City Council of Peachtree City
Budget Workshop Minutes
June 25, 2018

The Mayor and Council of Peachtree City met in workshop session on Monday, June 25, 2018, 6:30 p.m., at City Hall. Attending: Mayor Vanessa Fleisch, Council Members Terry Ernst, Mike King, and Phil Prebor. Council Member Kevin Madden was absent.

The purpose of the workshop session was to discuss the proposed Fiscal Year (FY) 2019 budget.

City Manager Jon Rorie began by presenting the City's 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

Rorie said staff, particularly Financial Services Director Paul Salvatore and his department, had been working on budget development, looking at particular projects and how to best provide high quality services to residents. Each Council Member received a 200-plus page budget book with detailed information, and the goal for this workshop was to provide a broad, macro look at specific issues the City faced. Rorie noted that the budget was designed to provide services at a high level as demanded. That was difficult to pin down on a day-to-day basis, because it depended on individual perspective as to what was high quality.

Rorie continued that the budget was a spending plan, not a savings plan. Every community made decisions based on the service levels they were trying to achieve, and this became a spending plan that led to public policy decisions.

Rorie presented a spreadsheet showing a comparison of millage rates among several of Georgia's Class B cities. He said every community made its own decisions and did things differently, so it was difficult to compare. Peachtree City covered 24.54 square miles and had a population of about 35,000.

Rorie showed how size and services provided could factor into the millage rate. Duluth, for instance, did not provide fire services; Gwinnett County did. However, Duluth's millage rate was higher than Peachtree City's, even though it did not provide fire services.

Duluth's budget for Public Works was about $1.6 million, while Peachtree City's was around $8 million, including $1.8 million for road resurfacing. The City also had to maintain 100 miles of paths. Choices the City made led to the higher expenditures, Rorie reiterated. The choice to maintain a contract for road resurfacing, plus the cart paths, accounted for two mills, or about $4 million.

Another example of different choices was the City of Dalton. With a population of 33,000 and an area of 20 square miles, Dalton had 690 full-time employees; Peachtree City, similar in size, had 259.

Rorie repeated that every community made decisions based on how they wanted to operate, but those decisions had consequences represented in the budget. He cautioned that the numbers on his spreadsheet might not be entirely accurate, but they provided snapshots for comparison purposes.

Rorie presented a comparison of taxes for a $200,000 property in the Town of Tyrone vs. one with the same value in Peachtree City. Tyrone relied on the County to provide Fire and Emergency Medical Services and had no bond millage component for the services. Once again, Rorie said, it came down to the choices made by each community in how to provide services. The total millage rate (including County and Board of Education taxes, plus Fire and EMS) for the Tyrone property was 31.984, while the total millage (including County and Board of Education taxes) for the Peachtree City property was 32.074. Tyrone's millage rate was just a few fractions of a mill less than the City's. Rorie said people often commented on high taxes in Peachtree City, but for that money, residents got 100 miles of cart paths, Police and Fire protection, and EMS.

The millage rate for the County was 6.488, but that did not count the separate millage rates for 911, EMS, and Fire. Every community did things differently, Rorie said again, making comparisons difficult. While the County's millage rate for Maintenance and Operations might be lower than Peachtree City's millage rate, the County tacked on additional mills to pay for those other services.

Rorie said the Special Purpose Local Option Sales Tax (SPLOST) would not be discussed at this workshop, and, for the first time in six years, the workshop would not cover road resurfacing. Salvatore would lead much of the discussion, with City staff making presentations. Enterprise funds, such as the Amphitheater and Stormwater, would also be covered.

Salvatore 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.*
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> • *Baseline and Service Level Funding*
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> *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.*

Salvatore continued he liked to show the policy because it talked about baseline funding and the consequences of departing from it. Right now, the City was in a mini-growth mode, which had not been seen in several years. Growth on the west side would be part of the budget discussions, both on the revenue and expenditure side.

Enterprise Funds
Salvatore explained that Enterprise Funds related to business-type activities, self-contained entities that brought in revenues to support their expenses. In Peachtree City, the two self-supporting enterprises were the Frederick W. Brown Jr. Amphitheater and the Stormwater Utility.

Stormwater Program
Stormwater Manager Mike Madison said the City had 76.1 miles of stormwater pipe at the end of 2017, up from 69.5 in 2013. Fleisch asked if the West Village accounted for the increase, and Madison replied they were in the West Village, The Gates, and other developments. There were 6,032 drainage structures, compared to 5,789 five years ago, along with 80 stormwater detention ponds, up from 68 in 2013. There were 32.1 miles of roadside ditches, and an unknown number cart path drainage ditches, along with other stormwater conveyance ditches. He noted that it was interesting to see how the system had grown over four or five years.

Madison listed the Stormwater Utility's responsibilities:
- Maintain, repair, replace, and rehabilitate the City's storm drainage system
- Administer and ensure compliance with the City's National Pollutant Discharge Elimination System (NPDES) Phase II Stormwater permits
- Provide construction oversight and management on all outsourced (bid) stormwater construction projects
- Respond to drainage complaints and concerns
- Street sweeping
- All other duties as assigned

He also detailed the work accomplished by the Stormwater Department in 2017:
- Cleaned 262 drainage structures
- Re-excavated/cleaned 6,875 linear feet of ditch
- Cleared sediment and debris from 2,715 linear feet of pipe
- Rehabilitated (lined) 9,880 linear feet of pipe. In 2018, this should be between 11,000 to 12,000 linear feet
- Replaced 1,528 linear feet of pipe as part of 17 replacement projects completed by the Stormwater crew
- Performed maintenance activities (mowing, clearing, debris removal) on 37 detention ponds, including one complete reconstruction
- Swept 292 miles of roadway, intersections, and parking lots
- Responded to 75 drainage complaints. This number continued to decline, Madison said. In 2016, there were 134, and in the early 2000s, there were an average of 400 to 500 calls a year.
- Maintained compliance with the City's NPDES Stormwater Permit

Madison went over the status of the Stormwater Bond projects, saying the Preston Chase subdivision project, Harbor Loop drainage, Woodsdale pipe lining, Rockspray Pond Dam, BCS Pond stilling basin, and the Kedron Pond West and East Dams were completed. The Wynnmeade subdivision project was ongoing, with an estimated completion date of December 2018, while the Golfview Drive drainage project should be completed in September of this year. Miscellaneous pipe lining was an ongoing project and should be finished in June 2019.

Goals for the coming year included:
- Continue maintaining pipes structures, detention ponds, ditches, etc.
- Continue street sweeping
- Continue replacing failed pipes utilizing the Stormwater crew (10-12 replacement projects annuals). Replacement list currently contains 24 projects

- Continue to replace failed pipes utilizing the bidding process (one to two projects annually); Capital Improvement Plan (CIP) list contains 19 projects
- Continue to in-place rehabilitate (line) degraded systems when possible
- Continue to address resident concerns
- Continue completing Stormwater Bond projects
- Continue to remain in compliance with the City's NPDES Stormwater Permit

Madison showed Council a list of the projects the Stormwater crew could handle in-house. He said that, when a complaint came in, he investigated and prioritized the issues. Rorie asked if these projects were loaded into the Geographic Information System (GIS) database, and Madison said he tracked them through a list and added the projects to the GIS database when they were completed. Madison said he had calculated the cost of what it would have been to outsource these 24 projects, and it came to $779,000.

Madison then presented a list of 39 Capital Improvement Program (CIP) projects, which were more complex, expensive projects that could not be done in-house. These went through the same scoring process to decide priority, with complaints that resulted in property damage and safety concerns taking precedence. Madison reported the total cost of completing these projects would be $46,795,000. Rorie noted the City's roadway assets were roughly valued at $200 million, and here was $46 million required for maintenance.

Prebor asked how other municipalities handled these costs. He pointed out that Stockbridge was at $1.2 million, and Peachtree City was at $2.3 million, with no other cities coming close. Rorie reiterated that it was a matter of choices. Some cities had more pervious vs. impervious surfaces, while others were cities with fewer green spaces and detention ponds. It was difficult to compare one city's program to another because of these differences. Madison noted that some cities included stormwater in the General Fund.

Rorie said the revenues for the Stormwater Fund would be $2.4 million for the coming fiscal year, while expenses were calculated to be $2.3 million, leaving a $100,000 difference in revenues and expenses. That money would go into Renewal and Extension (R&E) to address the $46 million in CIP projects.

Fleisch asked if the project lists had grown. Madison said he went through both lists at least once a month, and they were constantly changing as needs changed. Many projects on the CIP list were one-time only occurrences, he noted, and would move off the list.

Amphitheater Fund
Salvatore outlined changes in the Amphitheater's budget, which had an increase of $107,014. Instead of one six-concert summer series, there would be two four-concert series, with five stand-alone shows. The May Play event was successful this year, he reported, so they were looking at bringing in a sponsor next year.

The total budget for the Amphitheater was proposed at $1,388,549. Salvatore noted that the proposed FY2019 budget showed no capital outlay, while $102,000 was spent this year. There were still some projects that needed to be done, and there should be about $29,000 left over, which might not be spent until the season ended. The amount of revenue taken in for this concert season could dictate how much work would be done as well, Salvatore noted.

Convention and Visitors Bureau
Rorie explained that the entire team from the Convention and Visitors Bureau (CVB) would become City employees in 2019, with the same benefits and oversight as other employees. The

CVB would maintain its Board of Directors. The mission would be marketing the City – not just for tourism, but also as a destination to live, work, and play. It would have the responsibility to enhance citywide communications and citizen engagement through coordinated website management, social media outlets, and general public information. The public information would be about City programs.

They were recruiting a new CVB director, Rorie said, with a start date around August 1. A new position, Public Communications Specialist for the CVB, was proposed as well. This person would be supervised by the CVB director, and the director would answer to the City Manager and attend the weekly staff meetings. Rorie said funding for the director's position would be 80% hotel/motel tax and 20% from the General Fund. The communications specialist's salary would be 80% from the General Fund and 20% from the hotel/motel tax revenues. Salvatore reiterated that the plan was for this department to have a synergy and market the City as a whole, not just for tourism.

Fleisch asked if the communications specialist would attend the department heads meeting, and Rorie said no.

General Fund
Salvatore presented an overview of the current finances, saying $1.5 million, mostly unspent paving money, had been carried over from FY 2017, which pushed the beginning cash reserve fund balance to 42% for FY 2018. However, that money was spent, bringing the fund balance down to a projected 38% for this year. Next year's budget showed the addition of $176,000 to fund balance to offset that shortfall and keep a 38% cash reserve fund balance.

In comparing this year to next year, Salvatore said they were looking at revenue growth of about $1.23 million, and expenditure growth of $870,000, or 3.4% and 2.4% respectively. Most of the revenue would cover the increase in expenses as well as the increase in fund balance and the shortfall for this year.

Salvatore showed a chart of General Fund revenue sources, with ad valorem taxes and Local Option Sales Tax (LOST) being the biggest sources of revenue, accounting for about 58% of the total. In coming up with the $1.23 million revenue increase for FY 2019, Salvatore used an anticipated 4.5% increase in the tax digest, saying the Fayette County Tax Assessor confirmed this number would be accurate for budgeting purposes. He said this was conservative, compared to last year's 12% growth.

Fleisch asked about the Title Ad Valorem Tax (TAVT), and Salvatore said he blended it with the ad valorem tax. Salvatore noted that motor vehicle ad valorem was going down, but TAVT was going up. Ernst asked if it was still unstable and whether new legislation stabilize it. Salvatore said they were going with a lower number, and would not bump it up until he saw results.

Salvatore stated that LOST was based on a 10-year formula with the County, and next year he was projecting about a 2.8% increase ($200,000). He said there was a little growth in franchise taxes. Other taxes the City collected included insurance premium tax, occupational tax, alcoholic beverage tax, and others. Licenses and permits should be up a little, too.

Salvatore noted that when the CVB employees were brought in-house, there would be additional costs, but they would be offset by what the CVB paid in. He also pointed out the negative $218,000 under Interfund Transfers, which he said was the Georgia product development part of the Hotel/Motel Tax that had been pulled out of the General Fund and put into its own fund where spending could better be tracked.

Salvatore presented a bar graph that showed revenues exceeded expenditures, which he attributed to the unspent paving money. Salvatore pointed out that revenues and expenses lined up. Prebor said he would like to see a graph of them all combined, and Rorie replied he wanted to create a flyer-type report on the budget in brief.

A graph showing the cash reserves was next in Salvatore's presentation. It showed that the proposed budget would have 38% in cash reserves, which Salvatore pointed out was almost an equal amount dollar-wise, $13.85 million, to the 42% in 2017 because it was a percentage of the budget. This was well above the 25% minimum target requirement. Rorie said he would like to target a little higher than 38%.

Prebor said he understood that Newnan maintained 100% in cash reserves, and Rorie said many cities did that, while others (especially coastal communities subject to hurricanes and flooding) hovered around 50%. Rorie noted that a 20-25% cash reserve was relatively low, not that 38% was high. Salvatore said the cash reserve was important to bond rating agencies.

A graph of expenditures by department showed that Police, Fire/EMS, and Public Works accounted for $21 million in the budget. The two main sources of revenue, ad valorem taxes and the LOST, pretty much covered these "Big Three."

Salvatore then presented a bar graph showing expenses by account category. Most personnel costs were in Police and Fire. The majority of contractual services were in Public Works, which was the $1.8 million in paving. He said this was just another way of looking at the budget. He also showed spending by account categories on a pie chart, with personnel making up 56% of the total expenditures. Ad valorem and LOST would cover most of these expenses.

Salvatore explained that expenses for contractual services were going down this year because some services were moving in-house. Rorie said they constantly evaluated whether it was best to in-source or outsource various positions. Personnel costs could go down if the City contracted more, but sometimes that was not the best approach. He said they had to consider if it was best to create a position, contract out the work, or absorb it into existing personnel. The GIS position that would be discussed later was an example, Rorie noted, saying GIS was an underutilized system that could be better used by Public Safety and Public Works.

Ernst remarked that he did not like a graph showing expenditure types by departments. Police and Fire were almost totally personnel, which could look like they were paying extravagant salaries, which was not the case. Salvatore agreed that the head count of employees in those departments made it look that way.

Outsourced vs. In-House Services
Salvatore reported there was a recommendation to continue outsourcing Building Services and the City Attorney, but Council should evaluate outsourcing options for Information Technology (IT), Municipal Court, right-of-way maintenance, and solid waste.

IT Services
Salvatore said the City already used a partially outsourced, or hybrid, model for IT services. He oversaw IT in addition to his duties as Financial Services Director and had recently earned Certified Government Chief Information Officer (CIO) status. The City currently employed two full-time Technology Specialists who handled the day-to-day, face-to-face interactions with employees. He recommended keeping those positions in-house.

Salvatore presented a list of duties handled by the 24/7 outsourced maintenance and support team. Those duties included handling systems administration, server systems, storage systems, network systems, and cybersecurity. A financial analysis showed that it was worth it to keep those positions outsourced. He said there was occasionally a need for a third specialist, but not enough to make it a full-time position. The outsourced company could provide someone in that case. Several system engineers were also available 24/7 as needed.

Salvatore presented a list of what the in-house IT employees did, along with a list of all the outsourced engineering duties, which were more specialized and more expensive. He said security specialists were in especially high demand right now, and it would be expensive for the City to hire one. Human Resources Director Ellece Brown had researched what it would cost to hire specialists in the IT field. Outside assistance would be needed, even with someone in-house. Hiring a full complement of in-house IT would cost the City almost $1 million annually, Salvatore reported, while maintaining the hybrid approach currently being used would cost about $621,000. Ernst asked if that $621,000 accurately reflected expenses, and Salvatore said it did.

Rorie noted that the proposal for the GIS person was missing. Salvatore said a GIS person was not listed under either the in-house or outsourced category.

Salvatore recommended keeping the in-house, hybrid model for IT services, adding the City needed to maintain cybersecurity defense technology upgrades, along with enhancing the GIS system.

Prebor asked if the hybrid model could be used for City Attorney or Building Services. Rorie said it had already been decided not to use the hybrid model this budget year, but it could be re-visited in the future.

Citywide GIS Specialist
Salvatore said there was a growing need for this position. Police and Fire had asked about it, and Rorie said someone with specialized knowledge would be needed to build the camera database that was planned. Salvatore said this database would rely on the sharing of information from people in the community who had security cameras. He said it would rely on people participating, and if a crime was committed, Police could look at footage from all cameras in the area. Rorie pointed out that there was no canned program for this – it would have to be created.

The budget included $25,000 for a consultant to determine the City's GIS needs. This consultant would meet with the Police, Fire, Public Works, and Stormwater Departments to collectively define the project and recommend if a full-time in-house person was needed. Another $70,300 was included in the budget to either fund a new position or spend on outsourced services.

Municipal Court
Assistant Financial Services Director Kelly Bush said Municipal Court processed more than 10,000 law enforcement and code enforcement citations a year. They used a hybrid system, with an appointed judge who worked under contract. Professional Probation Services provided probation management, pre-trial intervention, and interpreters when needed, although Bush said they usually employed the AT&T Language Line, which was efficient and less expensive than bringing in an interpreter. In house, the City had a full-time solicitor, three full-time court employees, and one part-time position.

Bush discussed the Court's FY 2017 actual and FY 2018 projected revenues and expenses. The actual revenue for FY 2017 was approximately $1.7 million, while the FY 2018 projected revenue was approximately $1.3 million. The FY 2017 actual expenses were around $425,000, and the FY

2018 projected expenses were approximately $460, 000. The actual net for FY 2017 was approximately $748,000, and the projected net for FY 2018 was approximately $890,000.

Bush noted that the pre-trial intervention program was picking up, and the City kept all of the fees that went to this program. Fines and expenses were steady, except for indigent care, which provided attorneys to those who could not afford them and was a growing expense.

Rorie said the term "net" did not mean the Municipal Court was a "cash cow" – other support services, such as IT, were involved in the operations of the Court.

Bush showed pros and cons for outsourcing Court operations, and noted that for every pro, there was a con. Outsourcing reduced liability, but also reduced flexibility. While the City might gain economies of scope and scale through outsourcing, it lost control over specific services. Outsourcing could provide freedom of constraints from in-house cultures and practices, but losing those might not be a plus. Other pros on her list included gaining fresh ideas, obtaining expertise and high-level capacity quickly, and the opportunity to access best in class skills. A negative aspect was the possible loss of accountability in service delivery.

Bush mentioned that while outsourcing could allow them to learn from the best private sector management and practices, they felt they were already accessing that knowledge by working with a consulting firm when they encountered unique situations. Reliance on third-party contractors could also produce a lack of expertise within the organizational structure, Bush mentioned, which could make it difficult to return to in-sourcing at some point if the City lost the relevant skills and knowledge. She referred back to the right-of-way mowing conversation for evidence that this was a real danger.

Bush said the recommendation was to continue the hybrid system currently in place, but to look at working with other municipalities to consider economies of scale through consolidation. The municipal judge, solicitor, and dates and times of court were items to be considered. Rorie said this would mean there could be a common Municipal Court judge and a common solicitor so the courts would operate under common denominators throughout the County, but separately from State Court. An advantage could be that Court could be held at a location with more parking spaces than City Hall. Rorie said these talks with other cities would continue.

Right-of-Way Maintenance
Public Works Director Scott Hicks showed maps depicting all the City rights-of-way that were mowed – a total of 398 acres. Sixty-eight acres were on SR 54 and SR 74, while 201 were along 15 primary roads, and 81 were along secondary roads. Ancillary streets accounted for 48 acres of right-of-way.

Hicks said outsourcing the grass cutting for eight months cost the City $32,375 per month, and often required City to step in to subsidize efforts in the summer. Utilizing City employees for 12 months would cost a total of $364,000, which worked out to $30,333 per month. This also meant City employees could be used during the winter for tree trimming, utility maintenance, pressure washing, and other services.

Staff proposed adding five right-of-way technicians at a cost of $58,908, including benefits, Hicks stated, for a total cost of $294,540. He said they would remove the cost of the outsourced mowing contract, $259,000, making the net cost increase $35,540. If needed, overtime pay of $29,000 would be divided among the five employees instead of hiring a sixth employee.

Rorie said right-of-way mowing had been an issue for five or six years, and outsourcing had never been successful. They had re-bid the contract at one time, breaking it into smaller segments to get multiple vendors. It kept coming down to one issue – every July and the first part of August, the outsourced vendors fell behind, and the mowing work had to be subsidized by City crews who should be working on other projects.

The City already owned much of the equipment needed to return to in-house right-of-way mowing, Rorie reported; only the people were missing. The grounds crews had been doing a lot of right-of-way trimming in the winter, such as low-hanging limbs. Outsourced contractors were expensive to call for these needs. Utilizing current City employees meant adding to their assigned duties. A crew of five right-of-way technicians under a crew leader could get it done as part of their regular responsibilities.

Rorie addressed the overtime component, saying the $29,000 was an estimated amount. The City could spend $1,000 for 29 Saturdays of extra work, which traded the equivalent of one full-time employee to allow the City's lowest paid employees to earn additional money. Overtime would be half the cost of a full-time position, but for that money, the City could get five crewmembers working on a Saturday. Ernst noted that this was a great idea, if the work was distributed fairly. Rorie said it did not have to be the same five people; it could be divided among any employees. This illustrated a way of managing and controlling personnel to get the most value for expenditures.

Fleisch mentioned that the outsourcing decision was made in 2009 before she came on Council in 2010, and it had never worked. City residents demanded a level of service that it did not provide. King said it had lowered service. Fleisch said there was no accountability in the contract. She said she felt people were now seeing the benefit of re-establishing the Public Works Department and Building and Grounds.

King asked if equipment costs would make it worthwhile. Rorie pointed to the difference between the outsourced annual cost of $259,000 and the in-sourced cost of $264,000 and said the difference was accounted for with equipment purchases. He said an F-250 truck that was being replaced in the Police Department would be moved over to Public Works.

Fleisch asked if this would incorporate tree issues, and Rorie said they would be able to do some work, but not all.

Residential Solid Waste

City Clerk/Public Information Officer Betsy Tyler said the road impact analysis of garbage trucks had been discussed in detail at a Retreat workshop earlier this year, but she had simplified the message to say that "More heavy trucks = more damage on streets = higher costs to taxpayers." The options were to repave more often or employ more costly methods to repave.

Tyler referred to the portion of the Mission Statement that said the City must provide "consistency in the delivery of municipal services in a fiscally responsible manner." Residential solid waste collection was an outsourced service, and the City had non-exclusive contracts with three providers. The City set their insurance requirements, but the companies set their own base rates, which had to include both garbage and recycling service. Prices currently ranged from $46 to $52.50 per quarter, and some providers offered pickup of yard debris and bulky waste for additional fees. The providers managed customer service, and customers had the ability to switch providers if they were dissatisfied with services or prices.

Tyler said she had surveyed 26 cities in Georgia, with populations ranging from 25,000 to 75,000. Over 90% had a single provider, which could be one company they contracted with or a City or County department. Only Peachtree City and the Town of Milton had multiple trucks on their roads. All provided recycling, 60% collected yard debris, and 40% provided bulky waste service.

Tyler continued that street maintenance costs were one factor in considering a single-provider system. Rates were a factor, and Tyler recalled that the City had originally entered into a preferred provider agreement in 1999 because City residents were paying more than residents in surrounding areas were. Another issue involved the mulching center on Rockaway Road, which was free to residents who had the means to transport their yard waste, but the City had to pay someone to grind the materials. Dumping on cart paths was a separate problem in both enforcing the rules and cleaning up what was dumped. Finally, outdoor burning complaints were common in the winter and required time to address.

Tyler went over the pros and cons of having a contract with a single company:

- There would be fewer trucks on the roads, therefore, less damage.
- Customers would probably see savings. Tyler said one company had told them if they were providing service to the whole City, it would be about $10 cheaper per month for customers. That could also be translated into twice-monthly yard debris pickup, instead of dollar savings.
- There was a perception that a single-provider system eliminated competition and gave customers no choice. Tyler explained that the City would put the contract out for bids, which was a competitive system.
- Another con was the fact that what the City regulated, the City owned. If the City regulated a service, she said, they were perceived as the provider.

A fiscal responsibility/cost effective review showed that a single-payer contract would reduce prices or enhance services for customers while reducing General Fund costs for street repaving, the mulch yard, and cleanup and enforcement along the greenbelt. It should also reduce outdoor burning complaints. The only real area in which the current multiple provider system scored higher than the single-payer system was in the public perception of market competition. It did not provide the perception that the cost was competitive, even though both systems actually provided competitive pricing.

Tyler concluded by saying the current recommendation was to wait. She said they wanted to put out a request for proposal (RFP) for weekly garbage and recycling collection, along with bi-weekly yard debris collection. It would also include mandatory single-family home participation. After proposals were submitted, staff would have data to make a recommendation to Council.

King said he did not believe the problem of yard debris along cart paths would go away, even with a contract that provided residential pickup. Rorie said if homeowners were able to put debris at curbside without bagging it, it should not continue to be a problem. The City paid $49,000 a year to Keep Peachtree City Beautiful (KPTCB) to keep the paths clean. There was a cost to not requiring providers to offer debris pickup on a regular basis, but Rorie said they would not be able to gauge the impact without the RFP.

Prebor asked how pickup of yard waste usually worked. Rorie said some trucks had arms to pick up sticks and limbs, while other services used separate trucks to come back and pick up debris. King stated that the City could provide a truck to pick up debris. Rorie agreed that this type of hybrid approach was an option, but there would be a personnel and equipment cost. Fleisch said the RFP could include this as an option after major storms.

King said his neighborhood could handle its own cleanup because many residents had trucks. Rorie said he did not have a truck. When he picked up sticks and leaves from his yard, he could bag them and call his provider to come pick them up, but that would be an additional cost. He could rent or borrow a trailer and haul them to the recycle yard or he could burn them in his back yard. Now, he was hauling it, one way or another, to the recycle mulch yard, which was basically a dump at the gateway to Peachtree City. On the budget side, the City was paying more than $40,000 a year to grind it. So, he summarized, he was spending his time and money, one way or the other, to haul the debris to the mulch yard, then paying more money to grind it. If he paid a company to come to his yard and load it up, and haul it to the transfer station in Fayette County, it might make more financial sense.

Rorie said he did not want to get into the garbage business, but something had to be done. Based on the reports at the Retreat sessions, he said the RFP was the way to move forward. Prebor pointed out that household costs would go down under this system, and Rorie said they would go ahead with the RFP.

Public Safety Options
Fire Chief Joe O'Conor reported that the Quick Response Station 85 was under construction on the south end of the City, and existing personnel would be re-allocated to the station.

The Department had applied for a federal Staffing for Adequate Fire & Emergency Response (SAFER) grant, requesting funding for six firefighter/paramedics. The Chief said this was the beginning of staffing up for the expansion on the west side of the City. Fleisch asked how competitive the SAFER grants were, and O'Conor replied that they were very competitive. He did not recall the exact figures, but said he believed only 25% of the departments that applied received grants.

O'Conor told the Mayor that if the grant application was not successful, Plan B was to take several years to offset some of the challenges with part-time staffing as well as other issues. In FY 2019, they were asking to fund three full-time positions, with three more in FY 2020, followed by six in FY 2021, to bring staffing up to four additional firefighters per shift. If SAFER came through, he said, the process would be accelerated.

SAFER paid 75% of the salaries for the first two years, O'Conor explained, and paid 35% in the third year, with all expenses going to the City in the fourth year. He told Fleisch the submission period had closed, but they had no idea when the grants would be announced.

O'Conor explained how staffing would be structured, saying Station 85 would be staffed by pulling one person from Station 84 and another from Station 81. The additional full-time employee would be added back to Station 84. In addition, a part-time firefighter would be assigned to an inspector role, which they had been experimenting with successfully. O'Conor noted that this provided for one set of eyes with consistent follow-up. He said this position was included in this year's budget.

Police Chief Janet Moon said the Police Department was not asking for additional positions, but was asking for re-classification of some positions to ensure that backup supervisors were available. Moon requested that a detective position be adjusted to sergeant and that four officers be promoted to team corporals. She noted that the request for GIS services had already been covered. Moon showed an organizational chart depicting where the new positions would fall.

Rorie clarified that these position changes were simply to ensure there was someone to step up in a supervisory role if needed.

New/Changed Positions
Salvatore presented a slide that listed all of the new positions included in the FY 2019 budget:

- One citywide Public Communication Specialist/CVB
- One citywide GIS Specialist
- One Detective to Sergeant
- Four Patrol Officers to Team Corporals
- Three full-time Firefighter Paramedics
- One part-time Fire Inspector
- Adjust Fire Department holiday pay to actual
- Five Right-of-Way Technicians in the Grounds Department

Prebor asked O'Conor to explain what was meant by, "adjust Fire Department holiday pay to actual." The Chief told him employees had the option of being paid almost 11 hours of pay or granted 11 hours of leave if they worked on a holiday. With generational changes, most preferred to get the money. Rather than having people off on a holiday and having to find people to cover from them, the department had to pay an additional amount. A placeholder of 1% had been used in previous years to offset those dollars being paid out as holiday pay in lieu of time. This would be expanded to 1.5% in the FY 2019 budget to better reflect the actual dollar amount and not go over on the department's the salary line. If all firefighters took pay rather than time, they would go over the salary line.

Rorie said he would rather pay employees than give them time off and have to pay someone to replace them. Ernst asked if this was the same thing done in the Police Department, and Rorie said it was.

Everyone in the Recreation Department was required to work on the Fourth of July, Rorie noted. He said, in the past, it was mandated that they take another day off in lieu of extra pay. Rorie said that was not fair because every other City employee got the day off with pay. He felt the proposal O'Conor outlined would be the right thing to do in the Fire Department.

CPI/COLA
Brown showed the Consumer Price Index and Cost of Living Adjustments (CPI/COLA) for $100 in salary over several years. She said the City gave no COLA raises in 2015 through 2017, so the buying power of $100 in 2014 had dipped to $96.20 by that time. In 2018, Council granted a 2.5% COLA, which started in January, not October, meaning it was paid for a partial year.

The FY 2019 budget included 1.5% for merit increases, which totaled about $223,000. These increases would be at management's discretion, and not everyone would receive one, Brown noted. The proposed budget also included a 2.5% COLA, which equaled approximately $278,000. She said the COLA would begin in January with Council approval if budgeting targets were met when reviewed in December.

Rorie said COLA could not be approved until Council analyzed budgeting targets for FY 2018. In October, the books would be closed on FY 2018, and Council needed to know if the budget hit its targets and would vote on the COLA in December.

Salvatore went over where the more than $870,000 increase in expenses was coming from, along with some expenses that were being eliminated in FY 2019. This included the new positions and position changes, along with removal of the outsourcing contract, COLA, cash reserve increases, and citywide net cost reductions.

Salvatore presented a summary of key points in the General Fund Operating Budget:

- Estimated revenues of $37,056,830, or 3.4% increase ($1.23 million)
- Appropriations of $36,879,943, or 2.4% increase ($871,000)
- Decrease in total millage rate of .1 mills (bond)
- Cash reserve increase of $176,887, or 0% (still 38%)
- Street and path resurfacing – no change ($1.8 million for 3-4 miles)
- Personnel changes
- $146,047 funding for Fayette County Development Authority (FCDA) and $25,000 for non-profit organizations (no change)
- $2,250 decrease in airport funding (down to $81,600 per intergovernmental agreement)

The Five-Year Financial Model Salvatore displayed showed expenses and revenues over several years. He focused on the use of cash reserves each year, noting the projected use of $183,000 for FY 2018, along with the $176,000 to be returned in FY 2019 to maintain the 38%. Reserves would go up a little in FY 2020, but the percent would drop a little. In FY 2021, more than $1 million in operating expenses for the new fire station would be added to the budget, taking the fund balance to 35%, and that number would stay almost flat for a couple of years. Salvatore said he used conservative figures for the model, but hoped the actual numbers would be better.

Salvatore said the current bond millage rate would go down 0.1 mills in FY 2019 and drop another 0.17 mills in FY 2020. This would leave the City with just the Maintenance and Operations (M&O) millage rate of 6.232. A goal was to maintain millage rate stabilization, so they were showing no increase in the millage rate, and if the digest came in strong, it could be reduced. Better digest information would be available before the millage rate hearings, so the plan for now was to reduce the bond millage rate and wait to see what the digest was. Then, they would look at options to see what could be done while still maintaining this proposed budget.

Rorie asked what would happen if the City finished its current budget year with less than what was projected. Rorie and Salvatore noted that would impact spending in every category for each year. Rorie said that was why they came to Council in December to report if the City had hit or missed its targets.

Salvatore pointed out that in the final year of the model, 2023; he had programmed in an M&O reduction of 0.45 mills, but added 0.45 mills to the bond. He said at that time the City might be looking at major redevelopment projects. A bond of 0.45 mills would allow for a redevelopment bond of about $15 million. Rorie said the millage rate would stay the same, but the City could borrow $15 million for a major project.

Fleisch said the last GO bond was in 1993, and Salvatore said it built City Hall, the Kedron Aquatics Center, and The Gathering Place.

Capital Improvement Plan
Salvatore noted that they were trying to avoid any facilities bonds and complete capital improvements on a cash/pay-as-you-go basis. He went over the highlights of the plan:

- $445,000 cash for citywide facilities and infrastructure improvements
- $316,333 for Public Works and Grounds equipment purchases
- $675,325 for Police Department vehicles and equipment, including 10 patrol vehicles at $56,000
- $447,800 for Fire Department/EMS vehicle and equipment, including a medic unit replacement at $275,000
- $530,092 for technology, including $219,000 for citywide personal computer replacement (146)

The CIP for 2019 totaled $2,414,550 in both cash and financed items. Ernst asked if the 10 patrol vehicles included the F-250, and Moon said the truck was in addition to these vehicles.

Salvatore showed expenses for Public Safety equipment, which would be funded under the five-year debt service lease. It looked like they were adding new debt service to the lease, but items purchased five years ago were being paid off, he noted.

Salvatore said IT expenses were big because of the need to get everyone on Windows 10, which would decrease maintenance costs. The servers needed to be moved to Windows 16. He said the City did not normally finance these, but these PCs had new solid-state circuitry and should last at least five years, so it might be wise to replace them all at once and pay for them over five years. The cost would then be $48,000 a year over five years, rather than $219,000 all at once.

Other improvements were needed for security or technology end-of-life replacements. Of the $2.4 million in CIP, about $436,000 was in debt service, with $445,000 in cash.

Salvatore said in 2020, there would be a big cash payment for the All Children's Playground, which would be revamped, replaced, or relocated. Rorie said he wanted to use this topic to launch another discussion about cash reserves. He said the All Children's Playground was built around 2000. The City had a $75,000 quote to put a shade structure over the playground, but questioned whether it was worthwhile to spend $75,000 for a shade structure over equipment that was 15 – 18 years old. It might be better to relocate the entire playground to a shaded area. The question was whether it was better to finance this or do it as a capital cash item in 2020.

Rorie said he also wanted to launch a conversation about the CIP program as it related to recreational facilities and how those facilities were aged and dated. The City should look at consolidating some of those, then making improvements.

Rorie showed a map from the 2007 Master Plan that was supposed to cover through 2011. The map showed all existing recreational facilities and listed what those facilities included:

- 416 acres
- 15 baseball fields
- 10 soccer fields/2 lacrosse fields
- 12 tennis courts
- 22 playground/tot lots
- 8 concession stands/restrooms

Those numbers were now incorrect, Rorie pointed out. A restroom had been added at Meade, and there was a SPLOST project for a restroom at Line Creek. Recreation and Special Events Director Quinn Bledsoe said a playground had been added at the Peachtree City Athletic Complex (PAC). The number of tennis courts was also no longer valid.

The goal of this Master Plan had been to provide residents and local businesses with meaningful, high quality recreational opportunities, Rorie read from the plan. He said it evaluated public and private facilities and identified deficiencies based on National Recreation and Park Association (NRPA) standards, which looked at population and stated how many facilities of different types were needed. Those standards no longer existed, because every community made different decisions based on their specific needs. As an example, the Master Plan said the City was deficient in four badminton courts. He said the City had about 1,600 pools in the 30269 ZIP code, which explained why the public pools were underutilized. Pickleball was not mentioned in the Plan at all.

The Plan set the first priority for recreational facilities as the residents of Peachtree City, with second priority to residents of Fayette County. The third priority was to employees of businesses in the City who were participating in corporate events, with the final priority being residents from outside Fayette County. The plan said non-county participation should be regulated not to exceed 30% of youth sports participants. Rorie mentioned that there was a three-tier fee structure to ensure that all participants paid in accordance with the level of tax participation.

Another objective stated in the Master Plan was to assess the adequacy of existing maintenance resources to effectively maintain existing and future sites and facilities. The Plan also said that support for programs would remain substantially the same, with additional funding brought in from higher user fees, grants, and sponsorships. Rorie said the recession that began in 2008 hindered those plans.

The Master Plan also projected the City would be built out by 2008, with a population of 37,500. Ten years later, this still was in the future. Other needs listed included a Teen Center, new fields for soccer, football, lacrosse, baseball, as well as spray parks (converted from existing pools).

The Plan anticipated Peachtree City Recreation receiving $150,000 a year, plus adjusted growth in the tax digest, from Fayette County. Rorie reported that amount had dropped to $116,000 at some point and had only recently been restored. However, jail fees went up, so dollar for dollar, the City did not gain anything.

"User fees will increase in the future to provide additional supplement funds to provide maintenance of recreation sites," Rorie read from the Plan. He said this was why he did not like the term Master Plan. They usually were not valid in the real, changing, world. There was a difference between the real world and Disney World, he stated.

Rorie showed several photos of the cracked asphalt basketball courts at Braelinn demonstrated the state of some recreation facilities in 2011, after years of use. The court now was concrete, which was better suited to the wear and tear. Prebor asked if Rorie had many photos of various facilities and said he would like to see before and after photos. Rorie told him he did not have time to get the "after" shots for this presentation, but that was a good idea.

Rorie summarized by saying "a little well done is better than a lot 'just done.' " Maintenance was more important than continually expanding. He argued that taking $10 and spreading it equally among 10 facilities would not be as efficient as taking the same $10 and using it to improve two facilities. He said the City could continue to spread itself thin, or it could explore ways to best invest in the community by consolidating facilities, which would provide value-added services for the most people, while maintaining fiscal responsibility.

A closer look at the PAC, Meade Field, the Braelinn Recreation Complex, Glenloch Recreational Facility, and the Riley Field Complex was next. Rorie said he did not know how they were all funded when built. The Meade facility, built in the 1970s, suffered from poor design, with gravel driveways and parking.

Rorie pointed out that he had received emails regarding lack of access to facilities according to the Americans with Disabilities Act (ADA) and said the Master Plan called for upgrades to become ADA compliant. The ADA became law in 1991, and the City still needed to bring some facilities into compliance.

He said the Braelinn basketball courts were probably built by the developer and had not held up over the years. A Facilities Bond funded renovations at Glenloch, which included new interior paint, new flooring, restroom upgrades, new roof, and new exterior in 2013. Now the facility needed painting, the funds would come from the $350,000 General Fund maintenance budget.

Rorie said he wanted to discuss the PAC and Riley Field separately. The PAC was 88 acres, and included an adjacent undeveloped area of about 34 acres. There were six multi-purpose fields and 10 baseball diamonds, including the Challenger facility. Rorie said the PAC was a premier facility used for sports tourism, with the MOBA soccer facility across the street, tunnel access, and a project to connect it. He said he would like to see all the acreage developed for use, an idea from the 2007 Master Plan.

The PAC was used for baseball, AFC Lighting Soccer, and Lazers Soccer. Rorie showed the percentages of participation by non-county residents for baseball at 16%; AFC Lightning, 36%, non-county and 29%, Fayette County; and Lazers Soccer, 19% non-county. These were the three youth sports associations using the facility.

Rorie said 429 players were involved in baseball in 2017, 503 in AFC Soccer, and 2,909 in Lazers Soccer. Lazers had two seasons, and some matches spilled over to Glenloch. Prebor noted that 65% of the participants in the Lighting program did not live in the City. Rorie said they did pay additional fees through the three-tiered program.

Concepts for fully utilizing all land at the PAC included expanding parking, adding practice fields, or adding two multi-purpose fields with another bathroom and concession buildings in the middle. Rorie said he had no idea what this would cost, but felt it was important to talk about why this might be a good move. Firstly, the PAC was a sports tourism facility. In addition, maintenance was easier if the fields and recreation buildings were concentrated in one area and not spread over several venues around the City.

At Braelinn, Rorie related, there were 18 acres bordering Oak Grove Elementary. The site included an old baseball field and current baseball diamonds. Parking was sub-standard. Rorie presented a proposal showing how the facility could be used by keeping two fields and adding a rectangular field where the former diamond was, plus another rectangular field on school property. Parking could be upgraded, but lights were still needed. However, there could be complaints from neighbors about the lights. He said additional parking could be used by the school during the day. It would be a shared resource between the City and the school.

With the addition of two fields at the PAC and two at Braelinn, Riley Field could be re-allocated for other uses. The cost to replace the track at Riley would be about $200,000, Bledsoe said. Rorie recalled there was no track program in 2017, and just 32 participants in 2018, with most of those being from outside the City. Fleisch said she often received emails from members of the PTC Running Club asking that the track be resurfaced. Rorie pointed out there were 100 miles of paths to run on.

The football program at Riley almost died several years ago, Rorie pointed out, but had been revived somewhat, with 161 participants in 2017. This meant the Riley facility was operating to serve 161 and 32 participants. Maybe those programs could be moved to the PAC or Braelinn, and Riley re-allocated for other uses. Consolidation might be the answer instead of continuing to try to provide so many services on an unsustainable model.

Fleisch asked about the size of the Riley Field Complex, and Rorie told her it was about 18 to 20 acres. He said the gravel and asphalt parts of the complex needed to be renovated.

Rorie showed a diagram of the Meade Fields and explained where he wanted to cut a path to feed into asphalt parking for girls' softball. He said if two more lighted fields were added at the PAC, lacrosse could be moved there. If two fields were added at Braelinn, adult softball could be played there.

However, Rorie noted his real target was the mulch yard across the street from Meade.

Rorie jumped back to discuss softball at Meade. About 24% of the adult softball players were Fayette County residents, and another 35% were non-county residents. He said that might not be unusual for a border community, and Fleisch remarked that many of those were from corporate softball teams with employees from other communities. Prebor said looking at team sponsorships might be the way to go. Rorie said that keeping the softball at Meade was his plan.

The lighting was on wooden poles at Meade, with metal halide lights, which were high-maintenance and frequently burned out. This led to a look at maintenance expenses. Rorie said the City lacked sufficient detail to do an effective cost-benefit analysis, but could look at some facts, such as costs for power. Fleisch said much had been done to lessen costs over the past few years. Rorie said Bledsoe did some accounting and came up with $387,000 as the total costs for maintenance at the PAC and at Meade.

Georgia Power was asked to estimate the cost of switching the lighting at the PAC over to the more efficient LED. The light fixtures at Meade could not be replaced because of the wooden poles, according to Georgia Power. The wiring for the lights must run through the center of the poles, which was not possible with wooden poles.

There were 244 1,500-watt fixtures on 21 concrete poles at the PAC soccer fields. If that could be reduced by 30% to 152 LED fixtures, it would result in an estimated energy savings of about $9,700 per year, with a maintenance savings of around $5,000 per year. This would be a total savings of approximately $367,000 over 25 years. However, the total cost of the project would be about $647,000, which meant the City would have to wait 44 years to break even. If the number of halide lights was reduced by 50% to 122, the maintenance savings would stay at $5,000, but the energy savings would jump to around $11,000. The estimated cost would be around $488,000, with the payback time around 29 years.

Replacing the lights at the baseball fields would be about a $700,000 project, with a payback of 25 years. Rorie said it came down to an investment of $900,000 to $1 million that would not provide a payback for 25-plus years. He asked if it was more fiscally responsible to change the lighting or just keep the metal halide and do the maintenance. At Meade, he said the City had a poorly designed facility in need of upgrades, asking if it was worth it to spend $200,000 or so on new light poles and lighting and install ADA compliance, asphalt, and more.

The budget policy said a baseline should be set and new revenue sources targeted or expense cuts identified. Rorie said he wanted to add two more fields at both the PAC and Braelinn. He said the trees needed to be cut and the land developed at the PAC. Maintenance and lighting costs would be the issue. Perhaps two of the fields would not need lights. Mowing was already being done there, so it would be little effort to maintain two more fields. Perhaps turf could be added with the GO bond Salvatore mentioned earlier, or turf costs might outweigh grass maintenance costs. Rorie said decisions did not have to be made all at once.

Rorie continued that the City had an offer to buy the revenue stream from the cell tower at Meade, currently $59,000 a year with an $11,000 annual land lease, for $1.1 million. The revenue from the tower amounted to about $700,000 over 10 years, so Rorie said the City would need to analyze what was the better deal. Micro-cell sites were important to rolling out the 5G; towers would still be used but not as much. He asked how much the revenue would be worth in 10 years.

The Tourism and Product Development Funds (TPD), which came from the 8% Hotel/Motel Tax collected by the City, was an option for financing these projects. However, Rorie explained that

3.5% went to the General Fund, 3.5% to the CVB, and the remainder to TPD. The TPD portion equaled $200,000 to be divided between the Amphitheater, the PAC, Meade Field, the BMX Track, and the Tennis Center. That money did not go far, Rorie stated. In-kind donations were another option.

Rorie asked Salvatore what the next step in the budgeting process should be, saying he was sure the Council would have many questions after they had time to review the information presented. Salvatore said the next night, June 26, was available. Since the July 5 Council meeting was canceled, Tuesday, July 10, would be the last shot at a workshop-style meeting before the scheduled public hearing at the July 19 Council meeting. Rorie recommended July 10, adding he could see no great value in a workshop the next night without Council having time to think about and review the proposal.

Ernst asked if the FCDA payment of $147,000 could be voted on separately, and Rorie said it was part of the budget, but any line item could be pulled out by Council and voted on separately. Rorie asked him if he would like to have an FCDA representative present at the July 10 workshop. King said he did not like the County putting increased costs onto the City, and Fleisch mentioned that the County intended to lower its millage rate this year. She said she would invite County Commission Chairman Eric Maxwell to the July 10 meeting to discuss the FCDA.

Fleisch said the Animal Shelter and Mulch Yard were issues on the southern border, and she wanted to know the best way the City could dispose of those with some control over future use. She said she wanted quality development. Rorie said the FCDA site selection people could look at the property or the City could do an RFP. The land could be left as greenspace. Fleisch said the merchants at Wilshire were unhappy with having a mulch yard across the street.

The Mayor also mentioned that the numbers for track and football at Riley Field were much lower than she had realized. Rorie said this just made the point that Peachtree City was a demographically changing community. In addition, many parents were no longer allowing their children to play football due to concerns about head injuries.

Fleisch said she would like to approach the Board of Education about the use of the land at Riley and at Braelinn adjacent to Oak Grove Elementary. Fleisch said she wanted the FCDA site selection team to look at the Recycle Yard, Braelinn, Meade, and Riley and estimate their worth.

The consensus was to hold another workshop on Tuesday, July 10. There being no further business, Fleisch adjourned the workshop at 9:41 p.m.

Martha Barksdale, Recording Secretary

Vanessa Fleisch, Mayor