

City of Peachtree City
BUDGET WORKSHOP
Minutes of Meeting
June 14, 2005
6:30 p.m.

The City Council of Peachtree City met in a workshop session on Tuesday, June 14, 2005, at 6.35 p.m. Council Members attending were Mayor Steve Brown, Steve Rapson, and Judi Rutherford. Stuart Kourajian and Murray Weed were unable to attend due to work commitments. Staff members attending were: City Manager Bernard McMullen, Financial Services Director Paul Salvatore, Assistant City Manager Colin Halterman, Police Chief Jim Murray, Recreation Administrator Sherry McHugh, Public Services Director Tom Corbett, Fire Chief Stony Lohr, Administrative Services Director/City Clerk Jane Miller, Developmental Services Director Clyde Stricklin, System Administrator Matt Robinson, Library Technology and Training Manager Jill Prouty, and Assistant Finance Director Janet Camburn.

McMullen told Council the budget process was slightly different this year than in the past in that this workshop meeting was previously held just with the Mayor. Staff was looking for Council input and was available to answer any questions.

Salvatore gave an overview of the proposed budget. Staff anticipated a 3 4% increase in revenues, about \$802,000 assuming the millage rate remained constant. He explained there would be additional tax revenue from growth in the tax digest due to new growth and reassessments. The surplus carryover of \$1 7 million would be used to balance the budget. He stressed the City would still be in compliance with the cash reserve policy

Salvatore addressed the funding uses and noted there would be an overall 3.2% increase in the departmental operating budgets. The total 4 16% increase included debt services, transfers to PIP, and general administration. The small departmental operating budget increase was attributed to the scaling back of the General Fund street resurfacing programs due to the SPLOST fund. Overall, the street resurfacing program for FY 2006 was increased by \$375,000. He added that four full-time equivalent staff positions were included – a systems specialist for IT, a full-time children's specialist and a part-time library assistant at the library, a city engineer 1 for Developmental Services, and a part-time staff assistant for Planning that would be made full-time. He said approximately \$3 million was expected from the SPLOST, \$2 million from FY 2006 and \$1 million from FY 2005. The FY 2006 PIP budget was projected at \$2.9 million. Major capital equipment purchases included a rescue pumper and 10 replacement police vehicles.

Salvatore moved to the departmental budget analysis. Under Administrative Services, the City Council budget included a 62.95% increase to cover the bi-annual election costs of \$40,000. The Administrative Services division's budget increased 11.25% overall. Additional changes included moving the court solicitor position (\$61,552) from the Police Department budget to the Court budget and adding the Teen Court (\$10,000). Rutherford asked if there was a better way to carry the election costs in the budget. She asked if the election costs could be split up and carried over so the budget would not have

such a variance every other year. Salvatore said the costs could be carried over, but the election costs did not have a big impact on the overall operating expenses. McMullen said the election cost might show as a large increase in the Council budget, but the cost was easily absorbed.

Rutherford asked Robinson about the costs for the upgrade on Microsoft Word. She agreed that the virus software should be updated, but questioned if everyone needed the latest version of Word. Robinson said the City was four years behind on the Microsoft Office software. He said the technical support on the Microsoft program in use would expire next year, so support on the software would expire. Rutherford noted that "Microsoft Word was Microsoft Word," and the City was probably paying for software upgrades that were not being used by everyone. Robinson said there were a variety of documents that came into the City. The latest update would include the latest conversion utilities. Approximately one-fourth of the staff could use the update. He noted that others were unable to open WordPerfect documents. Rutherford directed Robinson to figure out who needed the Word upgrade.

Rutherford noted a line item in the Council budget for the Chamber Roundtable, which was \$600. She said she paid her own cost for the Roundtable. Brown agreed to take out the funds.

Rutherford expressed concern that \$500,000 was carried for staff vacancies and that people might not be hired so the City could meet the staff savings. McMullen said they were not intentionally not hiring people to make up the \$500,000. He said the vacancies ran about five percent of the budget.

Rapson said he had quite a few items he wanted to discuss, but that he would call Salvatore about them rather than take up time during the meeting. Rapson said they should base Council training and Retreat on what was done last year; however, funds would be needed for required training for new Council Members, if elected.

Rapson questioned the "consultant for evaluations" in the Human Resources budget. Miller explained that a consultant was needed to look at the performance evaluations. McMullen said the evaluations were not very quantitative, and help was needed on the performance standards area.

Rutherford said Council needed to address annual golf cart registration. She would like to see a yearly registration, even if it was just a one-time event to get the correct information. Chief Murray said 40-50% of the carts were not correctly registered. Brown suggested there could be an amnesty on the registration fees just to ensure the carts were registered properly. Miller said they asked that owners transfer the registration, but it did not always occur. Rutherford said they needed to do something relatively quickly to ensure the golf cart registrations were correct and up-to-date. McMullen said there were tickets issued for golf carts that were improperly registered.

Chief Murray added that those carts were usually abandoned. Council agreed that something needed to be done.

Rapson suggested that, before the end of the fiscal year, departments purchase some of the office equipment or small tools needs such as file cabinets that could be ordered and received quickly. He said they already had a good idea of the savings carryover so it would be appropriate to go ahead and order those supplies before October 1 to help with FY 2006. Salvatore said that already happened naturally with some of the departments as it got close to the end of the fiscal year. McMullen said that might not help the bottom line. He said the City had a good process and was the first organization he had worked with that did not rush to spend all the money at the end of the year. The next fiscal year's budget was not based on what was spent during the current fiscal year. He said that was a good process and was closer to zero-based budgeting. McMullen said some items were occasionally purchased early, such as the copier for the court office. Rapson said staff should use their discretion for those purchases and should go ahead and purchase smaller items instead of waiting.

Rutherford asked about the new position in IT. Salvatore noted the location of the justification form and the cost of the position. McMullen said there were simply a lot of things the departments needed to get done. IT did not have the staff or time to get everything done. McMullen said once many of the items were implemented that a lot of peoples' jobs would get easier and more efficient. Rutherford asked about the vehicle IT requested. McMullen said IT would re-use an existing police vehicle.

Rutherford questioned the Police Department salaries. She said if the court solicitor position had been moved, then the salary line item should have dropped. She asked if the solicitor had been a separate line item. The overall increase for the Police Department was 1.93%, which Salvatore said was very low. If the position had been left in the Police budget, Salvatore said the Police budget would have increased just over 3%.

Chief Murray said new SWAT vests were in the budget, which were \$1600 each. Rutherford said she wanted to make sure the officers had the equipment they needed and were not waiting on donations to get the equipment.

Rapson pointed out that the EMS budget was still \$1,000 less than the projected revenues. Salvatore said the EMS budget was about at the break-even point. Rutherford said they had discussed a need to increase the Fire Department staff, but there were no new positions in the budget. McMullen said that, in terms of the EMS tax equity issue, they preferred getting through this year and the tax equity discussions first. There was also a question of automatic aid. Rutherford said that the automatic aid question needed to go on an agenda. The City could end up expanding the area it covered, while the County would do nothing for the City. McMullen said that was correct in terms of first responders. Staff was trying to get an estimate on the workload increase and noted that the majority of calls would be medical. The County wanted the City to upgrade all the engines to ALS and respond with fire trucks, when the City responded with an ambulance.

for medical calls. He said there should be conditions to make that favorable. The Fire/EMS budget had an 8.2% increase.

Rutherford noted that the only decrease in the Public Works budget was in the areas where the SPLOST could be used. She asked what the increase would have been if those items had not been moved to the SPLOST. McMullen addressed funding for resurfacing, saying they were looking at spending over \$1.5 million on street resurfacing in FY 2006. Rutherford said they had discussed comparing costs to see if the City saved money by having the County do the paving. She asked if enough had been done to know. McMullen said the City worked closely with the County during the last paving cycle. He said staff felt they had gotten a higher quality than in the past. Staff bid out the resurfacing for another section of Peachtree Parkway, and the bids had come back at significantly higher prices. He said they had gotten the information they needed from the bid process.

Rutherford asked McMullen if the County would have time and the capacity to do the work for the City with the increase in their workload due to the SPLOST. McMullen said he had spoken with Lee Hearn, who had indicated that the County would continue to do the LARP-funded projects for the City. McMullen said they would send out an RFP for the work that would be funded by the SPLOST. The County was to put the RFP together but had not done anything yet. McMullen said he had discussed the possibility of putting projects together with Tyrone. Brown noted that the City would do the carpath repaving in-house.

Brown asked if the City would be on a regular payment schedule on the SPLOST. McMullen said the City had not received any funds yet, but expected to receive a payment in July.

Leisure Services had a 741% increase. Rutherford asked whether the Tourism Association was paying for the July 4th parade. McHugh said the Tourism Association was working on some baseball tournaments and would reimburse the City for the use of the fields. She said Leisure Services had not been asked to plan any festivals by the Tourism Association. Brown asked about the vinyl fencing. McHugh said they still had some of the fencing in stock and would continue to put it up. Brown said the fencing looked a lot better. Rutherford recalled that, in past discussions, the Tourism Association would take over some of the events. She asked if that was the plan. McMullen said the Tourism Association did not pay for the July 4th parade this year, but the Tourism Association would reimburse the City \$200,000 over the year for different events. The money would go back into the General Fund.

McHugh noted that the Recreation budget had been realigned to include all pool maintenance. The pool maintenance line item had been pulled from the Kedron budget and put into the Recreation budget along with the summer pools. She said the cost for Kedron now reflected the real cost to run the facility.

Rutherford asked if the increase in the salaries for The Gathering Place was due to the additional person. McHugh said it was. Rutherford noted that planning money for the senior center expansion was in the FY 2006 budget. She asked if they had looked at rearranging any space at the Nature Center for the seniors. She said the seniors did not want to be in the basement due to the number of steps. Brown said that was a major ordeal for some of the seniors. Rutherford said the seniors would rather use the space on the first floor and suggested asking the Nature Center if they could move their displays to another area. McHugh said they met with Abby Jordan to discuss future uses, but had put the issue on the back burner. The seniors really wanted to be closer to each other. Rutherford said she understood that, but this would be a good temporary space. The first floor space would be ideal once the cabinets were moved.

McHugh briefly discussed expansion plans. Rapson said it would be better to expand the current center than to build another building. McHugh said the Senior Adult Council had polled users to see what the seniors would like in an expansion. Staff needed to look at it from their end before any decisions were made. Rutherford said it was still two years before anything could be done, so they should look at alternative spaces for the interim.

Rapson asked if there was money for staffing and new books in the Library budget. Prouty explained the increases in the Library budget and noted that they had requested the addition of one full-time children's specialist (a parapro position) and one part-time library assistant due to the library expansion. Rapson pointed out that the voters approved the bond issue for the library expansion, and staffing was part of the expansion.

Rutherford asked Stricklin why another engineer was needed. Strickland gave a brief rundown of the workload, plus the work on the stormwater utility. Next year there would be additional projects, as well as the road projects. He said the City was aging and other issues would come up as a result. The projects would not be short-term. Stricklin said it would be better to have an engineer on staff than to hire a consultant for each project.

Rutherford noted the drop in building permits and suggested moving staff from that department into engineering. Stricklin said there had been a drop in single-family permits, but the total number of inspections had increased. Commercial rehabs, residential remodeling, and tenant finishes were making up for the decrease in single-family permits. The total number of inspections continued to increase, and the positions could not be traded. The inspection staff needed to remain the same.

Rutherford asked if the stormwater program would pick up part of the cost of the engineer or if a third engineer would be needed for that program. McMullen said stormwater would be part of the engineer's duties. Public Works was currently doing a lot of the work that would be done by the stormwater utility. Brown said he supported the position as long as there was money to do it. He did not want to fall behind and wanted to keep things on schedule. McMullen said that was a challenge now for engineering department. The Development Services budget request had decreased 0.95% overall.

Rutherford asked if it would be possible to utilize Georgia Tech students for some of the work. Stricklin said that interns had to be closely supervised to get the product that was wanted. Interns were fine for short-term projects, but the City needed someone with qualifications and skills. Rutherford said she was suggesting the interns be used to take care of the minor projects and do the legwork. McMullen said he and Stricklin had discussed that possibility and were looking at bringing in an intern to work on GIS projects. Brown noted that Griffin Tech had a GIS technical program and probably had students who could help. Brown said he supported the position.

Rutherford asked where staff was on garbage pick-up. McMullen said staff was preparing an RFP. Halterman said the RFP should be ready to go out in September. McMullen said they were looking at a franchise based on the advantages, which included a reduction in the number of trucks traveling on the streets.

Salvatore said he was not anticipating an increase in the millage rate for FY 2006, but some were programmed in future years. Rutherford said they needed to look at the City's finances over time so they were not pushing the millage back now and paying for it later. McMullen said the biggest change in the budget, in terms of the SPLOST, was street repaving. He said that the model used for the SPLOST decreased street paving \$300,000 this year, but street repaving would increase every year after FY 2006 until the end of the SPLOST, when it would be even.

Rapson said that the model showed a 15% millage rate increase in 2008, which was misleading. An increase had always been shown over the last few years, but the reality was different from the model assumptions. Rapson said he wanted to look at the model assumptions for future years and make them more accurate. He told Salvatore he knew that Salvatore was trying to show what would happen when the SPLOST was gone. Salvatore added that he was also trying to show what would happen due to the money lost from the LOST distribution, plus putting the \$400,000 back into the Public Works budget. By building up the fund balance higher than it should be, there would be a sinking fund so there would be a zero millage rate increase three years in a row to absorb the hit of the \$1.5 million. Rapson said he did not disagree, but said a layman would only see Council putting off a millage rate increase. He wanted to look at the model and make some adjustments so there would be smaller increases. Salvatore agreed there were a lot of variables.

Salvatore said there was a 2.66% increase in the General Administration (non-departmental) budget, which included general liability insurance, legal services, debt service, and Council Contingency. The current General Fund budget was \$25,585,247. The proposed budget for FY 2006 included a 4.28% increase for a total of \$26,679,296. Rapson asked if \$35,000 would be enough for the Development Authority. Brown said he had spoken with some of the members, who noted they should focus on immediate, dire expenses, not fluff such as partnering with the Fayette County Development Authority on the Christmas luncheon.

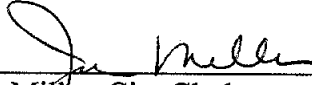
Rutherford said, based on past discussions, she was surprised that there were no additional fire positions in the budget. She understood why, but noted that the older the structures became, the older the wiring, the more rehab done by unskilled people, the greater the potential for fires. She was not sure what could be done with the County, but the City's residents needed adequate public safety in spite of the County. The Fire Committee should start meeting again and moving forward. The City's public safety could not sit and wait for the County to do something. Rapson agreed, but said the Police Department also needed more funding. Rutherford noted that the County money specifically dealt with fire, but it could free up money to be used for the Police Department. She might have referred to the Fire Department specifically, but public safety included both fire and police.

Salvatore continued the City's debt policy had been revised, and the threshold had been raised, so financing would be needed only for equipment that cost over \$100,000. Rapson noted that everything over 2006 also drove the models for the debt service.

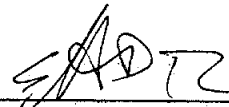
Salvatore noted that the Public Improvement Program (PIP) for FY 2006 was \$2,974,352 and included Public Services, \$789,808, Leisure Services, \$685,000; Public Safety, \$925,808, and Administration Services, \$273,736. Salvatore also noted that the PIP budget included a proposal to use debt financing for \$2.3 million of capital projects listed in the 5-year PIP (highlighted in yellow).

Salvatore said budget workshops were scheduled August 1 and, if needed, August 15. The public hearing on the budget was scheduled August 18.

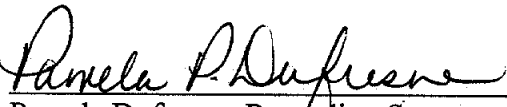
There being no further business to discuss, the meeting adjourned at 8:53 p.m.



Jane Miller, City Clerk



Stephen D. Brown, Mayor



Pamela Dufresne, Recording Secretary