

July 18, 2019 City Council Workshop

**SAVANNAH CITY GOVERNMENT
SUMMARY/FINAL MINUTES
COUNCIL WORK SESSION & CITY MANAGER'S BRIEFING
July 18, 2019 – 10:00 a.m.**

The work session of the City Council was held at 10:00 a.m. in the 2nd Floor Media Room of City Hall.

PRESENT: Mayor Eddie W. DeLoach, Presiding
Mayor Pro-Tem Carolyn H. Bell
Alderman Julian Miller, Chairman of Council
Alderman Brian Foster, Vice-Chairman of Council
Alderman Van R. Johnson, II, District 1
Alderman Bill Durrence, District 2
Alderman John Hall, District 3
Alderwoman Dr. Estella E. Shabazz, District 5
Alderman Tony Thomas, District 6

OTHERS PRESENT:

Interim City Manager Patrick C. Monahan
Assistant to the City Manager Bret Bell
City Attorney Bates Lovett
Deputy City Attorney Jen Herman
Assistant City Attorney William Shearouse
Clerk of Council Mark Massey

Mayor DeLoach called the meeting to order at 10:04 a.m. and recognized the Interim City Manager, Pat Monahan who introduced Chief Financial Officer David Maxwell to begin the first presentation.

Date: Jul 18 2019 (10:00am)

Workshop Agenda Items

[1. Review of Comprehensive Annual Financial Report](#)

Chief Financial Officer David Maxwell reminded Council that back in March, staff gave an update on the City's 2018 operations and financials. He indicated that Mauldin & Jenkins will cover all the financials presented to Council in March. Mr. Maxwell introduced Miller Edwards, Trey Scott and Allen Shumpert of Mauldin & Jenkins, Savannah and Macon offices, to present the Comprehensive Annual Financial Report (CAFR aka Audit) for the City.

Mr. Edwards gave a brief background of Mauldin & Jenkins' presence in Savannah and the surrounding areas. He explained the purpose of the CAFR and it's importance to the City. Mr. Edwards highlighted the major aspects of the CAFR and congratulated the City and Finance staff on the outstanding management of all the fund balances. He stated it was a pleasure to work with everyone and presented the following:

There were three recommendations from Mauldin & Jenkins but staff is currently working on those issues and there are no concerns from the Auditors:

1. some bank reconciliations
2. some citations
3. some probation office concerns

Alderman Miller inquired about the cash on hand. Mr. Edwards, using the CAFR, showed the amount available as \$296 million.

Alderman Foster questioned the \$78 million in property tax revenue, which is about 40% of revenues, and how it compares with other cities. Mr. Edwards explained that it's hard to compare, since each jurisdiction has their own dynamics when it comes to how to best serve their constituents. No two places are alike. Mayor Pro-Tem Bell ended the discussion with how impressive it is to have 3 months fund balance in the General Fund.

[2. Millage Rate and Budget Discussion](#)

Management & Budget Director Melissa Carter, Revenue Director Ashley Simpson along with Interim City Manager Pat Monahan presented the millage rate and budget discussion to update the Council on the budget status for FY2019 and any new major developments regarding the FY2020 Budget proposal. Revenue Director Ashley Simpson presented information on establishing the millage rate. Since the City operates on a calendar year, the millage rate is reviewed twice a year. Once during the budget process that gives the Council some projections, and then again after the digest is received from the County. She outlined the process:

- Determining the roll-back rate Have a 1st and 2nd reading and adopt the millage rate after advertising the 5-year historyBegin the billing processEstablish the roll-back rateHold 3 public hearingsThis year will be a shorter process, no hearing - the public will speak at Council meetings
- Reviewing the City's Digest for this year 4.34% increase in the Digest between the years of 2018 to 20195.82% increase this year, higher than the past few years (includes the Memorial acquisition)
- Reviewing new construction growth 1.76% last year of total growth - \$99 million in growth1.00% this year of total growth - \$54 million in growth

Council questioned the amount of growth and the Interim City Manager discussed in detail all aspects of the City's growth.

Ms. Simpson discussed the exemptions and re-evaluations. She informed the Council that In 2018, \$66 million was collected in property taxes, for 2019 \$71 million was estimated for property tax collection based on a 4% projected growth rate. She discussed the roll back rate which was calculated at 12.856%, this would produce a projected \$69.2 million in revenue, creating a \$1.8 million budget shortfall.

Chief Budget Officer Melissa Carter discussed the roll-back rate and the shortfall (line item shortfall). She discussed how the City would make up the budget shortfall. The second highest revenue stream is the local options sales tax revenue base and projections will come in above the adopted budget. This should make up for the \$1.8 million imbalance. At this point, the City is trending ahead of the projections for the sales tax revenue and if there needs to be any adjustments after the 3rd quarter, staff will present Council with the financials for their approval.

Ms. Carter informed Council of other expenditure challenges & caution points that concern staff. They are: a.) leave pay-outs as staff leave/resign; b.) anticipated and unanticipated staff salary increases; c.) employee retention and recruitment, primarily in the public safety division; d.) public works and water resources have difficulty in maintaining staffing levels; e.) unanticipated maintenance and facility repairs; and f.) lease holding agreements established after the budget was adopted.

Ms. Carter ended the presentation by informing Council of the upcoming FY2020 Budget and the funding challenges anticipated. These include capital investment needs and the upcoming compensation and pay review study. There followed a discussion and question period by Council.

Alderman Foster indicated the Governor's office announced the sales tax revenue is up 5.6% for the State, what did the City project in the Budget? Ms. Carter stated the City likes to stay within 1.5% to 2% growth increase: Budgeted \$43.6 million and collected approximately 53% of that amount. At the current rate, we will come in above budget.

Alderman Durrence expressed concern with keeping up with growing expenses. Ms. Carter commented they are working with The National Resource Network to provide operational initiatives for the City to sustain fiscal control moving forward and staff will bring those recommendations back to Council in the future. Alderman Thomas inquired about the number of vacancies throughout the City staff and the related salaries. Human Resources Director Jeff Grant replied there are approximately 317 vacancies citywide and the salaries are in the operational budget in each department. Alderman Thomas expressed concern for the decline in overrun City property, and he was assured those issues are currently being addressed as Human Resources continues to fill those vacant positions. Alderman Miller, Foster and Durrence all expressed their support of the rollback rate. Alderman Hall said people are desperate for help and Alderwoman Shabazz spoke with regard to sidewalks and right-of-ways not getting the attention they need within District 5.

[3. Front Porch Update](#)

Mayor Pro-Tem Bell informed Council of the ribbon cutting at The Front Porch, a multi-agency resource center located at 38th & Abercorn Streets. Ms. Bell thanked the Council and City for it's support of the Agency and the programs provided to the residents of Savannah. She introduced the Interim Executive Director Sheryl Jones who is on loan from the DA's Office.

Ms. Jones gave the Council a brief overview of the type of residents, source of referrals, zip codes, schools, grades, racial, age, gender and law enforcement referrals to the programs. She outlined their marketing source, current brochure, which was distributed to the attendees along with the internet address.

Ms. Jones' presentation included a description of the various programs at The Front Porch, the partnering agencies, and counseling services provided for the 200 cases handled at the Agency with a successful outcome.

Mayor Pro-Tem Bell ended the presentation by adding that the Agency not only provides services/counseling to the students but also to the entire family. She recognized Alderman Miller for his support of The Front Porch during the formation of the Agency. She also commended Chief Minter and his staff for their on-going support of bringing children to the programs at The Front Porch rather than to a detention center.

[4. SPLOST VII Review](#)

Interim City Manager Monahan began with a brief outline of some of the projects included in the SPLOST VII in an effort to reduce some of the strain on the General Fund. He informed Council if they add an item, an adjustment (subtractions) must be made to an existing item. The \$156 million amount must remain the same. Council will take the first action. That action will be forwarded to the County, and an Intergovernmental Agreement (IGA) will be signed by Mayor/Interim City Manager and forwarded to the County for adoption at their July 26, 2019 meeting. Then there is a call for the election.

Special Projects Coordinator of the City Manager's Office Daphanne Williams presented the Interim City Manager's recommendations for the SPLOST VII priority projects at the \$155.8 million level for Council's consideration. The recommendations included 19 projects. Ms. Williams presented the 19 projects by category: infrastructure, buildings & streets, public safety (Chief Minter described a real-time crime center), financial, and other.

Alderman Thomas requested a road map on road resurfacing, paving, and sidewalks and for the projects to be broken out by district.

Alderwoman Shabazz requested the Interim Manager to explain the columns on the form he distributed to Council. She wants her items moved from the requested funding column to the recommended column, and she expressed concerns with the traffic along DeRenne Blvd. She recommended moving \$25 million from Casey Canal South Drainage Improvement Phase 2-B to a new category entitled Springfield Canal Drainage Improvement Phase 1.

Alderman Johnson requested the latest copy of the list. Mr. Monahan stated the latest list was distributed to Council last evening. He then gave Alderman Johnson a copy of the list. Alderman Johnson thanked the Manager and said he did a good job but requested Mr. Monahan to find a way to funnel some of the funds to neighborhood projects.

Alderman Miller commended Mr. Monahan for the project list but requested at least \$1 million towards Tide to Town, regardless of District or where the funds will be taken, SPLOST, General Fund or even grants.

Mayor DeLoach detailed how the sidewalk projects were distributed for each District with District 5 receiving an additional \$500,000 million for Bradley.

Alderman Thomas acknowledged that the City is the major contributor of the tax to generate the SPLOST and requested the City Manager to reach out to the County to see how the County is planning to invest within the City, with their portion of the proceeds.

Mayor Pro-Tem Bell requested the Interim City Manager to provide the Council with a breakdown of projects by District.

Mayor DeLoach reiterated that the City has an opportunity to get major infrastructure projects completed with SPLOST funds and if the City walks away from this opportunity they may not be able to complete those projects.

After lengthy discussions, Council requested a Special Meeting to discuss the projects list with respect to SPLOST VII for Monday, July 22, 2019 at 5:30 p.m. Interim City Manager Monahan requested the Mayor & Aldermen to submit any additional projects/items to him by email prior to the Special Meeting on Monday.

5. Appointments to Boards, Commissions and Authorities (Civil Service Board; Code Enforcement Appeals Board; Historic District Board of Review; Pilotage Commission)

The Council reviewed applications for Boards, Commissions and Authorities received in the Clerk of Council's office and Clerk of Council Mark Massey briefly outlined which vacant positions need to be addressed. After consensus, the City Council made it's recommendation to add to the Regular Meeting Agenda the appointment of Ms. Nicole Cannonier to the Civil Service Board to replace Ms. Rhonda Berrien to an unexpired term ending December 31, 2024. Alderman Durrence requested Mr. Massey to look at the various Boards, Commissions and Authorities by the end of the year and do some reorganization by reducing the numbers on some Boards and present the Council with a recommendation.

6. Litigation, Real Estate, and Personnel

City Attorney Bates Lovett requested an executive session for the purpose of litigation.

Alderman Johnson moved to close the work session for an executive session regarding litigation, Mayor DeLoach seconded. The motion carried unanimously. The executive session began at 12:51 p.m.

Alderman Johnson moved to adjourn the executive session, Alderwoman Dr. Shabazz seconded. Hearing no objections, the executive session was closed. There was no action taken in the Executive Session.

Mayor DeLoach adjourned the work session/executive session at 2:02 p.m.

7. Review of Agenda

There was no action taken.

The video recording of the Council meeting can be found by copying and pasting the below link in your url:

<https://savannahgovtv.viebit.com/player.php?hash=h1uhfljSnIUa>

Mark Massey, Clerk of Council

Date Minutes Approved: August 1, 2019

Initials: MM