

# ***City of Sky Valley*** ***Council Work Session/Planning Retreat*** October 25, 2024

## **Minutes**

The City of Sky Valley held a Council Work Session/Planning Retreat on Friday, October 25, 2024 at 10:00 a.m. at the Georgia Mountains Regional Commission office located at 1310 West Ridge Road, Gainesville, Georgia 30501.

### **CALL TO ORDER**

Mayor Hollie Steil called the meeting to order at 10:08 a.m. and thanked those present for attending.

### **Members Present**

Hollie Steil, Mayor  
Bill Oliver, Council President  
Tony Allred, Council Member  
Bruce Turner, Council Member  
Dan McAfee, Council Member

### **Staff Present**

Jason Streetman, City Manager  
Sherron Van Camp, Communications  
Karen Fleming, City Clerk  
Jerry Shope, Public Works Supervisor  
Cody English, Water Coordinator

### **Others Present**

Rick Barron, EMI; Jerry Hood, EMI; and Gina Kessler, GMRC Executive Assistant

### **ADOPTION OF AGENDA**

Mayor Steil asked for a motion to accept the agenda. Dan McAfee made the motion and Bill Oliver seconded the motion. The motion passed unanimously.

### **DISCUSSION ITEMS**

City Manager Jason Streetman also thanked all those present for attending and thanked GMRC for the use of their facilities.

### **2024 Budget**

Before discussing the proposed FY25 Draft Budget, Mr. Streetman went over the FY24 Budget's expenses and revenue as of the time of the meeting.

The FY24 Year to Date Expenditures from the General Fund totaled \$1,402,076. The following contributed to the expenditures:

- Gen. Gov. \$391,587
- Pub. Saf. \$609,123
- Roads \$309,502

- Bld. Inp./Ec. Dev. \$ 91,864

The FY24 Year to Date Revenue to the General Fund totaled \$1,732,753. The following contributed to the revenue:

- Prop. Tax \$983,026
- Interest Rev. \$ 38,002
- Grants \$121,005
- Permit/Lic./Fees \$192,821
- Hotel/Motel \$ 60,995
- Court Fines \$ 37,995
- Misc./Sale of Assets \$299,520

Mayor Steil asked what the revenue was in the previous year’s budget under the Hotel/Motel line item. Mr. Streetman stated that it was about the same and explained that the increase to the 8% tax on Hotel/Motel started late in the year, so there should be an increase in the 2025 Hotel/Motel revenue.

Councilman Oliver asked about what assets were sold. Mr. Streetman explained that most of the revenue was from city owned lots that were sold, and surplus items sold made up the rest.

Mr. Streetman provided a breakdown for the remainder of the year and predicts that the city will end the year with around \$1.6 million in total expenditures and \$1.8 million in total revenue. The breakdown did show a negative balance in the trash line item. Mr. Streetman explained that the city did have some unexpected expenditures in that area, and that they are required to at least breakeven in the trash department. Mr. Streetman also explained that the breakdown provided was based on trends throughout the year, and those numbers were subject to change.

FY25 Proposed Draft Budget

The Council had received the draft budget prior to the meeting for review. City Manager Streetman discussed the proposed budget with the Council.

The first topic of discussion was the proposed FY2025 five-year tax levy and milage rate. Mr. Streetman explained that while the milage rate has been reduced, property values have gone up. Therefore, the proposed Mil Rate for the FY25 budget is 10.999, resulting in a tax increase of 14.47%. The rollbacks that have been applied over the last couple years are no longer sustainable for the city’s budget. Mr. Streetman told the Council that while the increase is small, the city is required to have three public meetings on the topic. The increase will bring an additional \$162, 314 in revenue. Revenue from the tax increase is proposed to be spent on the following items that will result in an increase of \$165,556 in expenditures:

- Personnel – 5% COLA for employees’ salary to remain competitive
- Worker’s Comp, Property, and Liability insurance for 2025 are to increase by 15%
- SVSMVFR increase due to value of mill increase at 1.5 mills

- Capital outlay lease purchase of police chief car payment
- Police Department budget increase
- Admin/City Hall budget increase
- Building Inspections/Code Enforcement budget increase

Property taxes will make up about 73% of the FY25 budget, other revenue will come from sources such as grants, permits, Hotel/Motel Tax, etc. Total revenue expected for the FY25 budget year is \$1,600,303.

During review of the proposed FY25 Budget the following questions were asked:

**Q.** Why a decrease in the Short-Term Rental revenue.

**A.** The rentals that are registered have decreased from 120 to 90. The reduction may have stemmed from the new ordinance requirements. The city will continue to utilize Granicus to search for rentals that are not registered with the city.

**Q.** What is the total revenue expected for items for re-sale?

**A.** \$10,000 is expected on the expenditure side, but \$15,000 in revenue is expected.

**Q.** Why does the proposed budget have \$2000 for Legislative Travel and \$1500 for Legislative Training and Education?

**A.** The funds are there should there be a necessity for a Council member to travel; \$400 per Council member and in the case an educational or training opportunity presents itself that would be beneficial for a Council member; \$300 per Council member.

**Q.** What is the Official/Administrative Services line item?

**A.** Collection agency for unpaid taxes.

**Q.** Under Building/Grounds line item what is Technical Services?

**A.** Cameras at the compactor, Post Office, City Hall, and Public Works buildings. Alarm systems and hardware.

**Q.** Does the budget for the Police Department account for it being fully staffed?

**A.** Yes, the budget is based on a staff of five.

**Q.** What percentage of the budget is designated for the Police Department?

**A.** About 33%

**Q.** Why the variation in Communications under Roads from FY24 to FY25?

**A.** The need to purchase new phones/radios for staff.

**Q.** Does the marketing fund include a timeshare contribution?

**A.** Yes, but if they decide not to contribute, it will be removed from the final budget. If they do not contribute there is a surplus left from the FY24 budget that can be pulled.

**Q.** Will the \$755,00 budgeted in the TSPLOST line item be enough to cover all road paving and other expenditures needed in 2025?

**A.** City Manager Streetman explained that a lot of paving was able to be completed in 2024 because of TSPLOST. There is still close to \$500,000 of TSPLOST funds in the bank, and another \$500,000 is expected in 2025.

With TSPLOST funds the priority paving for 2025 is:

● Evergreen Road Widening	\$ 85,000*
● East Sugarbush	\$110,104
● Driver	\$151,145
● Saddleback	\$243,329
● Lost Valley	\$ 14,652
 Total	 \$604,230

\*\$38,850 of the funding mentioned above is from the Local Maintenance & Improvement Grant(LMIG), leaving the total of TSPLOST funds to be spent on paving totaling \$565,380.

The city will apply for Emergency and Extraordinary Expense (EEE) funding to use towards the widening of Evergreen Road as well.

The remaining TSPLOST funds will go towards general supplies and materials as well as vehicle/equipment purchases.

Mayor Hollie Stiel thanked Jason Streetman for all his hard work on the draft budget.

Mr. Streetman was happy to announce that every year the city has been able to add a little to its reserve fund, and that in his time with the city, this is the first year that the General Fund has not dipped below \$1 million this late in the year.

#### Infrastructure Improvements, Expansions, and Upgrades

Mayor Stiel asked if there was still a plan to build a pole barn behind the compost building. Mr. Streetman advised that it has been fenced in and they are waiting to get on the contractor's schedule. There will be two pole barns that run around \$7000 each that will be able to store the Kubota and other equipment such as the skid steer, excavator, mowers etc. Moving the equipment will make access more convenient. Jerry Hood mentioned that there are also diesel fuel tanks at that location.

Jerry Shope stated that his crew had replaced or put in a lot of the culverts that were discussed last year, and that they are working well to prevent standing water. Mayor Stiel asked about the section of LaBelle Road where water still seems to go over the road. Mr. Shope advised her that there is a cold-water spring there causing that and there is not a way to prevent that.

Mr. Shope discussed that at some point some of the roads will have to be taken up or milled, and that they are trying to choose the ones now that can be leveled or overlaid. The cost of milling a road would require about double the budget. Jerry Hood suggested putting the roads on a rotation because 12 – 15 years after paving they will require repair. Mr. Shope has looked into having a seal coat put on some of the roads. To have the road sealed will be less expensive, but also create a mess as they cannot be driven on for at least 24 hours after sealing and if the weather changes during that time it creates problems.

Dan McAfee asked if there were any water lines or other anticipated problems that need to be investigated before any of the proposed roads are paved. Cody English mentioned that there is a two-inch galvanized line that they are unsure of where it goes. It will have to be located before any paving on Driver Lane. The line may or may not provide water up to Bald Mountain.

The mayor thanked Mr. Shope for all the hard work he and his crew put into cleaning up after Hurricane Helene. Mr. Shope acknowledged that there are still some culverts that need repair, but that the culverts that had been repaired saved the roads as Sky Valley got 22 inches of rain during that storm.

Cody English reported that the Water Department now has a nine-man crew that is working great together. With the help of one of Rick Barron's guys (EMI) the rebuild of the PVR went much better than expected. The city already has seven rebuild kits on hand but will need to purchase at least eight more. This will help with the water pressure.

The High Tide Telemetry has been installed on the Schonberg Tank and is running off a solar panel. The next step would be Sky High Tank, Winding Ridge, and wells four, seven and six. Mayor Steil asked how much they would cost and if it was in the budget. The cost would run around \$10,000 each, but Mr. English believes that this can be done over the next three years. The order he feels they should be done in is Winding Ridge first, then Sky High, followed by the wells.

Mr. English mentioned that anything coming off 226 would get water from the Winding Ridge Tank, and the city may want to consider drilling another well there within the next five years. Five years ago, the average monthly pumping at Winding Ridge was 50 – 70 thousand gallons a month, but now they do not get turned off and have doubled that. The increase is due to more residents staying year-round.

Well number three is in need of maintenance, and will need new piping installed, and is pitted pretty bad. The best thing to do is going to be to replace it. The estimated cost for that would be \$10,000 to \$15,000. If replacement is needed in 2025 it can be step by step, but by 2026 it will have to be replaced.

The well-house needs to be painted again and has rotting wood that will need to be replaced.

Due to growth, more money will be spent on chemicals and maintenance. The city can handle what is there now, but with growth will need to consider a new water tank. The city can handle what it has now, but with anticipated growth Mr. English would like to see a 100,000-gallon tank that could be used as a reserve in case of a leak. The cost of that would be around \$300,000 to \$400,000. Discussion was had about adding a larger tank or expanding the capacity of the existing tank. Mr. English noted that expanding capacity would depend on what the tank was originally designed to hold.

The mayor asked if the new sewer system would add to the city's water usage. Mr. Jerry Hood explained that it would not, as drinking water would not be used.

Rick Barron from EMI is waiting for the written report from EPD, but they did give him a verbal go ahead. Once the report is received, EMI will put it out to bid. They will need to determine what site prep will need to be done and where to put a small settling pond for water run off when drilling. Mr. English advised that there is a drain ditch near the site that may be able to be used as a catch pond.

The mayor also asked if there were old wells that had been covered and abandoned within the city. Mr. Barron advised that the only wells that have been capped or no longer functional.

Mr. Barron anticipates the cost for the well, well house, and chemicals will run close to a quarter of a million dollars, but it is a necessity.

City Manager Jason Streetman suggested that to help pay for the well, instead of raising water rates, the city would raise tap fees. EMI can help determine connection fees to help pay for the well.

### Septic to Sewer Program

Mr. Jerry Hood, EMI, provided the Council with an information packet that included the Sewer Feasibility Study with the Service Area Aerial Map, Water Usage Records (2015), plan layout with setbacks, a map of the proposed Wastewater Treatment Facility site, and site requirements. The packet also contained information for discussion that included a feasibility study – MGD Plant/preliminary cost estimate as of August 4, 2024, feasibility analysis – MGD Plant/ potential funding mechanism, Water and Sewer System Projected Operations Budget, water usage for existing customers in the proposed sewer service area, and confirmation of anticipated flow rates and potential rates.

EMI also provided the Council with the following task list and action items:

- Re-analyze the existing high density customer base and determine current and accurate flow (and project revenue) from these potential customers

- Obtain the best information possible regarding future development plans, timetables and projected water and sewer usage. Information needed from Merrill and Harvey to project anticipated sewer revenue generation
- Stake out and survey ideal site for the future wastewater treatment facility and negotiate for the acquisition of the site, including discharge location
- Stake and survey the sites for the small pumping facilities and generators
- Walk and survey the low-pressure force mains layouts – confirm ownership
- Make site visit to the City of Dillard WRF facility
- Initiate the Antidegradation analysis
- Update the project cost estimate
- Initiate the Environmental Information document
- Initiate the Design Development Report.
- Complete concept plans and refine program for consideration of RFP for Construction Manager at Risk (CMAR) delivery method
- Discussion of existing metering – multifamily etc.
- Update the 2025 – 2028 projected operating budget and standard budgeting, versus GEFA Cash Flow Modeling
- Discussion of potential sewer user rates – comparative study
- Thoughts on Sewer Connection fees – before and after initial construction – discussion on connection fees; tap fees; system capacity fees, what these really mean
- Existing Septic Systems - who owns what? Future use?
- Development of public education
  - Education materials or plans that will be used to educate the residents about how to maintain the new sewer collection system
- Legislative authority for facilitating participation

Mr. Hood explained to the Council that the two most important things that need to be done next are securing the Wastewater Treatment Facility Site and updating the O & M projections to structure rates.

Councilman Bill Oliver stated that he spoke to Harrison Merrill, and he is fine with the proposed area under the waterfall but is concerned about the visibility from the road. There is another option that puts it downstream some, but the site may not be feasible as it would require significant grading. Mr. Merrill is willing to work with the city either way. Other residents have also expressed concern with visibility from the road.

City Manager Jason Streetman stated that the new location is Harrison Merrill's property. Mr. Streetman has not been able to connect with the property owner for the original site plan, but Merrill's property is more level.

Mayor Stiel mentioned that Mr. Merrill would be in agreement to put a city right-of-way road that goes to Public Works to prevent them from having to go through the city to get to the sewer plant.

The road would only be accessible to city employees for the time being.

Mayor Stiel met with Rawson Haverty the previous week, and he had brought in a builder to discuss what they wanted to see. Mr. Haverty told the mayor that they are working on a Master Plan and is hoping to be able to have a meeting in November with the Council to present the plan.

Mr. Hood advised the city to get something in writing from Mr. Merrill. Once that is confirmed they can look at how it would fit into the site and how everything would look at the waterfall. This information would be part of a public meeting.

EMI explained that the system would be a low-pressure pump system with grinder pump stations that would pick up clusters of buildings and then pump that to the wastewater plant. The stations make very low humming noise when they come on and do not produce any odor. For maintenance purposes of the grinders, it is recommended that the city has some spare units on hand that can be dropped in while the other is being repaired. In many cases it is more economical to replace the grinder than to repair it.

Jerry Hood stated that EMI will get with the city

The total project cost is right at \$6 million. Once the project is initiated it will be operational in two to three years.

Additional funding options were discussed. Some of TSPLOST may be able to be used depending on what other projects are assigned. Those funds would come over a five-year period and probably total \$100,000 at the most.

A second GEFA loan may be an option depending on the city's rate study and cash flow. There is also the possibility of an Appalachian Regional Commission (ARC) Grant. If the city is interested in that option, Georgia Mountains Regional Commission will write that grant free of charge.

In conclusion the city's next steps will be:

- Coordinate with EMI to schedule a trip to visit Dillard's facility
- City Hall will work with EMI to calibrate an updated O & M. To get correct numbers on how much water is being used.

EMI's next steps are:

- Antidegradation analysis
- Environmental Information document
  - When this document is completed, the city can start advertising for public meetings that may be able to occur in January to February.

## ADJOURNMENT

Before adjourning, Councilman Tony Allred stated that he would like to see the city create a clear and detailed Emergency Response Plan or training on how to best serve the residents of Sky Valley in case of an emergency. All were in agreement that a plan is



important to have and it was suggested to run it through the Mayoral Advisement Committee.

With no further business to discuss, Mayor Steil asked for a motion to adjourn. Tony Allred made the motion and Bruce Turner seconded the motion. The motion passed unanimously, and the meeting was adjourned at 1:32 p.m.

Respectfully submitted:

A handwritten signature in blue ink that reads "Hollie Steil". The signature is written in a cursive style with a large initial 'H'.

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Hollie Steil, Mayor

Attest:

A handwritten signature in blue ink that reads "Karen Fleming". The signature is written in a cursive style with a large initial 'K'.

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Karen Fleming, City Clerk