

City of Peachtree City
BUDGET WORKSHOP
Minutes of Meeting
August 11, 2003
7:00 p.m.

The City Council of Peachtree City met in a workshop session on Monday, August 11, 2003, 7:00 p.m., in the Floy Farr Room of the Peachtree City Library. Council Members attending were: Mayor Steve Brown, Annie McMenamin, Steve Rapson, Murray Weed and Dan Tennant.

Staff members present were: City Manager Bernie McMullen, Interim Operations Manager Colin Halterman, Financial Services Director Paul Salvatore, Administrative Services Director Jane Miller, Acting Developmental Services Director Troy Besseche, Leisure Services Director Randy Gaddo, Assistant Fire Chief Ed Eiswerth, Police Chief Jim Murray, and Acting Public Services Director Bobby Thompson.

Mayor Brown led attendees in the Pledge of Allegiance. Materials before Council were copies of Salvatore's presentation and an additional chart on fines from Council Member Rapson.

Salvatore began the presentation by summarizing the issues discussed at the workshop meeting on August 7. These included incorporating the employee Cost of Living Increase (COLA) back into the budget, publishing UPDATE Newsletter on the web site only, reducing the Council Contingency Fund to \$100,000 and the Police Department Reward Fund to \$10,000, and adjusting the reserves and salary savings.

Salvatore then noted that, in an effort to further reduce the millage rate, Tennant had suggested looking at increasing court fines. Staff had surveyed neighboring jurisdictions at the request of Rapson to compare fines charged. Salvatore also noted that staff had some concerns about this proposal. He indicated the Judge would need to agree that the fines were reasonable based on the City's values, and explained that much higher fines on littering were adopted previously due to the City's desire to emphasize that subject. Additionally, not all the fines could legally be doubled because some were already near or at the legal maximum. Tennant noted that the \$450,000 estimated increase in revenue presented at the August 7 workshop factored in those limits. Salvatore then noted that the Judge could also impose lesser amounts based on the circumstances, and that defendants could also bind over to State Court, which would eliminate the City's collection of the entire fine amount. Finally, the increase in fines had to reflect the maintenance of adequate manpower in enforcing the ordinances.

Tennant asked how often defendants requested that their cases be bound over to State Court. Miller said it used to be fairly common before the City hired a probation service that provided for incremental payment of the fines; however, it was now less common, but possible, especially if the state court maximum fine were \$500 less than the City's and defendants knew there was no extra cost in binding over.

Salvatore then presented the results of the fine comparison survey requested by Rapson at the previous workshop. McMullen explained that the offenses selected for comparison were based on staff's knowledge of the higher incidences of offenses. The survey included Peachtree City, State Court, Fayetteville, Tyrone, Griffin and Newnan fines, and indicated which jurisdiction imposed the highest fine for each offense. The State only had the highest fines for no tag and expired tag offenses. Rapson asked if those were the only times defendants bound over. Miller said that many defendants did not know about the lesser fines, and Weed added that the main reason cases were bound over was to have a jury trial. He added that municipal court proceedings were usually quicker and had the potential of more influence with the Judge.

McMullen said he had met with Judge Powell earlier in the day regarding the possible increases. He said the Judge's concerns included the expectation that, rather than simply paying the fine, more defendants would come to court. He added that there were currently situations in which defendants did not have the ability to pay, so they went to jail, and that could also increase. Another concern was that, if Peachtree City's fines were significantly out of line with other jurisdictions, it could give Peachtree City a negative image.

Rapson said he had reviewed the list, and a lot of Peachtree City's proposed increases still fell within the existing highest amounts. He said when Peachtree City's fines were lower, they could be revised to mirror the current highest rate of another jurisdiction. Rapson said that, with this approach, he projected about \$153,901 in increased revenue. Rapson added that he felt it was still important to take all the proposed changes to the Judge.

Tennant said that, at the last workshop, he had expressed his feelings that Peachtree City should lead rather than follow in the fines. He reiterated that he did not care what the other jurisdictions charged. Tennant then showed that Peachtree City was already two to five times higher in fines for such offenses as Minor in Possession, No Insurance, Littering and Disorderly Conduct. No one was staying out of Peachtree City, and Tennant said these differences told him the City did not need to worry about increasing the other fines. He said he was still in favor of maximizing the fines and letting the lawbreakers pay since most were not Peachtree City residents, instead of putting the burden on the backs of homeowners.

McMenamin questioned the statement that "fines must be reasonable based on the community's values." Rapson said that some of the fines, such as Littering and Minor in Possession, were so much higher because Council wanted to send a strong message on those issues. He said the City needed to go through a more studied process, which should include input from the Judge. He said Council also had to be aware that they might start discouraging people from coming into the City. He said Council needed to initially agree on some margin for increase, which Rapson said he did not think would be as high as \$450,000, but it also would not be as low as \$50,000. However, they should direct staff

to work on the issue and come back to Council, rather than incorporating it into the budget.

Salvatore said when he began working for the City three years ago, they conducted a comprehensive revenue survey and said it would be revisited every three years or as needed in between. This survey was slated again for FY2004. Salvatore said staff felt it was somewhat late in the game to incorporate court fine increases in the budget because the Judge's input was needed. He said the proposal before Council stayed with the original proposal, and the increase in fines could be something to adjust the budget during the year. Salvatore noted that the 10-year model projected increases of 1 mill in both FY 2005 and FY 2006. The comprehensive revenue survey could help bring those future increases down.

Tennant asked if he was recommending keeping the fines the same in FY 2004. McMullen said yes, for purposes of budgeting, but that staff would move forward with the revenue survey to implement later, helping both FY 2004 and future years where the model was showing increases would be needed. McMullen said he was concerned about not doing things in a coordinated fashion, and felt the City needed to look at all fines and fees, rather than just the top 25. Tennant said he felt it was a mistake and a missed opportunity, and he would be highly disappointed if they did not implement the fine increases in the budget. He said it was a clearly identified source of major revenue, of which 60% came from non-residents of the City.

Salvatore said the first public hearing on the budget was the following Thursday, August 21, and staff needed direction from Council as a whole on this issue. Rapson said he felt it was a good idea, but was premature. He said some of the projected revenues could be incorporated into the budget, but he did not want to give the impression that the City was just unilaterally doubling fines. He said he would also like staff to look at Recreation fees in the review processes, and said Council could amend the budget later in the year when there was a better basis for making the changes. McMenamin felt it was a good Retreat item for the others to discuss the following year. Rapson said he preferred taking the time to do things right, although he commended Tennant for bringing the potential revenue source to light. McMenamin felt the City could easily go ahead and match the other fines currently higher than the City's. Rapson said there was a problem when other jurisdictions were charging less, making it necessary for the City to justify an additional increase. He felt that, until the comprehensive review exercise was completed, the City risked doing things improperly.

Weed said that, while he agreed with Tennant that the funds could come from lawbreakers for whom he had very little sympathy, his biggest concern was the time crunch, the need to include the Judge in discussions, and the need for more intensive study on the fines and fees. Rapson added that he also felt fines could be increased, but he did not think Council should do it that night.

Tennant asked what the down side would be of implementing the maximum fine and looking at the overall picture later, versus leaving fines the same now and revising them later. Rapson said he was comfortable putting \$95,000 in the budget for increased revenues, but not \$350,000.

Tennant said the Judge was appointed by Council and should enforce the will of Council. Brown noted that Council could not tell a Judge what to do. Tennant countered that Council could find a new Judge. Brown noted that Council could not tell that Judge what to do, either. Tennant reiterated that the Judge serves at the will of Council. McMenamin said Council set the maximum fine, but the Judge had discretion in what was imposed. Brown said he had sat in on court before, and sometimes people could not pay an \$87 fine. He asked if the City wanted to pay the daily charge to house someone in the jail for six months if they could not pay a fine.

Tennant said that, in the big picture, if Council did not adopt the fine increases, the only alternative was to send another \$100 invoice to every family living in the City.

Weed said that, for him, it was mostly a timing issue, and he was not confident they could get the details worked out by the time they had to adopt the budget. He said he thought they should look at all fees and fines, talk to the Judge, and this should be done sooner rather than later. McMullen said he had given the Judge the fine comparison chart, and the Judge felt some of the fines could certainly be increased, but he would be concerned if the City proposed doubling the fines across the board.

Rapson noted that Peachtree City was very lucky not to have the court complaints that other jurisdictions had. He said it was a real problem in other areas. Rapson also noted that the Police Department had a good relationship with the current Judge. He felt that it was a reasonable compromise to include up to a \$100,000 increase in the budget and to implement the increases as quickly as possible. Tennant said that, assuming Council shared the "sooner rather than later" philosophy, he felt \$100,000 was on the low side, and suggested including a \$200,000 increase in the budget. Rapson said that even the \$100,000 amount made him a little uneasy, but he could easily account for \$95,000, so felt it was not an unreasonable amount.

Weed noted that the City did not want to replace Judges every time they disagreed. He agreed with the reasoning for including a \$100,000 increase in the fines, and felt that was the best they could do right now. He added that he felt the staff should move forward with the comprehensive review the following month. Rapson reiterated that he could validate \$95,000 right now, but that any additional amounts required more study. Tennant argued that, for budgeting purposes, Council could do whatever they wanted to. Weed said Council had always taken a very studied approach, and this was just a continuation of that approach. Rapson added that he was not merely concerned with the FY2004 budget, but was looking at future years as well. McMullen said he would like to break the review into elements, but staff would begin as soon as possible.

Salvatore then reviewed a series of additional capital projects that could be delayed another year, noting that these were one-time expenses rather than recurring expenses, and the delayed amounts were the financing costs only. The result was a total millage rate increase of 0.58 mills, down from the originally proposed 1 mill. However, reducing the .33 millage adjustment due to the LOST redistribution and the corresponding reduction in the County Millage, the true increase would be 0.25 mills. The total millage rate would be 5.283 mills.

Rapson noted that the City was also still waiting for the results of a study on the Fire Department, which would impact the 5-year capital budget. He added that, with this proposed budget, all employees still had their jobs, the City was still meeting its fund balance requirements, and there was no negative impact on the level of service.

Tennant said he had asked Salvatore to provide citywide information on salaries and benefits costs, noting that the City spent nearly \$15 million on employees. He said he felt the City had among the best employees of any government level. However, it would be easy for Council to look at the budget book and just give approval. It was much harder to try to minimize the burden on the citizens. Tennant said the 1990s were very good to most people, and the City had been able to bring employee salaries up to the 75th percentile. He said the City had excellent employees who worked hard and were appreciated, but Council needed to put that \$15 million on the table for discussion. Tennant added that he was not willing to look at Public Safety, but there were five other divisions. If they operated at 96% of the current effectiveness, the City would have a \$350,000 savings. Tennant said this happened in the real world in difficult times, and the City could not keep everyone and give the COLA. He proposed a four percent cut in staffing, to be determined by the City Manager and Directors and Chiefs, and said it was a mistake not to discuss it.

Rapson said that type of action ended up crippling matrix organizations. He said quality of life was the one reason Peachtree City was great. Rapson said that, if Council had been presented with a chart saying the City was overstaffed, it would be a different matter. But he was not willing to impact service delivery as a Council Member.

Weed said he agreed with Rapson. Although everything was worth talking about, Peachtree City's residents moved here because the City is safe, the streets are clean, the grass is cut, etc. Weed said he was not willing to give that up yet, and did not think the average Peachtree City citizen wanted him to do so. Weed said Peachtree City had so much more than its neighbors, and that did cost money, but it was why the residents moved here.

Tennant said he wanted to clarify that he just threw the four percent figure out as reasonable, noting that 96% was still a very high efficiency level. Rapson noted that, once the Police and Fire Departments were eliminated, Tennant would need a five percent reduction to get to the zero millage increase he was pursuing.

Brown said he was unwilling to segregate departments, and that if a cut were implemented, it should be implemented across the board. He said all the City's employees performed valiantly and provided great services. He said other entities were so overloaded with employees that cutting positions was simple. He said he was not seeing a lot of other cities doing this, and he was watching the State's actions very closely. Brown said the state was not nearly as well off financially as Peachtree City, but they were not laying off employees. Rapson added that the City simply did not have the type or level of staff that supported cuts.

Tennant said he was not saying there was fat in the budget, but felt it had to be put on the table to be fair to the citizens. He said Council was elected to be stewards, not rubber-stampers.

Brown said if they were going to knock the lead out, it would have to be at the top. They could not cut at the bottom. He said that, when the City doubled its landscaping and did not allow Public Works to hire more employees, it had already placed an extraordinary burden on staff. The City would see services greatly decline, versus a mere four percent, when residents expected more. Brown continued that he felt Council was getting caught in a haze of "what's happening now," when some substantial changes were forthcoming. He said there would be some more substantial commercial development within the next one to two years, and LOST would improve. He said Council needed to look at what steps to take until the economy improved.

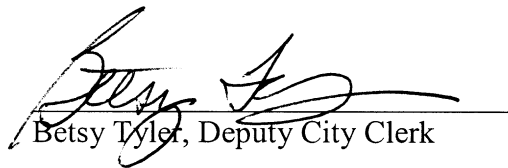
McMenamin said Tennant knew how she felt on the issue of cutting staff. She said Peachtree City's citizens demanded and expected a certain level of service. They were spoiled, and were willing to pay to be spoiled. She said the people she knew expected to call City Hall about a problem and to have it fixed "now." They also demanded and were willing to pay for recreational services. McMenamin said the level of service the City received from its employees was extraordinary.

Brown said that, in other cities, landscaped medians typically had weeds and trash. Peachtree City did not have that, and drivers saw a huge difference the minute they crossed into our borders. Brown said there was no one else to take up the slack if employees were cut, and that there was no fat in the machine. He said that he understood Tennant's desire to look at everything, but there was nothing there to look at. Rapson added that, due to the economy over the past two years, the employees were already being asked to do more. Tennant said so was everyone else in America. McMenamin felt that looking at user fees would be more appropriate. Brown felt that building fees were especially low, in comparison to places like Gwinnett and Fulton Counties. He said increases would not be bilking developers because the City already did not have enough staff to check the silt fences and sites regularly. He said the technical expertise was important, and the City should pay to have it in place. That included the computers to assist with record keeping.

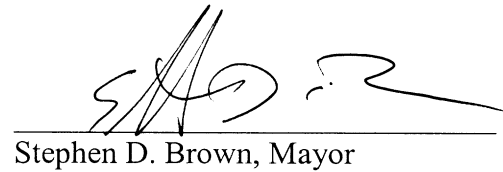
McMullen said during the interviews for Developmental Services Director, he found that a lot of building departments ran on a break even basis, and Peachtree City was not anywhere near that.

Salvatore said staff had nothing further, and the public hearing for the proposed budget was August 21, with adoption scheduled for September 4.

Tennant made a motion to adjourn the meeting. Weed seconded. The meeting adjourned at 8:15 p.m.



Betsy Tyler, Deputy City Clerk



Stephen D. Brown, Mayor