previously with the Georgia Department of Transportation was to only give the Transit Systems their published apportionment. Cities such as Rome, Athens, and Macon only received their published apportionment. The City of Valdosta's was \$933,000 and we were told us two weeks ago that Valdosta's apportionment is the number we need to be aiming for and not the \$1.4 million. We will have to complete for anything above our apportionment on a State-wide basis. Corey Hull stated that the Capital Purchase Budget has been changed to reflect that by removing the fair collection system, the automatic vehicle locator and dispatching system, the

automatic passenger counter (ADP) system, and real time arrival information. These items would have made the Transit System easier to operate. The Operations Budget was not changed and these items could be absorbed into that. We are now looking at purchasing 30 foot buses on chasses and a security system with our funding. The total annual operating request is now \$955,000; however, this number has gone down because of the American Recovery and Reinvestment Act (ARRA) funding. There is more Federal money available for operating in this one year and is not something we should count on in future years. The local operating request will go up in the future years. We are requesting in total \$177,000 for fiscal year 2010 which will be used for capital purchases and approximately three to four months to get a new operator on board. This will be at the end of this fiscal year and then we will be looking at \$955,000 for being the local cost of operating the Transit System for fiscal year 2011. The ARRA funding is a one-time infusion of money. We will have to notify the Georgia Department of Transportation on September 15, 2009 whether we are ready to go forward with a Transit System or not. If we are not ready on September 15, 2009 then we will lose all of the ARRA funding and it will go first to the other Transit Systems in Georgia. If they are unable to use it then it will be distributed to other states and Georgia will not be able to participate in getting those funds because we did not use 100% of our available funding. We could move the \$933,000 to the local line item side and the local governments would have to pay for it. This would be an additional \$933,000 for the local side. If we want to add in the items that were removed, that would be \$1.4 million for the local governments to fund. We could cut the ARRA items totally and that would mean cutting the buses, security system, and the other four items. This would require us to start over with the consultants and a new Service Plan would have to be developed. This would be a much smaller system and it would take at least one year to redesign the system and get it up and running. It would also require another funding commitment from the local governments to pay for a consultant to do that work. The last option would be to stop the implementation of the Transit System altogether. We would forego the ARRA funding and return the \$1.5 million in funds that we have already received. If we wanted to come back in a few years, the State and Federal government will be looking at whether we are really going to do it this time and should they make the money available to us. One of the questions that Council had asked was whether we could order the buses using the ARRA funds and then delay the implementation for another year so that they could have local funding available. This would be highly unlikely since the Federal government wants to have the vehicles on the road and running. They could come back and take the vehicles away and we would be forced to repay the Federal government. Council had also inquired as to whether there was a three to five-year business plan to see how the funding and the Transit System would work. Corey Hull stated that there is not a business plan produced yet and that is the responsibility of the Consultant under the current contract. The MPO has programmed out funding for the next four to five years but it shows the costs to remain the same for the next four years.

Larry Hanson stated that the MPO will still apply for the ARRA funds and Athens will not be applying for the additional funding. Corey Hull stated that they have to have shovel-ready projects and Athens does not have any shovel-ready projects at this time. Larry Hanson stated that we could possibly get closer to the \$1.4 million and add some of the features back that were removed. Corey Hull stated that the Transit Steering committee was made up of Mayor John Fretti, City Manager Larry Hanson, County Commissioner Richard Lee, Larry Gregory representing the Georgia Department of Labor, Leggett Loven representing the Chamber of Commerce, Ray Sable representing Valdosta State University, and Mike Bass representing Valdosta Technical College. Approximately 80% of the planning portion which included the Feasibility Study and the recent implementation was paid for by the Federal government, 10% was paid by the State, 5% was paid by the City of Valdosta, and 5% was paid by Lowndes County. Councilman Vickers inquired as to how much has been spent to date. Larry Hanson stated that the Feasibility Study was approximately \$60,000. Corey Hull stated that they have spent approximately 75% of the \$150,000 allocated for the Consultant. Larry Hanson stated that the Consultant's recommendation and the Transit Steering Committee is that the City and County vote to fund one-half of the operating deficit which would be approximately \$500,000. Corey Hull stated that for the first two years of operation it would be \$1,073,000 which includes \$120,000 of capital purchases which would not be made each year. The floor for operating is \$955,000 from the local governments but it would be closer to \$1 million because we have more Federal money available to us. For future years it would be closer to \$1 million. Larry Hanson stated that the recommendation now is not to implement the system for operation until July or August, 2010. The initial money for April through June, 2010 is just to have the third party operator in, conduct some testing, and be prepared to start the system up. The City's budget that was adopted in June, 2009 does have \$75,000 in it anticipating the City's one-quarter of a year

operating deficit. Councilman Head inquired about the total operating cost. Corey Hull stated that the total operating cost would be \$2,018,550 and then when any fair revenue, advertising revenue, Federal or State subsidy is removed you are left with the local deficit which would be \$1,073,000. We currently have \$784,000 in operating assistance for the Transit System in Federal funds under contract. Councilman Payton inquired about the estimated gap in funds for locals. Corey Hull stated that we have \$540,000 in local money in those contracts but to meet the actual total operating costs there is an additional \$593,000 that is currently not under contract that would need to come from the local governments. This is within the \$1 million that the local governments would have to split. Councilman Yost stated that the 2009 millage will be approximately \$17,000 short of what the City needs for the budget and there is approximately \$75,000 currently budgeted for the Transit System so if Council votes no on this then the City will meet its budget needs. Councilman Yost stated that they have done a great job on this and have provided the Mayor and Council with all the information they need to make the decision; however, they did not bring us a bag and money and the bottom line is that the City does not have the money to implement the Transit System at this time. Councilman Yost thanked Corey Hull for all his work on this project and stated that he could not vote for this when the City already has a \$17,000 deficit in the budget because of the millage rate that was just passed.

Mayor Fretti also thanked Corey Hull for working with the Staff and Consultant on this project and for introducing it to the public; however, in the past three to five months, this project has gone from a Cadillac to a Kia. Mayor Fretti stated that he did not like the buses that are now being proposed and they are not the type of buses that show we are progressive. He was not happy about removing a lot of the stops and reducing the size of stops. These should be protective and have amenities to them. They should have GPS, clocks that tell citizens when the buses are coming, and they should be beautiful and a form of art. He was not happy about reducing the transit response center and the dispatch center. Mayor Fretti stated that he has been a proponent for this Transit System but it seems like we have had to reduce a lot of things. When we rely on other governments many times they say they will give us funding and then it goes away and we end up having to pay for it ourselves. Mayor Fretti stated that the Federal government is giving us money that has not been received yet and they are going to have to tax it. We have found some possible revenues through a hotel/motel tax increase or a liquor by the drink tax but this may not be the time to do this since we have been cutting basic services over the past 18 months. When we turn the corner in the economy, the basic services should be brought up to a level where we know they should be before we do anything else. Mayor Fretti stated that the County had this request before the City Council did and they were not certain they could not do this now. He appreciated the fact that it came back before the City and thanked everyone for their consideration. Councilman Vickers inquired as to what the Mayor recommended at this time. Mayor Fretti stated that if we can do this now we should do it better than this plan and we need more money to do it right. He did not want to implement something that is on such unstable ground financially and he has to balance fiscal restraint against an unfunded vision or reduced vision and this is a reduced vision. Mayor Fretti stated that he would like to have a Transit System but not this way. He would like to come up with some more money and do it right. Councilman Payton stated that when you go from \$8.5 million to \$2.4 million there are some considerable cuts and Mayor Fretti had some valid points related to the buses and the type of service that we want to provide but we have to look at the economic impact that it would have for those who do not have transportation and this should be taken into consideration. Councilman Payton stated that he did not have a bag of money but there are a lot of things that we offer as a City that are not profitable but are provided as a service. The economic impact needs to be considered because if we bring industries here the people need to be able to get to work.

Mayor Fretti stated that the Resolution before Council lists and describes the participation from all agencies and asks for support financially at a 50/50 split with the Lowndes County Board of Commissioners. If there is a yes from Council and the County, then we move forward with the Transit System that is before Council. If there is a yes from Council and a no from the County, then it could come back to Council for 100% funding. If there is a no from Council, it will still go to the County and we will see what they have to say.

A MOTION was made by Councilman Payton to approve the Resolution of Commitment to fund the operation of a Transit System as presented by Corey Hull, MPO Planner. Councilman Vickers seconded the motion. The motion was tied (3-3) with Councilman Yost, Councilman Eunice, and Councilman Carroll voting in opposition. Mayor Fretti broke the tie and voted not to approve the Resolution and funding commitment. The motion was denied 3-4.

Larry Hanson, City Manager, stated that they would need to have a brief Executive Session on real estate.

COUNCIL COMMENTS

Councilman Carroll stated that he respected Mayor Fretti tremendously because it was an extremely difficult vote that was cast. They all see the value and benefit of a Transit System and want to see it happen; however, after speaking with money people and learning that in order to provide the funding needed at this time would require a property tax increase in the near future, that was a pivotal point for him in the decision making process. Councilman Carroll stated that we cannot encumber future Councils nor ask the County Commissioners to encumber future County Commissions and this should be a goal of Council and the County Commission to work together and determine how to fund it. The funding was the problem because it is one thing to carry out a tax increase to fund current services but it is a whole different matter when you have to ask citizens for a tax increase to fund a Transit System. We should try to make this a goal and work with our counterparts at the County to achieve this goal in the near future. Councilman Carroll asked that this not be moved off the burner but be moved to the back burner.

Councilman Eunice stated that as someone who grew up in a military family he lived in several cities that had public transportation and he liked the idea of having public transportation in Valdosta and could envision many good uses that the system could provide for the citizens and the community as a whole; however, as he solicited input from his constituents over the past several days, the overriding theme he heard was that they supported public transportation and the idea of public transportation in Valdosta and Lowndes County but they were not sure this was the right time. The citizens were not sure that as you are cutting back other services that you should move forward with such a large endeavor. Councilman Eunice stated that he wanted to do this project in the future and we should be ready to do it right and give it our full faith and diligence.

Mayor Fretti stated that with the current economy this is probably the worst conceivable time to think about starting a Transit System but it is probably the best time to infuse our community with a Transit System for the economic impact.

ADJOURNMENT

Mayor Fretti entertained a motion to adjourn the Council meeting and enter into an Executive Session for the purpose of discussing real estate.

A MOTION by Councilman Payton, seconded by Councilman Carroll, was unanimously adopted (6-0) to adjourn the August 31, 2009 meeting of the Valdosta City Council at 12:43 p.m. and enter into Executive Session.

Mayor Fretti reconvened the rescheduled regular City Council meeting at 12:59 p.m. and stated that there was discussion of real estate in the Executive Session and no action was taken.

Mayor Fretti entertained a motion for adjournment.

A MOTION by Councilman Vickers, seconded by Councilman Eunice, was unanimously adopted (6-0) to adjourn the August 31, 2009 meeting of the Valdosta City Council at 12:59 p.m. to meet again in regular session on Thursday, September 10, 2009.

City Clerk, City of Valdosta

Mayor, City of Valdosta