City Council of Peachtree City
Minutes of Meeting
July 22, 1999
6:00 p.m.

The City Council of Peachtree City met in a special workshop session Thursday, July 22, 1999, at 6:00 p.m. in the City Hall Council Chambers. Members of City Council present were: Mayor Bob Lenox, Annie McMenamin, Carol Fritz, Bob Brooks, and Jim Pace. Staff members present were: Jim Basinger, Joe Morton, Colin Halterman, Sherry McHugh, Jane Miller, Ed Eiswerth, and Mike DuPree.

Basinger explained that staff would be presenting a draft of the proposed FY2000 Budget. He said over the past several months, there had been many hours of time and effort put forth in preparing the budget. He said he and the Assistant City Manager held budget sessions with the Directors and Chiefs. He said Mayor Lenox also had an extensive budget session with each of them.

He explained that staff would review the proposed Budget, including the Operating Budget and Public Improvement Program. He said Council's comments from the Retreat had been incorporated into the budget. He pointed out several key aspects of the proposed budget. He said the projected total was $22,961,517, compared to a 1999 total of $20,305,106. He said the proposed budget included significant carryover funds from the 1999 Public Improvement Program and Self-Insurance Fund. He explained the City continued to meet its goal of maintaining at least one million dollars in Self-Insurance Fund with a projected reserve fund of $1,200,000. He also said the City had over $1,120,000 cash on hand to meet the City's cash flow requirements throughout the year. There was $850,000 budgeted for the Council Contingency Fund.

Basinger explained that the carryover funds inflated the budget each year and distorted the actual increase. He explained that the key number needed to determine the actual increase in the budget was what he referred to as "new money" in the General Fund. He said projected General Fund revenues totaled $15,587,367, which was an increase of 4.16 percent over projected actual 1999 revenues.

He said the City's major sources of revenue continued to be Local Option Sales Taxes (LOST) and Ad Valorem Property Taxes. Staff projected a conservative 3 percent increase in LOST and a 7 percent increase in Ad Valorem Taxes. He said permits and related license fees were projected to remain flat with no increase based on buildout, and the resulting decrease in new home construction.

Basinger explained the percentage of revenue by source. Confirming his earlier statement, he said Local Option Sales Tax was the largest source of revenue, and accounted for 33 percent of revenues. He said Ad Valorem Tax took second place, and accounted for 27 percent of revenues. He said the City's Utility Franchise Tax was the third largest source of revenue, followed by Court Fines and Insurance Premium Tax.

Basinger made further comments about the Ad Valorem taxes and reviewed the millage rates for Peachtree City for the past 10 years. He said the budget was based on the existing millage rate of 4.06 mills. He said the millage rate had remained the same for a number of years, and he projected no increase for fiscal year 2000.

In the area of personnel, Basinger explained that the new budget included 3 Firefighter/Paramedic positions, two Public Works Maintenance Workers, one Parks Monitor, and a part-time Secretary Receptionist for The Gathering Place. Added since Retreat was a GIS/Computer Technician and a Leisure Services Maintenance worker.

Basinger said the budget also included funding for proposed revisions to several areas of the Employee Retirement Program. Those areas included a five-year vesting, a matching 457 Deferred Compensation Program, and a revision to the Senior Management Retirement Program.

Basinger also said that staff had presented a proposal at the last Retreat that would cap and begin reducing the amount of the Hotel/Motel Tax being allocated to the Development Authority and the Airport Authority. The proposal envisioned the two authorities becoming self-sustaining by the year 2006. He said the proposed budget began implementing that proposal with $60,807 of the Hotel/Motel taxes being retained in the General Fund.

Basinger reminded Council that Beautiful Fayette had come before them several months ago to request funding in the amount of $16,283. Council advised the representatives of Beautiful Fayette that the request would be considered during the budgetary process. Basinger said staff had drafted a City Administrative Regulation (CAR) governing the funding of Non-Profit/School organizations. He said no funds had been specifically budgeted for Non-Profit organizations since Council historically used the Council Contingency Fund for those requests. Basinger said the Beautiful Fayette representative called him several weeks ago to ensure Council would be addressing its request during the budgetary process. He recommended that Council discuss the item at the end of the Budget workshop.

Joe Morton, Assistant City Manager, gave an overview of the Operating Budget. Following his comments, staff members from each division gave a brief description of their individual budgets.

Brooks asked that staff review the structure of the summary page and possibly have it reformatted in the future. He was also concerned that the Contingency Fund was too high. He expressed his opinion that if staff or Council anticipated an expenditure to come from the Contingency Fund, it should be allocated. Basinger expressed his concern that if funds were allocated for anticipated expenditures, there might be an expectation to spend the funds even if it were later determined that the expenditure was not needed. McMenamin pointed out that many times vendors submitted higher bids than anticipated, and the contingency fund was used to fall back on if additional funds were needed. Basinger said that many times, vendors would submit bids based on the budgeted amount for a project.

Fritz said the budget information that was given to her was confusing. She said that it was not as detailed as the information staff had been provided. Basinger said he would get the information to her. She asked about the new inspector positions that were to be included in the budget. Basinger told her that the new positions had been approved by Council at the last meeting, and were included in the future Operating Budget.

McMenamin said she was aware that the Police Department participated in assessments of accreditation standards for other police departments. She asked DuPree if additional funds were needed in the Police Department Budget. DuPree said that the officers who participated in the accreditation assessments volunteered their time, and that the agency being assessed paid most of their expenses.

McMenamin expressed concern about litter in Peachtree City and asked if the Public Works Department needed additional help to address the problem. Halterman said that during the summer months, the litter problem increased. Lenox suggested starting an anti-litter campaign. Brooks said that the City had initiated an anti-litter campaign in the past and said that perhaps it could be revitalized. McMenamin asked if the Police Department could do anything to help. DuPree said that officers did write citations when litter violations were witnessed.

Pace asked if the Recreation Department was keeping good records regarding chemical use for the pools. McHugh said that the City was very diligent in keeping good records. Brooks suggested that the budget should show more detail as far as the recreation facilities were concerned. He wanted the Operating Budget for the Kedron Field House and Aquatic Center to be designated separately.

Miller explained the proposed changes to the City's retirement plans. She first explained the City's current retirement plan, which provided the following:

- A Defined Benefit Plan through GMA, which required a 10-year vesting period. It had a normal retirement of 65 years of age and early retirement of 55 years of age with ten years of service. She said that the early retirement option carried a penalty of 50% reduction in benefits;

- A Deferred Compensation Plan through ICMA that allowed tax deferred employee payments into a 457 Plan; and

- A Senior Management Plan through ICMA, which provided City payments into senior management 457 Plan accounts.

Miller said staff was recommending the following amendments:

- Amend GMA retirement plan to provide 5-year vesting;
- Establish a City match to employee 457 plan contributions with a 50% City match up to 4% of the employee's salary. (She said the program would not include senior management personnel); and
- Establish a 401k plan for the existing Senior Management Program for any contributions Council may make

She said the total estimated additional costs for these changes would be $97,400, which included $32,400 for the 5-year vesting and $65,000 for the 457-employer match. The funding for the 5-year vesting was included in each divisional budget while the $65,000 for the 457 match was reflected in the Administrative Services budget. Miller said Council would need to approve amendments to plan documents, which would need to be signed and forwarded to the plan providers to implement the changes.

Brooks suggested lowering the 50% match to 25% and leaving the maximum at up to 2% of an employee's salary. He felt it would encourage the employees to save more money. Mayor Lenox disagreed. He felt that it was hard for lower paid employees to save money, and that it would already be difficult for them to save 4% of their salary to benefit from the 50% match. Lenox said his company, Continuous Forms and Checks matched 50% up to 8% of the employees' salary. Pace felt the proposed plan was a good plan. He felt the maximum contribution should be gradually increased from 2% up to possibly 8% in future years. Fritz said she did not have a problem with the matching retirement plan for employees, but she had some questions about the Senior Management Plan. She said it was enacted before she was elected, and that she had never seen a retirement plan based on performance and discretionary criteria. Basinger said he would provide Fritz with information about the plan. Lenox said he would also like to see a summary of the plan before taking final action on it. Lenox liked the idea of changing the vesting requirement to five years.

Basinger reviewed the changes to the Public Improvement Plan. He said the most significant change related to the new recreation projects that were identified in the updated Master Recreation Plan. He said staff conducted a survey of residents in the UPDATE in an effort to determine citizen priorities for the new projects and if they were willing to pay for them with increased taxes. He said the results of the survey appeared to indicate no overwhelming support for any of the projects. He said the Amphitheater and Community Center received the highest rating, which was between a 2 and a 3 with 2 meaning "would be nice."

Basinger said that as a result of the survey, staff attempted to place the recreation projects in the Public Improvement Plan. He said the plan been expanded from 5 years to 7 years, with the projects being inserted in the plan based on Recreation staff recommendations. He said the Recreation Commission was in the process of prioritizing the projects and would be coming forth with recommendations to Council.

said based on informal discussions, he felt the Recreation Commission would support having a Multi-Purpose Roller Hockey Rink being added to the 2000 Program. Other recommendations from the Recreation Commission involving the updated Recreation Plan could be incorporated in the 2001 Budget.

Basinger said a change had also been made concerning the Facilities Plan, which was also discussed with Council at Retreat. He said staff would be presenting the plan to Council within the next several Council meetings. He said Council would hopefully approve the plan and its recommended funding sources. In hopeful anticipation of Council's approval, he had included funds in the FY 2001 and FY 2002 budget. He said if Council did not approve the Facilities Plan, the funds could be removed from the PIP prior to Council's final approval of the budget in September.

Basinger said other changes to the 2000 PIP since the Retreat included:

- The reconstruction of Sumner Road and Holly Grove Church Road;
- A Smoke/Burn building for the new Fire Training Facility at the New Leach Fire Station;
- Funds for Equipment and Landscaping at the New Leach Fire Station; and
- Funding for the design of a roundabout for the Peachtree Parkway-Crosstown Intersection.

He said because of the addition of the above projects, staff recommended transferring an additional $350,000 from the General Fund to the PIP Fund. Morton reviewed the proposed projects for each year of the PIP. He said all projects were being proposed without any anticipated tax increases in the future.

Lenox recommended saving carry-over funds from the Council Contingency Fund to be used to expedite PIP projects. McMenamin recommended expediting projects that might generate revenue for the City. She asked if the proposed new training facility for the fire station might be used to generate revenue. Eisworth said he did not anticipate charging the Fayette County Fire Department for use of the facility. He said the County had not charged the City for use of their facilities in the past.

McMenamin said she would like to expedite the restoration of the Shakrag Gazebo. She asked about the addition of restrooms. Lenox said that perhaps they should look at the types of use proposed for the facility. McHugh said it was used for summer day camps, and as a classroom for computer labs, English as a second language, and GED preparation. Brooks was surprised at the types of uses for the facility. Basinger felt it was used due to a lack of other facilities. Brooks said that perhaps the Facility Plan should consider the need for those types of uses, so that the Gazebo could be used for arts/crafts, etc.

Pace felt that some of the proposed recreation fields would not be needed. He said that perhaps the designated funds could be used for a community center. He said he felt it could be constructed for the same projected cost of the proposed indoor basketball courts. He added that perhaps the basketball courts could be included in a community center.

Basinger asked for guidance in preparing a policy for funding non-profit organizations. He said some Council members had expressed concern about Countywide programs obtaining funding from the County and also obtaining funding from the City. They felt Peachtree City citizens had to pay twice.

Lenox felt it was best to determine who would benefit from the service offered by the organization. He didn't feel it was right for Peachtree City citizens to essentially pay twice for a service and then discover the service would not benefit them in any way. Pace felt Countywide organizations should be funded strictly at County wide level. Basinger suggested that it should be a general policy, but he said some Countywide organizations might offer a greater service to Peachtree City residents. He used the Fayette Council on Battered Women as an example. He said a disproportionate share of their services was offered to Peachtree City residents. Pace said he would like Beautiful Fayette to share its goals with the Council. He said he would be willing to spend money to accomplish goals or projects inside the City limits of Peachtree City. McMenamin felt the requested funding was intended to be used fund a director's salary. She felt it should be a volunteer organization and if was treated any differently, its funding should come from the County. Brooks felt a Countywide organization should be funded entirely by the County without exception.

Brooks said that Lenox had been quoted in the newspaper as saying he had decided not to pursue the use of taxes paid by Peachtree City residents to the County. Lenox said that Brooks may have read that in the newspaper, but in fact, he had reached a point at which he intended to pursue it very soon. He said Peachtree City residents pay more than $2 ½ million a year to the County and get nothing in return. He felt he had been generally fair about the issue, but he could not tolerate it any longer. He said the City could use the $2 ½ million a year to build a new fire station, purchase a new fire truck, or build a community center.

Brooks asked the City Attorney if the City had any rights to determine how the taxes should be spent. Lindsey felt the County could spend its funds as it desired. Lenox said he would base his argument on a portion of House Bill 489, which stated that no one should have to pay for a service if they did not receive any benefit from it.

McMenamin expressed her concern that the County had not responded to the City's request to clean up their facility located on Kelly Drive. She had been told it was one of the County's priorities over five months ago.

Lenox expressed frustration that Peachtree City taxes were used to fund the Fayette County Sheriff's Department, but that they did not receive any service from it. DuPree pointed out that the City did use the County Jail. McMenamin asked if the City received any share of drug money that was confiscated. DuPree said that Peachtree City no longer participated in the Countywide Drug Task Force because there had been very little activity over a period of three years, and they had conflict over the use of personnel. He also pointed out that it was difficult to get the Task Force involved inside the City limits of Peachtree City. DuPree felt that they had been more effective investigating those types of crimes on their own. Eiswerth pointed out that while Peachtree City citizens did not fund any of the County's fire tax, City taxes did go into the general fund, which was used to fund the County's EMS budget.

Lenox said the County maintains that it does a great job in managing its budget, but that it was pretty easy since it was being subsidized. He was also concerned about the fact that the County would not pave the small portion of Redwine Road that was located within the City limits. He said the County had said that if the City wanted the road paved, they would have to provide additional funding.

There being no further business, Lenox adjourned the meeting at 8:00 p.m.

Nancy Faulkner, City Clerk

Attest: ______________________
Mayor