

City Council of Peachtree City
Minutes of Special Called Meeting
June 5, 2006
6:30 p.m.

The City Council of Peachtree City met in a special called meeting on Monday, June 5, 2006, in the City Hall Council Chambers. Mayor Logsdon called the meeting to order at 6:30 p.m. Other Council Members present were: Steve Boone, Stuart Kourajian, and Judi Rutherford. Cyndi Plunkett was out of town.

The purpose of the meeting was to consider approval of the construction contract for the satellite auto shop.

City Manager Bernard McMullen recommended that the bid for the construction of the satellite auto shop be awarded to R.L. Ward, LLC, of Newnan for \$498,500. He continued that Council had asked for additional information at the May 4 meeting, and a number of correspondences had been sent. In addition to the fire vehicles, there were other City vehicles that did not fit into the current shop. The Stormwater Utility would also have vehicles that were oversized.

McMullen discussed the economics of outsourcing maintenance and repairs. The closest facility authorized by Central States to perform warranty work was located in Chattanooga, Tenn. Non-warranty work could be completed in Union City and Jonesboro. The Public Works shop had mechanics certified to perform the work. McMullen said staff had looked at the number of times the vehicles were in the shop, looked at where the work had to be done, and at travel time and another vehicle to accompany the vehicle to be worked on so the employees could come back or pick up the serviced vehicle. If all maintenance on the oversized vehicles was outsourced, the estimated cost was \$261,667 per year compared to a cost of \$74,269 to do the work in-house. The \$187,397 difference was accounted for in higher parts costs, higher labor rates, and transportation costs. He added that the cost difference was not in the budget. The annualized debt service for the satellite auto shop and equipment was \$53,289.

McMullen said the only options were to outsource the work or to do the work in-house. There were other factors to consider than weather. The City did not have the ability to do the maintenance as it should be done. The floor plan for the proposed shop had two bays and an admin/storage area. The larger bay was designed for Tower 8, the largest vehicle the City would ever have. The bay would allow the vehicle to be raised so maintenance could be done. It also allowed for the ladder and cab to be raised, as well as for the ambulances to be raised so work could be done.

McMullen explained that another significant issue was the downtime of the vehicles. Fire Department vehicles would have to be stripped of equipment before they could be transported, which would take a day to take the equipment off and a day to put it back on when the vehicle returned. It would take one day to deliver the vehicle, which could

spend a minimum of three days in the shop, then another day would be needed to retrieve the vehicle.

Rutherford asked how the satellite shop would be staffed. McMullen said the current shop only had four bays, and there were five mechanics, plus one vacant position. One employee was always working outside. Two people would work out of the satellite shop, and three people would be assigned to the main facility. Rutherford noted that there always had to be two people in the shop due for safety.

Kourajian asked if there was third option. McMullen said that staff would do whatever Council directed. In his opinion, it was not safe for mechanics to work out in the weather all the time and to not be able to get underneath the vehicles to do the maintenance correctly. Rutherford noted that although fire vehicles were designed to fight fires outside, they were not designed to be stored outside for any length of time.

Boone said the bottom line was this was a life safety issue. He supported the satellite auto shop. It would make the operation better, cut down on down time for the vehicles, and would be safer.

Rutherford said she had visited the Public Works area that day. A dump truck was in one of the bays, and people were not able to walk around it. Space was tight. She had not supported the satellite auto shop in the past because the City had not had mechanics that could do the work. Now there were two employees qualified to perform maintenance on the fire vehicles. Her concern was that the building had been designed for a particular site, but now would be at another site. McMullen said the design had a set of pull-up doors for ventilation. The doors would provide the access needed for the site. Boone asked if the design included precautions to prevent the problems the Police Station was having with moisture. McMullen said Integrated Science & Engineering had designed the concrete so there should be no issues.

Kourajian asked about the funding for the project. Finance Director Paul Salvatore said the project would be funded through the Bricks & Mortar loan. Rutherford asked what it would cost to cut down the length of the loan. Salvatore said the debt service was already in the budget, and the projects were all 10 and 15-year projects. Rutherford asked if there was a penalty to pay off the debt early. Salvatore said it depended on how the loan was set up, and how many projects remained in the Bricks & Mortar loan. If there was no prepayment penalty, the interest rate was usually higher. McMullen added that the loan was approved, but the City had not taken the cash yet. Logsdon clarified that the Bricks & Mortar loan had not been exercised, so the City could set the terms. Salvatore said that \$218,000 per year had been budgeted for debt service for the entire \$2.3 million Bricks & Mortar loan. Logsdon asked if the larger loan could be broken up into separate loans for each project. Salvatore said the City would have to pay closing costs on each loan, which was not cost-efficient.

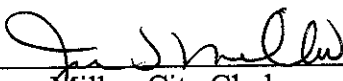
Logsdon asked what other projects were to be built out of the Bricks & Mortar loan. McMullen said the projects included in the loan were the satellite auto shop (\$498,000) and equipment (\$61,500), senior center design (\$50,000), Riley Field parking improvements (\$248,000), City Hall re-roofing (\$80,000), City Hall HVAC upgrade (\$71,000), senior center construction (\$650,000), the Kedron storage facility (\$121,550, although there was a recommendation to remove the Kedron storage facility from the list), Station 83 living quarters (\$126,000), and Police Station moisture repairs (\$300,000). Rutherford said it did not make sense for the City Hall roof to be on the list since the roof would not be here in 15 years. It would need to be worked on again. McMullen said when the City Hall re-roofing was first placed on the list the estimate for the work was over \$100,000. Staff had met with some roofing consultants, who had given some less expensive alternatives.

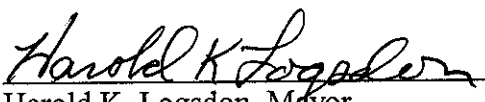
Rutherford noted the high cost of steel. She asked if another material could be used for the building exterior. McMullen said masonry would not be cheaper. They would have to go with 12-inch block. The building was basically a butler building, a steel frame with a metal skin. It was the most efficient way to do build it.

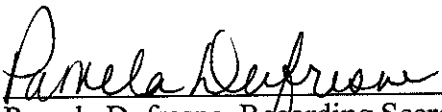
Rutherford moved to approve the award of the bid for the contract for the satellite auto shop to R.L. Ward, LLC, of Newnan, for an amount not to exceed \$498,500. Boone seconded. The motion carried 4-0.

Kourajian asked when the project would break ground. McMullen said as soon as they could, but they would need at least 10 days to mobilize.

There being no further business to discuss, Rutherford moved to adjourn the meeting. Kourajian seconded. The motion carried unanimously. The meeting adjourned at 6:57 p.m.


Jane Miller, City Clerk


Harold K. Logsdon, Mayor


Pamela Dufresne, Recording Secretary