City Council of Peachtree City
Meeting Minutes
Thursday, April 6, 2023
6:30 p.m.

The Mayor and Council of Peachtree City met in regular session on Thursday, April 6, 2023. Mayor Kim Learnard called the meeting to order at 6:30 p.m. Council members attending: Frank Destadio, Clinton Holland, and Phil Prebor. Mike King was absent.

Announcements, Awards, Special Recognition
The Dr. J. Jeffery Marshall Excellence in Emergency Cardiac Care Award was presented to Blake Chisolm, Brian Glennie, Dwayne Gowen, Trent Jenkins, Jared Joiner, Bryan McKenzie, Landon Steenbergen, and Frank Thompson. Fire Chief Clint Murphy explained this was in recognition of saving an athlete's life during the Peachtree City Triathlon last spring after he suffered a heart attack.

Public Comment
Joshua Hertz proposed allowing electric personal watercraft on Lake Peachtree, stating single-rider electric personal watercraft did not produce noise, pollution, or wake and were regulated by the Georgia Department of Natural Resources, which would ensure safe operational standards. He suggested removing the current jet-powered and 3 HP verbiage from the current ordinance and replacing it with an 18-mph limit, 100-pound weight limit, and a Monday through Friday schedule so as not to interfere with weekend lake users.

Eric Shufro also asked Council to allow electric watercraft, saying it was a matter of giving citizens another choice for recreation on Lake Peachtree.

John Dufresne said Council wanted to control the Water and Sewerage Authority (WASA), so they installed the Mayor and Council as the WASA board in 2018. He noted three current members were on Council when this occurred. Shortly thereafter, the board was briefed by Integrated Science and Engineering (ISE) on 87 capital projects that needed to be done in five to 10 years for an estimated cost of $24.4 million. The board approved a contract for ISE to manage WASA. Since then, WASA had spent around $2 million for capital projects, and it was not known publicly how much of that went towards the 87 priority projects, Dufresne remarked. The general manager, who owned ISE, told the WASA board in October 2020 that the sewer system infrastructure was in good shape, but at the March 2023, meeting, he reported a blocked sewer pipe on SR 74 with a replacement cost of $750,000 to $1 million. This pipe was 37th on the list of 87 projects and would have been much less expensive to replace in 2018, Dufresne stated. He asked how exactly has WASA been held accountable with Mayor and Council making up the board and called on them to bring WASA into the City and make it an enterprise activity like stormwater.

Agenda Changes
None

Minutes
March 16, 2023, Regular Meeting Minutes
March 16, 2023, Executive Session Minutes
Prebor moved to approve the March 16, 2023, Regular Meeting Minutes and the March 16, 2023, Executive Session Minutes. Holland seconded. Motion carried unanimously.

Consent Agenda

1. Surplus and Disposal of 2003 Asphalt Zipper & Trailer
2. Revocation of CAMS regarding Fire Department Operation
Holland moved to approve Consent Agenda items 1 and 2. Destadio seconded. Motion carried unanimously.

Old Agenda items
None

New Agenda items
04-23-01 Policy 8-14 Public Comment Guidelines
Destadio said this was first discussed at the last Council meeting, and he was pleased to see input from all Council members. He proposed changing the guidelines so that the public comment period at Council meetings would be increased from 20 minutes total to 30 minutes and that individual speakers would be allowed three minutes each rather than the current two. Council would be allowed to extend the 30-minute time period by a unanimous vote. The proposal called for the public comments to be placed near the end of the agenda. No changes were proposed to the rules that speakers must sign up between 6 and 6:30 p.m. on meeting nights and that items on that meeting's agenda could not be discussed.

Holland said he disagreed with moving public comments to the end of the meeting, preferring to leave it in its current spot as Section IV on the agenda.

Prebor said he did not understand why the public was not allowed to comment on something that was on the agenda, saying it seemed to him that would be the best time to do it. He would like to allow people to make any comments they wanted.

Learnard remarked that making comments on agenda items was discussed about a year ago, and the City Manager at the time and the City Clerk strongly discouraged it because it could become confusing as to what was being addressed. If Council wanted this change, she suggested they discuss it at another time and change the ordinance, but she assured Council that they did not want to mix public comments with agenda items.

She added that she was okay with not moving the public comment section to the end of the agenda.

Holland said he would like to see this policy change proposal amended to say that the Public Comment section should be towards the beginning of the agenda, specifically Section IV.

Destadio said he didn't see the need for a unanimous vote to extend the time, and the Mayor agreed that it would be a given that time would be extended.

Holland moved to approve New Agenda item 04-23-01, Policy 8-14 Public Comment Guidelines, with his proposed amendment. Prebor seconded. Motion carried unanimously.

04-23-02 Award 2023 Paving Bid to Atlanta Paving and Concrete

Public Works Superintendent Jonathan Miller said he recommended Council award the 2023 paving bid to Atlanta Paving & Concrete in the amount of $8,724,888.87. Another bid from CW Mathews was received for almost $11 million.

Miller noted that the mileage was similar to last year's paving list, but unit prices were 50% higher. There were sufficient funds in the Special Purpose Local Option Sales Tax (SPLOST) to do the paving, but they might have to tailor the list in the future if these price trends continued.

Destadio said when they started the paving project, the roads were classed as A, B, C, and D, and he felt they had done an excellent job of mixing the As and Bs in with the Cs and Ds, so that they did not do all the bad roads first and let the good ones fall into severe disrepair. Miller said they would continue to do that. Destadio also noted that prices were only going to go up.

Holland asked how many miles this was for? Miller said the current bid covered 14.5 miles, but usually they had extra money to do more.

Prebor asked about the roads analysis that was in progress, saying he was glad they were doing it again. Miller said he had seen some preliminary information, and Prebor asked if he could give an overview of what was being done so the public could understand?

Miller explained that road conditions were analyzed using lasers and other tools that looked at cracking and a multitude of factors. Each road was assigned a rating from 0 to 100. Every street had been assessed, and the data was being compiled now. The system then could provide a paving plan based on their budget, Miller commented, adding they did grab roads that were better than the worst because you did not want them to get to that point. It was more cost-efficient to catch those roads and delay paving the bad ones because a road that required full depth reclamation was not going to deteriorate much more over the next year.

Prebor moved to approve New Agenda item 04-23-02, Award 2023 Paving Bid to Atlanta Paving and Concrete in the amount of $8,724,888.87. Destadio seconded. Motion carried unanimously.

04-23-03 Employee Compensation Plan

City Manager Robert Curnow explained this process began before he came to Peachtree City. He said he held Zoom meetings on December 16 of last year with senior staff, and the general consensus was that there were two priorities: to retain current employees and the ability to compensate that would enhance their ability to bring in new employees. Curnow said this plan should enable them to halt the decline that had taken place over the last couple of years in the ability to attract qualified people for certain job classifications.

Director of Human Resources and Risk Management Ellece Brown presented a timeline for the past 10 years. The Condrey Comp/Benefits Study was conducted in 2014. Condrey was a professional consulting group, and, at that time, this type of study had not been done for 14 years. The total recommendation was $900,000, including benefits costs. That was approved, and there were no more pay increases until 2018. From 2018 to 2021 there were several cost of living adjustments (COLAs), salary scale adjustments, merit increases, career development plans, and education incentives. The Management Advisory Group International (MAG) conducted a study in 2021, and Council adopted it in 2022. The recommendation was $1.2 million, but it was not fully implemented. What was implemented cost $584,000.

However, retaining and recruiting staff continued to be a struggle, Brown stated. Inflation at the time was about 8.2%, so there were two COLAs approved that totaled 5%. Unemployment was almost at an all-time low of 3.25%, and many of those individuals were not seeking to enter the workforce, she explained. Staff decided another study was needed. It was done internally, with many people working on it. They set a goal to be at 85% in the market (85th percentile) and explored changes to the defined benefits plan.

Even after this study, COLAs based on the consumer price index (CPI) would have to be maintained. The merit program and career development plans would continue. There would be regular comp studies, and Brown said the best practice on comp studies was every five years.

Destadio pointed out that the 85th percentile was identified initially by the MAG, not the internal study, and the previous Council approved that. Curnow said that was correct, but it was not fully implemented to the 85th percentile, which put them in their current position.

The study goals, Brown continued, were to ensure that all positions were compensated to at least the 85th percentile of the current market and that benefits were similar to the current market. External competition was one of the considerations, as was internal equity, which looked at compensation for positions performing similar work. The study also generated suggestions for organizational change, she reported.

Brown stated they would like to create a new pay scale for Police and Fire that was separate from the general non-public safety employees. The reason for this was operational. A general employee worked 2,080 hours annually, while Certified Police Officers worked 2,184 hours annually, and Fire Department employees worked 2,920 hours annually.

She said Financial Services Director Paul Salvatore would discuss changes to the Defined Benefits later.

The scope of the study included 372 positions in 120 job titles. It looked at 14 nearby local government employers: McDonough, Griffin, College Park, Fayetteville, Newnan, Coweta County, Fayette County, Brookhaven, South Fulton, Stockbridge, Dunwoody, Alpharetta, Roswell, and Sandy Springs, which were the same 14 the MAG study examined.

A bar graph illustrated where Peachtree City departments fell in comparison to departments of those other governments. All of Peachtree City's were below the 85th percentile, except the Library. The Police Department was at 48%, and Fire Department was at 69%.

Three examples showed some critical positions, what they were currently paid, and what was recommended. The current starting pay for a Peachtree City Police Officer was $52,608.86. The chart also showed the midpoint and the maximum, putting Police salaries at the 60th percentile. A chart compiled by the Police Department showed a 63% decrease in the number of Police Department applications between 2015 and 2022. It showed the hires and departures since 2015, when there were 20 departures and 18 hires. At one point in 2022, there were 11 openings in the Police Department, but now there were five. Seven officers were eligible for retirement; one officer was interviewing with another agency for higher pay. Brown noted that the department preferred to hire certified officers; they could make an impact more quickly, and the cost to the city was much less. It cost $33,000 and about seven months to hire and train an uncertified officer, while a certified officer could be brought on-board almost immediately for $6,700. The proposed starting salary for a Police Officer is $58,000, with a midpoint of $82,230.96 and a maximum of $105,661.92. This would move Peachtree City to the 92nd percentile, topped only by Sandy Springs.

Moving on to the Fire Department, Brown pointed out that some of the departments in the study did not provide medical transport like Peachtree City did; also, Roswell's firefighters were all part-time. The current starting salary for a Peachtree City Firefighter was $52,608.86, the 64th percentile. The proposed salary grade, which was the same as for the Police, would move them up to the 89th percentile.

Brown showed what the separate pay scale for Police and Fire would look like. The Police would be in the 200 scale, Fire in the 300. It stated the annual and hourly pay at three levels—min, mid, max.

Assistant City Manager Justin Strickland explained the proposed pay scale for a Fleet Manager, saying that was a good example of mid-level manager compensation and was comparable to similar positions in other departments. It was now at the 67th percentile, and all the comparable positions also were below the 85th percentile, averaging 57%. The pay they were proposing would take the Fleet Manager up to the 83rd percentile, moving from grade 115 to grade 118. Based on the changes recommended, the average for these mid-level management positions would be at the 84th percentile.

Some organizational changes for efficiency were also proposed. Strickland said the Public Services division could be dissolved and divided into a Public Works Division and an Engineering Services Division. The Divisions were defined in the ordinance, so if this was approved, Strickland related, there would be an ordinance change brought to Council within a month or so to reflect this.

Of the 372 employees, 207 would be affected by this, with the vast majority in Police and Fire. The total amount of the adjustments was about $1.65 million, Strickland stated, including benefits such as Social Security and long-term disability. Approximately $1.4 million was the salaries portion, and $215,000 was benefits. Of the total recommended salary adjustments, almost $1.2 million was for Public Safety. Strickland presented a pie chart that showed Police getting 39% of the total salary adjustments, while Fire would receive 32%. The market showed those increases were what was needed to be competitive with other departments, he observed.

Strickland read the compensation recommendations to Council. First was to adopt a new salary scale for Public Safety. Next was to repeal the current salary scale for general employees and adopt a new one with these changes:

- Pay ranges and grades remain the same
- Specific positions moving to different grades based on market and internal equity/compression
- Specific position titles reclassified and job descriptions updated

When comparing Peachtree City's benefits with the 14 other governments, the only area of concern was lack of competitiveness with retirement benefits, Salvatore reported, which could impact their ability to recruit and retain personnel.

A Defined Benefit (DB) plan was called that because it was defined by a formula, which was the final average earnings (FAE) times a multiplier times years of service. Salvatore showed an example of a retiree whose FAE was $65,000, saying that was calculated as the average highest five years of earnings. This was multiplied by 2%, which was the number Peachtree City used, times 20 years of service. This meant the person would get an annual defined benefit of about $26,000 a year or about 40% of FAE.

Salvatore said employees currently contributed 2.25% of their salaries, this was mandatory and partially offset the cost of providing the benefit. The recommendation was to increase this by .75% to 3%. That would generate approximately $110,000 more per year for a total employee contribution per year of about $436,000 per year. That was based on current salaries and would go up to around $500,000 if the pay plan was approved, he added.

They had data from five nearby cities and Fayette County. Stockbridge had a 3% multiplier and used an FAE of the average salary during the last five years of employment. Their employees did not contribute to the plan. McDonough's employees did not contribute, but McDonough used a multiplier of 2.25% and an FAE of the highest five years pay. Griffin's multiplier was 2%, and the FAE was the average earnings over a consecutive five-year period in which earnings were highest. Griffin's employees paid 2% into their plan. In Newnan, the multiplier was 2%, and the FAE was 36 months of the highest pay. Employees paid no money into the plan. Fayetteville's employees paid 3% into the plan, and the FAE was an average of the highest-paid three consecutive years of employment. The multiplier they used was 2.5%.

Salvatore said Fayette County was the only plan that Peachtree City was doing better than. The County used a multiplier of 2% and an FAE of the average of compensation received during the 60 highest-paid consecutive months out of the last 120 months. Employees also contributed 5% of their salaries towards retirement.

Recommendations were to:

- Adjust the FAE calculation from the highest five years of earnings to the highest three years
- Adjust the multiplier from 2% to 2.5%
- Increase the employee contribution from 2.25% to 3.0% to help fund the benefit changes

Salvatore said he was asked to apply the new formula to his earlier example of a retiree's annual defined benefit. That person would get a defined annual benefit of about $35,000 a year under the new formula, or about 50% of annual earnings, rather than 40%.

Under this proposal, the net annual cost increase for the DB plan would be about $300,000, Salvatore stated, but he observed that this cost was looked at as an investment. The new formula would increase plan effectiveness by encouraging employees to retire when they reached retirement age, and it could encourage employees who left to consider returning.

How would all this impact the five-year financial model? It would not result in an increase in the millage rate, Salvatore stated, pointing out that the $40.8 million budgeted for departmental operations in 2023 included the $733,000 for this year's portion of the study. Next year's projections included the full cost of the salary and DB plan increases. They paid into the DB plan once a year, on October 1, but the employee deductions would start immediately.

Salvatore said this would not require the use of cash reserves. For fiscal year (FY) 2023, they had predicted an uncommitted fund balance of about $24.8 million, and that number would hold steady throughout the model, even though the percentage would drop as total expenses increased.

Maintaining a stable millage rate was a financial goal, and Salvatore indicated that they had anticipated a .8 mill tax increase if the SPLOST had not passed. But it did pass, so they reduced the millage rate back to 6.043 mills through FY 2028 and removed the capital expenses that would continue to be covered by SPLOST funds. The point was, he commented, that the model fully supported this pay/compensation plan.

Curnow again presented the bar graph that showed where Peachtree City currently stood, percentagewise, when compared to other jurisdictions. The 85th percentile was first mentioned in the MAG study, and Council approved it, but did not get there. This plan would get them there, he reported, pointing out again that Police and Fire were getting the bulk of the increases in salary. This study had helped identify why they were having trouble recruiting and retaining employees and would, it was hoped, correct those issues.

Destadio said the majority of the comments he heard from citizens had to do with Fire and Police, and this addressed those concerns. He said the MAG study was a disappointment because Council was told it would solve these problems, and it did not. He thanked Curnow for this study, saying he hoped it would solve this once and for all.

Holland also said citizens wanted First Responders taken care of, and they wanted the most qualified people in those positions. This would attract new people, while recognizing the experience of the employees already here, and encourage them to stay.

Learnard noted that Peachtree City's best feature was its employees, and Curnow said it was the amazing staff that put this study together.

Curnow read staff's recommendations:

- Adopt a new salary scale for Public Safety employees
- Repeal current salary scale and adopt a new salary scale for general employees with the recommended changes
- Adopt resolution to enact Defined Benefit Plan changes
    - Adjust the Final Average Earning calculation from the five highest years of earning to the highest three years (36 months)
    - Adjust the multiplier from 2.0% to 2.5% in the Defined Benefit Plan
    - Increase the required employee contribution to the Defined Benefit Plan (payroll deduction from 2.25% to 3.0% to help fund above benefit changes.
- Adopt a .75% increase for employees not receiving market adjustments
- Adopt FY 2023 Budget Amendment—Prorated G/F cost for FY 2023 is $733,483
- Pay/deductions changes effective pay period beginning 04/24/23
- Defined Benefit changes (FAE and Multiplier) effective 01/01/24
- Total Ongoing G/F annual cost of $1,966,120.77—all pay and benefit changes

Prebor moved to approve New Agenda item 04-23-03, Employee Compensation Plan with the recommendations as read. Holland seconded. Motion carried unanimously.

Public Hearings
None

Council/Staff Topics
1. Policy 8-06 Naming of Facilities, Parks & Other Areas
Learnard said they had the opportunity to re-write some policy regarding the naming of City facilities. She noted that Peachtree City was exceptional in that many of its early leaders were still living and active in the community, adding she wanted all of Council to be active in this process.

Curnow said he would compile their input and put this on the agenda for a future workshop, which Council agreed to. Destadio said he would like to require a unanimous vote to name something in honor of someone. Prebor agreed, and asked Curnow to look at this and offer any recommendations he might have.

There being no further business, Prebor moved to adjourn at 7:51 p.m. Destadio seconded. Motion carried unanimously.

Martha Barksdale, Recording Secretary

Kim Learnard, Mayor