



CITIZENS OF TIFTON
EFFECTIVENESS & EFFICIENCY
COMMITTEE
RECOMMENDATIONS

TO CITY COUNCIL

MAY 20, 2010

EXECUTIVE SUMMARY

- Twenty-four (24) people gave an estimated 891.7 hours to study the City's efficiency and effectiveness. The group represented business, government and education, among other professions, and appointed by the Mayor and Council;
- No magic source of funds identified; recommendations funded without City property tax increase;
- Aggressive with compliance of written agreements to the point of arbitration/or court to enforce Interlocal agreements;
- Aggressive with financial reporting on a month-to-month basis to adjust to the changing financial environment;
- Freeze benefits for time to study retirement plans and for funds to financially recover;
- Overstaffing exists and each department needs a critical review of staffing patterns, literally from top to bottom. No one and no position exempt;
- Cap salaries of certain positions;
- Lay-offs inevitable since funds are dangerously close to depletion;
- Tie all rate and tax distribution decisions to a defensible/outside source;
- Commitment to re-build emergency and reserve funds;
- Outsource wherever possible, such as county pick-up of garbage and payroll;
- Streamline all procedures, especially procurement;
- Discontinue joint management of solid waste and water departments since department heads answer to two governments;
- Enforcement of ordinances, such as trash collected in Tift County must use the local landfill;
- Prohibit former employees who have retired and receive City benefits from consulting contracts, and review all consulting contracts and discounted services periodically;
- Report to Effectiveness and Efficiency Committee in 30- and 60-days.

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INTRODUCTION

It seems odd. A group of 24 people were asked to look at every aspect of the City of Tifton to recommend ways it can improve its efficiency and effectiveness. Some people call it a courageous act to invite such a review. Others call it desperation.

Perhaps one reason for organizing a committee of local business, education and professional leaders involves the harsh realities of the country's economic system that many compare to the Great Depression. A record setting unemployment rate of 10.2%, a slowdown in consumer spending that affects sales tax collections with no end in sight.

It surprises no one the economic difficulties eventually hit local governments and the City of Tifton is no exception. It compounded and magnified the City's tough financial position.

The Efficiency and Effectiveness committee spent an estimated 891.7 hours studying, meeting and discussing Interlocal agreements, enterprise operations, revenue and general government. Sub-committees met independently, but in-the-end, came to some of the same conclusions. The repetitiveness stayed in the report to illustrate the depth of concerns.

The City of Tifton promised total transparency, with any record requested promptly furnished. It was. Sub-committees met from mid-March through mid-May, 2010, and looked at all aspects of how the City operates. The experience proved quite insightful for the members who either lived in or owned property in the City.

The Committee did not attempt to place blame or implicate or name names, feeling the time used to review the past would be better spent looking at the future and develop recommendations.

Other cities and counties could adopt this model. One sub-committee member estimated a report like this could easily cost \$89,170.00 based on a conservative consultant rate of \$100 per hour. Of course, sub-committee members received no compensation what-so-ever.

The promise and the actions of the Mayor and City Council not to engage in new agreements, until after this report has been studied helped stimulate members to give an extraordinary amount of personal time.

Each sub-committee wrote its own set of recommendations included in the report, as written, to maintain the spirit and the energy of their deliberations.

ENTERPRISE OPERATIONS SUB-COMMITTEE
RECOMMENDATIONS

The Enterprise Operations Study Group would like to personally thank Utilities Director, Russ Dorman for his candor and timely response in providing information. Additionally we are impressed with his knowledge and concerns for future operations, maintenance and profitability of the natural gas, water and sewage departments.

The Enterprise Operations for the City of Tifton accounts for 44% (\$18.2 Million) out of a \$42,000,000.00 Total Budget.

Our Study Group’s most alarming concerns are those of the Natural Gas Fund. The Natural Gas Fund has been depleted from a balance of \$8,000,000.00 in 2003, to the current balance of \$265,000.00. Additionally, the Water and Sewage Fund was depleted of \$1.2 Million in 2008 to offset the underfunding of the City Pension Fund. This constant stripping of the Utility Fund balances leaves the Enterprise Fund personnel performing at a profitable and efficient level at the first glance to a later demoralized and less effective level due to the stripping of their funds. This moving of funds is subsidizing the inefficient departments with the fruits of labor from the Enterprise Fund personnel.

However, the past is in the past.....we must move forward!

The Enterprise Operations Study Group respectfully makes the following Efficiency Recommendations for the City of Tifton:

1. Immediate cuts be made within the Service Fund in the areas of Management, Finance and Customer Service. The glaring, deviant Key Business Ratios in the service fund concerning these three (3) areas are obvious from simple references such as *Robert Morris & Associates* and/or *Dun and Bradstreet’s Guide to Key Business Ratios*. We ask that the City Council please review and utilize the attached City Comparisons Spread Sheet for their further references. In reviewing the references mentioned, many “Red Flags” will be raised as to the “top heaviness” within Management, Finance and Customer Service sectors. Our specific recommendations for the afore-mentioned cuts within the Service Fund are as follows:

A. <u>Management Cuts</u>	
Assistant City Manager	\$106,421.00
Building Maintenance Manager	<u>\$ 71,091.00</u>
Total Savings	\$177,512.00

ENTERPRISE OPERATIONS SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

B. Finance Department Cuts

Removal of all positions, leaving three (3). Those positions to remain, Finance Director, Accounts Payable Clerk and the Accounting Clerk, with Payroll being handled by Human Resources. Purchase Orders should be handled by department heads with City Manager approval, with cost up to \$10,000.00. Emergency expenditures over \$10,000.00 to be authorized by the City Manager only or the City Manager's designee.

Total Savings \$290,209.00

C. Customer Service Cuts

Removal of all positions, leaving three (3). Those positions to remain, Customer Service Director, Senior Customer Service Cashier and one Customer Service Clerk.

Total Savings \$102,871.00 (including salaries & benefits)

D. Fleet MGMT Shop Cuts

Department Eliminated, with a Request for Proposal be submitted locally to handle mechanics.

Total Savings \$340,619.00

E. Survey and Mapping Cuts

Department should be moved under Water, Gas and Sewage

Total Savings \$80,684.00

F. Inventory Dept 4901

Department should be moved under Water, Gas and Sewage

Total Savings \$74,934.00

G. Utilities Complex Dept 4902

Department should be moved under Water, Gas and Sewage

Total Savings \$382,476.00

Current Service Fund Budget 2009 – 2010	\$3,388,220.00
Less the Recommended Savings	<u>\$1,449,305.00</u>
(NEW) Budget for Service Fund 2010 - 2011	\$1,938,915.00

ENTERPRISE OPERATIONS SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

Further Explanation and Reasoning:

The 2009-2010 Budget required that the Water, Gas, Sewage & Solid Waste Departments each contribute \$436,255.00 or a combined, \$1,745,020.00 towards the Service Fund. (Equating to 52% of the total Service Fund)

It is unreasonable to think that these four Departments can build fund reserves and continue to maintain their required operations and maintenance funds under the current system. We recommend that the Service Fund stop receiving massive funding from Enterprise Operations, and only accept our proposed total of \$295,715.00 (collectively) or \$73,928.75 (individually) beginning with the 2010 – 2011 Budget.

Breakdown: \$1,745,020.00 Enterprise Fund 2009-2010 contribution
 - \$1,449,305.00 Recommended cuts to Service Fund
 \$ 295,715.00
 Divided by 4 Departments = \$73,928.75 per Departments

2. The Enterprise Operations Directors should report directly to the City Manager. These directors are responsible for 44% of the City's Budget. The process of answering to the Manager, Assistant Manager, Financial Director and the County is inefficient and time-consuming. The Intergovernmental Agreement between the City and County must be renegotiated to allow the City to make rate increases or decreases on an as-needed basis. The Enterprise Operation Directors cannot serve two masters.

3. We must immediately begin to replenish our infrastructure fund balances to a meaningful, realistic Reserve. The City is sitting on a financial time bomb in the event of a major breakdown in Water, Sewage, Natural Gas or Solid Waste infrastructure or equipment. Additionally we recommend that the City Council pass by Ordinance that all enterprise Fund balances be spent only on the infrastructure of that particular fund.

We further recommend that a protected Emergency Fund be established for each individual enterprise operation that cannot be touched other than for emergencies. Without this Fund, the day will come when a manageable emergency will become a catastrophe. As a reference, please note what is happening in the Gulf of Mexico. The consequences of not being prepared for a breakdown can be horrific. It is not a matter of "if", but, "when" this will happen. The EPA and citizens of Tifton will hold someone accountable. The cost in additional insurance premiums, tax increases and possible EPA fines will make it even worse.

ENTERPRISE OPERATIONS SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

Suggested Enterprise Fund Balances:

Natural Gas	\$10,000,000.00	(with \$5,000,000.00 kept in Reserve at all times)
Water	\$ 8,000,000.00	(with \$7,000,000.00 kept in Reserve at all times)
Sewage	\$10,000,000.00	(with \$8,000,000.00 kept in Reserve at all times)

4. We recommend that all rates be adjusted annually using the Consumer Price Index. A small increase annually will not cause the political fallout that a large increase, every 5 to 6 years, would cause.
5. We ask that consideration be given to the formation of an Enterprise Fund Advisory Board that will meet quarterly and make recommendations to the council.
6. There are currently two City Pension Funds.....One established years ago and then a more current plan, both working simultaneously.

We recommend that the *oldest* of the two City Pension Funds be suspended until a reasonable and affordable plan can be adopted. (The oldest plan requires that an additional \$0.27 on each dollar be paid to each employee) The current level of funding cannot be maintained and the City still remain financially solvent. The committee would further recommend that the employees and the citizens recognize that City and County governments all over our state and nation are having to restructure their pension plans. If health insurance, life insurance and FICA are figured into this equation, the City is currently paying an average of an additional \$0.57 on each dollar paid to each employee.

7. All City Business License and Alcohol License Fees should be processed and collected by the City Clerk's Office.
8. Local small businesses are taxed at a rate of 1.5% on inventory other businesses or chains, like Wal-Mart, Lowes, Kmart, and etc. pay only 0.5%. Everyone should be treated fairly. If any business should be given the break, it should be the small businesses. Question: Is it legal to charge two different tax rates on business inventory? Any reduced cost agreements in sales tax should be negotiated fairly in the future.

ENTERPRISE OPERATIONS SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

9. The delivery of services (water, gas, sewage and solid waste) should be priced at a profit for residences located OUTSIDE the City Limits. There is NO INCENTIVE to be annexed into the City to increase our Property Tax collections which help supplement those services.
10. We recommend that the current 50% payment toward Health Insurance Premiums for the dependents of City employees be immediately stopped, after appropriate notification to the employees and strongly suggest that the employees be given a choice of "Opt Out". (this should be completed in approx. 90 days) This option has ceased to exist in most of the public and private sectors. The current "Dependent Premium Payment" is costing the City \$22,500.00 per month, which is \$270,000.00 annually. We realize that this recommendation is going to affect the City employees that make the least amount of money, the most. Therefore, we recommend that the council and City management meet with their current provider and see if an alternative plan can be created so that employees who are on the Top Tier of the City pay scale could pay more towards the individual and dependent premiums.
11. The majority of the Enterprise Fund Committee believes there is a pressing need for the services of a new accounting firm or proof thereof that the present accounting firm has provided the council with their recommendations and that the Council has simply not followed said recommendations. The Citizens of Tifton have been lead to believe that the finances of the City have been in proper order, when in reality, the facts show utter disarray.
12. Dispose of any surplus City property immediately, either by bid or auction.
13. We recommend that all Intergovernmental Agreements with the County be reviewed and renegotiated on a two-year basis.
14. We recommend that all billing and collections be brought into the 21st Century by utilizing Electronic Technology. The City of Douglas has contracted this job outside of their government and is very satisfied with the services.
15. Solid Waste – The Enterprise Fund committee commends Director Ricky Hobby for the efficient manner in which he directs the Solid Waste Department. We are particularly impressed that he is able to show an operating profit while being subjected to Intergovernmental Agreements that cause operating losses in several areas of this department. We are again impressed with the fact that the Solid Waste Department is able to collect curbside garbage and yard waste within the City limits at a much lower price than several surrounding cities that have privatized this service.

ENTERPRISE OPERATIONS SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

These are our recommendations:

- a. After careful consideration, we recommend that the garbage collection for customers, outside the City limits, be sold to the highest bidder. Garbage collection for county residents is currently \$7.00 cheaper than that of City residents. (City residents pay \$19.52 vs. county residents paying \$12.52) If the City raises their rates to break even, we most surely will lose the majority of the current City customers. There are approximately 4000 non-City residences. We are currently losing approximately \$4000.00 per month or \$48,000.00 annually. Mr. Hobby suggests a rate increase to put us in the black and we respect his opinion. However, we ask that consideration be given to the long term wear and tear on the equipment, roads and employee salaries.
- b. All Solid Waste collection sites run by the City are operating at a \$60,000.00 + annual loss. These sites mainly serve only county residents. Is it possible that negotiations can take place between the City and county to review the possibility of the county taking over the operation of these sites? (communication lines should be open at all times between both entities and never hostile)
- c. Recycling is showing a loss in operations of \$155,000.00, year to date. The 2008-2009 Budget showed a loss of over \$300,000.00. We feel this entire operation should be shutdown unless we are prohibited by State and Federal mandates. If this operation cannot be closed, we suggest that the Director come up with a plan to help lower this deficit.
- d. The Roll-Off area of the Solid Waste Department is at best, breaking even. Industry standards dictate that a Roll-Off container must be emptied at least 3.5 times per month to be considered profitable. We currently have 140 containers and the average dumping of these containers is just over 1.0 time per month. We suggest that the Roll-Off operation be sold to the highest bidder.
- e. Current City and County Ordinances state that all private Solid Waste Companies operating in Tift County must use our landfill. We suggest that these Ordinances be reviewed and **ENFORCED**.

CITY COMPARISON

CITY	POPULATION	MANAGEMENT	BUDGET	FINANCE STAFF	IT STAFF	CUSTOMER SERVICE STAFF	HUMAN RESOURCE STAFF	TOTAL EMPLOYEES
TIFTON	17,284 +	CITY MANAGER ASST CITY MANAGER	\$42,000,000	9.5	2	6.5	2	260 FULL 15 PART
DOUGLAS	11,413 +	CITY MANGER ASST CITY MANAGER CUSTOMER SERVICE DIRECTOR	\$55,000,000 INCLUDES MEAG	4	1	7 INCLUDES MEAG & METER READERS	2	233 FULL
MOULTRIE	14,500 +	CITY MANAGER ALL DEPARTMENT HEADS REPORT TO CM	\$48,000,000	5	2	12 INCLUDES METER READERS	3	255 FULL
THOMASVILLE	18,162 +	CITY MANAGER ALL DEPARTMENT HEADS REPORT TO CM	\$108,641,259 INCLUDES MEAG, ROSE.NET	8	N/A DUE TO TELE COMMUNICATIONS COMPANY	35 INCLUDES MEAG, ROSE.NET, IT & METER READERS	4.5	380 FULL
CORDELE	11,518 +	CITY MANAGER ASST CITY MANAGER ALL DEPARTMENT HEADS REPORT TO CM PUBLIC SAFETY DIRECTOR REPORTS TO COUNCIL	\$20,000,000	8 INCLUDES CUSTOMER SERVICE REPS	1		2	146 FULL

ENTERPRISE OPERATIONS SUB-COMMITTEE
PARTICIPATING MEMBERS

Spud Bowen, Chairperson

Stewart Gilbert

Norman Hill

Lamar Kennedy

Nelson Kunes

Jim Lever

Freddie Walker

Staff Resource: Russ Dorman, Utilities Director

GENERAL GOVERNMENT SUB-COMMITTEE RECOMMENDATIONS

Examination of 2010 liabilities and 2011 obligations shows the City enters the 2011 fiscal planning year with a 1.4 million dollar deficit. Reductions in LOST revenue which could be even greater than estimated, no more transfers from Enterprise Fund accounts, CityNet debt payments, increased health insurance premiums, and pension plan underfunding have all contributed to this deficit. In the present economic times, we do not see an immediate improvement.

Our committee was charged with examining three different areas - (1) the General Fund whose departments are funded through tax dollars, fines, and misc. revenue; (2) the Service Fund which receives its revenue from the General Fund and each of the four Enterprise Funds; and (3) the utilization of the hotel/motel tax. Our recommendations for each of these areas are listed below but several general recommendations we would like to make concern employees' compensation and benefits packages. The benefits package was probably not excessive when first offered but with rising health costs and retirement benefits, it is now far more generous than the City can afford, and these are our recommendations:

1. **Health Insurance** - The City currently pays 50% of an employee's dependent health insurance coverage which costs the City \$22,765 a month. It pays 80% of employee coverage which is \$104,622 per month. We recommend you discontinue dependent coverage for a savings of \$273,180 a year, and consider paying less of employee health insurance.
2. **Legacy Retirement System** - Of 250 City employees, only 20 employees do not fall under the Legacy Retirement Plan which the City pays 27% of now and percentage is expected to go up to 33%. We suggest looking at the cost savings benefit of an early retirement plan for employees and freezing retirement plan to re-evaluate it. See if old plan can be rolled into current 401(k) plan which is offered to new employees costing the City only 2%.
3. **Furlough Days** - Government agencies are all taking furlough days. Consider the savings these would offer.
4. **Paid Leave** - Examine paid holidays offered. We are not aware that state and federal agencies take off for Good Friday.
5. **Salaries** - Continue to cap salaries of certain positions as recommended by the Carl Vinson Institute in a study of Tifton City Government several years ago.

GENERAL GOVERNMENT SUB-COMMITTEE RECOMMENDATIONS (CONTUINED)

Another overall recommendation is for the City to see which departments can be outsourced or consolidated with other ones. One of our earlier suggestions was to let the Tift County Tax Assessor collect City taxes when we learned it would save over \$80,000 to do so, and the City has just done this without reading our recommendations. A careful look at over departments may also highlight additional savings.

General Fund

There are 12 departments within the General Fund with the largest departments being Police, Fire, General Government, and Street. Some of our recommendations for individual departments are as follows:

1. **Police** – There are too many layers in this department. Of 59 people, only 32 of them are on active patrols; others are in administrative spots. We questioned having five supervisor positions. Chief should have more people reporting directly to him eliminating the middle man position. On the pool of administrative people who keep up with court dockets, one should be the lead reporting directly to the chief. Of a four million dollar budget, a half-million dollars goes to retirement. Do we need all police vehicles or can we share cars per shift? Investigate costs of extra miles and maintenance created by sharing.
2. **Public Works** – Some positions have already been outsourced like engineering and others have been vacated. We suggest these stay unfilled for the time. Also, look at the possibility of consolidating Parks & Cemetery, Streets, & Traffic under one Public Works Supervisor rather than each having its own department head. Crews from Parks & Cemetery, Streets, & Traffic could be used where needed instead of in just one area. Within the Street Department, look into partnering with the county for heavy equipment needs since City no longer builds roads. Review capital equipment on a yearly basis and determine if it is still needed. Reconsider the buy-back policy for cars and equipment to see if it is truly a money-saver. Fill vacancies as they come up with part-time labor. When workers aren't involved in grounds maintenance in Parks & Cemetery department, they are involved in City festivals or putting up and removing Christmas decorations. It takes 30-45 days to deal w/Christmas decorations. Larry investigated making this an Enterprise fund several years ago but it wasn't feasible. Still, we suggest hiring part-time people for many of these positions.
3. **Senior Citizen Center** – This department does not pay for itself. You need to collect a larger damage deposit so you don't have to hire someone to police it.
4. **Nutrition Program** – This is a pass through of government funds but why not give these funds to those who already perform these services such as Meals on Wheels?

GENERAL GOVERNMENT SUB-COMMITTEE
RECOMMENDATIONS (CONTUINED)

Service Fund

The Service Fund receives equal revenue from all four Enterprise Funds (Water, Gas, Sewage, & Solid Waste) and from the General Fund. Since 2008 several of the departments within the Service Fund have either been outsourced such as Survey & Mapping which is now handled by the Regional Development Center in Valdosta or have become their own funds such as the Shop which is now an Enterprise fund.

Our overall recommendation is to move all Service Funds except maybe Human Resources to the General Fund and let all government services be funded by general tax dollars. If this is not possible, we need to continue to outsource jobs that are more economically feasible to be performed elsewhere especially as people retire. For example, Shop is now an Enterprise Fund but still would be cheaper to have oil changed by an outside group as the shop charges \$48.

Recommendations for Service Fund departments are:

1. **Management** needs adjusting. Compare our size to others. Appears some positions need to be eliminated.
2. **Finance Dept** – seems cumbersome for everything to go through here as individual Department Heads can only approve up to \$500 in expenditures. System and process seem outdated. Maybe p-cards will eliminate some of the paperwork, but there need to be strict guidelines in place for those issued a p-card. Supervisors should account for p-card charges not the Finance Department. Department heads need to check time records for their department and be responsible for signing. Finance Dept now checks 272 employees' time records. This does not need to be micromanaged by Finance Dept. This department has the largest budget- double that of Management. Need a qualified person to audit and cut some positions but have a person qualified to do financial statements monthly for each department. This person should keep administration and department current on income, expenses, and net. Compare the size of this department to other municipalities.
3. **Management Information Systems** – Could we consolidate with the county and have only one dept?
4. **Human Resources** – Outsource some of these services and move payroll responsibilities here.
5. **Customer Service** – Cut this to just a few employees. Make sure there is cross-training in this department so all can move in and out of different positions as needed; staffs part-time help for peak hours.

GENERAL GOVERNMENT SUB-COMMITTEE
RECOMMENDATIONS (CONTUINED)

Hotel/Motel Tax

Examining those who receive revenue from the hotel/motel tax, we were confused about the need for two development authorities-the City of Tifton Development Authority and the Downtown Development Authority. The Downtown Development Authority should have an independent annual audit. There should also be a study of the structure and possible consolidation of the City of Tifton related Development Authorities. At the very least the Downtown Development Authority needs to be under the City of Tifton. All City efforts should be a united front. Work for openness between departments. It appears there is "turf protecting." For economic development efforts, though, all entities need to know what the other is doing. Why do City and county both need economic development people? Why can't we have one person and have them sitting at the Chamber of Commerce? We don't need to cut Chamber of Commerce if we are counting on them for economic development.

We need to cut contributions for the short term to City events because of the employee overtime required. Since Love Affair is the largest Tifton event and doesn't compete with neighboring communities, we felt it should continue and eliminate Hometown Holidays for the present time just having the Christmas parade. Lights in the park are wonderful but do not add more at the present time. Members of this committee met two hours once a week for seven weeks.

Committee members were Julie Hunt, Lynn Lovett, Steve Pearman, Susan Reinhardt, and Dennis Sheppard and our very willing City staff person was Larry Riner. We felt that not only was Larry very knowledgeable in City government workings, but he was also very open and honest with us. We certainly appreciated his time and there is no accounting for the "overtime" he put in helping us to understand the intricacies of City Government. Our recommendations are based on efficient use of man hours and not any individual's job. In these trying economic times, we believe that some streamlining is necessary and hope the suggestions we make will be of some benefit.

GENERAL GOVERNMENT SUB-COMMITTEE
PARTICIPATING MEMBERS

Julie Hunt

Lynn Lovett

Steve Pearman

Susan Reinhardt, Chairperson

Dennis Sheppard

Staff Resource: Larry Riner, Assistant City Manager

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS

Distribution of Local Option Sales Tax (LOST) Allocation Agreement
Established: October 28, 2002

Agreement Highlights:

- LOST distribution: Tifton 33.3%*, Omega 3.05%, Ty Ty 1.64% and Tift County 61.98%;
- City conveys to County title to certain properties used by the Tift County Recreation Department. Titles transferred/recorded January 24, 2003;
- Updating tax equity by engaging services of Governmental Solutions, "...with the goal of elimination of identified tax inequities by implementation of special tax districts." Also, agreement specifies remedy for non-agreement through arbitration.
- Agreement negotiated every 10 years, with an upcoming agreement in 2012.

Sub-committee Recommendation/Rationale:

- Roads and public works, such as, but not limited to, paving, repair, storm drainage, etc., becomes the responsibility of the County. History shows two main reasons county governments were established: to pave roads and to build bridges. Regardless of whether a taxpayer lives in the City of Tifton or in Tift County, he/she lives in the County and pays for County services through county taxes.
- Use defendable data to determine distribution of LOST revenues in 2012 and subsequent years. Several distribution possibilities exist, such as US Census population data, sales tax receipts, property tax assessed values, etc.
- No information found for rationale of the current distribution formula.

Note: The Georgia Legislature passed a bill during its 2010 session that provides a remedy if City and county officials can't resolve distribution differences. The Governor is expected to sign the bill.

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

Tax Equity Presentation

Agreement Highlights:

- Presentation made to City and county leaders to try and get both entities to move forward with the Tax Equity Agreement as specified in the LOST agreement;
- Concern expressed about some of the Governmental Solutions data prompted a meeting June 18, 2003 at the Tifton-Tift County Chamber of Commerce that included City and County officials;
- Questioned Sheriff's Department and vehicle maintenance study data, in particular;
- It appears from minutes of the meeting that the City met the spirit and the intent of the agreement.

Sub-committee Recommendation and Rationale:

- City Council vigorously pursues arbitration within six calendar months from date of this committee's presentation to City. (Sub-committee very disappointed with delay of several years because of City-County public relations concern.)
- In effect, the County agreed that a tax inequity exists, as documented by a Governmental Solutions Study, by establishing a special tax district that includes areas outside the City for one year. The agreement needs review to determine the exact financial hit taken by the City.
- Transfer the vehicle maintenance shop, along with roads and public works, E-911, EMA, mosquito control, animal control and code enforcement to the County, as per agreement(s);
- Since the June 18, 2003 presentation, Georgia law changed to prohibit Sheriff's departments from consideration in tax equity agreements.
- The City's revenue started declining because of the joint agreements and because of debt service.

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

Airport Improvements

Highlights:

- The agreement involves more than the airport. It includes funding for improved I-75 lighting and for improvements to the airport terminal at Henry Tift Myers airport;
- The funding stipulates no more than \$1.2 million for the airport, and no more than \$1 million for interstate lighting, with the anticipation of the Georgia Department of Transportation reimbursement of 50% of the lighting cost;
- The agreement obligates the City at 87% and the County 13% on the loan.

Sub-committee Recommendation/Rationale:

- NO general funds involved; funding from the local hotel/motel tax;
- Agreement signed March 3, 2001; payments on schedule;
- Leave alone.

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

Agreements:

**Animal Control;
Development Support;
Emergency Management Agency (EMA);
E-911;
Mosquito Control;**

Highlights:

- These department heads answer to the City Manager and City Council, and to the County Manager and the County Board of Commissioners;
- Sometimes conflict happens, with the department heads caught in the middle, especially when the two supporting organizations have political differences;
- Different building codes in the City and the County;
- County manages the Emergency Management Agency;
- Current E-911 agreement originated in 1996.

Sub-committee Recommendation/Rationale:

- All these functions transferred to the County for administration since they involve county-wide services;
- Encourage the development and adoption of a united land plan to replace dual codes that are easily confused;
- Provide additional training to code enforcement personnel about the current codes and a new, unified code when adopted;

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

- Development support to attract industry that benefits the County more than the City, since the industrial park is located in the County;
- Want economic development, with one departmental contact where representatives for new industries and businesses can go to one place to apply for services;
- Emergency management includes all residents that live in Tift County and City of Tifton residents ARE county residents, as well. City has no say in its countywide mission;
- Population trends have changed since the agreement was executed in 1996, with the service countywide;
- With County operation of Mosquito control, the City retains its spray equipment to supplement control measures.

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

Fire Suppression

Agreement Highlights:

- Genesis of agreement signed February 24, 1974 by City Commission Chairman W.P. Brown, Jr. and Tift County Commission Chairman Charles Kent;
- Agreement revised through June 30, 2007 and automatically renews for an additional three-years, unless either party serves upon the other written notice at least (90) days prior to the expiration of any three-year term of its election to terminate this agreement.
- City of Tifton's Fire Chief provides supervision of the force with the City Manager and the County Manager supervising the Fire Chief;
- Agreement includes the City of Tifton and Tift County, Ty Ty and Omega;
- Incorporates County's certified volunteer fighting force;
- Fire department includes: fire suppression and prevention; training; emergency response; rescue service; community education service; fire hydrant maintenance; and, all manpower, facilities and equipment for the agreement.

Sub-committee recommendation/rationale:

- Even though the Fire Chief answers to different political entities much like the Water and Wastewater and Solid Waste department heads, the current system works with Fire Suppression.
- Favorable ISO rating because of joint agreement resulting in a reduction of fire insurance rates for taxpayers. The agreement allowed for the hiring of three new employees to man the South side station;
- Research concept of establishing an enterprise fund through property and casualty insurance premiums.
- Expect to remain a tax equity issue.

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

Solid Waste Agreement

Agreement highlights:

- Agreement dated August 21, 2000;
- Joint City and County administration;
- City responsible for day-to-day operations;
- Responsible for: (1) Landfill; (2) Curbside Collection; (3) Recycling Plant; (4) Collection Sites; (5) Roll-Off and Dumpsters.
- County-wide pick-up area;
- Establishment of an enterprise fund.

Sub-committee Recommendation/Rationale:

- Develop a plan to outsource solid waste pick-up outside a designated contiguous area of concentrated users; City considers studying outsourcing pick-up within the City Limits. (Note: Exempt landfill from outsourcing; remains with City.);
- If out-sourced, ask that current employees be evaluated in an effort to keep their jobs and use their expertise to aid the company in establishing its customer base;
- Enact a franchise agreement for outsourced services;
- Develop a plan for franchise agreement for pick-up of commercially generated solid waste;
- Streamline fee structure;
- Commitment and action to re-build Solid Waste capital reserves that have become unacceptably low;
- Continue using a private-sector maintenance shop for equipment repairs;

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

- Streamline purchasing and fee increases where Solid Waste department head confers with City Manager with approval by the Council.
- Close all waste collection sites; re-purpose the South Central site to re-cycling only;
- Study mandated recycling;
- Permit flexibility in rate structure of Landfill division based on market pricing and other considerations;
- Increase pull charge rate to at least \$90 per pull with future charge adjustments based on market pricing and other considerations;
- Charge a minimum of \$35 for delivery and relocating bin with future charges based on market pricing and other considerations;
- Remove yard debris and junk collection from recycle collection sites;
- Charge all patrons who use the Inert landfill, to cover expenses such as grinding;
- Enforce Flow Control ordinance;
- Flexibility in rate structure for Sanitation Division based on market pricing and other considerations;
- A minimum charge of \$10 for extra cans with adjustments based on market pricing and other considerations;
- Dumpster rate structure based according to use, with adjustments based on market pricing and other considerations;
- Create exclusive franchise fee structure for pick-up at commercial locations, such as apartment complexes, charging each individual unit a monthly fee as done with residential customers;
- Require county-wide use of Tifton-Tift County Sanitation services for all commercial pick-ups;
- Enforce ordinances.

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

Tourism

Highlights:

- Agreement effective May 1, 2000;
- Increases excise tax for hotel/motel accommodations from 3% to 5%;
- Two percent (2%) of the taxes collected earmarked for promoting tourism, conventions and trade shows. Three percent (3%) earmarked for improved lighting on I-75, airport improvements and other public purposes;

Sub-committee Recommendation/Rationale:

- Sound agreement from an operational standpoint;
- Frequent follow-up to insure the spirit and the intent of specified allocations remain;
- The next Special Local Option Sales Tax (SPLOSH) referendum to service indebtedness.

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

Water/Wastewater Agreement

Highlights:

- Combining the City and the County water and wastewater operations with the City operationally managing the service;
- Establishment of an enterprise fund for water and wastewater without being subsidized by general funds;
- On-going strategic planning as a joint function of the City and the County;
- The County allows the City to operate its infrastructure and equipment;
- The City retains title to its water/wastewater and associated infrastructure;
- Service functions performed with persons employed by the City;
- Equalization of rates projected to take five to ten years. Agreement signed July 25, 2005.

Sub-committee Recommendation/Rationale:

- The water/waste water department head answers to two supervisors, two political entities with different operating procedures. (For example, it takes both political groups to approve a rate increase.)
- Transfer water/wastewater department to a City-only management structure;
- Implementation of a stratified rate system based on a conservation-use model, with residential and commercial pricing structures;
- Making the enterprise funds stand alone, with rate setting adjustments tied to an external price index, based on market conditions and other considerations, in association with the City Manager and with the expedited approval of the City Council;

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

- Fund reserves (water, sewer and gas) need a commitment to rebuilding since they were often to compensate for revenue shortfalls in other departments;
- Encourage the Department to continue seeking high-volume use customers, such as for heating, drying and agricultural potential customers;
- Water and wastewater systems quite vulnerable to expensive repairs;
- Streamline City's purchase order procedures. (Now, a \$100 purchase involves five people.)

INTERGOVERNMENTAL SERVICES SUB-COMMITTEE
PARTICIPATING MEMBERS

Harold Chambers

Joe Courson, Chairperson

William Byrd

Homer Day

Hollis Flanders

Hal Harper

Robert Hill

Kyle Rhodes

Staff Resource: Michael Vollmer, City of Tifton

REVENUE SUB-COMMITTEE

RECOMMENDATIONS

The Committee has reviewed all of the revenues received by the City and is now making recommendations as to any possible efficiencies on revenue collections as well as future priorities for Special Purpose Local Option Sales Tax (SPLOST)

1. We have found no large sources of additional revenue for the General Fund; therefore significant reductions in expenses must be implemented without increasing property taxes.
2. Consolidation between the City and County governments should be the ultimate objective for the best use of all funds and reduction of all expenses through elimination of duplications for all citizens. The City and County should appoint a committee to start the process.
3. The current inter-local agreements represent unfair allocations of financial responsibilities between the City and the County residents when taking into account that City residents pay a total tax mill rate of 17.149 and county residents outside the City pay a total mill rate of 12.493.
4. There should be established a transparency of accounting of revenue and actual expenses associated with the inter-local agreements
5. Inter-local agreements should not be based on arbitrary percentage allocations, rather the allocations should be changed to be cost and service driven taking into account total taxes paid and services received by City and county residents.
6. Tax Allocation Districts should be utilized.
7. Consider establishing a new patrolman just to patrol I-75. The uniform will not be the same as the existing Police Officers for identification purposes. The objective is to improve safety and increase revenue on I-75. This would be a new position and would be self-funded without reducing police protection in the City.
8. Evaluate Business License fee/Occupation tax amounts and consider a reasonable annual increase on permits and user fees. This approach keeps fees current with costs without the shocks resulting from larger periodic increases.
9. The City and County should allow their legal counsel to resolve the appropriate governmental entity to receive the revenues from fines for tickets issued within the City limits.

REVENUE SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

10. Consider having one Public Safety Director responsible for the overall administration of Fire Department, E-911, EMS, & Police Department. This consolidation of responsibilities would improve management efficiency while simultaneously reducing management costs and improving accountability of services.

11. Improve Business permits, licenses, and building safety codes process and procedures, by:
 - I. Creating a one-stop shop for the business applicants in obtaining their licenses and permits,

 - II. Establish methods to monitor the reasonableness of the cost to deliver these services relative to the revenue generated. This function should be operated in a manner so that it generates sufficient revenue to cover its expense each year. During periods of declining services and thus revenue, expenses should be reduced.

12. Consider revising the retirement plan so that benefits and costs are more reasonable and more closely match private sector benefits, by:
 - I. Eliminating the periodic increases in the cost of living allowances for retirees under the pension plan until the City improves its financial condition.

 - II. Freeze current benefits and revise the plan such that total benefits under the new plan for all employees are reasonable without taking away any benefits accrued to date based on current service and pay.

 - III. Revise funding objectives to improve relationship between assets in the pension fund and benefits provided by the plan.

13. The City should implement a policy that no one should receive any discounted service from the City unless meeting criteria in the adopted policy. The discounts must be approved by the City Council annually and that the cost of each discount is quantified and to be published in the public records.

14. The Cemetery should be expense neutral for the City for both its current and future cost. Currently the City does not charge sufficient amounts to fund the both the cost of the plot as

REVENUE SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

well as future cost of maintaining the cemetery. Consider outsourcing cemetery maintenance as a means of reducing the current costs. Currently the general fund has to subsidize the park and cemetery fund

15. Eliminate the current subsidy of the General Fund by all the Enterprise Funds. The funds must maintain sufficient reserves to insure their long term capital needs. Currently the funds appear to have insufficient reserves as a result of the transfers to the General Fund.
16. Recommend having a grant writer seeking grants for the City.
17. All Services and department budgets should be cost driven and expenses related to income or work required.
18. There should a process of monitoring actual revenue and expenses for all departments to budgeted amounts on a monthly basis to insure that the annual revenue will be sufficient to cover annual expense resulting in a balanced budget. Planned expenses for the remainder of the fiscal year should be reduced at any point where a year end deficit appears probable. The City Manager, Assistant City Manager and Finance Director should sign off on monthly report that budget remains in balance.
19. Review amount of alcohol tax for possible increase and develop process and procedures to ensure an on-going basis that collection of alcohol taxes and hotel-motel taxes is reasonable based on periodic verification and utilization of analytical procedures. This could potentially be accomplished on an outsourced basis. The current requirement that food sales represent 50% of total sales may contribute to underreporting of alcohol sales.
20. Ask Council to give status report relative to implementation plans and timeline or the reasoning for not implementing recommendations of the Efficiency and Effectiveness Citizen Committee.
21. Establish a smaller on-going citizen's committee for Effectiveness & Efficiency.
22. School Resource Officers should be paid 100% by School Board.
23. A substantial portion of future SPLOST receipts should be allocated to reduce existing City's indebtedness and thus reduce future funding needs generated from property taxes. We understand that this is an allowed purpose. Until the City's financial condition is improved it should not be using SPLOST funds to build facilities whose operations then have to be funded out of the general revenue.

REVENUE SUB-COMMITTEE
RECOMMENDATIONS (CONTINUED)

24. The cost of other facilities (such as Fulwood Park and Senior Center), which are equally available Countywide, should be shared by both the City and the County. Currently all such costs are borne by the City alone.
25. There should be a review of all consulting contracts with future annual reviews to insure that the City is receiving adequate benefits for the cost of the fees.
26. There should a policy prohibiting employing as consultants former employees who retire and receive retirement benefits from the City.
27. Revise the month-end reporting package for the City Council, City Manager and Department Heads. Each of the aforementioned individuals needs a monthly report that is summarized but provides the key data, rather than the current detailed report. This should include YTD actual plus a planned estimate for the remainder of the year. This would enable the users to determine the probability of a positive year-end success. The reporting package should also contain a projection of year-end balance sheet to enable management to know if sufficient cash reserves are available.
28. Develop a formalized process to review operating results on a monthly or quarterly basis with each department head. Current purchase procedures appear to require an unusually high level of approval for small expenditures. While sufficient processes need to be in place to provide adequate internal controls, they should be balanced to ensure operational efficiency. Additionally, a heightened level of control could be attained through a monthly review of the departmental financial statements by the appropriate members of the City's senior management.

REVENUE SUB-COMMITTEE
PARTICIPATING MEMBERS

Sonny Bowen

James Lastinger, Chairperson

Crawford Little

Ralph Miller

Bonnie Sayles

Chad Tullos

Staff Resource: Carmie Turner, Finance Director

EFFECTIVE & EFFICIENCY COMMITTEE MEMBERS

Spud Bowen	Nelson Kunes
Sonny Bowen	James Lastinger
William Byrd	Jim Lever
Harold Chambers	Crawford Little
Joe Courson	Lynn Lovett
Homer Day	Ralph Miller
Hollis Flanders	Steve Pearman
Stewart Gilbert	Susan Reinhardt
Hal Harper	Kyle Rhodes
Norman Hill	Bonnie Sayles
Robert Hill	Dennis Sheppard
Julie Hunt	Chad Tullos
Lamar Kennedy	Freddie Walker

The committee extends its' deep appreciation to the City of Tifton staff members for their prompt support of sub-committee work.

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Larry Riner, Assistant City Manager

Carmie Turner, Finance Director

Russ Dorman, Utilities Director

Ricky Hobby, Solid Waste Director

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*Report Cover design and layout by Sherry A. Herrington, Executive Assistant to City Manager & Mayor