



THE INFORMER

Knowledge is Power and Elections have Consequences!

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East Point Homeowners Have Access to \$2 Million in City Funds for Code Home Improvements and Assistance with Property Taxes in Areas Hit Hard with Gentrification!

No, this is not a hoax, scam or a lie. It is the **TRUTH!** How is this legal? The legality of residents being able to **access** financial assistance from the City has always existed. Governments on all levels in the United States have Constitutional powers and authority to **provide** for the **(1)** public safety, **(2)** health and wellbeing, and **(3)** healthy growth of the communities within chartered jurisdictions through **“direct legislation or residential referendum”**. The governing bodies of the different levels of government are legally **charged** and **accountable** to the residents residing within their jurisdictions to carry out the **mandate** to spend **all** funds within the **public** treasury to insure through **permanent, tangible (touchable) and measurable proof** that the funds are being used to promote and provide for the common good of the communities **without** providing for **private or political** gain to individuals or groups. Any **non-restricted** funds from any source **can** be used for **“private residential use”** to accomplish either of the **three** provisions stated above.

The City of East Point joined MEAG for two reasons: **(1)** To control the cost of providing residential and commercial customers with reasonable electric rates; and **(2)** To provide the City and residents with funding for projects that were not covered by taxes and other funding sources. The City has neglected the **“residential component in number (2)”**. Why has this happened? It happened because **“you”**, the residents have never demanded that Mayor and Council do otherwise. Residents have always had the right and

the power to demand that Mayor and Council vote to set aside a certain amount of the **“profits collected”** from the Electric Utility in an account for specific residential projects. Every previous Mayor and Council have use **“Electric Utility profits”** to cover General Fund expenses. From 1984 to 1987, the City did not have **residential** property taxes. During my administration, the City used the funding for the demolition of some of the Fifty Worst Properties; street resurfacing; sidewalk improvements; police cars; fire equipment; street sweepers; vacuum leaf trucks; and some code home improvements. The funding sources for those projects were not identified as coming directly from the Electric Utility but as transfers to the General Fund as **“depreciation, and other funding sources/misc. funding sources”**. Most of all General Fund projects are paid with MCT funding now including financing for the City Hall.

East Point City government **can** legally provide financial assistance to help homeowners with code home improvements and reducing property taxes in areas hard hit by gentrification by **using “Electric Utility profits”**; since **no taxpayers’** funds can be used for private gain for individuals or groups. However, non-restricted funds from other sources can legally be used **if provisions (1), (2), or (3)** are **met** with the certain **restrictions:**

1. No funds can be spent that violates Federal, State or City laws, policies or statutes. This means if you cannot touch and measure the benefit to the community (City) you cannot spend money for it. That means no banquets of any kind; donations or sponsoring in whole or in part non-profit activities; and non-permanent entertainment events.
2. City must have an Ordinance and policies in place clearly stating and outlining the

procedures necessary for the selection of projects and the accountability instrument for the funding of the projects.

PROVISIONS: (1), (2) and (3)

The **health and wellbeing** of any community (City) is determined by the tangible and measurable proof of the physical health; education level; and the financial and economic posterity of the residents. What is the tangible and measurable proof of East Point homeowners? Too many of East Point homeowners are **cash** poor and house **rich**; many with mortgages and facing increased property taxes with no increases in their financial future. Based on the 2019 quarterly report of **The Greater Atlanta United Way** census tract for the eleven metro counties, East Point residents and their families are truly facing health, and financial hardships. Consider the following information, that they provided concerning East Point. East Point has a total of:

1. 33,365 residents
2. 6,793 families and
3. 8,497 children.
4. 15.7 percent of these children do not have health insurance.
5. 42.2 percent of these children are living in poverty.
6. 49.1 percent of the families are not financially stable.
7. 46 percent of the families have housing cost burdens.
8. 22.8 percent are mothers without a high school diploma.
9. 30.2 percent of the adults do not have health insurance, and the unemployment rate is 17.6 percent.

This information clearly shows that not only the **(1) health and wellbeing** of homeowners, but all residents are touched and negatively impacted by the plight of these residents. The City’s physical population and economic growth are largely determined by these sad statistics; hence the homeowners also qualify for financial assistance from the City under provision **(3) healthy growth of the community (City)**.

Homeowners living in homes that do not meet the City’s code standards are not only living in unsafe

and unhealthy conditions- their properties are unsightly; increase crime; reduce property values; and have a negative impact on the stability of the community. All these reasons comply with provisions **(1), (2), and (3)**. All are permanent, tangible and measurable. Money from “**Electric Utility profits**” can legally be used for code home improvements such as:

1. New roofs
2. Heating/Cooling units
3. Plumbing
4. New windows
5. New doors
6. New floors
7. Gutters
8. Insulation
9. Tree removal
10. Electrical wiring
11. Wall and ceiling repair or replacement
12. Exterior wall replacement
13. Wheelchair or disable ramp assistance, and
14. Bathroom upgrades for disability entrance and exit.

The money could also be used to help reduce the cost of property taxes in areas where gentrification is increasing property taxes. The money is in the City coffers and it is not tax money. The money is in the Electric Utility MCT account that electric customers rate payers paid. **This has absolutely nothing to do with the lawsuit on appeal.**

Well, residents, it is time that you **begin** receiving some of the MCT funds to help cover the cost of code home improvements on your property and help reduce increased property taxes caused by gentrification. **Gentrification** should not be viewed as a bad thing. Gentrification is a good thing when it replaces old or blighted properties with improved and refurbished homes; it helps to reduce crime; increases home prices for homeowners when they sale their homes; adds more tax dollars to the General Fund; and more importantly, stabilizes neighborhoods and encourages positive economic growth.

However, there is a **downside** to gentrification that is real and can have a negative impact on longtime homeowners who do not want to sale; or feel that they cannot sale their homes and afford another desirable place with the sale proceeds. The City **owes** these longtime residents who have provided

stability and a reliable tax base some limited financial support. This financial support should be based on today's economic and financial realities when it comes to setting policies and guidelines for both code home improvements and property tax assistance for homeowners in areas heavily impacted by gentrification.

I was disappointed that not a single cent was in the proposed FY20 Budget, that Mayor and Council adopted at the June 3, 2019 Council Meeting. During the final Budget Hearing, I asked Mayor and Council to do something for the residents by voting to place **\$2 million** in a restricted account labeled "**RESIDENTIAL REFRENDUM PROJECTS**" using funding from **the \$31.4 million** in the Electric MCT account. This **\$31.4 million** is part of the accumulated profits collected from electric rate payers over the last ten-an -a half years.

Where as other MEAG member municipalities, such as Marietta, used their refund proceeds from MEAG to reduce their electric rates, East Point choose not to reduce their electric rates. Instead, the City **created** the MCT account and **deposited \$40 million** into it from 2008 thru 2018. Who has benefitted from the \$40 million windfall?

1. The new City Hall is good for the City's image and provides employee workspace for all the City's Departments except Fire, Police, Customer Care, and Public works.
2. City vehicles for various departments.
3. Street resurfacing, sidewalk improvements and design made prior to 2014.
4. Provided ten years of across the board pay raises for all employees by transferring electric utility funds under inflated "**indirect costs**" and "**other sources**" in the General Fund.
5. In the last **eight** months, Mayor and Council have gone on more than a **\$130,000** spending spree financing banquets, balls, flea market entertainment events, jazz events, and making **donations** to non-profit organizations that have **not** produced a single tangible and measurable outcome for the residents or the City.

It is time for Mayor and Council to **invest** in the homeowners who have **produced** and continue to

produce tangible and measurable outcomes by paying increased property taxes; higher electric utility rates; and stabilizing their communities. They need help and the Electric Utility MCT fund is in great financial health. East Point Electric Utility MCT account have a fund balance of **\$31.4 million**. The City of Marietta Electric Utility has a fund balance of **\$36 million**.

ELECTRIC UTILITY RATES

The City has been **charging** its electric rate payers **unauthorized** rates since July 1, 2013 based on a document that:

1. Was never voted on by Mayor and Council
2. Cannot be documented by Council. Minutes, Council Agenda, Council Video Tape or Council Tape Recording discussion.
3. Cannot provide a Special Call Meeting Notice for a Saturday, June 1, 2013 Council Meeting to adopt the Ordinance.
4. Cannot be found listed on Municode under Ordinances passed in 2013.

This information came out during the Plaintiffs Class Action Lawsuit. I brought this to the attention of Mayor and Council at a Council Meeting in 2016. I requested that they investigate this matter. They refuse even to discuss it.

The Residential Electric Rates in the unauthorized document that the City has been using since July 1, 2013 are:

1. **Summer monthly rate (May through October bill):**
 - a) First 500 kWh ...9.8 cents per kWh
 - b) Next 500 kWh12.2 cents per kWh
 - c) Over 1,000 kWh... 13.9 cents per kWh
 2. **Winter monthly rate (November through April bill):**
 - a) First 1,000 kWh 9.8 cents per kWh
 - b) Over 1,000 kWh ...9.3 cents per kWh
- Minimum Monthly Bill... \$12.00 per month

When you look at the Electric Utility Ordinance adopted by Mayor and Council on November 5, 2012, you will discover that the **Winter Monthly** kilowatt hours schedule and rates changed. You can calculate the difference to see how much you have been **overpaying** for the last six years.

The last Electric Utility Ordinance voted on by Mayor and Council was on Nov. 5, 2012 and can be documented with:

1. Work Session Agenda, Tape recording
2. Council Meeting Minutes
3. Council Meeting Video Tape
4. Listing on Municode under Ordinances passed in 2012.

The Residential Electric Rates in the Nov. 5, 2012 Ordinance are:

1. Customer Charge: \$12.00
2. **Summer-May through October Billing**
 - a) First 500 kWh @ 9.8 cents per kWh
 - b) Next 500 kWh @ 12.2 cents per kWh
 - c) Over 1,000 kWh @ 13.9 cents per kWh
3. **NON-SUMMER-November through April Billing**
 - a) First 500 kWh @ 9.8 cents per kWh
 - b) Next 500 kWh @ 9.1 cents per kWh
 - c) Over 1,000 kWh @ 8.4 cents per kWh

Minimum monthly billing: \$12.00 per month

NOTE: There is no documentation that any power cost adjustment (PCA) rider or economic mitigation rider was ever passed for either the 2012 Ordinance or the 2013 Document. Complete copies and supporting documentation for both the 2012 Ordinance and the 2013 Document can be found on my [website](#) under the post: **East Point Homeowners Have Access to \$2 Million in City Funds for Code Home Improvements and Assistance with Property Taxes in Areas Hit Hard with Gentrification!**

WHAT CAN RESIDENTS DO?

Only Mayor and Council **can** vote to **spend** money from the City treasury by **legislation** or **residential referendum**. So, if residents want the **\$2 million** in MCT funds to be placed in a restricted account for code home improvements and financial assistance with reducing property taxes in areas hard hit by gentrification, **they** will have to **lobby** Mayor and Council to do so **legislatively** or place a **residential referendum** on the November 2019 Election Ballot. If residents **cannot** get **five** votes on the Council to support them, they can work to get new **Candidates** in the upcoming November Election to **sign** a loyalty pledge to **vote** to support them at the first Council Meeting in January 2020.

In 2011, when I could not get five votes to defeat the Proposed FY 2012 Budget that contained Ordinances affecting the Electric Utility that were not individually voted on by the Council, I joined the residents' lawsuit filed against the City and requested that the lawsuit not be served until after the November 2011 Election. Working with residents in Wards A and D, we supported Candidates Alexander Gothard and LaTonya Martin. They were elected and in 2012 we had the five votes to:

- 1) Change and correct the huge increases in the amount of transfers from the Electric Utility to the General Fund.
- 2) Stop a combined \$8 million from the Electric; and Water and Sewer Utilities paid to the General Fund as indirect costs without any objective formula or criterion.
- 3) Adopt and codify the 2012 Electric Utility Rates Ordinance.
- 4) Fire CDM, after overpaying them \$4 million.
- 5) Fire City Manager Crandall O. Jones.
- 6) Adopt the Constant Payment Method for reducing the \$59 million Unfunded Pension.
- 7) Fund a restricted account for the renovation/building of a new Auditorium/performing arts center.

Mayor and Council can vote at the next Council Meeting:

- 1) To stop violating the Charter by using a fraudulent document to collect unauthorized increased Electric Utility rates and make refunds to the residents.
- 2) To reinstitute the legally authorized 2012 Electric Utility Rate Ordinance.
- 3) To set up a \$2 million restricted fund for code home improvements and property tax assistance for hard hit areas caused by gentrification.

There is no need for residents to spend more of their own out of pocket money to take the City to court, when they can get the same results by getting five votes on the Council **now** or after the **2019** November Election. **Residents, organize and fight for what you want!**

Please visit my website for more and updated information.