City Council of Peachtree City
Meeting Minutes
April 5, 2012
7:00 p.m.

The Mayor and City Council of the City of Peachtree City met in regular session on Thursday, April 5, 2012. Mayor Haddix called the meeting to order at 7:00 p.m. Other Council Members in attendance were: George Dienhart, Vanessa Fleisch, Eric Imker, and Kim Learnard.

Announcements, Awards, Special Recognition
Mayor Haddix proclaimed April 14 – 15 as World War II Heritage Days in Peachtree City. Haddix also read a proclamation recognizing April as National Donate Life Month.

Public Comment
Al Yougel, Keep Peachtree City Beautiful director, announced that the City would host Fayette County Earth Day on April 14 at Shakerag Knoll and encouraged everyone to attend the free event.

Agenda Changes
There were none.

Minutes
February 7, 2012, Workshop Minutes
March 9, 2012, Special Called Meeting Minutes
2012 Retreat Minutes
March 15, 2012, Regular Meeting Minutes
Learnard moved to approve the February 7, 2012, workshop minutes; March 9, 2012, special called meeting minutes; 2012 Retreat minutes; and March 15, 2012, regular meeting minutes as written. Fleisch seconded. Motion carried unanimously.

Consent Agenda
1. **Consider Budget Adjustments – FY 2012**
2. **Consider Alcohol License – Qualifying Location – CAF Dixie Wing Hangar, 1200 Echo Ct.**
3. **Consider Fayette County Temporary Automatic/Mutual Aid Agreement**
4. **Consider Approval of KPTCB FY 2012 Budget**

Learnard moved to approve Consent Agenda items 1, 2, 3, and 4. Fleisch seconded. Motion carried unanimously.

Old Agenda Items
03-12-02 Consider Master Lease Agreement – Capital Equipment
Assistant Finance Director Janet Camburn noted the Peachtree City Governmental Finance Corporation had approved a resolution to accept the master lease agreement with Chase Equipment Finance for equipment leasing. She asked Council to also adopt the resolution to accept the master lease agreement.

Learnard moved to adopt the resolution authorizing the execution of documents for capital equipment purchases. Fleisch seconded. Motion carried unanimously.

03-12-07 Consider Intersection Improvements at Tinsley Mill and Loring Lane
City Attorney Ted Meeker asked Council to continue this item. A letter was to be sent the next day or early the following week to the Kedron Village Shopping Center property owner regarding the conditions in the development agreement. Haddix asked to which agenda the item should be continued. Meeker said it should be back on the agenda within the next couple of meetings.

Imker moved to continue the agenda item. Learnard seconded. Motion carried unanimously.

New Agenda Items

04-12-01 Presentation of 2011 Audit

Miller Edwards of Mauldin & Jenkins, the City's audit firm, presented the annual audit for FY 2011, saying the firm had issued an unqualified, or "clean," audit opinion for the Comprehensive Annual Financial Report (CAFR) for FY 2011. He recommended Council read the Management Discussion and Analysis (MD&A) in the CAFR (Camburn noted Council had received the document the prior week), which provided a general overview of what took place during the year.

Edwards continued the City had approximately $117 million in assets overall and $32 million in liabilities, leaving an equity position of $85 million, which was good. He noted that the Statement of Activities (income statement) showed a $700,000 change in the City's net equity position, or net income. It had not been a tremendous year, but it had not been a bad year, and the City had come through where it ought to be.

As for the General Fund, the City had been sitting in a strong financial position on September 30, 2011. He noted that was generally the leanest time of year, based on when property taxes were paid, and the City had about four months of fund balance, leaving the City in good financial shape. He commended the City on how well its $27 million in revenue had been budgeted, as well as how the expenditures had been budgeted. There had been a $900,000 increase in Fund Balance, which was just a little bit different than what had been budgeted. The revenues and expenditures had been monitored well, and the budget to actuals looked very good.

The federal government's audit standards required auditors to issue reports on adherence to laws and regulations, as well as whether internal controls were designed and working effectively. Miller reported there were no findings or matters that warranted being brought to Council's attention regarding internal controls or any problems on the City's adherence to laws and regulations.

Miller said the only thing the firm had to bring to Council was what they called an "Other Matter," which was not a recommendation for improvement, but something the City might want to consider. He continued that many of the ambulance fee bills were over 180 days past due, which was the case with most communities. He recommended a threshold be created so those accounts could be brought to Council, with the City Attorney's permission, for consideration of writing them off on a periodic basis. The proper allowance for bad debt was already there, but over time, the allowance would grow.

Miller referred to the Annual Audit Agenda (included in the meeting file), which he said was the written word about what had been seen in the City's financial statements. The agenda included information on new pronouncements coming out from the Governmental Accounting Standards Board (GASB), which Miller said had been addressed with staff, who was very attuned to what was coming. The City would need to stay current on those pronouncements to ensure proper financial reporting in the future.

Imker said he appreciated the recommendation to write-off the uncollectible debt. He pointed out the Cash Reserves were at $9 million by design and had been built up to offset known future shortages. He did not want the citizens to be shocked when it was drawn down by $1 million next year.

Haddix thanked Edwards for the presentation, adding that Council loved to hear happy news.

04-12-02 Consider Approval of Tennis Center Upgrade & Improvements

Community Services Director Jon Rorie said there were two issues for consideration that evening– the repairs to the courts and the upgrade of the HVAC systems – and he was asking for Council's recommendation.

Rorie said the roof over the six covered courts had been leaking for quite some time, and staff had looked at alternative proposals to stop the leaking roof. He reviewed the costs for a new metal roof and gutter repairs ($417,740 and 10-year warranty); a 60-mil (a unit of measure used to specify the thickness of material sold in sheets or thickness of a coating; 1 mil = .001 inch) membrane with R-22 insulation, gutter repairs, addressing skylights ($487,500, added weight concerns, no guarantee to solve condensation issues, 20-year warranty); 45 mil membrane ($356,200); acrylic/urethane coating, gutter repairs, address skylights ($159,600 with white finish, $169,700 with tinted color, 10-year warranty); and replacing all screws and seal joints, repairing gutters ($85,250, one-year warranty).

Rorie continued that staff recommended the acrylic/urethane coating option with a tinted finish as the most cost-effective, noting it was roughly 35% of the highest quote, with 50% of the warranty period. Replacing this option in 10 years would only be 70% of the highest quote. He reiterated that the cost would be $169,700, with a 10-year warranty and a tinted finish that would match the existing roofs in the complex. In addition, it might help with the condensation issue. It was the most cost effective, efficient option. The skylights would be removed.

The estimated cost for the HVAC upgrades was $33,000. Rorie said there were actually several systems at the Tennis Center, and some were already inoperable.

The estimated total cost for the roof and the HVAC was $203,000, and Rorie recommended the funding be taken from the Facilities Authority bond (which included $150,000 for the project), with one caveat. Rorie referred to the discussion on the bond at Retreat, and he suggested removing the Battery Way boat dock replacement from the near-term list of projects, which freed up $150,000 with $50,000 going to the Tennis Center improvements and $100,000 as undesignated for use on other projects. He continued that, according to the assessment, the dock was in good, stable condition as long as it was not overloaded. The cosmetic work that needed to be done to the dock did not need to be addressed by the Facilities Authority bond.

Dienhart referred to the condensation issue, asking if it was a major problem and if there was anything that could be done to definitely help the issue. He asked if staff would be back in a year asking for more money to fix it. City Engineer Dave Borkowski said the condensation was not the primary problem based on discussions with the Tennis Center management. The primary issue was the leaking from the rain. They wanted to solve the major problem of the leaks first. They could not 100% completely stop the condensation without totally enclosing the building and installing more fans.

Haddix said eliminating the skylights would help with the condensation due to the convection effect of the heat they generated. Borkowski said it could be part of it since the roof might be cooling down too fast.

Fleisch asked if the Tennis Center HVAC systems were part of the original Shumate contract for maintenance. Rorie said they were not, which was probably one of the problems. He said the Tennis Center should be on the contract to ensure it was maintained properly so there would not be catastrophic failures in the long term.

Learnard asked where the nine HVAC systems were located. Rorie said they were spread throughout the site and there were different zones, such as the kitchen, the pro shop, and the welcome center. Learnard asked why the entire amount from the Battery Way dock was not needed. Rorie said there was originally $150,000 identified for the roof, so that was why he recommended having the additional funds designated as contingency or allocated to other projects.

Fleisch asked City Attorney Ted Meeker if the City was tied to the original list submitted for the bond. Meeker said the City was married to the list on the bond, but funds could be reallocated if there were cost overruns. Imker asked that Council get updates during the work. He added that there were other tennis courts and parks that needed work, and he was ready to vote on that list, adding there were citizens waiting as well. He knew the work was doable.

Fleisch commented that she was glad the dock was structurally sound, but there were boards that needed replacement, as well as other maintenance. It looked bad. Rorie said the cosmetic issues could be addressed prior to the end of the summer.

Imker clarified the cost for the roof replacement, noting the original estimate had been for $150,000, and the cost was $19,000 higher than the estimate. With the favorable assessment of the dock, the City had another $100,000 that could be used to address other items. He liked the approach taken on this.

Learnard moved to approve $203,000 for the Tennis Center upgrade, including the replacement of Tennis Center roof, replacement of HVAC systems, with funding drawn from the Facilities Authority bond, and reallocating funds from the Battery Way dock replacement. Imker seconded. Motion carried unanimously.

04-12-03 Consider Approval of VC3 Agreement

City Manager Jim Pennington said the recommendation from staff was to award the contract to VC3 for the implementation of Phase 1, which had been reviewed by Council. He was cognizant of the discussion from the community on the matter and asked Council how to proceed.

Fleisch said she wanted to table the agenda item and put the agreement out for an RFP. Dienhart said he agreed, but noted there was still a void in personnel. He wanted to ensure there was not a drop in services. Pennington said that, under the temporary contract, VC3 had someone on-site, and VC3 guaranteed that would not go away.

Dienhart said he understood how and why this had happened, but Council needed to make sure they were extra vigilant in putting this bid out. The citizenry spoke loudly and were right; Council needed to be vigilant so this did not happen again.

Haddix said money had been spent on the evaluation, and that he would not have accepted someone else's evaluation when he was doing business. He asked if the City would have to start at ground zero. Pennington said that was possible, but staff could use the guidelines from the assessment in framing the RFP.

Learnard said the assessment was a valuable and comprehensive document that could be the used as the basis for the RFP. She understood Haddix's point, but sending out the RFP with the assessment information encouraged alternatives in getting an optimal price. Pennington said he had discussed the assessment with other cities not aligned with VC3, and they had agreed with the recommendations.

Imker said he felt like a puppet on a string, saying he was beholden to the newspaper, which had played it extremely well and gotten the citizens riled up. He said it was not that Council had not been going to challenge the recommendation. He noted there were citizens at the meeting who had cancelled other plans to attend the meeting and speak on the topic.

Haddix and Dienhart agreed with Imker, saying that was fair. Haddix continued that the assessment and the recommendations had been publicly discussed in workshops and articles, and this was not a surprise. He questioned why it had not been viewed as a problem until this stage of the game.

Learnard said this was a natural progression and Council had not been remiss. This was the point the item came before Council and now was the time for discussion. Haddix said he would rather it had been brought up earlier so as not to cause the time delay. He opened the floor for comment.

Costas Soulakos, owner of ExecuSoft Controls, said he considered this an important issue for the City although his company currently had enough business. He recalled the City acquired its first computers from NCR in 1992, and his company had submitted a bid that was approximately $10,000 less. The City bought the computers from NCR, and had to buy more three years later. At that time, computers could be upgraded, but the computers purchased from NCR had not been upgradable.

Soulakos continued that he had only heard of the plan a few days ago and had e-mailed Council immediately. To spend $1 million without a bid was unheard of, and there were 1,000 ways to skin a cat in the computer industry. The City deserved to have more than one proposal. With probably 100 companies that could do similar work located between the City and South Carolina, Soulakos was disappointed the City felt it had to hire a South Carolina company for the assessment. He continued that there were independent consultants in the City that could help with the bids and understanding what was presented. Council owed it to the citizenry to do the due diligence. Haddix pointed out that VC3 had an office in Duluth.

No one else spoke.

Learnard said she welcomed a conversation about bringing on a consultant if the City found itself short-staffed.

Imker moved for staff to proceed with an RFP. Dienhart seconded. Motion carried unanimously.

Pennington said it would take approximately two to three weeks to get the RFP ready to go out, and it would be out for 30 days as normally was done. He would also like to form a committee, possibly with some retired experts who lived in the City. Imker asked if it would be possible to have a contract by July 1. Pennington added that he did not want to add any new programs until the new system was up and running.

04-12-04 Consider Dividend Drive Repaving Project – SR 74 to Paschall Road
Public Services Director Mark Caspar addressed Council, briefly reviewing the discussion held at the August 2011 workshop.

Caspar continued that Integrated Science and Engineering (ISE) had evaluated 84 locations along Dividend Drive, and the findings ranged from moderate damage to full failure. Thirty-eight core samples were taken from the worst areas of the road to determine what the base was composed of; six samples were also taken from pavement appearing to be in good condition. The asphalt and base course thickness varied greatly over the roadway. Of the locations tested, seven were identified as very weak subgrade within 18 inches below the pavement, 10 were identified as having marginally weak subgrade within 18 inches below the pavement, and the remaining subgrade conditions were acceptable. In 23 of the 40 core locations, a stone base was not encountered.

Caspar reviewed three options for rehabilitation of the road. Option 1 was to Mill and Top with a permaflex layer, which was a temporary solution that only fixed the cosmetic damage and had a three to five year life span. It did not correct the base course issues.

Option 2 was to Cut and Patch, which replaced the asphalt and subgrade and had a longer life in the areas patched. However, there was the potential to weaken the surrounding areas, causing the need for additional patching sooner.

Option 3 was Full Depth Reclamation (FDR), which included milling the existing pavement to an engineered depth. The remaining asphalt, stone base course, and subgrade would be pulverized in place, and cement or another binder would be added during the pulverizing process. The mixture would then be compacted providing a stable roadway subgrade. After the cement had cured, one or more layers of hot mix asphalt would be placed to provide a new road surface. This option provided a new road with a minimum life span of 10 years.

Local Maintenance and Improvement Grant (LMIG) program funds from the Georgia Department of Transportation (GDOT) were available, including $86,844 for the portion of Dividend Drive from Paschall Road to TDK Boulevard and $74,156 for portion from TDK Boulevard to SR 74, for a total of $161,002.

The construction cost estimate for Option 1 was a total of $1,048,408.35, with the cost for the portion of the road from Paschall to Kelly Drive was $179,302.75, $459,847.85 from Kelly Drive to TDK Boulevard, and $409,257.75 from TDK Boulevard to SR 74.

The total for Option 2 was $803,606.75 for the entire length of Dividend Drive, but nothing was done to any other part of the road except where it was patched.

Option 3 totaled $1,428,704.20, with Paschall Road to Kelly Drive costing $190,179, Kelly Drive to TDK Boulevard $787,316.20, and TDK Boulevard to SR 74, $451,209.

Haddix said FDR was the only option that made sense to him fiscally and for helping the road.

Learnard asked where the funds would come from. Caspar said the money would come from Special Purpose Local Option Sales Tax (SPLOST) funds.

Fleisch said the City did not know when the road was built, and there was no documentation on it. She felt the City needed to do the FDR now, so it would not need patching later. It sent a bad signal to potential buyers in the Industrial Park when the City did not reinvest in its infrastructure. She asked how long the work would take and when it would begin. Caspar said it would be done in the June-July timeframe and would take three to four weeks to complete.

Imker asked how long the LMIG funds were available. Borkowski the funding would be lost in June. He had requested an extension until August, but had not heard anything yet. Caspar added that GDOT would look favorably at extending the funding for projects that were underway.

Imker said he wanted to save or delay spending so much money. He suggested doing the work in two halves, saying it seemed prudent to move forward with the FDR from Kelly Drive north, as that was the most heavily used portion of the road. He had driven the road the last few days, and he did not think the road was bad from Kelly Drive south. Imker said, based on the discussion, it was prudent to move forward with the full FDR from Kelly Drive north. He was leaning toward delaying the second half of the road, from Kelly Drive south to SR 74.

Haddix said previous elected officials had tried to circumnavigate spending the money on some items, and it had hit this Council square in the eyes. It could not be put off any more, and there was no option but FDR.

Dienhart added that the cost would be higher in three to four years; it was the same "kick the can down the road" thinking in the past that put the City in this situation.

Imker reiterated he was only talking about the portion of the road from Kelly Drive south to SR 74. It was a tough call to lose the state funding. He asked where $148,000 would be designated in the budget every year for the next 10 years to be dedicated to repaving the road. The City was in bad shape, and it would continue for a long time. Council would pass a balanced budget for next year, but they were not accounting for even this one project being due in 10 years. The City was not budgeting for future long-term expenditures.

Dienhart said Imker was right, but Fleisch was also correct. The City needed to fix the gateway to the Industrial Park to fuel the economic development engine. The City needed to do what it could now to reverse the downgrade and to have a positive impact on the economy. It was easier to fill an empty industrial building in an area that looked like it was taken care of.

Haddix said there was a lack of long-term planning; and they needed to be proactive now and start looking at alternatives.

Imker said Council had taken into account the long-term impact of the budget developed two years ago. They had started increasing the Cash Reserves two years ago because they knew they would need to start to use approximately $1 million out of the Cash Reserves for three years after that to bring the Cash Reserves back to the 20% required by City policy. The plan called for ceasing the use of those funds after that. The plan had tax decreases scheduled a few years after that. The City was on track with a long-term plan. It did not include a disaster scenario, so they should be careful not to spend extra money. He added that he would vote no on this agenda item. Imker agreed the FDR needed to be done, but he was having a hard time justifying doing it on the south side of the road that did not get the same wear and tear.

Haddix said he would not bog down the discussion, but save it for the budget process. He disagreed with Imker on the long-term solution, but he reserved further discussion until the budget process. Fleisch pointed out that the audit presentation had just been made, and the City was in good shape. Haddix agreed, adding it was from a spreadsheet standpoint.

Fleisch moved to send out an RFP for FDR of Dividend Drive. Dienhart seconded. The motion carried 4-1 (Imker).

<u>Council/Staff Topics</u>
Hot Topics Update
Pennington said it was busy time, and work had started on the FY 2012-2013 budget. There were some exciting things going on in some of the departments that would be announced soon, and they would be positive for the community.

Rorie reviewed the facilities list and project status for the Facilities Authority bond. Staff had been identifying the costs for each item, and the total was approximately $3.5 million; however, Rorie pointed out there were still holes on the list since some costs had not been identified. Staff had contracted with a consultant, who was assessing 14 City facilities, and providing recommendations. Currently, there were 138 recommendations from the assessment, but it was still only a draft report. Some of the recommendations were "shalls" and "shoulds," which provided some give and take when it came to prioritization of the issues.

The work at The Gathering Place was on track. There was a delay in getting the countertops due to making them fit. A meeting was scheduled soon regarding the remodel of the Recreation Administration building for use by Fayette Senior Services, and he could not get the price points until the scope of the remodel was determined. The Baseball/Soccer Complex (BSC) parking issue was next. Alternatives had been identified, and staff had identified some additional spots that could be paved. In addition, the grass pave option under consideration for 100 spaces would come in at half of the original $500,000 cost estimate. The BSC facility maintenance building had been listed at $75,000. After meeting on site, staff determined storage containers for $12,000 might be a better alternative. The Kedron bubble could always be stored in the Rec Admin basement as a fall-back position, but staff was considering leasing containers and storing the bubble off-site.

Rorie said he would like to repair the tennis facilities, and the problem was how to fund them. The tennis courts were located in Braelinn, Blue Smoke, Glenloch, and Smokerise. Braelinn was closed due to structural issues. Repairing the two courts would cost $52,000. Blue Smoke was also closed, and the estimate for the two courts was also $52,000. The vendors would not warranty any resurfacing work done at the Smokerise courts due to structural issues with the courts.

The courts at Glenloch were marginal at best. Resurfacing them would cost $42,000, and rebuilding them would cost $104,000. Rebuilding them was the long-term better investment. The cracks would return. Rorie said Option 1 was to continue with the asphalt. Option 2 was to use permacourt, which would last 25 years, but needed repainting every five to six years.

Rorie continued that another option was to close Smokerise and/or Blue Smoke, then instead of building four courts, two courts could be built at Kedron, which was easily accessible to those who had used the other locations. He was not recommending that be done. The bottom line for redoing every tennis court was $260,000, which included permacourt and repainting.

Staff was doing the due diligence to narrow down the costs on the list. Looking at the time value of money, it would cost more to delay. Having a priority list would provide a "pecking" order for any funds that did not have to be spent on higher priority items.

Fleisch's preference was to put the tennis courts in the bond budget. She said the City never had padlocked facilities before. She asked if the work could be done in 30-60 days. Those repairs and rebuilds would also hit every part of town. Rorie said it would have to go out for RFP, and it would be a total bid. The only limiting factor he saw was the work schedule and getting the prioritization done. In his opinion, the rebuild at Braelinn should be done first, followed by Glenloch, then Blue Smoke and Smokerise.

Fleisch noted that Smokerise was secluded and asked if there was any information on its actual usage. Rorie said a camera system could be installed to monitor usage. He knew those courts were used because people were playing every time he had gone by there. Based on the location of Smokerise, Rorie felt its usage was probably less than Braelinn or Glenloch.

Fleisch asked if getting the plans for the Rec Admin building were part of the bond or if Council would have to consider that cost separately. Rorie said it would depend on whether it would need to be a Facilities Authority bond project, and if so, the cost could be added in. The meeting was next week, and that would lead to the determination of the engineering costs. It was possible staff could bring the request for the drawings to Council at either the April 19 or May 5 meetings.

Learnard told Rorie he had done a good job of showing Council all there was to consider. She asked how the list would be prioritized. Rorie recommended sticking to health and safety issues as core issues, noting the sewer upgrade at Shakerag was a core issue. The tennis courts were categorized as capital essential because of the service level impact. Staff still needed to analyze closing one of the pools and whether there would be cost benefit.

Haddix said cost benefit was critical to him when he voted on anything. Rorie said it was staff's role to advise and seek consent. The policy would be Council's. The recommendations needed to be pragmatic, practical, and rational recommendations.

Imker said he was frustrated with Council's inability to make a decision on the known items. At the next meeting, he wanted the blanks filled in, even if it was with best guess estimates. He wanted to get the first $1.5 million in projects underway. He asked Rorie to fill in the numbers and highlight the guesses, so Council had an idea of the cost. Council could rationalize from their experience and point of view on what could move forward.

Imker said he had looked at a 10-year plan with Salvatore that included a minor millage decrease in a couple of years, adding that another Facilities Authority bond was included in five years. He wanted to ensure citizens knew there was a long-term plan. Haddix said no one could budget for 10 years.

Rorie reviewed what staff had been asked to provide. Borkowski said it would be difficult to get the numbers for the design and fix on the Rec Admin building by the next meeting. Rorie said they would do the best they could.

Imker asked if there was any update on Lake McIntosh. Learnard said the work should be completed by June or July. She had recently visited the site with County Administrator Jack Krakeel. The recent rains had created some flooding, causing some construction issues and delays.

Learnard moved to convene in executive session at 8:58 p.m. for personnel and pending or threatened litigation. Fleisch seconded. Motion carried unanimously.

Learnard moved to reconvene in regular session at 9:32 p.m. Imker seconded. Motion carried unanimously.

Imker moved to authorize the filing of the necessary legal action to recover funds paid to AMEX in garnishment action. Dienhart seconded. Motion carried unanimously.

Dienhart moved authorize the filing of the necessary legal action to determine the City's rights with respect to the BCS Pond. Imker seconded. Motion carried unanimously.

There being no further business to discuss, Learnard moved to adjourn the meeting. Fleisch seconded. Motion carried unanimously. The meeting adjourned at 9:34 p.m.

Pamela Dufresne

Pamela Dufresne, Deputy City Clerk

Don Haddix

Don Haddix, Mayor