

**City Council of Peachtree City
Budget Workshop Minutes
June 27, 2019**

The Mayor and Council of Peachtree City met in workshop session on Thursday, June 27, 2019, 6:30 p.m., at City Hall. Attending: Mayor Vanessa Fleisch, Council Members Terry Ernst, Mike King, Kevin Madden, and Phil Prebor.

The purpose of the workshop session was to discuss the proposed Fiscal Year (FY) 2020 budget. City Manager Jon Rorie noted that they would cover an abbreviated version of the budget, but Council had been provided with a complete document that was more than 200 pages. The budget represented 25 different line departments and totaled almost \$39 million. Rorie said they would highlight only the major items in the proposed budget. He began by presenting the City's Mission Statement, from which staff operated.

Mission Statement

*The Mayor, Council Members and Employees of the City of Peachtree City recognize that our primary responsibility is to provide **high quality services** to our residents.*

We are therefore committed to:

- Ensuring residents a safe and healthy environment in which to live, work and enjoy leisure time
- Providing consistency in the delivery of municipal services in a fiscally responsible manner
- Responding in a courteous, timely, and effective manner to the expressed needs, concerns, and expectations of our residents
- Promoting a sense of community through family oriented activities and citizen involvement.

Level of Service Impacts and Demands

All of this relied on perception. Rorie mentioned that bahia grasses sprouted up every summer in the City's rights-of-way, prompting calls from citizens about the lack of maintenance. They were in a position of being stressed to cope with this rapidly-growing vegetation because the City did not overstaff the other 10 months of the year. It was a balancing act, he explained, and that was a critical point to consider when defining perception and high quality service. Providing a safe and healthy environment was another matter of perception. In order to be consistent in a fiscally responsible manner, they had to make decisions about what was in and what was out. They wanted to respond to citizens in a courteous and timely manner according to their needs and expectations, but sometimes that meant saying "no." Promoting citizen involvement was another area that relied on perception, Rorie said.

Rorie showed the City's budget policy:

The City's primary objective is to provide a standard of budgetary performance that both staff and Council have endorsed and to provide budgetary decision making with greater continuity, reinforcing the City's core financial values and preserving them for successive staff and council.

- Baseline and Service Level Funding

*The City's top program priority is to maintain existing service levels in all divisions and departments. **A baseline should be set and serve as an agreed upon point of departure for subsequent budget discussions** ie: a new facility or service. Any additional services above the baseline shall be fully funded at the time of the adoption of the annual budget and ongoing*

funding sources shall be clearly identified. Such ongoing funding sources must be either new or increased revenues or clearly identified expense reductions.

Rorie said he supported this policy, and it guided their budget decisions.

Rorie mentioned an ongoing theme: "safeguarding our community," noting that meant a lot of different things. Some people thought it meant having adequate fire and EMS protections, or adequate law enforcement. In other cases, it was recreation or grounds and maintenance. But at the end of the day, he remarked, it was about balancing demands with expenses and revenues.

Rorie listed what would be discussed, adding that the entire draft budget was posted on the City's website.

Enterprise Funds

Finance Director Paul Salvatore explained that the Stormwater Utility and the Amphitheater were outside the \$39 million Rorie mentioned earlier because, as enterprise activities, they were funded by the revenues they generated. Charges for services was the Stormwater Utility's main funding source, although it did have \$10,400 in investment income. Another \$26,000 came from late fees. There were spending down reserves at about \$113,000, Salvatore commented. Capital expenses, a one-time cost, would be about \$450,000. There was \$700,000 in debt service to be paid. That would continue until 2033. Salvatore said \$7.2 million was left on a \$9.3 million bond.

Fleisch asked if that was a 10-year bond, and Salvatore said he believed it was a 25-year. The Mayor also asked about the amount for late fees. Salvatore told her that \$25,000 of the \$26,000 was for late fees, but there were some bad checks included as well.

A cash flow breakdown showed that the \$450,000 capital outlay was what triggered the use of the renewal and extension funds, which would be called cash reserves in the General Fund. It left them with sufficient bond coverage ratio of 1.48, Salvatore said. They were at the point where they hoped to spend down the remainder of the bond proceeds that were encumbered, and then they would have to ride on the reserve funds for capital needs going forward. Council had just approved the final pipe relining projects for close to \$1 million, and Salvatore said after that, it would be on a maintenance mode, which was the \$450,000 in next year's budget for additional pipe lining projects.

Prebor asked about items not reimbursed by bond proceeds or renewal and extension (R&E) funds, and Rorie said that would occur in any capital project. As an example, the standard was to replace 1% of your pipes every year. It would take 100 years to replace 100 miles of pipe, so clearly 1% fell short. When talking about any of these items, they wanted the revenue stream to be enough to avoid long-term bond debt. Revenues should cover all operational expenses, so that, along with using cash reserves, purchases could be covered without taking on additional bond debt. That did not mean there would never be any more stormwater bonds, he cautioned, but the goal was to avoid bond debt for stormwater, and they would spend down the cash reserves to do that.

Salvatore again said they had spent almost all the bond proceeds at this point. He said they projected that at the end of this fiscal year there would be about \$2 million left in the R&E fund (cash reserves). If revenues continued to exceed expenses, they would generate another \$336,000 every year, and, in this case, only using \$113,000 of the R&E fund. They could spend about \$450,000 a year until about 2029 before they started running out of funds if there were no unforeseen expenses.

Fleisch commented that they had tackled the most pressing projects right away, such as the collapsing pipes at the two Kedron dams, Rockspray, Spear Road, and all the pipe lining. Getting Aberdeen at Flat Creek taken care of was huge, she noted. Unless something happened, they should be into pipe lining mode.

Rorie noted that when these things were modeled, they assumed things would stay flat, and that was not always the case. They were models, but what would happen in the future could not be predicted. He had no idea what the cost of gasoline would be five years from now, but they could project that and model it.

The Amphitheater got most of its money from charges from services, but they did get some from the hotel/motel tax, Salvatore went on. That paid for less than half of what they spent on advertising. Some capital expenses, such as lighting, were included in program expenses, but the majority of the money went for talent and production expenses.

Fleisch noted the Amphitheater was running ahead this year over last year. Salvatore said they were looking at a total of 14 acts altogether, along with another Kids' Day type event.

General Fund

Using the budget model, Rorie said he would talk about personnel, impacts, operational impacts, and capital outlay, which would lead to conversations about debt service. He noted that revenues were estimated at \$38,813,908, a cumulative increase over last year. Expenses equaled \$39,304,087, which was more than revenue. Rorie said that was on purpose, but it was not bad and was not deficit spending.

The model showed a deficit of \$490,000. They would be spending the cash reserves they had been working on for years. The reserve percentage was roughly 39%, but the target reserve was roughly 25% of uses of funds, which would be \$9,826,000, with an over position of \$5,685,537. They had been working for years against the mindset that there was no need to collect more than 25% in cash reserves. He noted that 25% was the floor. That provided operational expenses for only three months. It did not buttress the City against cyclical recessionary movements nationally. Their target was to have the over position represent \$1 million for five years of additional expenses. The idea there was that if there was a recession that caused a decrease in the revenue stream, they could carry it without impacting the 25% cash reserves. The reason for that was the bond rating was related to what the City carried as a cash reserve. The cash reserves also fed interest income, which fed right back into the revenue stream. This was the whole "protect the cash" thought process. The \$490,000 deficit represented the City having cash built into the budget to pay for capital outlay items and facilities maintenance instead of having to borrow money.

Rorie recommended that Council approve the budget with an estimated revenue of \$38 million and an estimated expense of \$39 million, using \$490,000 in cash reserves, maintaining the total millage rate at 6.232. He noted this was his fifth budget, and this was, by far, the best financial position he had faced as City Manager, but warned it did not come without consequences.

Salvatore asked if he wanted to point out the bond millage rate, and Rorie said he did not at that time.

Rorie showed that the revenue increase from the FY 2019 adopted budget and the proposed FY 2020 budget was 4.4%. He presented a graphic representation of the revenue sources, showing that ad valorem taxes, at 38.6%, and Local Option Sales Taxes (LOST), at 21.4%, made up the bulk of the City's revenues. With the sinking economy in 2008-2009, both of those revenue streams took a hit. Because of the sheer size of them, any decline caused a major change in how the City

provided services. That was why it was important to have the budget model in place that included the over position for the cash reserves. That would enable them to continue to provide high quality services while riding out the recession that would inevitably come again.

The County Tax Commissioner was projecting an increase of 8.8% in real property values over FY 2019, but that was a rough estimate. Rorie said they budgeted an increase of 5.21% across the board in the tax digest. It could be more or less. They would find out around August. That 5.2% would generate additional revenue of about \$782,000 over the prior year.

There had been years when they plugged in zero, Fleisch noted. She pointed out the transfer tax and the intangible taxes were a little off that year, but said that perhaps could be attributed to a shortage of houses on the market. Transfer taxes only happened when there was an actual transaction.

The title ad valorem tax (TAVT) had been in transition every year since he arrived, Rorie remarked. It was not easy to estimate, so they had budgeted a conservative 2% increase. They budgeted a 2.83% increase in LOST. Rorie explained this was due to inflation in the cost of items purchased, so they would typically see a modest increase in LOST revenues each year. This increase would total about \$237,000.

The Mayor noted that sales taxes from online sales had influenced this increase, and Rorie agreed, but it could not be quantified. A 2% increase was budgeted for insurance premium taxes. Ambulance fees were projected to go up by 2% due to an increase in calls. Municipal court fines were projected to increase by 10%, or \$57,000. That increase was budgeted from the floor, not the ceiling. There were fines associated with tickets, whether it was from code enforcement, law enforcement, or was a fire protection issue. It was hard to predict, so it was budgeted at the lowest level so they would not have to face a lot of budget amendments going forward. Interest earnings were budgeted at a 5%, or \$15,000, increase. Since 2014, interest earnings had gone from about \$50,000 to \$273,000, the City Manager pointed out. Rorie said he wanted everyone to understand that revenues came from many sources: taxes, fees, fines, even someone stamping a notary stamp. He told Council they each had a copy of the fee schedule. Rorie said they added all those revenue streams to arrive at the estimation of \$38 million in revenues.

Moving to expenses, Rorie noted that the proposed budget contained expenses of \$39,304,087, up \$2,424,144, or 6.57%, over the previous year. That was not all operational expenses, he explained; \$1 million would show up later in the capital improvement program (CIP) as cash purchases, as opposed to debt purchases. Rorie added up \$1.6 million in cash expenditures, but said of that, they would only dig into the cash reserves by \$490,000. Police, Fire, and Public Works accounted for 55% of the expenditures in the budget. He said it was a little misleading on the Public Works side, which made up 15% of the expenditures, because it had \$2 million built into its budget for road paving that elevated the percentage. That was \$2 million that they did not spend on personnel. Paving was done through contracted services.

The Police Department's budget for FY 2020 was proposed to be \$7,445,431. For a \$341,000 property, that represented 19 cents of every dollar paid in taxes. Peachtree City's total ad valorem taxes for a \$341,000 property would be \$849.79. That meant residents paid 44 cents a day for the Police Department, 49 cents for the Fire/EMS Department, and 34 cents a day for Public Works. Ad valorem taxes, without the LOST, fees, fines, and other things, would only generate enough money to support the Police and Fire departments.

Rorie went on to discuss what was in, what was out, and what was a "maybe" in the proposed budget. Personnel costs represented 58% of the entire budget, Rorie pointed out, and the photos

of personnel that he displayed were marked as "in." Photos of some recreational components that had been discussed were marked as "out," but others he had labeled as "in."

Many requests from department heads were ultimately deemed "out," but Rorie highlighted a few, such as body cameras for Code Enforcement officers at \$4,827. That represented .002 mills. Rorie said that might seem trivial in a \$39 million budget, and they could find the money, but not in this way.

Madden asked why Code Enforcement officers needed body cameras when they did not carry deadly force. Rorie said they faced many issues out in the field, and Prebor said he had seen people get nasty with Code Enforcement. Rorie said only footage regarding issues would be stored. He asked Police Chief Janet Moon how long footage of law enforcement officers was stored, and she said it could be as long as five years.

Another "out" was the Public Services Director/Assistant City Manager position, with salary and benefits totaling \$133,487. Moon would discuss later the requested police officer position that was cut. Rorie said the position was cut, but they had a plan for team assignments that they would go into later. An expense of \$17,000 for executive management training was eliminated, and the street supplies request was reduced. The City had a sign pollution problem, Rorie noted. The recycling subsidy for Keep Peachtree City Beautiful would be reduced. The budget for plastics was being cut by \$21,000. Plastic would no longer be accepted at the convenience station at Public Works because they were eligible for curbside recycling. Providing the plastics station at Public Works led to a lot more bin pulls. However, they would continue to recycle glass because it could not be recycled curbside.

They would be reducing the inflationary path resurfacing request by 50%. The request was for \$100,000. That meant the path resurfacing budget would increase by \$50,000, not \$100,000. There were inflationary expenses with gravel and asphalt, as well as gasoline prices. Artificial turf, estimated at \$450,000 to \$850,000 per field, had been removed from the budget.

Utility costs at recreation facilities had been a topic of discussion for several years, Rorie noted. He showed the costs associated with the field lights that would now be picked up by the sports associations. He said he could visit a facility and see all the lights on, with one person using it. Sometimes there were two field lights on, and six people on the fields. If it was free, it encouraged overconsumption. But it was not free; someone paid for it. He said they tracked all costs associated with sports programs. Rorie recalled that one winter, during an evaluation of utility costs, they opened a freezer at a sports facility and found it contained only one package of hot dog buns. He said he could not go to a field and flip a switch to turn on the lights, but it was okay for one person to use those field lights. They were making this move to encourage balanced consumption. The City would still pay the utilities for the restroom/concession buildings and cover the water and sewer costs. They were simply telling the associations to pay for the lights they used for their programs. Rorie said he felt this was fair and financially necessary in terms of the entire population of Peachtree City. This was just another way of utilizing user fees as stated in the Master Plan.

Rorie and Fleisch both stated that this would not go over well. Fleisch noted that people did not like it when they raised the fees in 2012, but the fields were in terrible condition. At that time, they were only getting \$40,000 a year from all the sports associations. People assumed that if they paid \$100 for their kid to play a sport, that money went to the City. At that time, she said, if you lived in the City, only \$5 went to the City to maintain all the fields, pay for utilities, and so on. That was adjusted to \$15. Back then, she said, they did not even know how many electrical meters there were. She said she saw lights on at the tennis courts at Pebble Pocket all the time, and no one was playing. There was still work to do, but they had made enormous strides, Fleisch commented. This

change could have happened a couple of years ago. It was not fair to the City at large to pay for the electricity use of a small number.

Rorie said he could state the cost of lighting the flag pole at the Amphitheater. That was not in the enterprise fund, but in the General Fund. There were so many little things like that.

This was important, Madden remarked. This was just the cost of the electricity, not the cost of replacing the lights at \$100,000 per field. Rorie agreed, adding that none of the maintenance pieces were included, either, but they were making headway with that.

Rorie noted that 58% of the budget was personnel, so any movement in personnel impacted the entire budget. The proposed budget included funding for a 2.5% cost of living adjustment (COLA) for nine months, plus or minus a consumer price index (CPI) adjustment of 0.5% that would equal about \$58,000. In 2014, Rorie recalled, a study was done that moved the needle on the compensation package. They found themselves in that position because they had done little to nothing from 2008 to 2014 in terms of adjusting compensation either in merit or COLA or in terms of market rate. If those adjustments were not done regularly, they should look at what the market was doing. If the market was stagnant, it was okay, but if other cities were making adjustments, the City would fall behind. They had just done comparisons of 10 positions that were common among municipalities, including police officer, firefighter/medic, and administrative assistant. They found that Peachtree City was still competitive in most of the positions because they had made COLA adjustments at a little higher than CPI for the last three years. They did that on purpose because they had gone without COLA adjustments before that time. He said he felt what they had done had been accurate and complete, but it was time for another pay and compensation study that would focus on total compensation, not just pay.

Ernst asked if they had considered including Council Members in the CPI and COLA adjustments. Rorie said he was not aware of it, but said if their compensation was based on a stipend for reimburseables, it would not be inappropriate to adjust Council's salary. Ernst remarked that in 2007, Council agreed to a pay raise, but did not fund it. In 2014, when the economy began to turn around, they funded that pay raise from 2007, and that was the last time pay had been increased.

Rorie noted that it had been 12 years since 2007. CPI went up and down, he reflected, but said he would be glad to look at it and figure out a fair adjustment for Council.

Prebor suggested he get information on Council pay from other municipalities.

Rorie pointed out that they would continue with the practice of previous years and not roll out the COLA adjustments unless they met their budget targets. They only talked about that in December. The COLA he budgeted, based on the averages from the previous 12 months, would go through October. When they got information after the fiscal year ended in October, they would know what COLA percentage to recommend going forward. He budgeted a little more than might be needed, and said he thought it would be closer to 2% than the 2.5%. He told Council he could do a 12-year look at CPI and figure it out in regard to Council compensation.

As of now, only about 25%, or 86, employees were eligible for merit pay, which was a flat rate of \$1,200, not a percentage of pay. They had allotted \$226,000 for merit and the rollout of the career development program (CDP). Rorie said it would be harder and harder to recruit employees, so it was imperative that they grow their own and provide a process for getting them on a career development path. They already had CDP for maintenance techs, but not for Police and Fire, or administrative staff. He projected that the CDP would only lead to about a 5% sea change over five years. Participants would be eligible for about 1% per year if they met the targets related to

career development. He noted that some classes, such as the one on accident reconstruction, involved a substantial investment of time. In the Public Works department, they had created a CPD-type salary incentive program to encourage workers to take the courses needed to obtain the necessary licensing for fertilizing the ball fields.

Prebor asked about someone working towards an academic degree that would help them in their job, and Rorie said they had a job-related tuition reimbursement program for things that would add value to the organization. Salvatore said a maximum of \$1,500 per employee was available.

The City was self-insured, and health insurance costs were going up 5%, or \$213,000, in the proposed budget. Nowhere in the private market were they seeing only single digit increases; double digit increases were the norm, Rorie stated. They would absorb the increase. Issues such as this were why it was important to dig into the compensation side when doing a pay and compensation study. The original study probably did not dig deep enough into compensation, he remarked. However, he pointed out, each generation of employee looked at health insurance differently. A younger person might rather have more money than more health insurance.

Prebor noted that co-pays in the public sector were way up, noting that his co-pay to see a specialist was \$120. They annually met with the City's insurance broker, Rorie commented, and the cost of prescriptions was one of the topics right now. Prescription X may have a generic Y. X could cost \$5,000, while Y was \$1,000. So, if the generic was available, the insurance company would want it prescribed first. Of course, sometimes the generic did not work as well. There were a lot of moving pieces, but it was about cost containment.

The market rate pay adjustment for the Police and Fire departments was in the budget. Some Council members had wanted to see it take effect sooner than the first of September. Rorie said it would begin the second payroll in August, which was a compromise position, but the fastest they could get it to work financially.

Three new firefighter/paramedic positions had been added and would come on board in March. It showed \$120,000, but next year, the cost would be \$240,000. There were two new police officer overfill positions, which Moon would talk about later. Cautioning that his numbers were probably off a little, Rorie said the Police Department had about 65 sworn officers, with 33 on patrol, but, at any given time, there might be one on military deployment, one on family medical leave, and others out for various reasons. These overfill positions would help maintain a staffing level given the attrition and vacancy rate. Not having full staffing effected team staffing. Moon would also explain the \$91,000 increase in police overtime.

There were contract labor costs for digitizing Planning and Zoning and Human Resources, as well as for Grounds to supplement regular crews during peak times. Overtime was used strategically, as well, with Rorie noting that he was trained early on that excessive use of overtime was poor management, but strategic use of overtime often made sense.

Rorie said he had budgeted \$146,000 to the Fayette County Development Authority (FCDA), which was the full funding request related to economic development, but stated it was his belief there was some movement possible there. He said he felt Council should discuss whether to keep it at \$146,000.

They had given that amount for two years, King noted, adding that he personally felt if the County did not see fit to fund one of its offices, which would encompass less than 1% of its total budget, then why should the City provide it.

Prebor asked what kind of return Peachtree City would need to recoup its investment. He said he believed Rorie told him \$60 million each year, every year.

Every \$10 million in capital expenditure, Rorie said, reminding Council that Walmart was valued at \$10 million, generated \$25,000 in ad valorem taxes. That meant the break-even point for FCDA spending would be \$60 million in capital expenditures annually.

Prebor said he was sure they would say the additional jobs would bring in money through spending and so on, but he said he did not see them getting anywhere near any kind of return on \$146,000. It used to be around \$75,000, he remarked, but the Mayor said that was a different contract.

For years, King noted, they had funded the business retention and expansion (BRE) program for \$75,000. When the County decided to come up with the \$146,000, it became part of their budget, and each municipality was pro-rated that amount based on population. It was a double taxation, he commented. Prebor said he agreed.

Fleisch suggested they reduce what they paid for FCDA by \$25,000, and keep that money with the City for other economic development efforts.

Rorie noted they had a jobs grant program they funded out of the cash reserve. Fleisch said she would like to see the \$25,000 as a line item. There were other economic tools, and they could use that as seed money. Rorie said it would mean moving a line in the economic development budget to say "professional services" or something along that line. They would forward the FCDA less quarterly and maintain the line item.

King said he would continue to fund the \$75,000 for BRE because the main industrial area for Fayette County was in Peachtree City. There was a function for BRE. He would take all the remainder and do what the Mayor was talking about. Ernst agreed. King said that would get the County's attention.

King said he believed the function of the Development Authority was valid, and it was a good organization. It was needed because any time a business was interested in moving to Georgia, the state went to the counties, not the cities. Still, they needed to get the County's attention, King remarked.

Prebor said he hoped their County representatives would step up to the plate, while King remarked that they had heard this for two years and done nothing. He was saying to fund BRE and keep the rest of the money in-house.

Prebor asked if the \$146,000 was earmarked for anything, or did they just hand it over. Rorie said it was part of the overall budget, but to say it was earmarked like some specific line item, like they had for park enhancements, would not be correct. It was the annual budget request from the FCDA to Peachtree City. It was funded in quarterly payments to them, to operate. If Council reduced the payment by half, that might be a bit much. It said some movement might be appropriate, but he clearly thought they needed to keep the BRE. They could not recruit \$10 million Walmarks for 4-acre lots.

Fleisch stated that most of their properties were full, and the remaining vacant land was smaller parcels. She was concerned that cutting the payment by as much as suggested was a bit Draconian. She also noted that the BRE position was established in 2011 at \$75,000, so there needed to be some sort of movement in that to account for the time passed. It would need to be

higher. At this stage, she said they were really punishing FCDA, not the County, and said she felt that was not King's intent.

Ernst said since it was paid quarterly, maybe \$100,000 would be the way to go.

King said the BRE salary was raised from \$75,000 to \$80,000 four years ago. The County covered that. He stated they needed to fund BRE, at maybe \$80,000, but they did not need to give them anything else. Give the County \$20,000 a quarter, and let them be happy.

Madden said in his business if he had a salesman consistently maintaining his clients, as BRE did, \$146,000 was cheap. They were getting not just one salesman, but a salesperson and staff. There were unintended consequences. When a business such as Photocircuits was lost, half a million gallons of waste sewage and processing was also lost, along with taxes. The \$146,000 seemed like a fair compensation to have a staff looking out for them on the County level.

King commented that he could not agree more, but felt that was a County function, not a City function. They were already paying tax to provide funds for the Development Authority. It was a double taxation. Prebor agreed.

Even if Peachtree City paid the lion's share over the years, Madden stated, they had certainly gotten the benefit of it, even with the addition of Pinewood. It had paid off in the past, and it would be short-sighted to look to the future and shoot themselves in the foot by underfunding such a crucial piece of economic development funding.

Prebor summed up Council's positions by saying they had a proposal of zero, one of 25% reduction, and one of 50%. He said he would say around a 25% reduction would be right. He did not want to take too much.

Rorie calculated that 25% would be about \$35,000. Fleisch asked when he needed an answer, and Rorie told her the public hearing would be July 18, so he would need direction by then.

Fleisch said they could re-convene and discuss. Ernst proposed they pay \$120,000, although King said the County would not even notice that the money was missing. Council agreed to this, and Rorie said he would take that as direction to pay \$120,000 to the County and add the other \$26,000 as an economic development tool for the City.

Public Safety

Fire Chief Joe O'Connor noted that one of the first opportunities he had as Chief was to host the Matrix Group as they came in to do an organizational and efficiency study of the Fire Department. They looked at the Police Department at the same time, he noted, about mid-2013. They produced a comprehensive report that was available on the City's website. Over the past five and a half years, O'Connor remarked, the study had provided a road map for the Fire Department to guide them in how they should continue to evaluate themselves, continue to optimize efficiency, and, when growth was necessary, what was the best way to achieve it. They looked at everything from what constituted a call for service, to why they had lights and sirens, to why there was a 911 system, and why they had multiple fire stations.

O'Connor noted that the Fire Department's call volume had substantially increased since 2013. That was about the time the Somerby senior living complex broke ground. It was well understood that it would have an impact, but it was not yet felt in 2013. Right now they were at 4,200 calls per year, and approximately 77% of those were medical. Frequently, there were multiple ambulances responding to calls at the same time.

They sought to control response times in a number of ways, O'Connor continued. There were multiple fire stations to try to reduce travel time to the greatest number of residents most of the time, but since they operated as a single system, and units frequently were out on other calls, it was not at all uncommon for a backup station, or a backup to the backup station, to handle a call on any given day. The average time from their alarm to the first arriving units was four minutes, 38 seconds. It had been a challenge to maintain that as the City grew.

The Matrix study looked at how the Fire Department operated, how the workload was structured, what vehicles they were operating, station locations, and the ability to cover the entire population. They looked at not only the ability to get the first responding unit there quickly, but at their ability to consolidate a firefighting team.

Some new issues they were dealing with included increased calls on the south side of the City in the area of Somerby. They had been tracking that growth and had opened a quick response station with an ambulance in the area of the Peachtree City Athletic Complex (PAC). They had done this through a rental facility, which was a different model, but it would work until they had figured out what their growth boundaries would look like on the south side. It was the right short-term solution and in keeping with guidance from the study.

Simultaneous calls were happening with greater frequency, the Chief noted. No city could have an endless supply of resources at its disposal. They tried to cover the entire city with adequate resources in a very dynamic environment while trying to keep track of the response time element.

O'Connor pointed out that they did not add personnel lightly. They had to identify new revenue streams in order to expand service. They had been tracking growth in the West Village. They recognized that at about 30% buildout of the 1,500 homes planned for the West Village, the ad valorem taxes would sustain the operation of a fire station. They continued to track certificates of occupancy versus building permits. It took about six months to complete a home. There were no vacant homes in the West Village. The Chief said 425 were occupied now, which represented close to a third of what were planned. By the time they got to 500, they would be substantially over the financial level required to sustain a fire station.

They added three personnel this current budget year and had requested three more in the 2020 proposed budget. They were needed primarily on the medical side. This was where the model of identifying new streams of revenue to offset new expenditures was in play. They looked at the reports monthly to keep track of the variables and adapt to the changing needs of the community.

Police Chief Moon then said she inherited the study when she arrived in August 2015. They, too, had used it as a road map and tried to implement many of the recommendations, such as adding a training sergeant and the recent change in the officers' work hours to meet the Fair Labor Standards Act (FLSA). The changes could not come all at once, but had to wait until the funding and resources were available.

In 2018, the Police Department answered 61,000 calls for service, which encompassed everything an officer did, from community generated calls, self-initiated calls, directed patrols, funeral escorts, to house checks. The average response time for 2018 was five minutes, 18 seconds. She showed a slide depicting the breakdown of calls by day and time for 2018. The slide showed what was expected, Moon noted. The times when people went to work, went to lunch, and came home were busy times. The call volume dropped off around the time people were going to bed. Friday and Saturday nights were busy for a little longer.

Part 1 crimes were part of what was called the Uniform Crime Reporting System, which would be changing over to what was called NIBRS (National Incident-Based Reporting System) by the end of the year. Peachtree City, a class B city, had 503 Part 1 crimes reported in 2018, and the bulk of those were larceny and theft, with 411 incidents reported. Of those, 25% were entering autos, 39% were theft, and 148, or 36%, were shoplifting. A lot of factors could drive crime data, based on when the offender wanted to commit the crime and things of that nature. If Walmart or Home Depot had an active loss prevention officer, that would increase shoplifting calls, Moon noted, because they would call the police to prosecute them. She added that she wanted to ask for everyone's help once again by removing valuables from your vehicles and locking your car doors. There were a small number of entering auto calls where the window was broken, but that was normally when the thief saw valuables in the car.

Peachtree City was unique in having more than 100 miles of multi-use path and more than 11,000 registered golf carts. That meant motor vehicle theft trended a little higher than average. In 2018, there were 36 motor vehicle thefts, and 24 of those were golf carts.

In the Police Department, the Matrix Study looked at the scope of work, consisting of:

- Evaluation of the current delivery of police services to the community for effectiveness and efficiency.
- Evaluation of the current demand for law enforcement services, response times, and various workloads.
- Evaluation of the organizational structure, staffing levels, capital assets, organizational mission values, communication and overall management of the Department.

Moon added that in March of this year, they did a total re-write of their mission, vision, and values statements.

- Evaluation of personnel management and utilization of personnel for service delivery and performance.
- Identify opportunities to increase operational efficiency at the lowest possible cost.

The Chief said she hoped that when she reached the end of her presentation, everyone agreed that they had found the "second best" answer instead of just increasing the head count.

Moon also went over the methodology they used to determine staffing, cautioning that they should recognize that no system was perfect. Even with all the computer technology, there was still human error. An officer might sit and watch the box at SR 54/74 and forget to log it as a call. There were some things their computer-aided dispatch (CAD) was unable to capture. They were using the best data they could obtain, but it might not be totally correct.

- The staffing level required in Patrol was based on the community generated workload demands rather than the ratio of officers per 1,000 population.

Moon noted she had been in the business for 34 years and was familiar with the 1:1,000 FBI model, but said 34 years ago, they did not have computers in the cars or ticket writers; everything was done by hand. Now, they had ways to capture workload data through computer technology and had moved on from that 1:1,000 ratio. They looked at demographics and community needs. There was a saying in police work: "The bad guys stay young; the police officers get old." In the Fire Chief's work, Moon pointed out, it was the opposite: the older the population, the busier he got. In police work, an older population meant less work. The characteristics of the community had to be considered. Not many communities had more than 100 miles of multi-use paths and 11,000 golf carts to deal with, and that could not be captured in a 1:1,000 ratio. Deployments and other things were also a factor. Many staffing considerations had changed over the years, she concluded. Even the International Chiefs of Police no longer recommended the 1:1,000 ratio.

- All Patrol Sergeants', Corporals/Officers actual work hours average were used in the workload calculation.
- The average time required to handle the community generated calls and related work was 45% of the total staff work hours. (An estimated 15% of work was not captured by CAD). This included:
 - Travel and on-scene time
 - Report writing and prisoner processing time
- The remaining 55% (or 40% including the un-captured time) was productive, proactive time. An officer needed 40% of proactive time to be effective; they could not just go from call to call to call.

The report also noted that backfill overtime was rare. Managers closely watched the schedules to make sure minimum staffing levels were maintained. Moon said that was because there was only \$50,000 in the overtime budget. Under the old model, they paid time and a half after the 81st hour, which far exceeded the FLSA. That was not a lot of money for 64 officers, especially when there were some staffing shortages. There were three officers on deployment right now. Three were set to go solo in the next week, and three would start the Police Academy July 8.

The line employee leave usage for 2012 was 322 hours. That was slightly above the average in other departments. Moon explained that leave captured vacation, sick days, training time, court time, comp time, anything that kept an officer from being actively available in a patrol car. Later in the presentation, she said, they would use 300 hours to keep the math simple.

Officers handled more than 16,000 community generated calls for service during 2012-13. They initiated more than 42,000 incidents, such as security checks, traffic stops, self-initiated activity and provided more than 1,065 hours of cart path patrol. The report went on to say that due to the low administrative overhead, department managers had a significant workload. Moon said this was during the time they had eliminated three captain positions, and there was some reorganization going on. She also noted that in 2018, they had increased the cart path patrol hours to 2,522.

The proactive time level of 40% was exceeded for all but four hours of the day (noon to 4 p.m.), which was generally a busy time. The report said the current proactive time levels provided sufficient time for officers to provide calls for service, generate self-initiated activity and community policing efforts. Moon stated that she was emphatic about them being out in the community.

They used the methodology, with the average 55% proactive patrol time, to arrive at a projected staffing level of 35 officers on patrol, and recommended they maintain the current staffing of 33 patrol officers at that time. They were talking about the four patrol teams, Moon said, but pointed out there was another team, the Community Response Team. That included some of the traffic officers and the motorcycle officers. They staggered their times to fill in some of the high call volume in the mornings and afternoons.

The report went on to say that the Department should ensure adequate supervision levels by providing backfill overtime hours for the Patrol Sergeant position and/or pay overtime to Corporals when they were functioning as Sergeants. She noted when she first arrived that they had a lot of Corporals and not enough Sergeants, and she wondered who was answering the calls for service. Where she had worked previously, Corporals were assistant supervisors or supervisors. They corrected this last year by creating four hard-stripe Corporals. Now, when a Sergeant needed to be off, the hard-stripe Corporal was the shift supervisor. They were compensated an additional 5%. There was now a patrol supervisor, an assistant supervisor, and the officers.

Proactive time was the time remaining after handling the community generated calls and the related workload. It included admin time, on-duty court appearances, as well as other directed patrol efforts. Proactive time was used for traffic safety, foot patrol, problem-oriented tasks to address crime, and identified quality of life issues. Community meetings and special events were also included in proactive time. Again, the desirable range for that time was between 40-50%. If they went below 40%, there would not be enough time blocks to do the crime prevention, traffic enforcement, or address other issues. If there was too much proactive time, the supervisor had to find tasks for the officer. There was a fine line to keeping it all balanced. Each year, they looked at their workloads to maintain that balance of time.

Moon displayed the Department work chart. They were authorized for 65 officers, but one position was unfunded, so they had 64, plus five non-sworn officers, to equal 69. It showed four patrol division teams, two for day shift, and two for night. The CRT looked like it had a lot of people, but, the Chief explained, that was where the Auxiliary Force was housed. They were up to about 17 or 18 members there. They did have to deplete a lot of the CRT: the K-9s were now on patrol, and two traffic officers had to backfill on patrol. Patrol was the backbone of the agency. When there was a change in staffing, the chart had to be reorganized.

Moon showed a chart depicting the cost of hiring a new officer in pay and benefits, updated to reflect the change from 2,080 annual hours to the FLSA standard of 2,184 hours. It totaled almost \$160,000 because there was a vehicle attached to each additional headcount. That was a significant amount of money, so they had been looking at alternative ways to find that second right answer.

A sample schedule showed that officers worked 12-hours days, with a short week and a long week in each pay period. When this officer was off, a member of another team was working. That was why it would be difficult to fund just one new officer position. Technically, Moon said four officers were needed in order to add to the headcount on each team. For every officer who was off, another relief person was needed, so it would mean eight new officers.

Adding four officers would result in a budget increase of \$284,252, based on \$71,063 per officer for just salary and benefits. Eight additional officers would mean an increase of \$568,504. That was a significant amount of money and did not include vehicles and equipment.

Of the 2,184 hours for one officer, 300 were used for training, vacation, court, sick leave, those sorts of things. Effectively, from one officer they got 1,884 hours per year. That made an effective pay rate of \$22.34. However, Council would remember that they passed a starting salary of \$42,119, which worked out to \$19.28. That was correct because they were paid for their leave hours. That was for the 1,884 hours. She showed how this would extrapolate out for the four and the eight officers. With a starting hourly rate of \$19.28, the overtime rate, according to FLSA standards, would be \$28.92 per hour. They did not have to pay overtime until the 87th hour, Moon stated. They were given a work schedule of 84 hours, so there were two additional hours built into the time period that could be paid at straight time to accomplish some other things. With 33 officers, they could get an additional 1,716 hours of work at straight time. They could come in and do a two-hour class, attend a departmental meeting, or do a directed patrol in the retail areas during the holidays without hitting the overtime budget.

Since they had asked for an increase in the overtime budget to almost \$92,000, and Moon said they could do a whole host of things with that. It would assist in maintaining that 40% proactive time. It would be easier to backfill if she could call an officer in and pay them some overtime money. Community policing efforts could be increased; they could conduct some training, but the biggest thing, Moon remarked, was this it would allow them to create the strike teams they

had discussed. If they saw a trend in crime, they could put together a four-person team dedicated to deal with that, and she would have the funds to pay them.

At the end of the day, the budget requests would enable them to expand their service capacity and benefit the officers they had now without having to add to the existing head count.

Madden noted the Rorie had said adding two overfill officers would cost \$112,940, but the actual cost would be more like \$160,000.

Moon responded that would not be correct in those two cases because they already had the vehicles and equipment to support them.

A pie chart Rorie presented showed expenses in the budget by category. There were no proposed new positions. They were talking about overtime and movement in the FLSA standards and how to best utilize current personnel to cover the ups and downs in staffing. He again noted personnel costs were 58% of the total budget. They had to monitor carefully how they added personnel.

Capital Improvement Program (CIP)

Rorie stated that he wanted to focus on the sections of the chart covering capital outlay, which was 3% of the total budget, and debt service, comprising 8%. He pointed out that operating supplies were only 8% of the budget. The operations side included the \$50,000 increase for cart path resurfacing. Cash funding for building maintenance expenses was 1% of the budget, or \$510,000. The idea was to fund these for 1% of the total assessed value that was insured. The value of all the City's insured properties was \$58 million, and 1% of that would be \$580,000. They had cash funding for building maintenance expenses at \$510,000. The budget also covered the increase in street lights. When street lights were added, the City had an increase in expenses to maintain them. The lights were leased, not owned by the City. Those costs came to almost \$100,000 and were in the Public Works budget.

The capital side included improvements to the Meade Field parking lot, which was listed in year five of the CIP. Rorie said the paving at Glenloch had just been completed as they were getting ready for the splash pad rollout. The other side, called old Glenloch, had been paved a few months ago. He held up a book, which he said contained items they needed to address regarding the Americans with Disabilities Act (ADA). It contained things that most people would take for granted. Meade was an example. Meade Field contained softball, lacrosse, and girls' softball. If someone parked in three sections of Meade Field, there was no access to a restroom without going through gravel, which was impossible in a wheelchair. At Spyglass Island, they specifically laid out the concrete paths and the picnic pods so they were handicap accessible. However, many of the City's facilities pre-dated the ADA, which took effect around 1991. The capital project at Meade had been elevated from five years out to next year.

The budget also included cash funding for major recreational facility improvements. This included All Children's Playground at \$321,000, the Kedron gym floor replacement at \$220,000, and the Kedron gym lighting at \$40,000. They were making progress towards updating and repairing the City's recreational facilities.

Rorie referred Council to the CIP information in their budget books and pointed to a specific section that showed the replacement of an F-350 dump truck at \$56,000, taking it on as rotating debt service, paid off as a five-year loan. They would do that for a series of items that he pointed out. The budget also had \$100,000 of cash programmed in for bridge repair, and \$335,000 for facilities maintenance. Cash was allocated for All Children's Playground, the gym floor replacement, and paving of Meade parking at \$175,000. Those totaled \$1,190,000. He reminded

Council that the operations expenses were going up about 6.7%. It looked like a huge increase, but they were spending cash, not debt service. He said he could finance all those projects, but they were paying cash to avoid taking on that debt service.

The bottom line for FY 2020 showed equipment loan proceeds for about \$2 million, which Rorie said was standard. One loan was paid off and another took its place to purchase vehicles. He included a facilities bond, but showed it at \$0 because they were doing it with cash. A five-year CIP plan was loaded in Council's budget books. He noted that paving the Meade parking would cost \$150,000, but he budgeted it at \$175,000 to ensure that all the access paths connected to the facilities. Rorie pointed out that this CIP plan would cost \$580,000 in FY 2020, \$425,000 in FY 2021, \$45,000 for FY 2022, \$270,000 for FY 2023, and \$945,000 for FY 2024. He included information on hockey rink usage and playground closures. Looking at this in a five-year period, Rorie commented, upgrades at Luther Glass Park in 2021 should be offset by the removal of one of the tot lots. He suggested Braelinn for removal. They needed to be thinking about removing some of the maintenance items that were underutilized.

The Mayor asked how many tot lots were considered for removal. Recreation and Special Events Director Quinn Bledsoe said she agreed the Braelinn Green should go, along with Rockspray. Fleisch said certain lots were magnets for people, such as Battery Way. She would like to see those improved. Bluesmoke did not seem to be much used, Fleisch commented. Bledsoe said it was a playground, not a tot lot. Fleisch asked if the \$45,000 would make Luther Glass bigger, and Bledsoe said it would. Rorie said the PAC playground was \$35,000. The thing about Luther Glass, Bledsoe remarked, was that the existing footprint had to be kept. It might not be one giant structure. She said it was heavily used and needed an upgrade. Fleisch asked if the timetable for removal of the park equipment was it based on condition and whether any go this year. The Mayor said she had never seen one person at the park in Wilshire. Rorie noted that many HOA-owned facilities were better than the City parks.

Rorie pointed out that fields, pickleball courts, tracks, soccer courts, and passive parks were not included in the CIP. Every one of those had been requested by citizens.

The City Manager called attention to the line for the Kedron pool roof at \$750,000. He said he would recommend that if the condition of the bubble called for replacement in five years, that it not be replaced. King said he could not agree more. Rorie stated that the pool would move to a summer pool only. The contract for operating the Kedron pool was \$243,500, which represented about \$20,000 a month. That also included a little piece for Glenloch. He mentioned that Council was familiar with the numbers for swim teams and pool passes. The bottom line showed that when the bubble was up, October through March, the revenue was around \$60,000. Expenses were \$120,000, about twice the revenues. That did not account for what would also be if paid for a \$750,000 pool bubble through debt financing. On a 10-year basis, that would be about \$85,000 a year. Even though it was five years down the road, Rorie told Council the bubble replacement was on the horizon, and they needed a better plan if they wanted to continue having an indoor swimming pool.

Rorie showed examples of revenue streams at Kedron, including birthday parties, swim teams, and water aerobics. It went up and down each year.

Madden wanted to know how much Fayette County paid for the pool. Rorie said the County refunded \$150,000 a year to the City because everyone in the County could participate in the programs. That did not apply to youth sports associations because they had a different type of fee structure, but it did apply when it came to things like pool passes and swim teams. He said he did not want to undervalue the \$150,000, but in terms of what the City provided, it was not enough.

Madden noted that the only indoor swimming facility belonged to Peachtree City, and the County needed to assist with any decision on the pool's future.

King mentioned there was a private junior Olympic pool in the City, and asked if the government wanted to get in competition with a private pool. Madden said swim meets required an Olympic size pool. King noted there were 341 students who swam, asking how many of Georgia's other 159 counties provided a pool. He said probably less than 10%.

Where he grew up, Madden reported, most of the high schools provided their own swimming facilities. If their cost was \$60,000 for months when the bubble was up, they needed that increase from Fayette County, he remarked. Prebor pointed out that it would not be Fayette County that should pay; it would be the Board of Education. Madden said it was a matter of coming up with the funds and the desire of the Board of Education and Fayette County. They should pony up some money if they wanted their kids to have a place to swim.

Prebor recalled that when the bubble was last replaced, it seemed to be a hurried decision.

In all fairness, Fleisch interjected, a new Council came in and discovered no one had done anything about the bubble. They did not find out about other problems until later. They walked into a booby trap, she commented, adding that was why she told Rorie they needed to start this discussion now. She was not going to do to the next Council what was done to her. It was more than \$750,000 the last time the bubble was replaced because they had to lay electrical lines and do borings because they could not locate the "as-builts."

Prebor stated that, in his opinion, as a City, they did not do all of their due diligence in looking at their options back then. He would have liked to have known what a permanent structure would entail. A bubble that lasted 15 years cost about \$50,000 a year. He wondered what they could have had if they were paying \$50,000 a year on debt service for a permanent structure. Rorie said that was a good question, and asked Prebor to wait to see a few more slides.

Madden stated he felt Council made the right decision to replace the bubble so people would have a place to swim in the winter. He noted that there were 341 people on the swim teams, but 6,000 uses of the pool. King said that number included repeat visits. Madden said he knew at least some were, because he used the pool at least once a week. In a community with a budget of nearly \$40 million, he asked, with six golf courses, why could they not have one indoor pool facility to teach kids how to swim. How did that relate to the City's mission statement, he asked.

King said teaching kids to swim was a different issue from swim teams.

They needed to figure out a permanent solution, Prebor remarked, and Fleisch said that was why it was important to start discussions now.

King went back to Madden's comparison to the golf courses. If an adult wanted to play golf at one of these courses, it would cost them \$250 a month. He asked what it cost a kid to go swimming. Madden said he paid \$5 to swim. King said Madden swam once a week; most people played golf once a week, asking if Madden wanted to raise the prices to golf levels.

Not to those levels, but they could consider raising the prices, Madden responded. He said the fees for golf were higher because they were maintaining six courses, but they were just asking to maintain one pool.

King noted they (the City) were not maintaining the six privately-owned courses.

In response to a comment from Fleisch, Rorie noted that the Glenloch pool was open from May to early October. Bledsoe said the high school swim teams came into Kedron in October. Swim season started at 6 on the Monday morning after the bubble was put up.

Rorie presented a chart created by Salvatore to help them assess debt service, asking Council to first focus on the facilities authority bond from 2011. In FY 2020, there would be a payment on that for \$592,700. It would be paid off in FY 2022. They owed roughly \$1.768 million on that bond. That money was in the budget as a payment. If that money were not in the budget as a debt payment, it could be in the budget as a cash payment for a capital improvement. But since the economy had tanked, they ended up borrowing money in 2011 to "fix stuff", he commented, adding he inherited those bond projects when he arrived that year. There was another bond to fix stuff in 2014. The broadband equipment loan came in 2016.

In 2020, payments on these three bonds, along with the Police, Fire, and City Hall renovations from 2009, would total \$1,493,899 in the General Fund. They did that because they had to fix stuff, Rorie, commented, but it seemed rational to him that they fix stuff as they went so they did not have to rely on debt service as they had in the past. But if they fixed 1% of pipe every year and had 100 miles of pipe, that did not add up. They budgeted roughly 1% of the total property values as facilities maintenance costs in an effort to fix and update things as needed.

Like most loans, these bonds had the interest paid up front, with the principal at the end. Paying them off early did not make a whole lot of sense because they could not re-capture some of that interest payment. If they made no changes in their bond debt, in FY 2025 their debt payments would have dropped to \$57,000. That was on the horizon in five years. Also on the horizon in five years was a \$750,000 bubble.

The total for all the City's debt service was about \$6,049,000. If the City could save a lot of the interest, it might make sense to write a check and pay that off. The question would be, Rorie noted, at what expense. He pointed out they were \$5,685,000 over position in reserve funds. He asked if they would really get a gain by paying off the loans if when had already paid the interest or if it was better to protect the cash and leave it in there as savings that generated revenue.

The facilities bonds were about 1%, Fleisch noted.

Rorie said they looked at debt as a tool, an instrument to accomplish capital financing. In some cases, such as for equipment loans, there was revolving debt. Debt was not bad, but it had to be used sensibly. If they wanted to avoid debt service in FY 2026 and beyond, they needed to be fixing things now.

Rorie asked Council to consider the debate over the pool bubble/aquatics center, a \$750,000 expenditure. The questions included whether there should be a bubble or a permanent solution, whether the School Board and Fayette County should kick in, whether the City should absorb all the price, or whether the voters should decide. He said he could not speculate on what the voters would say.

King said a referendum should be countywide, but Rorie said a general obligation (GO bond) would be specific to Peachtree City.

Rorie asked Council to remember the people who told them they needed dedicated pickleball courts, soccer courts, and lacrosse fields. They had discussed artificial turf for two softball fields at Meade, two baseball fields at the PAC, and two rectangular fields at the PAC. That came to

about \$4 million. Lighting upgrades at the Tennis Center were not included in the current CIP. That was a horizon issue yet to be funded or even show up in a master plan. Tennis Center court replacements would cost \$75,000 a pair, and there were six pairs for a total of \$450,000. Lighting upgrades at the PAC would be \$1.3 million. PAC field expansions would be about \$800,000. Riley Field's track replacement would be \$150,000 for the 30 people who ran track there. Lighting upgrades for Meade's adult softball fields were estimated at \$175,000. This all added up to a horizon cost estimate of about \$8 million.

If put to the voters, Rorie again said he had no idea what they would decide. He noted that he had lived in the City for seven years and had never dipped a toe in the Kedron or Glenloch pools. He had never played pickleball, or kicked or thrown a ball on any field. He had not played tennis, run on a track, or played softball. However, he had been asked to pay for some of those items, and he was willing to pay for some, even if he did not use them because he felt they were quality of life issues that had quality of life impacts for the people who made up the 35,000 population of Peachtree City. Rorie said he was not making a recommendation, but Council might want to look at these issues and ask the community if they were willing to pay for it. They could list it as a recreational GO bond and let voters decide in November.

Returning to the budget model, Rorie stated that staff had recommended a budget with expenses totaling roughly \$39,304,000, with the use of cash reserves at \$490,000 for one-time capital purchases. That would draw down the over percentage from \$6.82 million to \$5.685 million. They would continue to maintain the target of \$1 million per year for five years, but spend some cash reserves in the next two years to fund those projects and avoid debt. It was a \$39 million budget with 25 line departments that maintained a cash reserve of 25% plus an over position of \$5.6 million and a total millage rate of 6.232 because the GO bond debt had expired, which reduced the millage rate would be reduced by 0.176 mills. It was his recommendation to move forward with the budget as presented. They would make modifications based on Council's feedback for the FCDA payment. He said he also would look at a CPI analysis from 2007 in regard to Council pay and reimburseables. He would bring that information back as part of the public hearing on July 18.

Rorie said they would not be certain of the millage rate until later, but believed 6.232 was a close estimate. Even though the reduction was due to the demise of the GO bond, that was still a millage rate reduction. Council did not have to decide on a potential bond at his meeting or on July 18. He was just pointing out that these were horizon issues Council would face. It might not be this Council that faced them, but they needed to make long-term decisions.

Fleisch told Salvatore she would like to look at Georgia Municipal Association's (GMA) bricks and mortar program as another debt instrument they could consider.

Rorie said the millage rate of 6.232 would result in the owner of a \$200,000 home with a 5% increase in value paying \$523 in City taxes. Under the current millage rate of 6.408, they paid \$513. The increase in value was offset somewhat by the decrease in the GO bond millage. Rorie said he did not want to imply that the \$10 more in taxes was insignificant. A \$500,000 home's taxes would be up by \$25. He noted he was willing to pay a premium for facilities he did not use, if that premium was \$10 or \$25 a year.

Prebor said it all made sense, with no dramatic changes.

Rorie referred them to the fee chart included in their document. He said it was being updated. Fleisch confirmed that it would be included in the budget and would not require a separate vote. Rorie asked them to review it before the public hearing on the budget.

Ernst commended Rorie and staff for the job they had done.

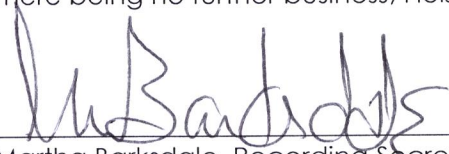
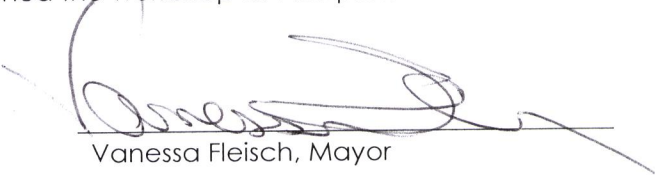
Fleisch asked Salvatore when they started work on the budget. Salvatore said he sent out an instruction packet around the first of March and scheduled meetings with department heads and the City Manager. After the initial talks, they met several times to polish it up before the retreat and workshop meetings with Council.

Madden noted this was his second budget process as a Councilman. He realized they had to earn every dollar they spent, and, as Rorie was fond of saying, they could only spend that dollar once. He thanked staff for working hard to keep Peachtree City the special city it was. The whole budget process was an indication of what they held dear and what they considered important.

The Mayor remarked that the budget showed priorities. Peachtree City was 80% residential, and, aided by the market, had seen a rise in assessed home values, which was impressive in a community with the average age of a home being 28 years. Their priority had been to fix things, and they were finally seeing the rewards. She, too, thanked staff, and noted this budget process felt better than some in the past.

Prebor stated he was glad to see money put into the maintenance side, and Rorie added that was not insignificant.

There being no further business, Fleisch adjourned the workshop at 9:30 p.m.


Martha Barksdale, Recording Secretary
Vanessa Fleisch, Mayor