City Council of Peachtree City
Agenda
May 5, 2011
7:00 p.m.

I. Call to Order

II. Pledge of Allegiance

III. Announcements, Awards, Special Recognition
Proclamation for National Public Works Week
Proclamation for National Tourism Week
Service Award for Janice Dukes

IV. Citizen Comment
Any member of the public attending the meeting may comment on any issue or item that is not included on the agenda. The time limit is two (2) minutes.

V. Agenda Changes

VI. **Minutes**
April 21, 2011, Regular Meeting Minutes

VII. **Consent Agenda**
1. Consider Fiscal Year 2011 Budget Amendments
2. Consider Request to Surplus Vehicles and other items stored at Public Works

VIII. Old Agenda Items

IX. New Agenda Items
05-11-01 Presentation of Annual Audit Report
Representatives from Moore & Cubbedge will present their report of the audit of the City's financial statements for the fiscal year ended September 30, 2010. Copies of the City's Comprehensive Annual Financial Report will be provided to Council prior to the meeting and copies will be available for public inspection at City Hall.
05-11-02 Discuss/Consider Changes to CAR 9-3 Investment Policy
05-11-03 Consider Flashing Light at Baseball/Soccer Complex

X. Council/Staff Topics
Hot Topics Update

XI. Executive Session

This agenda is subject to change at any time up to 24 hours prior to the scheduled meeting.

City Council of Peachtree City
Meeting Minutes
April 21, 2011
7:00 p.m.

The Mayor and City Council of the City of Peachtree City met in regular session on Thursday, April 21, 2011. Mayor Haddix called the meeting to order at 7:00 p.m. Other Council Members in attendance were: Vanessa Fleisch, Doug Sturbaum, Kim Learnard, and Eric Imker.

Announcements, Awards, Special Recognition
Mayor Haddix proclaimed May as Red Cross Month, proclaimed an official welcome for the Georgia Chapter of the American Planning Association for their Spring Conference in Peachtree City, and proclaimed April 30 and May 1 as World War II Heritage Days. Haddix recognized Assistant Fire Marshal John Dunlap for fifteen years of service, the March Employee of the Month, Elda Pope, and Supervisor of the Quarter, Nikki Vrana.

Citizen Comment
There was none.

Agenda Changes
There were none.

Minutes
Imker moved to approve the minutes of the 2011 City Council Retreat and the minutes of the April 7, 2011, regular meeting as presented. Fleisch seconded. Motion carried unanimously.

Monthly Reports
Public Information Officer/City Clerk Betsy Tyler noted an error in the events calendar for the date of the American Cancer Society Relay for Life, which would begin on the evening of Friday, April 29.

Al Yougel, Executive Director of Keep Peachtree City Beautiful (KPTCB), reported that the organization was now three years old, incorporated in April of 2008. The agency contracted in March 2009 with Jennings Trashcan to allow the City to continue operating the recycling center despite the drop in the recycling commodities market. Peachtree City now contracted with KPTCB to operate the City's two recycling centers, and Yougel reviewed the range of recyclables. The group had also placed recycling bins at McIntosh High School, J.C. Booth Middle School, and at City offices. These efforts redirected waste that was previously going into the landfill.

Litter was another problem KPTCB addressed. The agency was increasing the number of trashcans along Peachtree City's 90-mile network of paths because using their KPTC golf cart would allow them to reach cans not readily accessible by City trucks. Court mandated community service workers supervised by KPTCB had resulted in over 8,000 hours of service for the City.

Yougel ended by reporting on the recyclables collected, noting that KPTCB collected half of the recyclables in town in the last quarter of 2010, compared to what was being collected curbside by the garbage companies. Yougel also noted that, combining the reported tonnages from garbage companies with what KPTCB had collected, Peachtree City was diverting more than 25% of the waste stream from landfills through recycling.

Learnard asked about the Code Enforcement monthly report and the difference between reactive and proactive actions. Police Chief H.C. "Skip" Clark said the report differentiated between complaints from the public and issues found by the officers while patrolling.

Consent Agenda

1. Alcohol License – NEW – Flying Biscuit, 2874 Highway 54 West
2. Appoint Alternate to the Planning Commission – Frank Destadio
Fleisch moved to approve the Consent Agenda. Learnard seconded. Motion carried unanimously.

Old Agenda Items

There were none.

New Agenda Items

04-11-04 Consider Police False Alarm Ordinance
City Manager Jim Pennington asked Council to continue the item to the second meeting in May, saying he had obtained some new information that staff needed to review prior to having Council consider the ordinance. Sturbaum moved to continue discussion of the Police False Alarm Ordinance to the May 19, 2011, agenda. Learnard seconded. Motion carried unanimously.

04-11-05 Consider Addendum to TruGreen Contract
Public Services Director Mark Caspar said staff was following up on an item discussed at the Retreat, when Council suggested bringing forward costs to modify the contract in the current and future year. Caspar also reported on the 2011 and previous citizen surveys and the changes in satisfaction levels with mowing.

Caspar noted that citizen satisfaction was highest in early 2009 (with grass cutting in 2008). Numbers decreased significantly in 2010, in assessment of 2009. However, in 2010, staff improved the external contract that had been implemented in 2009, and citizen satisfaction came back up somewhat in 2011.

Caspar then reviewed the potential costs for adding several services to the current year's contract. The options included one additional service of subdivision landscape areas, enhancing subdivision entrances, landscaping maintenance and/or new landscaping installation at the Police Station, seasonal color (flowers) at City Hall in the spring and fall, two additional trimmings along primary roads, two additional trimmings along secondary roads, trimming along the 93-

mile path system, curb and gutter spraying, and landscaping and mowing at the four fire stations. The cost for the entire package would be an estimated $98,209.46.

Caspar said staff felt trimming along cart paths ($11,500) could be handled internally, but asked for Council direction on the other services.

Fleisch asked, if approved, whether the seasonal color at City Hall could be installed prior to the May 12 Georgia Planning Association conference. Caspar thought that was feasible. Fleisch asked what curb and gutter spraying entailed, and Caspar explained that it helped to prevent weeds from growing between the curb and pavement, which adversely affected the City's stormwater program in addition to being unattractive.

Fleisch clarified that Council could choose "a la carte" at this meeting from the list of items to implement in FY 2011, and Caspar confirmed this.

Haddix asked, with the reductions in the tax digest, how Council envisioned paying for any changes in the current year. Caspar said his understanding was that any changes would come out of reserves. Imker asked when the TruGreen contract ended, and Caspar said the contract was in its third year and would be rebid at the end of the year.

Learnard asked if the complaints coming in to the City about landscape maintenance and mowing compared to what the Citizen survey seemed to indicate. Caspar said he felt it was fairly close, adding that, toward the end of the 2010 mowing season, after the City increased the mowing cycle, the complaint calls went down. Changes now could be evaluated in terms of complaint calls to see how the improvements were working before finalizing the 2012 contract.

Sturbaum asked which two items on the list were most important to Caspar. Caspar said the curb and gutter spraying was important. Imker asked what items would have the most impact on decreasing complaint calls, and Caspar responded that the majority of citizen calls related to mowing and subdivision entrances. Those two items were totaled $41,000.

Fleisch asked that any items not selected that night be included in the 2012 bid. She felt mowing was the priority, and asked if any pre-emergent's had been put down. Caspar said they did not do pre-emergents for weeds.

Fleisch favored implementing the increased mowing, curb and gutter spraying, and City Hall seasonal color, and Imker asked what the cost would be for just those items. The estimated total was $44,674.00.

Haddix said his concern remained that they were increasing spending at this time for anything other than a necessity such as the curb and gutter spraying, and using the City's reserves to pay for the increased service. He said could not support the other items.

Sturbaum said he saw the point that the increased effort to market the City meant having a nice appearance at City Hall was important, and the curb and gutter spraying was a need. He was willing to give it a chance over the next six months to see what happened.

Learnard asked who would maintain the seasonal color at City Hall, and Caspar said that was part of the contract.

Vrana noted that there was approximately $4,500 of Council Training money that could be utilized if Council so desired. Sturbaum felt reallocating the money would help reduce the use of reserves and asked for the appropriate budget adjustment at the next meeting.

Haddix asked Pennington for input regarding the outlook and options for the year's revenues. Pennington said staff was working on some concepts to create additional revenue that was already in the budget, with the goal of presenting those concepts to Council in June.

Fleisch moved to approve the contract addendum with TruGreen for additional mowing services, City Hall seasonal flowers, and the curb and gutter spraying in an amount not to exceed $45,000. Sturbaum seconded. Haddix reiterated that he was uncomfortable until he saw more budget numbers. Motion carried 4-1 (Haddix).

04-11-06 Reclassification of Position at Amphitheater/CVB

Staff was requesting that Council reclassify the Box Office Supervisor/Staff Assistant position (Grade 76) to Events Services Coordinator (Grade 77). Imker moved to approve the reclassification. Sturbaum seconded. Motion carried unanimously.

04-11-07 Consider Special Encroachment Permit and Mowing & Maintenance Agreement for SR 74 S Landscape Enhancement Project

Staff was requesting approval for the Mayor to sign the Special Encroachment Permit and Mowing and Maintenance Agreement with the Georgia Department of Transportation as part of the process for the GATEway grant landscape enhancements on SR 74 South. Imker moved to approve the permit and agreements and authorize the Mayor to sign. Fleisch seconded. Motion carried unanimously.

04-11-08 Consider Resolution Requesting the Governor to Veto HB179

Haddix said House Bill 179, passed in the 2011 legislative session, allowed for clear cutting in front of billboards. He said the legislation was a win for the billboard companies and a loss for the citizens of Georgia. Learnard noted that Sandy Springs had passed a similar resolution asking the governor to veto the legislation, and she felt Peachtree City should also make the formal request for a veto. Sturbaum also expressed his support for the resolution.

Fleisch moved to adopt the resolution. Sturbaum seconded. Motion carried unanimously.

<u>Council/Staff Topics</u>

Hot Topics – Pennington reported that staff was ready to present two concepts for the MacDuff Tunnel at the May 3 meeting. Public Works was reconstructing the path in front of City Hall, and had been working to keep access available during construction. The project was moving forward, but might generate complaints.

Staff was also concerned about the lower level entrance of the library. A crack developed in the stairwell tower wall, and following an assessment, the entrance has been closed for safety until it could be restabilized. Pennington said having the entrance closed was certainly an inconvenience, but safety was paramount.

Learnard reported that the Master Gardeners of Fayette County had sent a letter to Council thanking Nikki Vrana and Mark Caspar for their assistance with getting water to maintain one of the beds by the Amphitheater.

Imker asked if there was an update on Lake McIntosh burning. Pennington confirmed burning had been ongoing for a month, and would end due to the burn ban on May 1. Burning would resume on October 1.

Imker addressed the Hotel/Motel Tax Increase Resolution that the City sent to the Legislature this session. The bill had passed in the House but had died in the Senate. This was going to leave the City short an estimated $130,000 in the upcoming year. He said he had emailed Senator Chance to get a definitive answer on why the legislation had not moved forward but had not received a reply.

Fleisch said the City had been getting great response to the May 7 Great Peachtree City Path Cleanup, and encouraged everyone to participate.

Executive Session

Sturbaum moved to enter into Executive Session at 8:05 p.m. to discuss pending or threatened litigation. Learnard seconded. Motion carried unanimously.

Imker moved to reconvene in regular session at 8:25 p.m. Sturbaum seconded. Motion carried unanimously.

There being no further business, Imker moved to adjourn the meeting. Sturbaum seconded. Motion carried unanimously. The meeting adjourned at 8:25 p.m.

Betsy Tyler, City Clerk

Don Haddix, Mayor

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

MEMO TO: Mayor and City Council

VIA: James L. Pennington, City Manager

FROM: Paul J. Salvatore, Financial Services Director P.S.
Janet I. Camburn, Assistant Finance Director

DATE: April 25, 2011

SUBJECT: Budget Amendments – Fiscal Year 2011

May 5, 2011 City Council Consent Agenda

Recommendation:

It is Staff's recommendation that City Council approve the attached budget amendments to amend the 2011 budget resolution.

Discussion:

Attached please find budget amendments 11-018 through 11-021 for fiscal year 2011 submitted for your approval. Budget amendment 11-018 reverses a budget amendment made earlier in fiscal year 2011 for pension expenses. Our auditors had indicated last fall that the 2011 pre-payment for pension expenses, that was made in April 2010, was to be expensed in fiscal year 2011. During the annual audit process, it was discovered that the information from the auditors pertained to the General Fund only and had no impact on the Enterprise Funds. Since the pre-paid pension expense will be expensed to the two Enterprise Fund (Stormwater and Amphitheater) in fiscal year 2011, it is necessary to reestablish the budget for those expenses in their respective funds.

Budget amendment 11-019 reduces budgeted revenue for Property Taxes – Current Year in both the General Fund and the Debt Service Fund 410. These reductions are due to tax appeal adjustments that have been made since the 2011 budget was adopted. The reductions are off-set by increases to franchise taxes that have already been collected and are over budget at this time, along with a transfer from the City's General Fund reserves.

Budget amendment 11-020 increases both revenues and expenses in the Amphitheater Fund and is due to the unbudgeted sale of Amphitheater assets. By increasing the budgeted revenue line item (Sale of Fixed Assets), a corresponding expenditure line item (Building Repair & Maintenance) is also increased allowing for some minor work to be done at the Amphitheater.

Budget amendment 11-021 increases the budget expenditures in the Public Works Division for additional moving, etc. as approved by City Council at the April 21, 2011 meeting. This increase in expenditures is off-set by available funds in the Education & Training item in the City Council budget, as well as a transfer from the City's General Fund reserves.

Budget Impact:

The budget impact on funds is as follows:

Amphitheater Fund – Increase both budgeted revenues and expenses by $9,547.
Stormwater Utility Fund – Increase both budgeted revenues and expenses by $54,682.
General Fund – Increase both budgeted revenues and expenditures by $40,175.

If you have any questions, please contact either Paul Salvatore or Janet Camburn.

Thank you for your attention to this matter.

Attachments

JIC/BUDGET AMENDMENTS – FY 11 – 5/5/2011 – CONSENT AGENGA

CITY OF PEACHTREE CITY

BUDGET AMENDMENT

NUMBER 11-018

DATE May 5, 2011

ACCOUNT	PROJECT	DESCRIPTION	INCREASE	DECREASE
565-6180-512400	xxx	Retirement	5,756	
565-0000-389025	xxx	Surplus Carryover	5,756	
521-4250-512400	xxx	Retirement	54,682	
521-0000-389025	xxx	Surplus Carryover	54,682	

To reverse budget entry made early in 2011 for the retirement expense for the enterprise funds. These funds were not treated the same as the General Fund in the 2010 audit and will expense retirement in FY 2011.

CITY OF PEACHTREE CITY

BUDGET AMENDMENT

NUMBER 11-019

DATE May 5, 2011

ACCOUNT	PROJECT	DESCRIPTION	INCREASE	DECREASE
100-0000-311710	xxx	Franchise Tax - GA Power	73,524	
100-0000-311711	xxx	Franchise Tax - Coweta/Fay	52,476	
100-0000-311751	xxx	Franchise Tax - Bell South	17,529	
100-0000-389025	xxx	Surplus Carryover	7,153	
100-0000-311100	xxx	Property Tax - Current Year		150,682
410-0000-389025	xxx	Surplus Carryover	9,321	
410-0000-311100	xxx	Property Tax - Current Year		9,321

To reduce budget for current year property taxes due to tax appeal adjustments made since 2011 budget was adopted in August 2010. This reduction is off-set primarily by increases to franchise taxes that have already been collected and are over budget at this time. The balance to come from General Fund reserves.

CITY OF PEACHTREE CITY

BUDGET AMENDMENT

NUMBER 11-020

DATE May 5, 2011

ACCOUNT	PROJECT	DESCRIPTION	INCREASE	DECREASE
565-0000-392100	xxx	Sale of Fixed Assets	3,791	
565-0000-522250	xxx	Building Repair & Maintenanc	3,791	

To increase budgeted revenues (Sale of Fixed Assets) and budgeted expenditures (Building Repair & Maintenance). This amendment is based on the actual sale of old lighting equipment, assets in the Amphitheater Fund.

CITY OF PEACHTREE CITY

BUDGET AMENDMENT

NUMBER 11-021

DATE May 5, 2011

ACCOUNT	PROJECT	DESCRIPTION	INCREASE	DECREASE
100-4100-521245	xxx	Contractual Services - PW	44,675	
100-1310-523700	xxx	Education & Training - Council		4,500
100-0000-389025	xxx	Surplus Carryover	40,175	

To increase budgeted expenditures in Public Works for additional mowing, etc. as approved by City Council on April 21, 2011. This increase is partially off-set by a decrease in Education & Training in the City Council budget due to savings in this line item. The balance to come from General Fund reserves.

CITY OF PEACHTREE CITY
INTRAOFFICE MEMORANDUM

TO: **Mayor Haddix and Members of Council**

VIA: **James Pennington, City Manager**
Paul Salvatore, Financial Services Director PS.
Janet Camburn, Assistant Financial Services Director

FROM: **Angela Egan, Purchasing Agent**

DATE: **April 26, 2011**

SUBJECT: **Request to Surplus Vehicles and other items currently stored at Public Works**
Council Meeting: May 5, 2011

Recommendation. Staff recommends Council declare surplus the following list of assets.

Discussion. Public Works has determined that the vehicles, based on their current mileage and mechanical condition, should be removed from the City fleet. The fuel pump and related accessories were replaced about two years ago with a new system. The various radios and related accessories are no longer compatible with current City radios or in some cases, no longer work. Finally, the partitions were used in older model pursuit vehicles. These older vehicles are not longer used by PD. They do not fit in the newer, currently used models.

V.I.N. #	YEAR/MODEL	MILEAGE/OTHER
2FAFP71W3XX130082	1999 Crown Vic	96,629
2FAFP71W5XX117186	1999 Crown Vic	109,370
2FAFP71W6XX159639	1999 Crown Vic	108,834
2FAFP71W7XX159648	1999 Crown Vic	108,834
2FAFP71W13X168663	2003 Crown Vic	112,022
1FAFP52U1XA178755	1999 Ford Taurus	112,677
2FAFP71WXXX13008	1999 Crown Vic	147,283
2FAFP71W4XX159638	1999 Crown Vic	122,870
2FAFP71W7XX159634	1999 Crown Vic	111,971
2FAFP71WXXX159644	1999 Crown Vic	110,617
5ASAG27432F013582	GEM CART	
N/A	Two fuel pumps	Gas & Diesel with dispensers
N/A	Petro vend tower	All software, paperwork & keys
N/A	Partitions	Do not fit newer PD vehicles
Various brands	radios & accessories	vehicle & handheld radios & accessories

Budget Impact. There is no specific amount of revenue in the budget related to the sale of these goods. Any monies received from the sale of items at public auction would be placed into the City's general fund.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

MEMO TO: Mayor and City Council

VIA: James L. Pennington, City Manager

FROM: Paul J. Salvatore, Financial Services Director P.S.
Janet I. Camburn, Assistant Finance Director

DATE: April 27, 2011

SUBJECT: Annual Audit and Comprehensive Annual Financial Report for the **Fiscal Year Ended September 30, 2010**

May 5, 2011 City Council Agenda

Recommendation:

It is Staff's recommendation that City Council accept the Comprehensive Annual Financial Report (CAFR) for the **Fiscal Year Ended September 30, 2010.**

Discussion:

The Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2010, has been placed in your City Hall mailbox. The City's auditing firm, Moore & Cubbedge, LLP, has issued an unqualified report (clean opinion) on these financial statements and no material weaknesses have been reported. Enclosed is a copy of the firm's required communication to City Council regarding the annual audit.

Tammy A. Galvis, CPA, Partner from Moore & Cubbedge will be at the May 5, 2011, City Council meeting with a brief presentation. She will also be available to answer any questions that you may have regarding the fiscal year 2010 audit process and/or CAFR.

As required, the CAFR will be submitted to the State of Georgia Department of Audits for review and to the Electronic Municipal Market Access (EMMA) system to meet continuing bond disclosure requirements. The CAFR will also be submitted to the Government Finance Officers Association (GFOA) for consideration for the Certificate of Achievement for Excellence in Financial Reporting. The CAFR will be placed on the City's web site and a copy will be available at the Library and in the lobby of City Hall.

If you have any questions regarding the CAFR or the annual audit process, please contact Paul Salvatore or Janet Camburn.

Budget Impact

There is no budget impact. Costs associated with the audit of the 2010 financial statements are within the 2011 annual budgeted amounts.

JIC/CITY COUNCIL – 2010 CAFR

Attachment

MOORE & CUBBEDGE LLP
Certified Public Accountants & Advisors

May 5, 2011

To the Honorable Mayor and
Members of the City Council
City of Peachtree City, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Peachtree City, Georgia (the "City") for the year ended September 30, 2010. We did not audit the financial statements of the Peachtree City Airport Authority, Peachtree City Convention and Visitors Bureau, or Peachtree City Water and Sewerage Authority which represents 98% and 99% of the assets and revenues, respectively, of the City of Peachtree City, Georgia's aggregate discretely presented component units for the year ended September 30, 2010. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 24, 2010. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Matters</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 21 to the financial statements, the City changed accounting policies related to fund balance by early implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions."* Accordingly, the changes to the governmental fund type fund balance reporting is reflected in the financial statements and schedules and related note disclosures of the Governmental Funds. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Michael R. Crace Jean K. Hawkins Richard H. Lewis Tammy A. Galvis Donald L. McGrath Jr. Retired: C. Frank Moore Edwin W. Cubbedge III
T 770.422.0500 F 770.421.6440 366 Powder Springs Street Marietta, Georgia 30064 www.moore-cubb.com
FOCUSING ON YOU SINCE 1971

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We are pleased to report that no such misstatements were noted during the course of the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 8, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Matters

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Council Members and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Moore & Cubbedge, LLP

Moore & Cubbedge, LLP

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: Mayor and City Council

VIA: City Manager

FROM: Financial Services Director P.S.

DATE: April 28, 2011

SUBJECT: Revisions to Investment Policy, CAR 9-3

May 5, 2011 City Council Meeting

Recommendation:
Consider adopting revisions to the city's investment policy as presented on the attached red-lined copy of CAR 9-3.

Discussion:
Mainly due to concerns about safety of principal (interest rate risk, etc.) and liquidity (having funds available to meet obligations when needed) the city's investment policy included somewhat restrictive one-year term limitations on several of the investments that the city is permitted to invest in. Although this one-year restriction provides the protections mentioned above, it also limits the amount of yield that we may earn on those permitted investments. Although yield is considered last (after safety of principal and liquidity) it has been suggested that we should look at extending the one-year term limitations to a two-year term so that we may realize additional interest revenue.

It is staff's opinion that, ***if properly utilized***, the extended two-year term limitation could potentially help the city to realize additional interest revenue without adversely impacting safety of principal or liquidity. However, this arrangement would cause some additional concern regarding state laws that prohibit binding of future Councils. Please refer to the attached email from city attorney Ted Meeker for an explanation of this impact. A red-lined copy of the revised investment policy that includes the two-year term options is also attached for your reference.

Budgetary Impact:
Potential to increase interest revenue.

Paul Salvatore

From: Ted Meeker [tmeeker@numail.org]
Sent: Wednesday, April 27, 2011 1:17 PM
To: Paul Salvatore
Subject: RE: Investment policy/KPTCB

Paul:

In looking through the state statutes on this issue, including both O.C.G.A. §§ 48-5-381 (reserve funds for cities) and 36-30-3 (not binding succeeding councils), it appears that this may be possible with some limitations.

It is clear that a council could bind itself for the current term of office, or a reasonable time thereafter. For purposes of this discussion, the current council will end in December, 2011, and a new council will take office in January, 2012 regardless of whether the two incumbent council members run and are re-elected. As of January, 2012, the council then in office, or the city, could bind itself for a term of 24 months, or any term less than 24 months. The current council could not enter into an agreement today that would be binding until April, 2013.

The risk we discussed is that there may be a fee charged if the investment is ended prematurely. That would be problematic.

In reviewing the investment policy, I would delete the references to "1 year" and add the following to each of the investments referenced: "Not to exceed two (2) years provided the investment is in accordance with O.C.G.A. § 36-30-3." Hopefully, this would give staff the flexibility is needs to make investments, particularly in even-numbered years.

Ted

From: Paul Salvatore [mailto:psalvatore@ptcgovernment.org]
Sent: Tuesday, April 26, 2011 2:26 PM
To: Ted Meeker
Subject: Investment policy/KPTCB

Hi Ted,
Left you a voice mail on this also, but we need to have an opinion on whether or not we would be able to update our investment policy at this time to include investments up to a 2-year term instead of just 1-year. You mentioned concern about binding future Councils. This is on next weeks Council agenda.

On another note...I had also sent you an email concerning KPTCB. Was the issue that Al had to agree to allowing board members to be appointed by Council? If so, maybe we can work something out where they do the pre-screeing and make the recommendations to Council? Going out for RFP on audit services soon and want to figure on how to handle them.

Paul S.

This message (including any attachments) contains information that may be confidential. Unless you are the intended recipient (or authorized to receive for the intended recipient), you may not read, print, retain, use, copy, distribute or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply e-mail, and destroy all copies of the original message (including any attachments).

OPR: Finance
(12/26/95)

I. PURPOSE

This policy applies to primarily short-term investments of operating funds. However, the stated guidelines are also applicable to long-term funds and proceeds from certain Bond issues. The overriding purpose of this policy is to acknowledge clearly that any investment instrument or decision carries with it certain elements of risks. There are, however, numerous safeguards that can be instituted to minimize such risks while endeavoring to earn a market rate of return. This policy establishes a framework for implementing such safeguards, authorizes particular types of allowable investment instruments, and creates oversight responsibilities of investment activities.

II. SCOPE:

This investment policy applies to activities of the Peachtree City Finance Department ("Peachtree City") with regards to investing the financial assets of those funds under its control. These funds are accounted for in the City's annual financial report and include the following:

* General Fund,
* Special Revenue Funds,
* Debt Service Funds,
* Capital Projects Funds,
* Enterprise Funds
* Bond Funds, and
* Other Funds which may be created from time to time.

At such time as funds under the direct control of other City Council approved Authorities might pass to Peachtree City, then these policies will be applicable.

III. OBJECTIVES:

Peachtree City's investment objectives in order of priority are:

A. Safety of Principal - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk. Each transaction shall seek to ensure that capital losses are avoided, whether caused by securities defaults or erosion of market value.

Deleted: they be from

B. Credit Risk- Credit Risk is the risk of loss to the failure of the security issuer or backer. Credit risk may be mitigated by:

* Limiting investments to the safest types of securities;
* Pre-qualifying the financial institutions, brokers/dealers, intermediaries with which an entity will do business; and
* Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

C. Interest Rate Risk - Interest Rate Risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:

* Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby *avoiding the need to sell* securities on the open market prior to maturity, and;
* By investing operating funds primarily in shorter-term securities.

D. Maintenance of Adequate Liquidity - The investment portfolio must be structured in such a manner that it will provide sufficient liquidity to pay all operating obligations as they become due. This is accomplished by structuring the portfolio so that securities *mature concurrent* with cash needs to meet anticipated demands, (static liquidity), and should consist largely of securities with active secondary or resale markets (dynamic liquidity).

E. Return on Investments (Yield) - The investment portfolio shall be designed with the objective of attaining a *market rate of return.* The City seeks to attain market rates of return on its investments, consistent with constraints imposed by its safety objectives, cash flow considerations and State laws that restrict the placement of certain public funds.

The *overall goal* of the portfolio shall be an annual objective of exceeding the average return on three month U.S. Treasury Bills by 50 basis points. Each fund will have a goal consistent with its cash flow patterns and average investment terms that allows for a moderately aggressive objective. The return on investment is of least importance compared to the safety and liquidity objectives described above.

Securities shall not be sold prior to maturity with the following exceptions:

* a declining credit security could be sold early to minimize loss of principal;
* a security swap would improve the quality, yield, or target duration in the portfolio;
* or liquidity needs of the portfolio require that the security be sold.

F. Legality - Funds of Peachtree City will be invested in compliance with the provisions of Georgia Code Sections 36-83-4 and 36-30-3, and in accordance with these policies and any written administrative procedures. Certain funds have outstanding bond issues which have specific investment policies contained within the bond ordinances and official statements. Pension fund investments also fall under separate laws and policies. Those policies will be adhered to and are not in conflict with the terms of this policy.

IV. DELEGATION OF AUTHORITY:

The City Council of Peachtree City shall establish the overall investment policies, the management and implementation of which is delegated through the City Manager to the Financial Services Director, who shall establish procedures for the operation of the investment program. Such procedures shall include

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explicit delegation of authority to Finance personnel responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Financial Services Director.

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V. PRUDENCE AND ETHICAL STANDARDS:

A. The standard of prudence to be used by Finance Department personnel shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Finance Department personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

B. The "prudent person" standard is herewith understood to mean the following:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

C. The City Staff involved in the investment process shall not conduct personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Finance Department employees shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

VI. INVESTMENT POLICIES:

A. Specific policies to ensure the safety of principal:

1. Acceptable investments, set forth in Georgia Code Section 36-83-4 are:

   a. Obligations of the State of Georgia or of other states;
   b. Obligations issued by the United States Government;
      * U.S. Treasury Bills
      * U.S. Treasury Notes
      * U.S. Treasury Bonds
   c. Obligations fully insured or guaranteed by the United States Government or a United States Government Agency;
      * Export-Import Bank
      * Farmers Home Administration
      * General Services Administration
      * Government National Mortgage Association (GNMA)
      * Penn Central Transportation Certificates
      * Ship Financing Bonds Title 13
      * Small Business Administration
      * Washington Metropolitan Transit Authority Bonds
   d. Obligations of the following U. S. Government Agencies;

* Federal Farm Credit Banks (FFCB)
* Federal Home Loan Mortgage Corporation (FHLMC) participation certificates or debentures
* Federal Home Loan Bank (FHLB) or its banks
* Government National Mortgage Association (GNMA)
* Federal National Mortgage Association (FNMA) participation certificates or debentures which are guaranteed by the GNMA
* Student Loan Marketing Association

e. Repurchase agreements backed by those investments enumerated in b), c), or d) above;
f. Prime Bankers' Acceptances;
   * Bankers' Acceptances that are eligible for purchase by the Federal Reserve Bank and have a Letter of Credit rating of A+ or better
g. Local Government Investment Pool (LGIP);
h. Obligations of other Political subdivisions of the State of Georgia; and
i. Time deposits and savings deposits of banks organized under the laws of Georgia or the U.S. Government and operating in Georgia.
   * Savings Accounts
   * Money Market Accounts
   * Certificates of Deposit (Non-Negotiable Type)

Note: Derivatives are specifically *prohibited.*

2. Approved Banker-Dealers and Banks

   a. It is the policy of Peachtree City to purchase securities only from those broker-dealers and banks that are included on the City's bid list as approved by the Financial Services Director. The approved list will be developed in accordance with these Investment Policies.

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   b. Only broker-dealers included on the Federal Reserve Bank of New York's list of primary government securities dealers or those classified as reporting dealers affiliated with the Federal Reserve Bank of New York will be included on the City's approved list.
   c. Repurchase Agreements will be conducted only with those banks and broker-dealers who have executed a Master Repurchase Agreement with the City. All Repurchase Agreements must be in written form using the Public Securities Association Master Repurchase Agreement as a guide. Annex 1 of this guide shall materially conform to the recommendations by the Government Finance Officers Association. Agreements not substantially conforming to this Master and Annex 1 are unacceptable.
   d. In all future transactions, Broker-Dealers will be required to sign a Broker/Dealer contract with the City.

3. Safekeeping of Securities

   a. To protect against potential fraud and embezzlement, the investment securities of the City will be secured through third-party custody and safekeeping procedures.
   b. Exempted from the third-party safekeeping procedures are securities which collateralize Repurchase Agreements of 7 days duration or less. These securities shall be safekept at the Federal Reserve Bank, pledged to the Peachtree City Council and the City shall have the right to approve any substitutions of collateral should that prove necessary.
   c. The Safekeeping Agreement explicitly requires that securities will be delivery versus payment. This practice ensures that the City neither transfers money or securities before

receiving the other portion of the transaction. Both transactions occur simultaneously through the custodial bank authorized to conduct transactions for the City.

4. Diversification of the Portfolio

   a. Prudent investing necessitates that a portfolio be diversified as to instrument and purchasing source. The following guidelines represent maximum limits established for diversification's by instrument.
      * U.S. Treasury Obligations 100%
      * U.S. Government Agency Securities 100%
      * Certificates of Deposit 75%
      * Securities issued by Instrumentality's of Government Sponsored Corporations 50%
      * Local Government Investment Pool 50%
      * Repurchase Agreements 25%
      * Obligations of other political subdivisions of the State of Georgia 25%
      * Prime Bankers' Acceptances 10%
   b. To allow for efficient and effective placement of proceeds from bond or note sales, the limits on repurchase agreements may be exceeded for a maximum of five business days following the receipt of the proceeds, on the direction of the Financial Services Director.

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B. Specific Policies to Ensure Liquidity

1. Diversification of Investment Maturities

   a. The longer the maturity of a particular investment, the greater its susceptibility to market price and credit losses. The City seeks to limit such risk by maintaining conservative maturities that are within guidelines recommended by the Government Finance Officers Association (GFOA). These guidelines generally recommend avoiding securities with maturities beyond five years unless the investment is a match and held to a specific maturity.
   b. Investment maturities shall be scheduled to coincide with projected cash flow needs, taking into consideration large routine expenditures (i.e., payroll and bond payments) as well as anticipated revenues (i.e., property tax collections).
   c. The funds in Capital Projects Funds may be limited by certain arbitrage and other restrictions of the various bond resolutions. No investments in excess of two years from the date of issue of the bonds from which the proceeds were derived will be made in the Capital Projects Funds, provided they meet the requirements of O.C.G.A 36-30-3 regarding binding of future Councils, and/or don't cause the potential for unreasonable positive arbitrage liabilities.

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   d. Maximum maturities by type of investment are as follows:
      * U.S. Treasury Obligations Not to exceed two (2) years provided the investment is in accordance with O.C.G.A 36-30-3

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      * U.S. Government Agency Securities and Securities issued by Instrumentality's of Government Sponsored Corporations Not to exceed two (2) years provided the investment is in accordance with O.C.G.A 36-30-3

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      * Repurchase Agreements 180 Days
      * Prime Bankers' Acceptances 270 Days
      * Local Government Investment Pool N/A
      * Certificates of Deposit Not to exceed two (2) years provided the investment is in accordance with O.C.G.A 36-30-3

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* Obligations of other political subdivisions of the State of Georgia Not to exceed two (2) years provided the investment is in accordance with O.C.G.A 36-30-3.

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2. Active Secondary Markets

   a. Although many securities are acceptable for investment using the legal authorized list, some are not very desirable from a liquidity standpoint. Accordingly, although these investments may be on the authorized list, only those securities with an active secondary market may be purchased from that list.

C. Specific Policies to Ensure Market Rate of Return

1. Competitive Bidding

   a. All investments except the daily repurchase agreements and short-term discount paper purchases (See Section VI.A.1.b.) conducted with the City's lead/primary bank will be purchased through a competitive bidding process, using the banks and brokers on the City's approved bid list.

   b. From time to time, various government agencies announce the issue of new securities to the financial markets. Since all new issues are sold at par, the City would not realize any benefit by purchasing these securities through the competitive bid process. If the new issue, or "To Be Announced" ("TBA") security falls within the portfolio diversification and maturity requirements of one of the various funds of the City, the Financial Services Director shall, at his/her discretion, place the investment with the bank or broker who initiated the contact on the investment opportunity. New issues or TBAs represent only a minor portion of the City's portfolio and would not present an unfair competitive environment for the remaining banks and brokers on the qualified list.

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2. Active Portfolio Management

   a. It is a policy of the City to *not "speculate"* with the public funds with which it is entrusted. In that regard, the City will make every attempt to mesh investment security maturities with cash needs and prudent security selection.
   b. It is the policy of the City to *actively manage* the investment portfolio within the constraints outlined in these investment policies. By using an active portfolio management philosophy rather than an exclusive "buy and hold" philosophy, portfolio yield will be enhanced without any appreciable increase in risk.
   c. Concurrent with an active portfolio management philosophy, the City recognizes that financial and economic conditions are dynamic and will look to improve its position by making "Swap" transactions when they are advantageous. A "Swap" is the sale of one investment and the subsequent purchase of a different investment in the market place. The goal of such a transaction is to:
      i. Increase yield, by acquiring an investment with a greater return,
      ii. Reduce maturity, by acquiring an investment with a shorter maturity, and/or
      iii. Improve portfolio quality, by selling securities with a perceived higher risk and buying securities with a lower risk. (i.e., trading Agencies for Treasuries.)
   d. In certain instances, the City may incur a loss for accounting purposes by making a swap. Such a loss will be considered acceptable only if it can be recouped within 90% of the time from date of sale to the date of maturity of the security being disposed of.

e. Upon review of a proposed swap, the Financial Services Director shall verify the market rates by contacting one additional broker or banker and, if the rates quoted by the bidder initiating the trade are found to be in close proximity to the market (within 4/32 of a point), the Financial Services Director may award the trade to the bank or broker which initiated the swap.

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D. Policies to Ensure Ethical and Prudent Action

1. Establishment of Internal Controls - It is the policy of the City to establish a system of internal controls which shall be in writing. The internal controls shall address the following points:

   a. Control of Collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
   b. Separation of Functions - By separating key functions and having different people perform each function, each person can perform a "check and balance" review of the other people in the same area.
   c. Separation of Transaction Authority from Accounting and Recordkeeping - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a good separation of duties is achieved.
   d. Custodial Safekeeping - Securities purchased from any bank or dealer, including appropriate collateral, should be placed into a third party bank for custodial safekeeping.
   e. Avoidance of Bearer-Form Securities - Bearer-Form securities are much easier to convert to personal use than securities that are registered in the name of Peachtree City.
   f. Avoidance of Physical Delivery Securities - Book entry securities are much easier to transfer and account for since delivery is never taken. Physical delivery securities must be properly safeguarded as are any valuable documents. The potential for fraud and loss increases with physical delivery securities.
   g. Clear Delegation of Authority to Subordinate Staff Members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.
   h. Written Confirmation of Telephone Transactions for Investments and Wire Transfers - Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person.
   i. Documentation of Transactions and Strategies - All transactions and the strategies that may have been used to develop the transactions should be documented in writing and approved by the appropriate person.
   j. Development of a Wire Transfer Agreement with the City's Principal Depository - This agreement should outline the various controls and security provisions for making and receiving wire transfers.

2. Training and Education - It is the policy of the City to provide periodic training in investments for its Finance Department investment personnel through courses and seminars offered by the Government Finance Officers' Association and other organizations.

VII. INVESTMENT POLICY REVIEW:

A. The City's independent Certified Public Accountants shall review and make recommendations regarding the City's investment policies to the extent considered necessary by generally accepted accounting standards.

Approved:
City Manager
Assistant City Manager
Financial Services Director

cc: City Council

Revised May 5, 2011

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GLOSSARY OF TERMS

1. **BANKER'S ACCEPTANCE** - A short-term noninterest bearing note sold at discount and redeemed at face value. It is secured by the goods which it finances, the bank that accepts the draft and the issuer's promise to pay. These notes trade at a rate equal to or slightly higher than certificates of deposit, depending on market supply and demand.

2. **BOOK-ENTRY SECURITIES** - A system established by the U.S. Government wherein securities are transferred on the basis of computerized records maintained at the Federal Reserve, instead of by actual certificates. The system was devised to facilitate the transfer of ownership and to prevent loss through destruction and theft. The vast majority of U.S. Government securities are now in the form of book-entry securities.

3. **CERTIFICATE OF DEPOSIT (CD)** - A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable as to maturity and yield.

4. **COLLATERAL** - Value of securities pledged to a specific amount or investment as supplemental security to the credit of the issuer or the broker. Collateral can be of a specific nature and priced at par or market value.

5. **COUPON EQUIVALENT** - A financial technique that converts the discount yield basis of certain securities into the equivalent bond yield to facilitate comparisons among all securities. Generally, this technique computes the yield based in the discounted price, rather than on the face value, and covers a 365-day period, rather than the 360 days used for discount yield.

6. **DISCOUNT** - Yield basis on which short-term, noninterest bearing money market securities are quoted. A rate quoted on a discount basis understates the bond equivalent yield, which must be calculated when comparing the return against coupon securities.

7. **FED WIRE** - Fed Wire is the Federal Reserve Communications System. This is the electronic communication network interconnecting Federal Reserve Offices, the Federal Reserve Board, member banks, the Treasury and other Government agencies. The Fed Wire is used for transferring member bank reserve account balances and government securities, as well as for transmitting information from the Federal Reserve System.

8. **LIQUIDITY** - Ease with which a financial instrument can be converted to cash quickly with minimal loss of principal.

9. **REPURCHASE AGREEMENT (REPO)** - A simultaneous agreement to sell a security and to repurchase it at a future date. The underlying security most frequently is a U.S. Government Security, but can include other widely traded money market instruments.

10. **SECONDARY MARKET** - The market which exists for the purchase and sale of securities after the initial offerings.

11. **SECURITIES INVESTORS PROTECTION CORPORATION (SIPC)** - A private corporation providing insurance to brokerage firms to cover customer accounts up to $500,000 in securities.

12. **TREASURY BILL** - A noninterest-bearing discount security issued by the U.S. Treasury to finance the national debt. Bills are issued in three-month, six month and one-year maturities.

13. **U.S. GOVERNMENT AGENCY SECURITIES** - A variety of securities issued by several U.S. agencies. Some are issued on a discount basis and some are issued with coupons. Several have the full faith and credit guarantee of the U.S. Government, although others do not.

14. **YIELD** - The rate of annual income returned on an investment, expressed as a percentage.

In Summary:

This investment policy applies to activities of Peachtree City Finance Department with regards to investing the financial assets of its funds. The three basics of public fund management are safety, liquidity and yield and are fundamental in this investment policy. This policy is intended to ensure both independent supervision and accountability. The primary ***thought-process*** in developing this written policy and management style is the following:

That the Finance Department functions as a custodian-type relationship with the citizens of Peachtree City through the City Council and is entrusted to protect the public funds under its control.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO:	**Mayor and City Council**
VIA:	**City Manager** **Financial Services Director** P.S. **Assistant Financial Services Director** **Purchasing Agent** **Community Development Director** David **Leisure Services Director**
FROM:	**City Engineer** David A Borkowski
DATE:	**April 26, 2011**
SUBJECT:	**Permit for Flashing Warning Beacon at the Baseball Soccer Complex** ***May 5, 2011, City Council Meeting***

Recommendation:

Staff recommends that City Council authorize the Mayor to sign the attached permit for a flashing beacon at the Baseball Soccer Complex (BSC).

Discussion:

Since staff was made aware of the widening and the impacts on the BSC, staff has been working with the Georgia Department of Transportation (GDOT) to see if a traffic signal would be warranted at the northern entrance to the park. To date, the traffic studies performed by the GDOT have not shown that the intersection meets any warrants for a signal.

Representatives of City Council and Staff met with the several members of the GDOT and the Commissioner of the GDOT to discuss this issue. The GDOT agreed to install a flashing warning beacon north and south of the northern intersection as an added safety measure until such time as a signal is warranted.

The attached permit must be signed and returned in order for the installation to move forward. The permit states that the GDOT will install the flashing beacons but the City must pay for establishing power service to the beacon, and agree to maintain the signage and beacons.

The City of Peachtree City requested a quote from Georgia Power to establish power service to the beacons and the cost came back in at over $16,000. In order to reduce this cost, the City requested a quote from our vendor (Temple, Inc.) for beacons that were solar powered. The material cost for the solar powered beacons would be $8,298 plus shipping. The DOT would perform the installation for the City.

Staff also worked with the youth athletic associations to request a monetary donation from Georgia Power. Unfortunately they were not able to provide the associations with a donation.

Since the fields will be used more during the summer, staff recommends that we take the funds from the account referenced below and proceed with procuring the materials and have the DOT install them as soon as construction permits.

Budget Impact:

The funds for this equipment are available in CIP-015-CONSTR, account 358-4110-541275. There is currently an available balance of $32,846. Sufficient funds will remain after this expense to re-construct any necessary monument signage for the BSC after the widening is complete.

Attachment
Permit

cc: File

D.O.T. 401
8-98

Distribution:
White – Applicant
Yellow – State Traffic Engineer
Pink – District Traffic Engineer

Do Not Write In This Space
Application No. ________________
Permit No. ____________________

DEPARTMENT OF TRANSPORTTION
STATE OF GEORGIA

REQUEST FOR TRAFFIC SIGNAL

To the Georgia Department of Transportation:

The City of Peachtree City in Fayette County hereby request approval for the use of a traffic signal at the location described below:

LOCATION

Local Street names: Joel Cowan Parkway at Peachtree City Baseball and Soccer Complex Driveway

State Route Numbers: 74 at

TYPE SIGNAL

☐ Stop and Go ☒ Flashing Beacon ☐ School Beacon ☐ Other

CONDITIONS OF APPLICATION AND STANDARDS OF OPERATION

In the event that the Georgia Department of Transportation authorizes the use of a traffic signal at the above location, the undersigned agrees to participate in the costs to purchase and install the signal. This level of participation will be determined after a study of the location has been completed. The signal must be installed to the Department's standards and conform with the authorization issued by the Department and the provisions set forth therein.

COST OF OPERATION

The full and entire costs of the electric energy and telephone service used to operate the signal shall be at the expense of the applicant without any cost to the Georgia Department of Transportation. The applicant understands that the Department may ask for participation in the cost for the purchase, installation and maintenance of the signal if approved.

INSPECTION AND APPROVAL

The installation, maintenance and operation of said signal shall be subject at all times to inspection and approval by a duly authorized engineer of the Georgia Department of Transportation.

RIGHT TO REVOKE

The Georgia Department of Transportation reserves the right to revoke the approval should it for any reason desire to do so, by giving the applicant thirty (30) days written notice, and in that event, the applicant agrees to remove said signal from said right-of-way at its own expense or allow it to be removed by the Department.

This application is hereby submitted and all of the terms and conditions are hereby agreed to. The undersigned are duly authorized to execute this instrument.

This the ______ day of ________________ 19__

Attest: By: ______________________________

______________________________ Title: Mayor

City Council of Peachtree City
R E V I S E D A G E N D A
May 5, 2011
7:00 p.m.

I. **Call to Order**

II. **Pledge of Allegiance**

III. **Announcements, Awards, Special Recognition**
Proclamation for National Public Works Week
Proclamation for National Tourism Week
Service Award for Janice Dukes

IV. **Citizen Comment**
Any member of the public attending the meeting may comment on any issue or item that is not included on the agenda. The time limit is two (2) minutes.

V. **Agenda Changes**

VI. **Minutes**
April 21, 2011, Regular Meeting Minutes

VII. **Consent Agenda**
1. Consider Fiscal Year 2011 Budget Amendments
2. Consider Request to Surplus Vehicles and other items stored at Public Works

VIII. **Old Agenda Items**
01-11-12 Consider Amendments to Recreation Fee Schedule – Fenced Account for Tournament Fees & Youth Sports Associations

IX. **New Agenda Items**
05-11-01 Presentation of Annual Audit Report
Representatives from Moore & Cubbedge will present their report of the audit of the City's financial statements for the fiscal year ended September 30, 2010. Copies of the City's Comprehensive Annual Financial Report will be provided to Council prior to the meeting and copies will be available for public inspection at City Hall.
05-11-02 Discuss/Consider Changes to CAR 9-3 Investment Policy
05-11-03 Consider Flashing Light at Baseball/Soccer Complex
05-11-04 Consider Recommendation for New Air Supported Structure Contract for Kedron
05-11-05 Consider Resolution for Sunday Alcohol Package Sales

X. **Council/Staff Topics**
Hot Topics Update

XI. **Executive Session**

This agenda is subject to change at any time up to 24 hours prior to the scheduled meeting.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO:	**City Council**
VIA:	**City Manager** **Finance Director** P.G.
FROM:	**Director of Leisure Services**
DATE:	**April 26, 2011**
SUBJECT:	**Consider Recommendations Relative to Fenced Accounts** *For May 5, 2011 City Council Meeting*

Recommendation: That Council considers recommendations made relative to youth sports association fenced accounts and tournament fenced accounts.

Discussion: **Youth Association Special Purpose Funds, a.k.a. Fenced Accounts**, were proposed by staff, supported by the Recreation Commission and established by the City Council at their May 6, 2004 regular meeting. These accounts were established as a means to ensure that youth sports associations were allocating funding to help maintain the sports facilities they use. Previously, there had been no city fee for the associations to use the facilities and it was left to the associations how much, if any, funding they provided. Some associations expended a lot, some little or none. This fenced account, called a facility maintenance fee in the original proposal, would ensure everyone was contributing a fair percentage based on their registration numbers. The modest fees were set at $5 per participant, per season for in-county and $10 for out of county (note: this was recently raised to $5 for PTC residents, $10 for other Fayette County residents and $25 for out of county). The understanding was that the revenue would be posted to a special revenue account, which could only be expended for maintenance and improvements to the fields or facilities that support their sport.

Approximately $267,000 has been collected since the program began and has been expended on field and facility maintenance and improvements. In the past three years, as the city's General Fund budget for routine maintenance has been cut, the city has been using the fenced accounts mostly on projects to augment this lost funding, such as aerating and top dressing fields, fixing fences, repairing sod and replacing worn foul ball netting.

Last year during the course of budget discussions, it was suggested that fenced account money could be used in any way necessary to help defray costs of providing recreation. The suggestion was that, because the fenced accounts are part of the city budget, the city administration should be able to use it just as any other general revenue source is used to help manage the recreation field and facility maintenance budget.

Recreation staff explained that this was not the understanding that existed when City Council approved the fees in 2004, and that implementing such a change would not be well received by the associations, who were very satisfied with the fenced account system as it is. They have assurance that every dollar collected goes back into their facility and not to that of another sport's or to support recreation in general. Since the fee is paid by citizens whose children are using those facilities, it is not a burden on the general taxpayers but is an example of the "pay to play" system.

In January 2011 the Recreation staff petitioned City Council for several fee adjustments. One of them was to revise the association fenced accounts to the current \$5/\$10/\$25 structure, which council approved. The fee had not been amended since its inception in 2004. Another recommendation was to implement a **50% Tournament Fenced Account** system. One of the council members stated that perhaps all fenced account funding should be viewed as a revenue source that could be used at city administration's and council's discretion. After discussion, City Council directed staff to look at it further and bring it back to discuss at Retreat in March. At Retreat the Finance Director briefed the Council on essentially the same background being presented here. After discussion, Council directed that the issue be reviewed by the Leisure Services Commission to provide Council with a recommendation.

Recreation Staff position:

On Youth Association Fenced Accounts: At the April 18 Leisure Services Commission meeting the Recreation Staff recommended that the existing youth association fenced account system be kept as it currently is structured. The Commission approved this recommendation. This position was supported by several points:

1. The system has been very successful both in terms of acceptance by the associations and in terms of funding directed towards field and facility maintenance. The exceptional condition of our fields and facilities can be directly attributed in part to the funding that fenced accounts have enabled. Since 2004, \$267,000 has been collected and expended directly towards maintenance and improvements to these fields and facilities.
2. The system assures associations that the funding collected by them from their members is used to maintain the fields and facilities they use. It validates the additional fee, which is added to the seasonal registration fee, and makes it easier for association officers to explain and justify it to members.
3. The fact that only members who use the facilities are paying for the maintenance takes the additional burden off the general public and places it on those who use the facilities.
4. The current system encourages associations to contribute to maintenance of fields; eliminating the incentive of fenced accounts could discourage them.

Alternate suggestion on Association Fenced Accounts: Councilman Imker has subsequently suggested that perhaps Association Fenced Accounts could be done away with entirely, taking the City out of the middle and allowing associations to manage their contributions to maintenance of fields and facilities. However, fenced accounts were started to ensure that all associations were contributing equally based on their registration numbers. If eliminated, this could become an issue again. Recreation staff is obtaining input on this suggestion from associations and will be prepared to discuss it at the Council meeting.

On Tournament Fenced Accounts: At the April 18 LS Commission meeting, staff recommended creation of a "Venue Fenced Account" system that would direct 50% of tournament fees to a line item dedicated to maintaining the fields where tournaments are held. This funding would be used by the recreation maintenance staff to purchase items such as field dirt/amendments (baseball/softball fields) and replacement sod (soccer/football/Lacrosse fields), which are the most depleted items after a tournament. The intent here is to leverage tournament revenue with the funding from youth sports associations and the Recreation maintenance budget to help keep fields in good shape after tournaments and throughout the year. The remaining 50% would be deposited into the city's general fund. The LS Commission approved this recommendation.

Costs to rejuvenate fields after a tournament vary depending on the type of sport, condition of fields before the tournament, weather, duration of tournament, how many teams and what age groups and others. As an example, after a recent LAX tournament on the soccer fields, it cost approximately $250 and 6 contractor hours to repair sod, and $50 and 4 volunteer hours to sand over re-sodded and worn areas. Another example: after a recent tournament on Meade Girls softball fields, it cost approximately $200 and 6 hours of volunteer work to re-organize the infield because bases had to be moved to accommodate the requirements of the tournament organizer. However, youth association representatives have pointed out that these expenses are small in comparison to the amount most associations contribute to keep the fields in good enough condition to attract outside tournaments to PTC facilities. Over the past year, for example, soccer contributed sod, core aeration, top dressing, army-worm treatments and countless hours of volunteer time using fenced accounts and their own funding sources and/or labor.

The Convention and Visitor's Bureau and City administration have been encouraging outside entities to bring more tournaments into Peachtree City due to the positive impact the tournaments have on local hotels, restaurants and other retailers. While this is good for the city overall, there is a price to pay in terms of additional wear and tear on fields and facilities. Staff believes it is not unreasonable to expect that some of the proceeds from the tournaments should go directly back into the facilities to help keep them attractive as tournament venues.

Budget Impact:

Association Fenced Accounts: In 2010 associations collectively accumulated $35,745 through fenced account fees. This funding went directly back into fields and facilities.

Tournament Fenced Account: In 2010, $12,675 was collected as fees from tournaments held on city fields and was deposited into the city's general fund. This would have made $6,338 available to help maintain the fields. Since 2007, $46,485 has been collected in tournament fees.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO:	**City Council**
VIA:	**City Manager** **Finance Director** R.S. **Purchasing Agent**
FROM:	**Director of Leisure Services**
DATE:	**April 26, 2011**
SUBJECT:	**Consider Recommendation For New Air Supported Structure Contracts** *For May 5, 2011 City Council Meeting*

Recommendation: That Council approves a recommendation to award a two-phase process for purchase and installation of a new air supported structure (bubble) and associated equipment at Kedron. This would involve two separate contracts with the same contractor. The first contract would be awarded to Arizon Companies in the amount not to exceed $6,000 to conduct destructive and non-destructive testing to verify that proper footings are in place for the new bubble. This must be done to establish a more accurate final cost of the entire project. The second phase would be awarded to Arizon Companies for the new bubble membrane, air handling equipment and associated equipment and materials at a minimum cost of $346,177. This is the minimum cost and could be more depending on results of the destructive testing. Staff is only asking Council to approve the contract and funding of Phase I at this time and authorize the mayor to sign the contract. Staff will come back with a final recommendation on Phase II after the testing.

Discussion: The City issued a Request for Proposals to approximately 10 companies on February 23, 2011 for a contractor to provide and install a new air supported structure (bubble) and associated equipment. Two companies attended either of two mandatory pre-proposal meetings and only one company, Arizon Companies, submitted a proposal. The proposal included generally all items that staff had determined necessary for a safe, efficient and upgraded new air structure, with a total cost of $346,177, which is $96,177 over the budgeted amount. However, if results of the destructive testing determine that we need to do additional work to augment the footer, this cost could increase.

Budget Impact:
The FY 2011 budget has been amended to include $250,000 for this expense. As mentioned, the minimum contract price of $346,177 would cause a budget overrun of $96,177. If the bubble were to be financed for a period of ten years at the minimum contract price, the annual cost would be approximately $45,000.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: **Mayor and Council**

VIA: **City Manager**

FROM: **Administrative Services Director** M

DATE: **May 3, 2011**

SUBJECT: **Sunday Package Sales Resolution**
May 5, 2011, City Council Agenda

Recommendation:
That Council considers the attached resolution and approves the wording for a special referendum election to have the voters of Peachtree City determine if the City should allow Sunday Alcohol Package Sales.

Discussion:
The State legislature passed a modification to State Code this session that would allow each jurisdiction determine, by a vote of its citizenry, whether to allow Sunday alcohol package sales. The modification to O.C.G.A. § 3-3-7 states, "…the governing authority of the county or municipality, as appropriate, may authorize package sales by a retailer of malt beverages and wine on Sundays between the hours of 12:30 P.M. and 11:30 P.M., if approved by referendum; to provide that in each county or municipality in which package sales of malt beverages, wine, and distilled spirits by retailers are all lawful, the governing authority of the county or municipality, as appropriate, may authorize package sales by a retailer of malt beverages, wine, and distilled spirits on Sundays between the hours of 12:30 P.M. and 11:30 P.M." The Governor signed this bill into law on April 28, 2011.

If approved through a majority of the voters through the November municipal election cycle, the City could offer and issue Sunday package sale licenses to the twenty-three retail package / convenience / grocery stores within the City limits of Peachtree City. The license fee for Sunday package sales would be $500 per license, the same as we do for restaurants that hold Sunday sales licenses. There would be no additional cost for adding the referendum to the ballot in November since this is a municipal election year.

Budget Impact:
There is an opportunity for a slight increase in license revenue if passed by the voters and businesses decide to apply for the Sunday Package Sale license.

Attachment

RESOLUTION CALLING FOR A SPECIAL REFERENDUM ELECTION AUTHORIZING THE CITY OF PEACHTREE CITY, GEORGIA TO ISSUE LICENSES FOR PACKAGE SALES OF DISTILLED SPIRTIS, MALT BEVERAGES AND WINE ON SUNDAYS

WHEREAS, Section 3-3-7 of the Official Code of Georgia Annotated provides that in the event the governing authority of any municipality desires to exercise the powers authorized by Section 3-3-7 of the Official Code of Georgia Annotated, which section provides that a municipality may authorize, through proper resolution or ordinance, the issuance of licenses for package sales of distilled spirits, malt beverages and wine on Sundays between the hours of 12:30 p.m. and 11:30 p.m.; and

WHEREAS, Section 3-3-7(q)(2) of the Official Code of Georgia Annotated provides that such authorization is conditioned upon a special referendum election wherein the voters of the municipality vote on the question of whether or not the governing authority of the municipality shall be authorized to issue licenses for package sales of distilled spirits, malt beverages and wine on Sundays between the hours of 12:30 p.m. and 11:30 p.m.; and

WHEREAS, the City Council of the City of Peachtree City has determined that it is desirable to exercise the powers authorized by Section 3-3-7(q) of the Official Code of Georgia Annotated within the City limits of the City of Peachtree City; provided more than one-half of the votes cast in the special referendum election are in favor of issuing licenses for package sales of distilled spirits, malt beverages and wine on Sundays between the hours of 12:30 p.m. and 11:30 p.m.; and

WHEREAS, Section 21-2-540 of the Official Code of Georgia Annotated designates the first Tuesday following the first Monday in November, 2011; said date being November 8, 2011, as a date on which a special referendum election may be held for the purpose of a referendum called under Section 3-3-7 of the Official Code of Georgia Annotated; and

WHEREAS, there has been no special referendum elections held by the City of Peachtree City to determine whether its governing authority shall be authorized to issue licenses for package sales of distilled spirits, malt beverages and wine on Sundays between the hours of 12:30 p.m. and 11:30 p.m.within the two (2) year period immediately preceding the date of this resolution.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEACHTREE CITY that the Election Superintendent for the City of Peachtree City be and is hereby authorized to issue a notice of the call of a special referendum election to be held on Tuesday, November 8, 2011, for the purpose of submitting to the voters of the City of Peachtree City, the question of whether or not the City Council of the City of Peachtree City shall be authorized to issue licenses for package sales of distilled spirits, malt beverages and wine on Sundays between the hours of 12:30 p.m. and 11:30 p.m.

FURTHER RESOLVED, that the following notice of special referendum election be published once a week for two (2) weeks, immediately preceding the date of the election in a newspaper of general circulation in the City of Peachtree City:

NOTICE OF ALL OF SPECIAL REFERENDUM ELECTION

Notice is hereby given that the City of Peachtree City, Georgia, will hold a Special Referendum Election on Tuesday, November 8, 2011, for the purpose of voting on the question of whether or not the governing authority of the City of Peachtree City, Georgia, shall be authorized to issue licenses for package sales of distilled spirits, malt beverages and wine on Sundays between the hours of 12:30 p.m. and 11:30 p.m.

The ballot will read as follows:

"[ ]	YES	Shall the governing authority of the City of Peachtree City, Georgia be authorized to permit and regulate package sales by retailers of malt beverages, wine, and distilled spirits on Sundays between the hours of 12:30
[ ]	NO	P.M. and 11:30 P.M.?"

All persons desiring to vote for approval of package sales by retailers of malt beverages, wine and distilled spirits on Sundays between the hours of 12:30 p.m. and 11:30 p.m. shall vote "Yes," and all persons desiring to vote for rejection of package sales by retailers of malt beverages, wine and distilled spirits on Sundays between the hours of 12:30 p.m. and 11:30 p.m. shall vote "No."

Only those voters registered in City of Peachtree City elections shall be allowed to vote in the Referendum Special Election.

Election Superintendent
City of Peachtree City

FURTHER RESOLVED, that a copy of this Resolution as the notice of the call of the special referendum election be published on Wednesday, September 7, 2011, in a newspaper of general circulation in the City of Peachtree City, Georgia, pursuant to O.C.G.A. Sections 3-4-92 and 21-2-540.

FURTHER RESOLVED, that the City Clerk is directed to notify the City election superintendent of the referendum by forwarding to the superintendent a copy of this resolution.

BE IT FURTHER RESOLVED that the registration books to register voters to vote in the special referendum election are to be held open until the close of business on ____________________, 2011.

IT IS SO RESOLVED this ______ day of _____________________, 2011, by the City Council of the City of Peachtree City, Georgia.

____
Don Haddix, Mayor
City of Peachtree City

ATTEST:

____
Betsy Tyler, City Clerk
City of Peachtree City