

Mayor's Message

May 2010



I think we have all been dreading the cost to homeowners of **repairing the dam**. I continue to work with GEMA (Georgia Emergency Management Agency) to get the most emergency support that we can from state and national disaster funds. FEMA is no longer conversing with us and still has not sent a final commitment of how much they will support. They have directed us to relate to them through GEMA at this point. I am continuing to work with all three of our federal representatives: Linder, Isakson, and Chambliss. You may remember that I applied for a federal earmark to the Water and Energy Bill, but that was unsuccessful. We continue to leave no stone unturned. I know this is very frustrating for everyone. Believe me, I know. But we have to continue to work every avenue that we can find. We are also making available all engineering data to any of our citizens who want it. I am indebted to George Kaffezakis, a citizen who is a geotechnical engineer, for his advice and help. If there are any other geotechnical engineers out there in our city, please let me know.

The citizen Finance Committee has met with me and Tom Rozier to study all the financial issues related to this. They have recommended a budget amendment and an increased millage rate to accommodate all this, and City Council has approved it. Now they will hear from citizens, and if it receives final approval, our **millage rate** will go from 3.687 to 4.9. The increase is largely due to the dam repair, but also because property assessment values have gone down. Below is a history of millage rates for the last 10 years for comparison.

| Year | Rate | Year | Rate |
|------|------|---------------|-------|
| 1999 | 6.0 | 2005 | 4.35 |
| 2000 | 5.8 | 2006 | 4.1 |
| 2001 | 5.4 | 2007 | 4.1 |
| 2002 | 4.4 | 2008 | 3.663 |
| 2003 | 4.35 | 2009 | 3.687 |
| 2004 | 4.35 | Proposed 2010 | 4.9 |

This increased millage rate would provide the city with 25.81% more money than was collected last year. We will be holding 3 meetings to hear from citizens about this at noon and 7 PM on June 3, and then at 8 PM on June 11. We are in a very compressed time schedule because we have only just received the digest from the county which does property assessments, and we were told to report our millage rate by June 8. We asked for an extension to hold the meeting on June 11. These meeting times were the only ones on which our council members could get together in that tight time window. I am writing to everyone in hopes of getting that word out, and we'll be emailing this to everyone who has given us their email address because it will get to them faster. If you have questions, comments, or ideas, please come at one of those times to talk with Council about it.

The Finance Committee has put together the information below for you on frequently asked questions re dam repair and cost. We appreciate their work on this. Additionally, I am including an abbreviated **timetable for work on the dam** so you can all see where we are on that. I urge everyone to view the complete detailed timetable on our website or at City Hall so you will know what all is involved.

| Phase | Estimated Days | Est. Start | Est. Finish |
|----------------------------------|----------------|------------|-------------|
| Problem Identification | | | |
| Investigation/Design Development | 198 | 10/2/2009 | 7/6/2010 |
| Construction Documents | 72 | 7/7/2010 | 10/14/2010 |
| Right-of-Way | 104 | 8/16/2010 | 1/6/2011 |
| Permitting | 150 | 10/14/2010 | 5/12/2011 |
| Contractor Pre-Qualification | 65 | 10/15/2010 | 1/13/2011 |
| Bidding | 58 | 4/21/2011 | 7/11/2011 |
| Construction | 202 | 7/11/2011 | 4/18/2012 |
| Post Construction | 180 | 4/19/2012 | 12/26/2012 |

BELOW IS FROM THE FINANCE COMMITTEE:

There's been a lot of discussion around the City about the cost of dam repairs, who is paying, what's the timetable, etc. The Finance Committee met to review the total costs and what our options are for financing. Below are some of the most frequently "heard" questions around the City:

1. What's the "worst case" scenario of what the dam repair could cost the average household in the City?

The "worst case" dam repair estimate is \$4,000,000. Based on that estimate, FEMA has committed to reimburse \$1,700,000. Line items on the estimate are reimbursed at different percentages, but the overall reimbursement average is 42.5% of the currently estimated \$4,000,000. Thus, the "worst case" for the City of Berkeley Lake is \$2,300,000. Given that there are 614 houses in the City, this would imply a cost of \$3,700 per average household for the project.

Based on recent borrowing experience, this would mean the City of Berkeley Lake would need to revise its budget downward approximately \$200,000/year in order to service the new debt for a period of about 10 years or raise taxes an average of \$325 per house in order to pay for the bond.

2. What if FEMA doesn't reimburse anything?

FEMA has currently committed to reimburse 42.5% of the \$4,000,000 total.

If for some reason they did not honor that commitment, the average cost per household would rise to \$6,500 per household. Again, assuming a 10 year debt period, this would be approximately \$650 per average household per year.

At this point, we have no reason to believe that FEMA won't honor their current level of commitment.

3. How accurate is the \$4,000,000 estimate?

The current estimate of \$4,000,000 is considered by all of the engineers and reviewers to be very conservative and contains a contingency buffer. Almost a quarter of the amount is allocated toward raising N. Berkeley Lake Rd. in the dam area and the engineers are looking for ways to avoid having to do that.

The Finance Committee discussed coming out with a less conservative and lower number. However, for the sake of conservative planning, we kept the \$4,000,000.

4. ***If the dam repairs cost less or more, will the FEMA amount change?***
If FEMA approves additional repairs, the FEMA portion will be adjusted according to the reimbursement policy.

5. ***Are we incurring cost in 2010 for the repairs?***
Yes. We incurred \$111,528 in dam repair related expenses in 2009 and have incurred \$78,632 year to date in 2010 and expect our total spending to be \$334,520 for 2010. From a cash flow perspective, this is being paid for from our reserve account. However, the citizen Finance Committee did recommend that Council approve a 2010 Budget increase of \$114,000 to cover the additional 2010 expense.

6. ***Are the expenses to date as well as the 2010 amount part of the total \$4,000,000 estimate?***
Yes.

7. ***How will this be financed – through a onetime assessment or through a bond? Will there be a tax increase?***
This will not be a one-time assessment. It will be spread over a number of years. The Mayor, City Council and citizen Finance Committee are seeking out and considering different financing options in order to get the most competitive rates possible. Assuming that this will increase the City budget by approximately \$200,000/year, the millage rate will increase. Depending on the terms of the final financing arrangement, we hope that this should be no more than \$325 per average household – which is less than \$1 a day.

8. ***Can't we just get the financing and start the repairs?***
In fact, that is what is happening. The design development is nearing completion and construction documents are about to begin. Once they are complete, a number of activities will happen in parallel. Discussions are being held with Georgia Safe Dams Program to ensure as quick a permitting process as possible. In the meantime, the City will arrange for the financing of the full estimated amount, such that we are ready to move when the permits are ready. FEMA will reimburse the City on an "as incurred" actual basis, reserving 10% of their reimbursement until after the final project has been approved by them so the City will need the cash flow to pay for the repairs before we are reimbursed by FEMA. In the interim, we will finance this cash flow through the use of the Reserve Account.

The Council is also considering an ordinance having to do with **animals** in our community. You can read the proposed ordinance on our website or at City Hall. The local newspapers are quite interested in this and you may be reading about it there. Council is struggling with issues about feeding and trapping wildlife and I am hearing conflicting opinions about this. Many of our citizens love seeing deer, foxes, hawks, etc. and want to help them by feeding them. Wildlife experts say this can have negative effects on the animals. The county police were called recently by a citizen who was frightened by a fox because it didn't seem afraid of him and that can be a sign of rabies. The police and animal control guys chased the fox in an effort to "dispatch" him or catch him for rabies testing, which they tell me "usually leads to the animal's being euthanized." The officer told me he didn't believe the fox was rabid because he showed no other signs and was with his mate. Rabid foxes are almost always alone and act disoriented. The fact that this fox seemed unafraid of people was almost certainly due to people having been feeding him, rather than his having rabies. We live in a rare and beautiful environment that is the last hope for animals that have been run out of everywhere else around us by development. Foxes and coyotes scare

some of us, but they also control the rodent population, and generally do their best to avoid us. These are difficult issues. Let us know what you think and want for your community.

As you know we're working on a **new edition of our City Directory**. There are still a few people whom we have not heard from and we need them to make this complete. You can update your own information online. This can be done electronically on our website or you can complete the paper form available at City Hall, but please do one or the other as soon as possible. Many of us enjoy having the directories which also contain a handbook of helpful information for citizens. You may choose to share email addresses with us or not, but if you do it will save the city money and get information to you faster. Some of you are already receiving this edition of the *Mayor's Message* in your email.

Thanks to Carol Seitz and her Arts Advisory Committee members for the **new show in the Blue Heron Gallery** in City Hall. Their theme this time is "Summer in the City" and it will be up through August. Artists whose work is now featured include Rigsby Barnes, B.J. Barrett, Diane Cuttino, Phyllis Ingham, D. B. Love, Jo Lackey, Elsa Liebenberg, Gia Lillie, and Carol Seitz. It's a beautiful show. Come by and see it when you can.

Summer brings lots of **community activities**. There will be a Car Show at the Chapel on Saturday, June 5 from 10 AM to 3 PM. This event will raise money for the Chapel, and the BLOSOMS will be there selling their new cookbooks. It's also the season for BLFFs – Berkeley Lake Fantastic Fridays. These occasions for neighbors to gather and enjoy each other are open to all in the city. Contact Carol Seitz for details. One other bit of community news: Nick Lore is making the rounds of TV talk shows with his new book which has just been published - *Roll the Windows Down, It's Raining*. Congratulations, Nick!

The following changes have been made to our **City Code of Ordinances** since the last *Mayor's Message*. Details are available on the website. On April 15, 2010, City Council passed O-111-10 amending Chapter 32, Greenspace, to prohibit hunting in the greenspace as well as O-113-10 amending Chapter 14, Buildings and Building Regulations, to increase the fine for property maintenance violations from \$500 to \$1000.

Lisa D. Salter