

City of McDonough Newsletter, April 2006

For Your Information

Water and Sewer Contract

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Having been in office for 90 days, I want to provide you with an update on my main areas of concern and focus:

Water and Sewer Contract— During the past two years the City deeded the assets of the water and sewer system, west of the railroad tracks, to the Henry County Water and Sewer Authority. If the agreement is fully realized, the City will lose a total of 1,519 customers, in addition to a \$1,000,000 annual loss of water and sewer revenues. Further, the City has written off its books \$968,800 in depreciable assets for the southside community, along with an estimated loss of multi-millions in dedicated infra-structures, i.e. water lines, sewer lines, and related distribution facilities, for a number of City neighborhoods west of the railroad tracks. In my opinion, balancing the income loss between the westside of the railroad tracks and potential City customers on the eastside will take years and years, if ever, to be achieved.

The Water and Sewer agreement will result in a \$1,000,000 annual loss of fees in the City.

Salary Survey— The Atlanta Regional Commission is developing a salary survey for the City. The report, which will incorporate comparable salaries for similar jurisdictions, will be reviewed by the Council during May. After the study is completed ARC will provide the City with a much needed efficiency study.

Initiating a debt reduction program is imperative.

City Audit and Debt— Meeks and Whitaker will present the audit report for the year, ending December 31, 2005, in an upcoming meeting. According to the preliminary audit, the long term debt of the City totals \$13,885,778. It is important for the City to develop a debt reduction program and I will ask the Council for their support of this matter.

The City will seek private capital, grants, and funding by foundations for the proposed expansion of Alexander Park.

Employment Contracts— The previous City administration initiated employment contracts for ten staff members in the fall of 2005. This matter continues to be a distraction at City hall, but more importantly, it is also a great concern to the citizens of McDonough. It is my intention to bring this issue to closure with the support of the Council. The contracts reflect a total cost of \$804,000 to the City, and these agreements put an added strain on our current financial situation.

Expansion of Alexander Park— On April 18th the firm that has been contracted to plan the expansion of Alexander Park will host a discussion at City Hall relative to the proposed overlay of the extension. The City will also be presented with a cost estimate of the proposed improvements. This is an extremely bold initiative with many possibilities for McDonough, but because of the current financial situation of the City, we will have to seek funding from private sources, foundations, and grants for our initial phase of development.