

MINUTES OF THE CITY OF SKY VALLEY COUNCIL PUBLIC HEARING HELD ON MONDAY, NOVEMBER 4, 2024, AT 5:00 PM. AT 3608 HWY 246 & VIA TELECONFERENCE (ZOOM) SKY VALLEY, GA 30537.

MEMBERS PRESENT: Mayor Steil, council members: Allred, McAfee, Turner, and Curtis

MEMBERS ABSENT: Councilor Oliver

STAFF PRESENT: City Manager Streetman, Deputy Clerk Murphy, and Communication Specialist Van Camp

Mayor Steil called the meeting to order at 5:00 PM and stated that the purpose of this public hearing is to receive public comments on the proposed 2025 budget as well as the proposed millage rate for the 2024 Ad Valorem taxes. The budget and millage rate are on the agenda to be adopted at a Special Called Council Meeting on November 12, 2024, at 10:00 am. Mayor Steil stated that the city charter required the city to adopt a balanced budget every year and City Manager Streetman has presented a proposed general fund budget that represents a true millage rate roll back from the current 11.5742 to the proposed 9.609 and would result in a zero-tax increase. In addition, the proposed budget would allow the city to provide cost of living allowances for city employees and did not touch any of the city's reserves to balance.

This proposed budget has been modified from the original proposal that originally showed a tax increase. Mayor Steil stated that city manager Streetman had a power point presentation but before he would present, called for comments from the council. No comments made.

Mayor Steil asked City manager Streetman to go into his presentation for the General Fund Budget, Enterprise Fund/Combined Utilities, Marketing and TSPLOST Funds and allowed time for comments/questions.

#### GENERAL FUND

Revenue: City manager Streetman stated that with the proposed millage rate rollback, the overall budget with other sources of revenue would total \$1,533,910 an increase over the current budget of \$1,499,999 and that property taxes would make up approximately 67% of the budget.

Furthermore, other funding sources include grants, permits, fines, fees, hotel/motel revenue and penalties and interest.

Expenditures: City manager Streetman provided a breakdown of how funds would be spent with police making up 34%, fire 10%, city hall 25% roads, building & grounds 6%, roads 16% and misc. 9% respectively. Upon power point presentation conclusion, the floor was opened to the public.

Tim Darrah- 642 Ridgepole asked to slow down and go over the fire department expenditure and who set the amount? City Manager Streetman responded that this is what historically they have received year after year. They receive 1.5 mills of net digest. It has been an agreement of the request and what has been budgeted over the years. As net digests go up so does their allocations.

Mayor Steil asks for any other questions or concerns over what has been discussed so far and the charter requests to state your name and address before stating your questions please.

Chris Pence- 667 Driver Lane asked what the salary increases were for the city employees. City Manager Streetman responded that it was around 5% and that we currently have 20 employees. The 5% was around \$30,000 to remain competitive and to take care of the hard-working employees who at times have had to work 24 hours straight with water

Mayor Steil added we don't want to sacrifice our wonderful city services, which is a challenge, but this proposed budget allows us to do this without touching our reserve fund which is a great thing. The city auditor each year

compliments the city as being one of the few cities with a decent reserve fund which keeps our credit rating at a good stance.

Briggs Stahl- 81 Bayberry Lane inquired about a missing page on the revenue budget as well as that the original budget sent out, we had 50,000 more in state grants. City Manager Streetman responded that every year doing the budget you trend things out. For this year's budget we received an extra \$46,000 and supplemental LMIG money. Confident we will see somewhere near that again so that is where the \$50,000 came from. Mayor Steil added that it comes from the Department of Transportation which you apply and as long as it is legible and on time you get the grant.

Karla Stahl- 81 Bayberry Lane inquired about the employee benefits. City Manager Streetman stated that the city provides a reimbursement plan for health insurance, and we also offer supplemental vision and dental as well as a program through GMA for 401k. Mayor Steil asked if there were any other questions in person or online, there were none.

#### Enterprise Fund- Water

Revenue: City manager Streetman discussed the water fund and total anticipated revenues of \$535,400 comprised of water fees, tap fees, Servline fees, and penalties/interest.

Expenditures: City manager Streetman stated an anticipated amount of \$524,251 comprised of salaries/benefits, operations, debt service (interest on GEFA loan) and annual capital lease payment on F450.

Mayor Steil asked if the council or people attending had any other questions or comments. There were none.

Karla Stahl- 81 Bayberry asked where the water cycles came from. City manager Streetman responded that we use ground water from 2 systems. Winding Ridge which has 2 wells and the city core which has 5 wells. We can withdraw 300,000 gallons a day if needed. On average we pump 150,000 to 170,000 gallons a day.

Joe Webb- 145 Big Bear Trail asked if the city has protection from cyber hacking in the utility system. City Manager Streetman responded that our cloud-based system has a multi step system of authentication which we have measures for that. The water system itself is not digital. We have meters and sensors on the tanks themselves so they will go off and alert our Public Works Director and Coordinator. Mayor Steil added that our water specialist tests our water everyday to make sure it is ok.

Chris Pence- 667 Driver Lane asked if the water employees are included in the 20 employees mentioned prior. City Manager Streetman responded that they are part of the 20 employees. We have 5 employees on the water side.

Council member Curtis added that we have a new well site but didn't see anything on the expenditure side and inquiring where the money will come from for that. City Manager Streetman answered that it will probably have to come out of the savings and SPLOST but at the time of the budget we didn't have any figures yet. The new well will be called well 9 and will be near the post office. Mayor Steil added that we had a geophysicist come look at the sites and he stated that it will take around a year just to get the permit for it.

Karla Stahl- 81 Bayberry Lane asked how much our reserves are and what are they for? City Manager Streetman stated in general fund we have about 10 months of reserves that equate to around a million dollars. On water side we probably have about \$700,000 and trash about \$250,000. Considering building another tank in a few years, which will be about \$300,000.

Chris Pence- 667 Driver Lane asked how we invest our reserves. City Manager Streetman answered that we have it in a checking account that accrues interest of about \$4,000 a month. We reconcile the accounts every month.

#### Enterprise Fund- Trash

Revenue: City manager Streetman stated that trash revenue comes from service fees and is anticipated to be around \$218,500.

Expenditure: City manager Streetman stated that expenditure is made up of personal and operational costs with an estimation of \$217,972.

Tim Darrah- 642 Ridgepole asked if we got any revenue from sale of recyclables? City Manager Streetman answered that they waive our fees but that is the most we get.

#### Marketing-

City manager Streetman stated that Mr. Gordon Brand who is the marketing committee chairman is working on a FY25 budget with plans to present to the council soon for approval. The city has set aside \$5k in the general fund budget to go towards and match the property owners association and country club at \$5,000 each too.

Karla Stahl- 81 Bayberry Lane asked if we have any quantifiable results or benefits that the city is receiving because of marketing efforts? City Manager Streetman added that through marketing efforts more people are visiting and moving here but no metrics have been kept. Mayor Steil added about the video made for WSBTV which may bring more people up here! Council member Curtis added that another indicator was with the tax digest that since covid hit Airbnb and property values have gone up. You may not see a pay off for years and years. City Manager Streetman added that the STR's have decreased because people come visit and stay in them then decide it is a great place to live and buy them out.

#### TSPLOST

Revenue: City manager stated that TSPLOST funds continue to come in every month and based on what we have in the bank now and what we are anticipated to receive, the proposed budget could be higher. The budget is set based on what we hope to realistically do in a given budget year. The proposed revenue for FY2025 is \$755,380.

Expenditures: City manager stated that anticipated costs will go towards resurfacing roads, supplies and equipment and capital equipment to include an F450 truck and a Kubota Excavator. Discussing recent leaks Mayor Steil requested City Manager Streetman to discuss pressure reducing valves. There are 17 pits throughout the city which have not been touched in 49 years. We are in the process of rebuilding these and told by the engineer that it is necessary to rebuild these to help pressure that reaches homes. We encourage residents to put pressure reducing valves to help prevent leaks.

Dee Van Camp- 99 Alex Mtn Dr asked if we are mapping the pipes that have been replaced for future use? City Manager Streetman responded that we do keep track, and it is about 95% as accurate as we can get. We continue to try to be proactive.

Steve Bischoff- 246 Bayberry Lane asked where are we at with the lodge? Mayor Steil responded that it is Harrison Merrill property, and they are coming up with a plan to present to our citizens. Sadly, the church had to move out of it because of Hurricane Helene damage.

Kristin Whatley- 372 Saddleback Circle (zoom caller) asked if council and citizens would benefit from comparative budget information and percentages over a three-year period? City Manager Streetman responded that we do trend out the budget information every year and draft the budget based on what the minimum needs are. We do have those numbers and can provide them as well as they are available online.

Chris Pence- 667 Driver Lane asked do we have more assets to sell. Will we be able to beat last years 2024 budget? Is it hard to tell right now? City Manager Streetman responded. We do have assets but those have been identified as possible future use. An example is a lot that could be suitable for a water tank. We also use gov deals to sell vehicles. It is hard to tell but we try to be conservative. We hope that our revenues continue to outpace the expenditure.

Mayor Steil stated the TSPLOST has been wonderful! Last time we received 1.9 million from TSPLOST. Hope all will vote for SPLOST during the election.


Joe Webb- 145 Big Bear Trail asked how the revenue for TSPLOST comes from visitors. City Manager Streetman responded that it is a 1% sales tax and when visitors come and buy meals, gas, or anything in the county goes to TSPLOST. This has allowed us to do great things with the roads that otherwise would have come from the general fund. Council member Curtis added that many local governments do not have many ways to fund their operations. Over 5 years we will get around \$600,000 if it passes. If it does pass it will not go into effect until the current SPLOST expires.

Biggs Stahl- 81 Bayberry Lane asked what did we cut from the original budget to get to the current budget? City Manager Streetman answered that the roads were some deferrals and defer some TSPLOST expenditures. On the police side there was some expenditures with technology that we cut. Cut a little overtime in some departments and training funding. Every effort was made to not cut salaries and benefits. Council member Curtis added that it is so amazing that for three years in a row we have not had to increase property taxes, but this will not last forever with inflation the way it is. Eventually our taxes will have to go up.

Joe Webb- 145 Big Bear Trail asked what the bottom line is for the coming year for the budget? City Manager Streetman said that by reducing the millage rate to offset the net digest increase what you paid last year in taxes is what you should pay this year. Mr. Webb also asked who sets the rate for the homestead exemption. Mr. Streetman stated that Sky Valley is unique, and everyone gets a flat \$25,000 off but it has to be your primary residence. There are around 114 full-time residents that take advantage of the homestead exemption

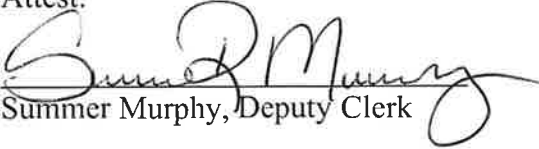
There were no other comments. Seeing none, Mayor Steil stated that the next public hearing would be Tuesday November 12<sup>th</sup> at 9:00 AM here at city hall and adjourned the meeting at 6:12 PM.

Respectfully submitted:

A handwritten signature in blue ink that reads "Hollie Steil". The signature is written in a cursive style with a horizontal line underneath.

Hollie Steil, Mayor

Attest:

A handwritten signature in black ink that reads "Summer R. Murphy". The signature is written in a cursive style with a horizontal line underneath.

Summer Murphy, Deputy Clerk