City Council of Peachtree City
Meeting Minutes
Thursday, August 19, 2021
6:30 p.m.

The Mayor and Council of Peachtree City met in regular session on Thursday, August 19, 2021. Mayor Vanessa Fleisch called the meeting to order at 6:30 p.m. Others attending: Terry Ernst, Mike King, Kevin Madden, and Phil Prebor.

Public Comment

Keith Larson introduced himself as a bicycle and pedestrian advocate. He thanked Council and staff for following through on the 2017 Special Purpose Local Option Sales Tax (SPLOST) projects to maintain and add new paths and bridges, as well as looking to solve safety issues. Larson mentioned the crisis in recruiting and retaining first responders, saying most residents were not aware of it. He urged Council to not target a middle of the road approach when setting salaries for Police and Fire personnel.

Suzanne Brown was concerned about the proposed annexation of property to the east of the City. She asked how many houses were being built in a new development near this property and what would the impact of those homes be on the schools and City services? She commented that the property in the annexation proposal was developed outside of Peachtree City regulations.

Agenda Changes

None

Minutes

King moved to approve the August 5, 2021, regular meeting minutes as written. Madden seconded. Motion carried unanimously.

Consent Agenda

1. New Alcohol License - Rooted Café

2. Georgia Emergency Management and Homeland Security (GEMA/HS) Grant Acceptance and FY2021 Budget Amendment

Ernst moved to approve Consent Agenda items 1 and 2. Prebor seconded. Motion carried unanimously.

Old Agenda items

None

New Agenda items

08-21-04 Accept Step 2 annexation application and begin staff review for approximately 75 acres on Genevieve Court and the Longboat Subdivision

Planning and Development Director Robin Cailloux said acceptance of Step 2 would start the timeline for the State's annexation process. The property consisted of the existing Longboat subdivision and offices on SR 54 and Genevieve Court. It was coming in under the 60% methodology. There was no proposed change in the land use and the development pattern. The subdivision contained 47 lots of one acre or larger, and there were seven office lots, of which three remained undeveloped.

The impacts to the City included maintenance of one mile of road and the stormwater structure in the rights-of-way. This property was developed under Fayette County standards, which did not call for stormwater easements on the private property. All of the easements on the property belonged to the homeowners' association (HOA); that included maintenance of the sidewalks, greenspace, the ponds, and the dam, which was certified by the State before it was accepted and the property subdivided by Fayette County. Annexation would bring in about $80,000 a year in ad valorem taxes at the current millage rate.

Cailloux stated that acceptance would begin the State-mandated process. They would notify the County the following morning, and the County would have up to 30 days to object. Council could not make a decision before that 30-day period ended, but the public hearing process could begin. The Planning Commission would hold a public workshop at its September 13 meeting, and City Council would hold a public hearing at its October 7 meeting if they moved ahead with the application process. Acceptance of the application did not imply that the annexation would be approved by Council.

Fleisch asked how many of the houses in Longboat had Peachtree City addresses? All of them, Cailloux replied, noting that was controlled by the Federal government. Fleisch pointed out that there were many homes just outside the city, but with Peachtree City addresses, that were appraised as if they were in the city.

Fleisch wanted to know what data points they would consider if Council moved this application ahead? Cailloux said they looked at service delivery, considering the pros and cons of annexing, both to the existing residents and potential future residents. There was already a service delivery strategy with first responders to areas adjacent to the City, so if the County needed help, Peachtree City would be available. New services the existing residents would have access to include the path system. There were 50 acres being developed just to the south of this land, and the developers were required to put in a path system, which would be adjacent to Longboat.

They also looked at the liabilities, now and in the future. That included maintenance of roads, curbs, gutters, and stormwater. Cailloux pointed out that the school system was countywide, not a city system. She also pointed out that Longboat was an existing development, so there would be no additional impact on schools. By it being an existing development, there would not be issues with utilities.

The Mayor wanted to know more about the dam, and Cailloux said the City would not be taking it on. The County had required certification before the property was subdivided. The dam was owned and maintained by the HOA. There was no public liability.

Was there any land in the annexation property where additional development would be feasible? Madden asked. Cailloux said there were two or three undeveloped office lots, but they were all on septic. As in other places in the City, if a lot was undeveloped, it was because there were issues. These were steeply sloping lots at the end of the office property. There was an events facility, a doctor's office, a day care facility, another medical office, and a building that was rented to various tenants. This land was zoned Office-Industrial (O-I) in the County and would remain O-I if annexed. The subdivision was zoned Residential-40 (R-40) by the County, which Cailloux said was almost identical to Peachtree City's R-43, which basically meant one-acre lots.

Madden verified with Fire Chief Joe O'Conor that this would not put any undue burdens on the Fire Department. O'Conor pointed out that property just across the street was being developed, so they would already be operating in this area, and 40 extra houses would not have a big impact.

This would fit in with the idea of filling in the City's borders, Madden commented. This development of one-acre lots was similar to Smokerise Estates and was very appropriate on the edge of their boundaries, Cailloux responded. Along Ebenezer Road, there were lots of five acres or more, and it would not be much value to those property owners to be annexed into the City. This annexation would create a clean line of demarcation between what could be considered suburbanized or urbanized and rural.

The subdivision approached the City about annexation, Fleisch noted, and Cailloux said the residents saw the writing on the wall regarding the new development and access to the paths. There was already a "rogue" path that ran through private property from Longboat to connect to the path network, and residents did not want to lose that. Cailloux said they told them they could not guarantee that. If they wanted to keep that connection, they needed to be annexed and pay City taxes to maintain the paths they were using. They went to the HOA and got 87% of the homeowners to sign the petition. The City provided them with a letter saying what the increased taxes would be.

Prebor confirmed that approval would be just to keep the process moving.

Ernst wanted to know if the HOA maintained the stormwater, and Cailloux said the stormwater infrastructure was in the public roads, and she counted 24 inlets, and there was about 800 linear feet of pipe. Anything in the right-of-way was now maintained by the County and, if annexed, would be maintained by the City. There were a couple of drainage easements around the pond, but those all belonged to the HOA.

Fleisch again clarified that this was not a vote on the actual annexation, but a vote to allow the analysis of the pros and cons to proceed and to hold the public hearings.

Prebor moved to approve New Agenda item 08-21-04, accept Step 2 annexation application and begin staff review for approximately 75 acres on Genevieve Court and the Longboat Subdivision. King seconded. Motion carried unanimously.

08-21-05 Consider Adoption of 2021 Millage Rate
Finance Director Paul Salvatore explained that the City budget had two components: maintenance and operations (M&O) and bond. The current tax rate was 6.232 mills, and they proposed a full rollback in the amount of 0.189 mills, bringing the proposed millage rate to 6.043 mills. The bond millage rate would remain at 0.

There was 5.5% growth in real property asset values in 2021, with 2% from new added growth and 3.5% from reassessments of existing property. The rollback neutralized any impact from those reassessments. There was no tax increase, but, Salvatore emphasized, there was no tax decrease, even though they were lowering the millage rate. They did not want a tax decrease right now because it would jeopardize grant money that could not be used for a tax decrease. The rollback was anticipated in the 2022 budget process.

The 2% in new added growth would generate about $141,000 annually in new property taxes that would help fund new services needed to serve that growth. If they did not do the rollback, Salvatore went on, the 3.5% from reassessments would generate $519,000 annually. That could be considered the opportunity cost of not keeping the millage rate at the current level. This meant deferring any new or expanded services because the budget policy stated that new services had to be fully funded by new sources of revenue or through expense cuts. Over the last three years, for example, there were no rollbacks, and they added three firefighters each year, for a total of nine new firefighters. They would be adding another three in 2022, but, with no rollback, had to identify an expense cut, which they did through a reduction in part-time salaries.

Best practices in government finance called for the goal to be millage rate stabilization. Consistent lowering of the millage rate had ongoing and cumulative effects. The City used cash reserves judiciously to maintain stability. They accomplished this through multi-year financial planning. The five-year financial plan showed how they intended to keep the millage rate at 6.043 mills for the next five years by drawing $1.2 million out of cash reserves for capital projects. That was not an ongoing expense. This would drop the reserve percentage down to 45%, still well above the 31% minimum policy requirement. There was $20.6 million in reserves projected for 2022; five years out, the reserve fund would be about the same amount, although at a lower percentage of the budget.

The model also anticipated inflation. Next year's expense line reflected projected increases in supply costs, fuel, lumber, labor. However, there was a rise in revenues. Last year, they projected lowered revenues due to COVID, but that did not happen. In future years, they showed about a 3% increase. This was helping balance expenses and revenues and hold the millage rate steady, he remarked.

The millage rate history for the last 10 years, since coming out of the recession, showed that the M&O rate remained steady for five-year periods. The last rollback was in 2017, which was the year SPLOST money came in. The bond component was paid off, and there were no immediate plans for another bond referendum. The total millage rate had dropped a total of 1.135 mills over the past decade.

Salvatore concluded by saying staff recommended Council adopt the 2021 rollback rate of 6.043 mills for the M&O budget.

Prebor wanted an explanation of how 2% new growth yielded an additional $141,000, but the 3.5% increase through reassessments totaled $519,000. Salvatore explained that lowering the millage rate not only applied to all the new property, but to existing property, as well.

City Manager Jon Rorie said last year, 100 new houses were built. They were anticipating taxing those new houses at 6.232. There were also 10,000 housing units that would be taxed at 6.232. Those existing houses went up in appraised value, and there were a lot more of them than there were new homes.

Fleisch said she had reservations about doing a rollback because she remembered the years of having to scrounge around to fix things that had not been tended to in 20 years. Now, they had resurfaced more than 200 streets, and the City was in the best financial shape it had been in for many years. She said there was a part of her that said they should do the rollback because they had been good stewards, but there was another part that worried about who would be on Council next year and what could happen. She commented that the number one way people pounded their chests was by saying they would lower taxes, and the City suffered for years due to that kind of thinking. It took a long time to get back to a sound position, the Mayor noted, so she was still contemplating.

King mentioned that he had been on Council for seven and a half years and remembered having to borrow money to pay for deferred maintenance. Now, because of the consistency in the millage rate, they had maintained the City, but still increased the reserve to end 2021 at 51%. That allowed them to pay cash for what they had been borrowing. Without this financial planning, they would have been in dire straits when COVID hit, King remarked. He thanked Council for staying with the course.

They had been able to continue paving roads and cart paths as well as expanding the path system, Ernst added. Even after a pandemic, they were in the best financial shape they had been in.

Madden noted that Peachtree City was a special place, and they had to maintain the features that separated them from the pack. They had to maintain the roads, the path system, the recreational facilities, and he felt they had the support of the population to move forward and protect their assets.

Prebor noted that it was possible only he and King would be there the next year. King said they would try to maintain the course.

What was the difference on the average assessment? Fleisch asked. The average residential tax bill, even with the lower millage rate, would still increase by about $15, Salvatore responded. Commercial values declined, as did motor vehicle values.

Rorie went back to the financial model, and said he wanted to be clear that the numbers would change. They always asked staff to budget conservatively and execute with a 90% range, not a 100% range. It was not true that if a department did not spend 100%, they would not get that amount next year. There was an expectation in the budget model that they would spend 2% less than what was forecast. There was also an expectation that they would collect 2% more. Rorie stated he was not fearful of the long-term consequences of the rollback, but he recognized there was an opportunity cost. However, this was fiscally responsible at this time. They would not have another rollback for five or 10 years.

King moved to approve New Agenda item 08-21-05, adoption of 2021 millage rate. Madden seconded. Motion carried unanimously.

08-21-06 Recruitment and Retention Incentives
Assistant Police Chief Lt. Matt Myers said recruitment and retention issues were not restricted to the Police Department, but the problems might be a little more pronounced with the Police. He showed a diagram that compared, from 2015 to 2021, the number of police officer applications they had received, the number of officers hired, and the number of departures. In 2015, they got about 15 to 20 applications for every person they hired; more recently, it had been along the lines of five to seven applications for each position. The number of applications had gone down, and Myers said he was concerned about the quality, as well.

So far in 2021, they had received 37 applications. Nine were not interviewed because four withdrew before the interview process; three did not show up for scheduled interviews; two did not meet requirements to merit an interview. Fourteen were screened out after an interview; half did not meet basic job dimensions, and half were screened out due to POST investigations, prior terminations, drug use, prior arrests, etc. Four were given conditional job offers but were not on-boarded; one certified officer withdrew one week before the start date; two were given job offers and elected to discontinue the pre-employment/background process, and another failed the pre-employment psychological exam. Three applicants were hired, but one resigned within a few weeks. Two others were hired and still on board. Three people had been given conditional job offers and were in the background investigation process. Four people had applied and were in the initial screening process.

It was not just the scarcity of applications, Myers commented, but the lack of ability to convert them into long-term employees. He said he did not believe 2021 was an anomaly. In 2020, 12 officers were hired, and five had already departed. Two failed to complete the academy; two left for other agencies, and one was changing career fields. There were more departures, but this was just out of the ones hired last year.

He said there was a distinct difference in the cost of hiring a certified and a non-certified applicant, in both training and time to get that person out on the street. A non-certified applicant had to go through two months of pre-academy training and 11 weeks of academy training. There were costs related to overtime during the academy, as well as fuel costs and expenses. There was time they were paid for field training, when they were training with another officer. Training officers also got paid extra because of the increased workload on them during that time. The average cost was $28,927 to get the non-certified applicant to the point where they were allowed out by themselves. In comparison, a certified officer with a couple of years of experience cost about $5,600, a difference of about $23,000. In terms of time, it amounted to about six or seven months between hiring and getting them out on the road.

There were 28 vacancies throughout the City. The Fire Department had eight openings, as did the Police, plus a crossing guard. Code Enforcement had an opening for a park enforcement officer; the Convention and Visitors Bureau needed a sales manager. Public Works had three openings, and Myers said he understood they were also having some serious issues with recruiting. Five positions were open in Grounds, and Recreation had two vacancies.

Myers said he wanted to talk about paying out a recruiting incentive to applicants who were successfully on-boarded. A certified officer or paramedic would get $2,000 at the time of hire, and $1,500 when they completed field training. Non-certified officers or non-paramedic firefighters would get $1,000 at the time of hire, and another $1,000 after completing field training. All other full-time openings in the City would get $1,000 on hire, and another $1,000 after three months continuous employment. All payments would be conditional under a minimum term of employment, and they would have to pay the money back on a prorated basis if they did not meet that condition. These were the values actually paid to the employee, so the payment would have to be grossed up, so the employee would see that amount after taxes.

An employee referral bonus was also being considered, Currently, an existing employee who recommended a new hire got $250 at the time of hire, and another $250 after one year of their employment. Myers proposed upping that amount to $1,000, with half paid upon the candidate's employment and the other half paid after three months or when the candidate completed field training.

Myers said this was just one step in addressing the problem, and he hoped it would enable them to hire more certified officers. It had been over a year, he remarked, since he had hired a certified officer.

Madden noted this was not a problem limited to Peachtree City; other agencies were having trouble with recruitment. Myers said it was a nationwide issue with law enforcement agencies in particular. The metro Atlanta area was a very competitive market.

Ernst asked Myers to confirm that this was not because Peachtree City offered lower salaries that its neighbors. He said he believed they were competitive.

Rorie noted that Human Resources was currently working on the bid process for a pay and compensation study. The last study was done in 2014, and afterwards they raised salaries about $900,000. Since then, they had focused on the Consumer Price Index (CPI), Cost of Living Adjustments

(COLA), and targeting new hires within the range to remain competitive. He hoped to include the results of the study in their first workshop session on the year-end fiscal analysis in December. Rorie said he anticipated it would find they were competitive in the market for most of their positions, but thought they would have to move the bar for police officer 14s,15s, and 16s and firefighter/paramedics. Two years ago they did an adjustment of $2,500 for all Public Safety positions.

They had been relatively successful, but people still did not want to work for government, specifically the police. Rorie said they had rolled out a career development program and could negotiate higher salaries for certified officers. But it was a citywide problem, he noted. Did it make sense to hire 10 police officers, if they could not hire a mechanic to keep their cars on the road? This was a critical step to take to be able to onboard some certified officers. After the pay and compensation study was complete at the end of the year, they should be able to evaluate salaries and make a recommendation for salaries across the board, not just for police officers.

Prebor said he was sure the citizens would be more than glad to raise the pay as necessary.

The shortage of officers also impacted retention, King noted, because it required the other officers to put in overtime and take time away from their families. After a certain time period, job satisfaction began to drop. Retaining an employee was much cheaper than trying to hire and train a new person.

Myers agreed, saying he recalled when 50 hours of overtime would be higher than average. Now, he was routinely signing payrolls with 250-260 hours of overtime. Years ago, officers would fight for that overtime, but the workforce was different now and that was no longer the case. He said he had an exemplary staff who had stepped up to work extra shifts. This had happened in other City departments, too, but it was a long-term strain on the workforce.

He said their salaries were competitive, but should they be comparing themselves to other departments that were struggling as badly as they were?

Ernst said that was his point—it was bad everywhere. They had a force that was the best of the best, and they were not going to lower their standards to just fill a slot. Most of the Public Safety officers could not afford to live in Peachtree City. Many of them shared apartments or houses so they could live here.

The overtime was good for awhile, Madden noted, but then it got to the burnout point. He said he agreed with Ernst that they wanted the best. They wanted to maintain the number 1 Insurance Services Office (ISO) rating, and the citizens would agree that all workers should be compensated correctly.

Madden moved to approve New Agenda item 08-21-06, recruitment and retention incentives. Ernst seconded. Motion carried unanimously.

Fleisch asked how soon this could be implemented? Immediately, Rorie responded.

Council/Staff Topics

Policy/Procedure 10-03 Private Subdivision Paving Coordination

City Engineer Dave Borkowski said he wanted Council to discuss something Public Works had been doing over the past several years to assist private street subdivisions with their maintenance. When the City's street paving contractor was in town, private street subdivisions would often ask to piggyback off that contract. The City had already bid out the prices and gotten good economy of scale because there were a lot of roads. In the past, when they got these requests, they put the subdivisions in touch with the paving contractor to see what they could negotiate. He recalled one or two times when it had worked out, and the paving contractor was able to do some work on these private streets while they were working in town.

In putting a policy together, Borkowski said, they had formalized that process. The HOA or the subdivision would have to make a formal request in writing to the City. The City would do a quick cost estimate so the subdivision could understand what was entailed. If they wanted to continue, the City would notify the contractor and try to facilitate a meeting with the subdivision representatives. This was with the understanding that there was no obligation on the contractor's part to do the job or honor the City's prices.

Fleisch how many subdivisions had private streets? Borkowski said there were 22. She clarified that they owned their own streets, so the City did not do their paving. This was a way to help them. Borkowski said this policy just formalized what they already were doing.

This was a first read, the Mayor said, and Rorie said he wanted to get their opinions before he placed it on the agenda as a Consent item.

Madden explained what was meant by "economy of scale." If the paving companies were already working in the City, with all of their equipment, they would be able to do a small project in a subdivision at lesser cost than if they had to bring in a crew and equipment just for that subdivision.

Had Infrastructure Management Services (IMS) evaluated the private streets when they did the public ones? Fleisch wanted to know. Borkowski said they did not. Rorie said private streets typically were evaluated via core tests, and City staff had also evaluated some to give them an idea of the condition.

Playground Update Report
Recreation and Special Events Director Quinn Bledsoe showed a photo of the long-awaited pickleball courts, saying they would open the next day. There was a little landscaping left to be done, but otherwise they were complete.

Council approved a bid for All Children's Playground at its last meeting, and Bledsoe said she got a general timeline from the contractor. There was a shortage of steel, which was what the posts were made of, and also an 18% price increase for steel. The contractor said they would absorb that cost.

All companies were running behind because they were waiting on materials for production, Bledsoe noted. The delivery of their two or three trailer loads of equipment would be after January 1. The additional shade sails they approved had been added, but she said shade sails were slow to install because of the wind load requirements. In total, they were looking at about a four-week installation time. The existing playground could remain open during that time, except for about seven days.

Weather permitting, Rorie asked, when could she show a photo to Council of the completed playground? Bledsoe replied that she hoped it would be by early spring, maybe March 1. She said there were delays in every project because of materials shortages. The pickleball courts were delayed because they could not get chain link fence.

Madden mentioned all the Recreation projects that had been completed, such as the new hockey floor, the gym floor, and the splash pad. Rorie said there was more to do, and they would keep on with their steady progress.

King moved to convene in executive session for threatened or pending litigation and the acquisition or sale of real estate at 7:45 p.m. Ernst seconded. Motion carried unanimously. Madden moved to reconvene in regular session at 8:08 p.m. Prebor seconded. Motion carried unanimously.

There being no further business, Ernst moved to adjourn the meeting. King seconded. Motion carried unanimously. The meeting adjourned at 8:09 p.m.

Martha Barksdale, Recording Secretary

Vanessa Fleisch, Mayor