City Council of Peachtree City
Workshop Minutes
Tuesday, April 6, 2021
6:30 p.m.

The City Council of Peachtree City met in workshop session on Tuesday, April 6, 2021. Mayor Vanessa Fleisch called the meeting to order at 6:30 p.m. Others attending: Terry Ernst, Mike King, Kevin Madden, and Phil Prebor.

City Manager Jon Rorie said this was the second of three retreat sessions scheduled prior to Council's adoption of the fiscal year (FY) 2022 budget. The first covered revenues and went into detail about how the City got its money. This one would cover expenses, and they would look at goals and priorities at the final retreat on May 4.

He stated that the Budget Policy required an established baseline and that any additional services must be fully funded at the time of the adoption of the annual budget, and ongoing funding sources clearly identified. Those sources must be new or increased revenues or expense reductions.

The FY 2021 budget required a revenue stream of $38,561,399. The long-term financial analysis called for a 50% cash reserve at the end of the fiscal year. The movement was in relation to the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, which provided reimbursement for some public safety expenses during the pandemic.

Personnel, services and supplies, or operations, capital, and debt service were the four big categories making up expenses. Tonight they would look at what it cost to maintain/operate and provide services in Peachtree City. In FY 2021, it was $38.5 million. That was not an exact number—it fluctuated throughout the year as they made adjustments. About 58% of that was personnel expenses; 27% was operating expenses; 7% was capital expenses, mostly lease-purchase agreements; 8% was debt service, which was long-term debt. Rorie remarked on how little debt they carried, noting it was about $3 million, which wasn't even 10% of the annual budget.

Peachtree City was a full-service city. Many cities had lower millage rates, but did not provide the services Peachtree City did, such as Fire/Emergency Medical Services (EMS). Peachtree City had 27 departments with 90 common line items. The expense analysis should focus on those common line items. Gasoline and diesel fuel was one of those common line items that applied to almost every department, except Finance.

In the FY 2021 budget, more than $15 million was dedicated to Public Safety. The millage rate equivalent of that was 6.22. Rorie noted that the total millage rate was 6.232, so almost all of the ad valorem taxes collected went to the Fire and Police departments, leaving the remaining .012 to cover things including debt service, buildings and grounds, recreation programs, administrative services, planning and zoning, and the library. If they were dependent solely on the ad valorem taxes to operate as a full-service city, the millage rate would need to be 15.25 instead of 6.232. They taxed at that rate and collected other revenues through Local Option Sales Taxes (LOST), fees, fines, and other revenue streams. After funding Public Safety, they had $28,000 in ad valorem taxes to fund the rest of the services.

Human Resources Director Ellece Brown went over the costs of property and liability insurance. That included insurance on all buildings, structures, equipment such as fencing and lights, as well as vehicles, in addition to the liability protection. She showed how costs had increased from 2010 to 2021. The amount of property insured had increased over that time, and Brown said a review in 2015 showed that a number of items were not insured, such as the bubble at Kedron. Adding those caused the cost to increase. On the liability side, there had been a handful of lawsuits in 2013 and 2014 that cost the City money and made their experience go up, resulting in a cost increase. The insurance had ranged from $220,000 to $400,000. They would know this year's rate in a couple of weeks, she continued. The plan year was from May 1 to April 30, and they had budgeted $400,000.

Next, she showed the cost of workers' compensation insurance, which they were required to carry on their employees should they be injured on the job. The 10-year trend began at $312,000 and went to about $474,000. Costs of medical services had risen and experience also impacted the premiums. Under Georgia workers' comp law, any employee absent for more than seven days would receive 66.66% of their pay. Brown said they were fortunate there had not been a tremendous number of lost time accidents that would drive up the costs. Costs had risen, in part because they covered more employees now.

Another 10-year graph showed that health insurance costs had risen from $2.8 million to a budgeted $4.7 million. In 2011 and 2012, there were 214 covered employees with an average 623 covered members. By 2019-2020, that had increased to 250 employees, with an average 694 covered members. Their goal was to have single digit increases in premium costs, Brown reported.

Typically, private sector fully-insured plans would see double digit increases. Peachtree City's was a self-insured plan, which meant they paid for administrative costs and every claim up to $100,000. That individual stop-loss was their only piece of real insurance. After $100,000 was reached, insurance picked up and paid the claim. The average increase over 10 years was about 6%. They had made changes to the plan to regulate the increases, including raising co-pays for office visits and increasing the out-of-pocket maximum. They had raised deductibles and changed co-insurance from covering 85% to 80%, as well as increased the amount of monthly contributions employees paid. They had to add a fourth tier specialty drug category because those drugs were so expensive, and the cost to the employee was $100 for every specialty drug. Those drugs could cost several hundred dollars, Brown said. Last year they increased the contributions for single coverage by 14% and family coverage by 25%. They were transferring the costs from the City to the employee. Drug costs were one of the highest expenses to the plan, Brown remarked.

Rorie affirmed that one of the big drivers of personnel costs was health insurance. There had been an increase in the number of people covered, along with an increase in what employees paid. This was a national issue.

Next, he went on, they would talk about operating expenses and why they should always consider how the operating side fed the personnel side of the house. They had to balance. Five years ago, they spent almost $25,000 on Fourth of July expenses, mainly on the fireworks display. Not realized in that line item were the personnel costs associated with the celebration. Almost every police officer was engaged on the Fourth of July, typically through overtime or flex time. That totaled about $48,000 in 2016; today, it was about $60,000. Part was captured in the supply line, the other in personnel costs.

Sewer was budgeted across all departments at $37,302 in 2016, and water was budgeted across all departments at $54,447. Diesel fuel was budgeted at $83,334. Were the numbers up from what they were five years ago, and what was their relationship to the expense analysis in the budget? Fourth of July services were now $27,700—an 11% increase over five years, or an average of about 2% per year. That was about the same as the Consumer Price Index (CPI) increase over the last five years. Diesel fuel had a 75% increase. Public Works and the Fire Department used diesel fuel. That did not mean the entire budget was up 75%, but they needed to consider how it impacted everything across the board. They could not lower the millage rate and still maintain services. On average, the common line items showed an 8.2% increase per year.

Recreation programs included fences, irrigation, sod, scoreboards. About $30,000 a year was budgeted to service 22 tennis courts; six of those were Nova Pro. Drinking fountains, water, equipment repair and maintenance were all going to be up. Gasoline was budgeted at $177,000 in 2016, and $247,000 in 2021, a 39% increase. Litigation services were up 67%. He noted that building repair and maintenance for the Tennis Center was budgeted at $0 in 2021. That was because they no longer tracked it under that line item; there was a specific line for the Tennis Center and Amphitheater building repair and maintenance under the Tourism Product Development (TPD) Fund that was funded from the hotel/motel tax.

Street lights were a special favorite, Rorie said, because he often got requests from citizens to add or repair them. In 2016, street lights were budgeted for $365,000. Building repair and maintenance was listed at $324,000. It was up 11% in 2021. These were projects, rather than things like alarm system maintenance. Street lights were up 16%. The average increase in this category was 1.8% per year. Adding 10 street lights would add $1,200 to this. Remember, the budget policy said if you expanded a program, you had to have an ongoing sustainable revenue source to fund it or fund it by cutting expenses.

In 2016, the budget for street resurfacing was $524,000. Today, it was $1.8 million. Full-depth reclamation (FDR) on a road was $400,000 per mile, and by budgeting so little for resurfacing, more miles of road were falling into FDR. They were going backwards. Now, the $1.8 million was in the General Fund, but no longer an operational expense under the Public Works budget. Cart path maintenance/resurfacing went from $536,000 to $615,000. Rorie asked Public Works Director Scott Hicks how much asphalt cost, and he said $66.45 a ton. They would either have to pay more or do less. Asphalt costs were driven by petroleum prices.

Rorie moved on to Capital Improvement Program (CIP), which at $2.7 million made up 7% of the overall budget. In the 2021 budget, he pointed out, there was the $1.8 million for street resurfacing from the Transportation Improvement Program (TIP) match. They had moved it over from the General Fund to CIP as a cash project. They were using cash reserves to pave roads. People should not think they were deficit spending when they saw money being taken from cash reserves. Building up cash reserves had been a goal to both prepare for recessionary cycles and fund projects without taking on debt. They budgeted $50,000 a year for citywide bridge maintenance, and that fund was up to about $250,000. They were looking at $425,000 for rebuilding All Children's Playground, and that would be a cash project. The hockey floor replacement was done. In total, there was about $2.5 million budgeted for cash projects.

Their General Obligation (GO) bond debt was completely gone, Financial Services Director Paul Salvatore remarked, and the City had about $2.9 million in principal remaining on its other debt. At the end of the year, they would have paid off another $400,000, and the next year, they would pay another $1.2 million. In 2023, there would be a payment of $676,000, and a payment of more than

$500,000 in 2024, and that would be the last significant year for paying off the current debt. After a $57,000 principal payment in 2025, the 2009 bricks and mortar loan would be paid off, and the City would be essentially free of General Fund supported debt.

The equipment lease would remain, but that was part of the Operating Fund budget. It included Police vehicles, ambulances, heavy equipment, things that had to be changed out as part of normal operations. They financed this over a five-year period for several reasons, Salvatore explained. It provided financial smoothing in the budget and provided intergenerational equity, where the cost was spread over a number of years as the citizens enjoyed the use of the asset being financed.

He noted that the original principal on the GO debt was about $13 million and again said it would paid off after 2025. Most of the remaining payments were on principal; there was little interest left. A graph of the remaining debt showed that the least amount owed was for a 2016 loan for a fire truck and broadband equipment. The 2011 facilities bond was next, followed by the 2009 bricks and mortar loan. The biggest portion was the 2014 facilities bond at $1.1 million, which was more than the combined total of the other remaining debt

Storm water was not General Fund tax-supported debt; it was supported by revenues generated by the storm water system. They had until 2033 to make payments of about $700,000 a year on the storm water bond, about a third of the operating expense budget for the storm water fund. That was paying for big capital expenditure projects. They had a renewal and extension fund, which was called fund balance in the General Fund, to pay for ongoing capital projects, mostly pipeline projects. System revenues exceeded expenses by a few hundred thousand each year, Salvatore stated, and that's what kept feeding into the renewal and extension fund.

It was possible that they might get grant or stimulus money that would allow them to catch up on some pipeline projects. Rorie said it looked like they could receive $11 million over a two-year period to spend on projects associated with the American Rescue Plan. There was a need for pipe replacement throughout the City, along with storm water pipe lining. Salvatore and Assistant City Manager Justin Strickland were working on a list of projects to fund via the American Rescue Plan. Rorie said his recommendation was that they fund underground assets to keep them from becoming underground liabilities. They should support, maintain, and invest in infrastructure, not create something that would become a liability. Staff was looking at storm water, sewer, and water projects. Salvatore said they could be anything that would not increase ongoing operating expenses. These projects could create new revenue by adding new rate payers to the system, Rorie pointed out. The storm water fees were assessed based on the amount of impervious surface on any given lot.

Police Chief Janet Moon noted that 2020 was an unusual year for everyone, and the Police Department relied on its mission statement as its guiding principle: "Safeguarding the quality of life in our community through professional service and community partnerships." She displayed an organizational chart, saying the patrol division was the backbone of any police department. They had four teams in the patrol division and tried to average seven officers on each team, plus the supervisor.

A 10-year trend line of the department's budget showed it to be relatively stable across personnel, operating expenses, and capital. They added one employee in the FY 2016 budget, Moon said, but that barely impacted the budget. The increases on the personnel side could be attributed to what Brown discussed earlier, health care and worker's comp insurance increases. The Police Department had roughly a $7 million budget, which amounted to 2.93 mills of tax money.

Rorie pointed out that personnel expenses went up from 2014 to 2021, and that was mostly related to expenses associated with health care, other total compensation, and worker's comp. There was no big spike shown from 2014-15 due to implementation of the salary and compensation study. That had a $900,000 price tag because compensation had not been adjusted in a long time, but did not result in a huge spike in expenses.

Moon said calls for service could be divided between dispatched calls and self-directed calls. Dispatched calls were generated by the community through a call to 911 or to the non-emergency line. Self-initiated and directed calls were officer-initiated calls for service, which could be initiated in-person or scheduled in advance to proactively address a community issue. That could include traffic stops or a stop sign detail in a neighborhood where running stop signs was a problem. When people traveled, they could fill out a house check form, and those checks were categorized as self-initiated calls for service. The department counted all calls for service where at least one officer was dispatched or self-initiated. The calls were primarily directed to locations within Peachtree City, but also included calls where an officer assisted another agency. Moon said it was not uncommon for them to get a mutual aid request to go to Shiloh Mobile Home Park to help the Fayette County Sheriff's Department. They often assisted Fayetteville when there was a big incident, and in the last few weeks assisted Newnan when a tornado struck.

During the pandemic in 2020, calls increased to almost 130,000. That seemed like a significant jump, but Moon said it was important to note that in 2020 they changed their records management system to one that was more efficient and user-friendly on the officer's side of the platform. In the past, the officer had relied on the dispatcher to log in self-initiated or directed calls, and many times they were pushed to the side when an emergency call came in and were never logged. Now, the officer could log those calls from a laptop in the car.

Last year, they did more than 83,000 security checks. Many businesses were shut down due to COVID, so the Police were keeping an eye on their property. There were over 19,000 traffic stops, and 11,557 dispatched calls, and 15,500 officer-initiated calls. There were also protests and social unrest. She said they didn't talk about the Special Response Team too much and thanked Council for approving a grant request for equipment. Last year, they used the team six times, which Moon said was more than in the previous six years she had been with Peachtree City.

Next, she looked at average response times, noting they began to creep up into the six minute range in January and February. Instead of blaming factors beyond their control, they began examining CAD data and discovered a human factor. Officers were often responding to calls outside of their own zones, so when a call came in from their own zone, it took them longer to get there. Supervisors took corrective action, and, although they still crossed zones when needed, response times had dropped to a reasonable number, the Chief reported.

Part I crimes were the most serious crimes, such as robberies, rapes, assaults, arsons, motor vehicle theft, larceny, theft, and burglary. There were 431 part I crimes in 2020, a 19% reduction from 2019. That was about as low as they could go, Moon said. Motor vehicle thefts tended to trend higher than the state average, but no other city had 100 miles of multi-use paths and more than 11,000 golf carts. When a golf cart was stolen, it was reported as a motor vehicle theft. In 2020, then had 28 motor vehicle thefts, and 17 were golf cart thefts. 2019 was the only year when thefts of other vehicles eclipsed golf cart thefts. In 2017, there were 13 auto thefts and 64 golf cart thefts.

Theft, shoplifting, and entering autos were the main crime issues in Peachtree City. Of the 439 Part I crimes, 375 were in the larceny/theft category. Entering autos did drop in 2020, probably because more people were at home. They had implemented some things with Walmart and The Home Depot to try to be a little more proactive.

Part II crimes were stable over the past five years, with 1,256 in 2020, compared to 1,240 in 2019. Driving under the influence was a Part II crime, and Moon noted that long-time DUI officer Terry Blackburn had retired, and the DUI numbers had dropped. That was a specialty investigation area, but they were getting people trained, and the numbers should be going up.

There was not as much traffic, thanks to COVID, so the number of traffic accidents dropped to 780. Moon said it disturbed her that, despite the reduction in accidents, there were seven more injuries. It seemed that people drove more erratically when there were fewer vehicles on the road. There were 43 golf cart accidents, with 20 injuries in 2020. There was the same number in 2019, with 19 injuries. The chances of injury in a golf cart accident were higher because you did not have the protection you had in a car.

They did a lot of traffic enforcement, but Moon said the perception that they wrote everyone a ticket was untrue. In 2020, they wrote 9,604 citations, but gave 12,864 warnings. There was a 57% chance that when you saw someone stopped by the police, they were just getting a warning.

Like at most police departments nationally, retention and recruitment was an issue. Moon showed that the number of applications had declined from 159 in 2015 to 60 in 2020. This year, they were projecting they would receive about 30. There was always a learning curve whenever you brought in new officers. Next year, they would have several retirements of employees with 25 years of experience, and that was a vast amount of knowledge that would be going out the door. They were working on succession plans. Ernst asked how many? Moon said she believed it was five. They were working on recruitment. The implementation of the career development program was a help. She interviewed two officers that week who were coming from another agency.

The City had been collecting impact fees and one of the goals for that money was a 3,000 square foot expansion of the Police Department. The expansion would be to the back of the building and create a working space for the Criminal Investigative Division (CID) as well as adding a garage area to process vehicles and evidence in a controlled environment. They would take the Community Response Team out of what used to be the evidence room and relocate them to CID. The evidence room drastically needed expansion space.

Fleisch asked about the timing on that. Rorie responded that the estimated cost of $670,000 was arrived at by working with local contractor South-Tree. They examined the scope of the project and calculated the approximate cost per square foot. It would probably be more like $700,000 to get the project move-in ready. They collected impact fees for square foot expansion of the Police and Fire departments as well as heavy vehicles for the Fire Department. They had not collected enough to fully build out the Police Department. Since the City's debt limit was so low, Rorie said he would recommend moving forward on these Public Safety expansions, as well as some recreational components, and wrapping them into some type of bond debt. It was cheap right now, and debt was a tool. This might be a good time to move ahead with these projects instead of waiting to collect enough impact fees to pay for them. The value of the dollars would decline while they were waiting.

Salvatore said they should see some new digest growth as well to help cover that.

Fire Chief Joe O'Conor also acknowledged it had been an unusual year, saying they had seen an increased demand in service at the same time they were coping with how to maintain a healthy workforce. Their mission statement said Fire-Rescue was committed to providing quality services through community education, prevention, and effective emergency response. They struggled with the education component while the schools weren't open. A lot of their regular mission had to be restructured. They had done some education virtually, but it had been a challenging year all the way around.

As of June 1, they would have 66 personnel on three firefighting shifts, along with two administrative employees and seven staff officers for a total of 75 full-time employees. They maintained a part-time contingent to back up full-timers who were taking time off. There were eight part-time employees assigned to each shift as well as a part-time inspector and a part-time logistics person, making the total 26. The volunteer contingent was holding at about 25. Altogether, there were 125 personnel. He zoomed in on one 24-hour shift to show that they had five stations with five lieutenants and a battalion chief over the entire group. Some firefighters were paramedics, and others were emergency medical technicians (EMTs). They continued to drive more personnel toward paramedic training through an incentive program that seemed to be having success.

Unlike the Police Department, O'Conor stated, they tended not to lose people to other fire departments, but to outside opportunities such as businesses they started on their own or the film industry or other opportunities such as real estate. Personnel costs had increased slightly over the last three years as they anticipated the opening of station 85, which would have two persons assigned to it. They had added three personnel to each shift over the last three years.

Operating expenses had stayed stable. He wanted to point out they had seen a 50% increase in the demand for service since 2010, going from 3,000 calls per year to over 4,600 in 2020. That represented a 6% increase over the prior year. EMS continued to outpace all other calls by a factor greater than two-to-one. Of the 4,656 calls, 3,151 were emergency medical-related and 363 were invalid-related, such as picking up someone who had fallen. Those two groups made up about 76% of demands for service. The remaining 1,142 calls ranged from checking out storm damage to structure fires. EMS service evaluated 3,332 patients in 2020 and transported more than 1,900 of them, generating a little more than $1 million in revenue.

O'Conor pointed out that the greatest demand for service was from 8 a.m. to 8 p.m. when most people were up and moving, and that was true throughout the week. Weekends had less demand than Tuesday through Friday. He said they were sometimes asked why they did not just lower their numbers in the middle of the night, but noted there were calls at 3 a.m. and those tended to be of a more serious nature.

A heat map of the calls for service showed that Cresswind and Everton were starting to be seen in greater numbers. The area where Somerby was located showed up as a hot spot. There was an increase in the automatic aid area added when the city expanded to the east, and they accepted coverage of Shiloh Mobile Home Park. In regards to Somerby, Rorie added they were negotiating the purchase of the Fayette County Animal Shelter property in order to construct a quick response station in that area.

Of the 1,100 calls that were not EMS related, only 66 of them were fire calls. There were 22 building fires, 10 cooking or trash fires, and 17 vehicle fires. The last year was not a drought year, so there were just 11 brush fires. For comparison, there were 55 in 2016. Of the 22 building fires, O'Conor said they actually put out 11. Sprinkler systems put out two; homeowners put out two before the firefighters arrived, and seven others either burned themselves out or were just out on arrival. While firefighting was important and one of the more dangerous things they did, O'Conor noted that there was not a large demand for it.

He presented a graph showing the average ages of the city's population and of their medical patients. About 8% of the community's population was age 70 or older, but they represented 49% of the demand for ambulance service. If you added in age 60 and older, it went to about 60%. As the community continued to age, that percentage would rise.

During the peak of the pandemic, the Chief continued, they were fortunate to receive a lot of medical supplies from the strategic stockpile that was distributed throughout the state. They received gloves and masks which were welcome because they were using 10 times the protective items that they did in the past, when they only used masks during flu season and on a few other rare occasions. He said they ordered $4,000 worth of gloves a few weeks ago and they cost 100% more than they paid this time last year. They pulled the order, and it was $2,000 in 2020. They were seeing cost increases, not to the same degree, but in IV fluids, breathing apparatus, sensors, everything related to medical supplies had gone up because of demand due to COVID. They expected the cost of supplies to rise substantially in future years.

Adding fire stations would just further spread out their troops, O'Conor commented, and they needed to condense and deliver their personnel in response to incidents. They already had well-placed fire stations and one medical station, but they had reached their storage limits and had concerns about two stations. They were planning to expand Station 82, the headquarters station on Peachtree Parkway North, by 720 square feet. There was firefighting gear and the workout facility in the apparatus bay, taking up space that could provide shelter for another apparatus. Also, it had been discovered that exposing equipment to soot produced from diesel engines resulted in a risk of cancer to the firefighters who wore it. The small addition would push out towards SR 54 and allow them to get the gear and workout equipment out of the bay.

They were also looking at expanding Station 83, the Weber Station, which had already been added on to a couple of times. The workout facilities that were added were now too small, and the gear needed to be moved out of the apparatus bay. General storage space was also needed. The generator was due for an upgrade, so they planned to relocate it and use the space vacated.

They were talking about a goal for the Police Department expansion of $700,000, Rorie stated, plus another $300,000-plus in Fire Department expansion. The total would be about $1 million.

Strickland said he and Hicks created a mission statement for Public Services. It read: *To provide essential services for the citizens of Peachtree City in a prompt, courteous, safe, efficient, and cost-effective manner. To plan, design, build, maintain, and operate public infrastructure in a manner that maintains public assets and quality of life for present and future generations.* The organizational chart showed four main divisions: storm water, facilities, fleet maintenance, and cart path and streets. Fleet maintenance involved maintaining fleets and equipment for every department. There were 42 full-time staff in the Public Services, and 44 if you added engineering.

The main services provided by Public Works included maintaining the 3,443 street lights in the City, budgeted this year at $424,860. That did not count the ones that would be coming from new projects and continuing growth in Everton and Cresswind. It came to about $123 per street light each year. A lot of the contractual services were for Keep Peachtree City Beautiful (KPTCB) at the Rockaway Mulch Yard, as well as the grinding services. The recycling center and removal of cart path litter also was KPTCB. Right-of-way tree removal also fell under contractual services and cost the City about $200,000 per year, which was about $500 per tree. They spent another $100,000 for tree removal on the cart paths.

The big budget item for operating in Public Works was cart path maintenance and resurfacing at $615,000. Street supplies included maintaining and replacing 157 subdivision signs, street repairs, and street sign maintenance. There were about 4,360 street signs in the city in 2017 when the Infrastructure Management Survey (IMS) was done.

Vehicle and equipment maintenance was budgeted under each department, Strickland explained, so the $458,882 was not budgeted in Public Works; it went under the department's budget. Equipment included things like weed eaters and leaf blowers, and the total number for vehicles and equipment owned by the City was 1,016.

He showed the 10-year budget trends for Public Works, noting that 2010-12 included Buildings and Grounds, so personnel costs were higher in those years. Operating costs jumped from 2015 to 2016 when they began to budget the $1.8 million out of the General Fund for the paving program. The operating costs went down from 2020 to 2021 when that was taken out of Public Works and put into the CIP fund. That was good move because it was a capital purchase, not an operating expense, and also solved the problem of how to accommodate unspent money in the budget. If you transferred it to CIP, it sat in that fund until spent.

A chart produced during the 2017 Infrastructure Management Services (IMS) road inventory showed 192.8 miles of road in Peachtree City. With a value of about $1 million per mile, the total value was more than $200 million. The recommended paving schedule for a road to keep it from FDR was about 12 years, so they needed to pave about 16 miles per year. That was an average; it depended on traffic and the weight of the trucks that drove on it. A subdivision cul-de-sac would last longer than a Robinson Road, Strickland said. Rorie noted that Crosstown Road was already experiencing failures that would be milled and paved, and patched this year. It was last paved in 2014.

At the end of 2017, the IMS study showed that the pavement condition index (PCI) of all roads was 61. The higher the number, the better the road condition. The backlog, which meant any roads rated 40 or below, was 9.7%. By the end of 2020, the PCI was 69 and the backlog was 8.4%.

Right now, the City budgeted $5 million to pave roads. The Special Purpose Local Option Sales Tax (SPLOST) provided $3.2 million of that; $1.8 million came from the General Fund. SPLOST was set to expire in 2023. If they kept the budget at $5 million after 2023, the PCI would continue to climb, and the backlog would continue to decrease. He noted that they were not factoring for inflation, but costs would probably rise over the years. If they budget was brought down to $3 million a year for paving, they would reach what was called a "steady state." The PCI would stay consistent at 76, and the backlog would slightly decrease from year to year. Anything above a 75 was considered a good PCI.

Fleisch asked what would happen if another SPLOST did not pass. Rorie said they would need to have $3 million to $5 million built into the budget to hold a steady state. That amount depended on inflation, Strickland added. The goal, Rorie remarked, should be to add $1.2 million to the $1.8 million already in the General Fund to bring it to $3 million. If they only maintained $2 million, said Strickland, the PCI would hold steady for a while, but then begin to decrease, and the backlog would stay flat in the 7's.

Fleisch remarked that, right after the SPLOST, the bulk of the work they did was FDR. Golfview would be an FDR, she noted, and she asked if Peachtree Parkway was? Rorie said the Parkway project, which was going on now, was a joint project with the County. The County carried the contract, so it was technically a Peachtree City project being managed and supervised by the County. Peachtree

City was $1.8 million of the Transportation Improvement Plan (TIP) funding matching for both Robinson, which was completed, and Peachtree Parkway. Peachtree Parkway was what was called a deep patch, mill, and pave.

Strickland noted that if they kept the backlog to a reasonable number, they would not be spending as much on FDRs. Rorie said FDRs cost twice as much as a simple mill/pave. They also wanted to catch roads before they got to the FDR level, Strickland said, which meant not paving every road that needed FDR in order to rescue others in better shape.

The 10-year budget chart for Building reflected that in 2010-12 it was budgeted within Public Works, and 2013-16 had Building and Grounds budgeted together before it was moved to Recreation. Personnel costs were steady in 2017-21. Operating costs had increased, but that was due to paying cash instead of going into debt. The insured value of all facilities and structures was $47 million, with another $11.6 million in miscellaneous items. They currently budgeted less than 1% of this asset value in replacement or maintenance costs.

A goal was to erect a metal storage building on the property of Fire Station 81 to be a central storage facility, which they were currently lacking. Right now, things were stored in locations throughout the city. This would be a 5,000 square foot building. It would have heat, but no air conditioning.

Recreation and Special Events Director Quinn Bledsoe said Rorie had already talked about two projects funded through capital expenses—the hockey rink and All Children's Playground. Next year, she noted, the main thing they were looking at replacing was replacing the software used to register participants in recreation programs. During the pandemic, Bledsoe said she had opportunities to work with this software and discovered firsthand the frustration her staff had reported.

A decision was looming about what to do about the Kedron pool bubble. It was nine years old, purchased in 2012, and probably had about two to five years left before a decision would be required. The bubble was about $350,000 in 2012, and she said she was sure it had gone up significantly. They had also discussed putting a permanent structure over the two pools at the Kedron facility. She and Madden had explored this a little, and it looked like it would cost between $3 million and $4 million.

There were 12 hard courts at the Tennis Center with a life expectancy of 20 to 25 years, and they were past that. At some point, those courts would have to be removed and replaced to a tune of about $600,000 to $800,000. There were also issues with leaky roofs at the Tennis Center.

Rorie said Bledsoe had a lot of big ticket items coming up in the near future.

Salvatore recalled that Rorie mentioned four groupings in the budget—personnel, operating, capital, and debt service. Operating could be divided into supplies and contractual. It was important not to look at any one thing in a vacuum. Health insurance costs had gone up, but when you looked at personnel costs over the years, they had remained stable and had actually declined as a percentage of the total General Fund. Costs for supplies and contractual services were increasing. Also, as the number of employees increased, the need for supplies did, too. The small percentage was the cash put in for capital items. That had increased in the past few years as they moved away from facilities bonds and towards cash projects. This was where the $1.8 million for paving showed up. He indicated how the financial smoothing created by equipment loans showed up.

Another chart further examined personnel expenses, showing that the pay component had declined over the past 10 years. Health insurance costs had increased. The defined benefits pension had declined. Salvatore said when he arrived 20 years ago, that fund was $6 million. Now, it was over $44 million. They had shifted costs from the City to the employees. The funding percentage was in the 90s. Social Security and Medicare were a steady percentage of the total.

He showed how salaries had fluctuated over the 10-year period, indicating the jump when they re-hired grounds personnel. New firefighters were hired, then there was a decline due to COVID. The average annual salary increase over the 10 years averaged less than 1.5%.

Rorie said they did a financial model each year as part of the long-term financial analysis. They had an adopted budget in 2021 of $38,561,399. That balanced with revenues plus the use of $1,058,000 of cash reserves for cash projects. That model led them to believe they would have a 38% fund balance at the end of the fiscal year. However, COVID hit, and they got $1.8 million from the CARES Act to help pay for protective gear, sanitation, and Public Safety costs. That changed the revenue. Now it looked like they would use only $960,000 cash and end with a fund balance of about 50%, but that was not correct. The second largest source of revenues was LOST. COVID shutdowns caused them to project a loss of about 10% to 12%, but that never happened.

Right now, they anticipated total use of funds for FY 2021 being $39 million and growing for the budget model of FY 2022 to $40,533,000. That included everything from cost of living adjustments (COLAs) to gloves to things they had to build out in the pension plan. The projected use of cash reserves was about $600,000, leaving a fund balance of 48%. This model included the on-boarding of three additional firefighters, along with other things and a potential millage rate reduction of almost a quarter mill. However, they had not received the budget requests from the Police or Fire departments, or Public Works. They would not know anything definitive until they received those budget requests, but the goal was to keep it stable.

He said they could expect an average annual increase of revenues over 10 years of 3% to 5%, and the same for expenses. Right now they were predicting increases in both revenues and expenses, while using less cash reserves for cash projects, and the possibility of a millage rate reduction of up to a quarter mill.

Fleisch asked Salvatore how he estimated LOST, and he said they budgeted conservatively for this fiscal year, using about a 15% reduction. But it was coming in strong, he noted.

LOST was distributed based on a negotiated percentage with the County and all the municipalities, Rorie explained. Right now, .29 of every penny collected came to Peachtree City. There would be new LOST negotiations in 2022. Salvatore predicted no one would take a big hit, and no one would make a big jump in the percentage. They took a smaller percent in the last negotiation, but inflation was bigger than the decrease so they saw more dollars each year. Salvatore said he estimated about 2% growth per year, even though it usually grew about 5%.

They would talk about goals and priorities at the May 4 retreat session, Rorie stated.

Cancellation or Amendment of the Fayette County and Peachtree City Redwine Tunnel Intergovernmental Agreement (IGA)

Rorie said this was a macro issue involving multi-use path planning across the city and the county. He showed the current map of the Multi-Use Path Plan, created in 2010. Some projects had been completed; others were in the works, and others had not even risen to the funding level. The map was available online. The path system was what set Peachtree City apart from nearly every other city in the United States. It was the number one rated amenity. They had recently finished the Gateway Bridge on SR 54. It cost roughly $3.2 million. People wanted the path network to be maintained, expanded, and accessible.

What they were looking at tonight was a proposed tunnel on Redwine Road at the Starr's Mill school complex. He showed a map that indicated where all the students attending Peeples Elementary lived. Most came from unincorporated Fayette County south of Redwine. Another portion of the map was shaded to show the feeder pattern to Rising Staff Middle and Starr's Mill High schools. They came mostly from Peachtree City, although there were students from the unincorporated County.

In 2017, Fayette County listed two SPLOST projects. One was the Redwine Road multi-use path, budgeted at about $556,000. The other was the Starr's Mill school tunnel, budgeted at about $900,000. A map taken from the County's website showed the path running down Redwine all the way to Starr's Mill High. Federal grant money would be used to extend the path on the Fayette County side with only a small section coming through the Peachtree City limits. Another section, which Rorie said they would refer to as H1, H2, and H3, was to feed a tunnel from Foreston Place on the north side of Redwine to a tunnel underneath Redwine on the other side of Panther Path.

Once that project was identified, the Board of Education (BOE) said it did not want the tunnel entering on the south side of Panther Path, connecting to a currently existing path that fed only Snap Fitness, because that meant all of the cart traffic from the tunnel would have to cross the driveway into Peeples Elementary. That led to conversations between the BOE and the County. They needed to reach the right solution, Rorie pointed out, because once the concrete was poured, it was done.

They looked at moving the tunnel to the north side. The area where the path already existed was filled with utilities, water lines, power lines; they would have to encroach into private property. The north side was not a good location. The south side was better, but had its own consequences.

Another map from the County website showed the tunnel coming in from the north side. There had to be a path on the west side of Redwine to feed the tunnel, even if it was on the south side of Panther Path, Rorie remarked. But neither option in the County was feasible, so the County approached Peachtree City and asked about Project 32 on the Peachtree City Master Plan, as well as Project 34, which would bring a side path all the way down Robinson to Redwine. Neither 32 nor 34 indicated a tunnel location; they were just path connections. Projects 36 and 37 fed over to the Starr's Mill tunnel. There was an at-grade crossing of Redwine Road at Foreston Place, and a deputy was there every morning to aid in cart crossings.

Rorie pointed out there was a tunnel that went under Redwine Road at The Preserve, but there was no short, convenient route to get from that area to Starr's Mill High. The County asked if they could put the tunnel near where Projects 32 and 34 met on Redwine and entered into an IGA with Peachtree City. By putting the tunnel there, they would have to connect to the pre-existing path to take them to the north side of Starr's Mill. At the time, it ran through unincorporated Fayette County.

In 2014, some of that land in the unincorporated County was indicated by Peachtree City as a growth boundary. If they annexed that land, it would clean up that side of Redwine Road. On the other side was Fayette County. The land was annexed a couple of months ago, and a development of 74 homes had been approved for 39 acres. About 37 students were predicted to be generated from this subdivision. Fayette County did not object to the annexation, but added stipulations for this development to access Redwine. The developer was being asked to construct a mid-block crossing hybrid beacon to facilitate access to the north side of Panther Path by pedestrians, bicyclists, and golf cart operators. A different crossing option could be provided if recommended by the Traffic Impact Study and approved by Fayette County. The County was also requiring the developer to provide a multi-use path from the mid-block crossing to the subdivision's internal roads and/or other path infrastructure.

Rorie pointed out that the original plan called for the tunnel to go through a portion of this development, zone R-12, and another portion that was annexed and was zoned Agriculture-Residential (AR). The tunnel could not be placed there unless the property owner of the AR land gave them easement access to run H3 down to the tunnel, cross Redwine, and come up on the south side of Panther Path, which the BOE would have to agree to. That would involve engaging four different entities—the County, the City, the BOE, and the property owner. Instead, they were talking about requiring the developer to build the hybrid beacon for 37 students.

Instead of spending $900,000, the County would ask the developer to spend $150,000 on the beacon and move the tunnel project up to Robinson Road. But just because they built something, did not mean golf cart drivers were going to follow it, Rorie commented. People would take the path of least resistance, and that wouldn't be leaving this development, going up to Redwine to the tunnel, then following the path back down to the school. The IGA said the tunnel would be at Redwine and Robinson, but Rorie said people would take the shortest routes, even if it meant driving on the sidewalk.

The City had negotiated the purchase of the animal shelter property, adjacent to the tunnel on SR 74 South that fed into the mulch yard, Somerby, and Meade. He pointed out proposed paths in the area. The $486,000 property would be used for a quick response station, but they would also get access to drive golf carts across the parking lot. They were working with another property owner to purchase easements for the proposed paths for about $140,000. That would give direct path access to the 74 lots in the new subdivision.

They were under a contractual IGA to put the tunnel at a location known as G2. The H1, H2, and H3 tunnel sites were in Fayette County at that time, but now they were in Peachtree City. The County was requiring the developer to put a hybrid beacon at the new subdivision. Rorie said it was dumb to do both. A tunnel was the safest alternative to cross Redwine. In the absence of a tunnel, a signalized protected crossing was the next safest method. Next was a standard crossing with a crossing guard. They needed to make a decision that balanced risk versus cost versus efficiency in terms of the network. Currently, he repeated, they had an IGA that said Fayette County could access The Preserve (E1), which meant cutting the cart path through the greenbelt, putting E2 within their right-of-way to connect to F, an existing path, creating a straight shot to Starr's Mill. The value of the tunnel at G2 was limited, but that is where the IGA said it would be.

Rorie said he had been talking to the County Administrator about relocating the tunnel on the south side. That was the best location. They needed to move that tunnel from G2 to down near Starr's Mill on the south side of Panther Path as a SPLOST project. Rorie said he, the County Administrator, and the County Engineer had begun crafting amendment language. Option 1 said they would amend the IGA to eliminate tunnel access at G1, maintain the federal aid E1 section on the east side of Redwine Road. This would require the BOE to building a path around the complex to avoid conflict at Peeples Elementary as well as the County acquiring right-of-way on the west side of Redwine and constructing H3 to access the tunnel as originally planned as part of the SPLOST tunnel project. The County would require Peachtree City's assistance if condemnation were required because the land was in Peachtree City.

Option 2 would eliminate access at G2 and maintain the federally-funded E1 section on the east side of Redwine Road. The County would design, permit, and construct a mid-block crossing pedestrian hybrid beacon or other at-grade crossing if recommended in the traffic study and approved by both parties to facilitate access to both sides of Panther Path. Rorie said this was an option just to ensure they got something to help people cross. The County would construct the G1 section using SPLOST dollars. If a full signal was required at Nesmith and Redwine, the County would pay.

Option 3 was a combination of Options 1 and 2. It said Peachtree City would dedicate 10 feet of its tree buffer to provide a minimum right-of-way.

All of these options were in lieu of simply canceling the agreement, Rorie stated. The County would get to keep the E1/E2 funding, and it facilitated a connection closer to the school by moving the tunnel from Redwine and Robinson down to Panther Path. If they could not come to an agreement on that, the next option was a hybrid beacon at or in the vicinity of Nesmith. Rorie said it was a good compromise and recommended that they notify the County that they were going to amend the agreement for the purpose of relocating the tunnel according to Option 1. If that failed, they would go to 2, the hybrid beacon in lieu of the tunnel. The ultimate goal would be that there would be no unprotected crossing at Foreston. They could come to Nesmith, press a button, and drive across. He did not recommend canceling the IGA, but letting staff work through amending it. It would be cost-efficient and effective.

Fleisch asked if it would be the County's responsibility to work with the BOE? Rorie said it would because it was a County project. The County would also have to negotiate the landing on the west side.

Rorie said they should make a motion that staff work on amending the IGA for the Redwine-Robinson Road tunnel. He would bring back the final language for their review.

Ernst moved that they City Manager amend the agreement and take it to the County. King seconded. Motion carried unanimously.

There being no further business, Ernst moved to adjourn at 9:10 p.m. King seconded. Motion carried unanimously.

Martha Barksdale, Recording Secretary

Vanessa Fleisch , Mayor