City Council of Peachtree City
Meeting Minutes
Thursday, December 16, 2021
6:30 p.m.

The Mayor and Council of Peachtree City met in regular session on Thursday, December 16, 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.

Announcements, Awards, Special Recognition

Fleisch presented Police Cpl. James Hughes with the Supervisor of the Quarter Award for the third quarter. Park Enforcement Officers Richard Ferguson, Jackie Craig, and Michele Rousch were honored with the October Team Award, and Grounds Department employee Ronald Grooms received the Employee of the Month honor for November.

Fleisch noted this was the last Council meeting for her, Ernst, and Madden. She reflected that this Council had left the city in far better condition than they found it, through prudent spending and reinvesting in vital projects. Fleisch said she was grateful to Council and also stressed the value of City Manager Jon Rorie. She stated that Peachtree City had institutionalized mediocrity for many years, while political inertia had led to stalemates where it was difficult to get anything of consequence done. Previous Councils had neglected infrastructure and the employees. She pointed to before and after photos of several areas to show what had been accomplished over the past 12 years.

Fleisch wished the new Mayor and Council much success and concluded with a prayer:

People are often unreasonable, irrational, and self-centered. Forgive them anyway.
If you are kind, people may accuse you of selfish, ulterior motives. Be kind anyway.
If you are successful, you will win some unfaithful friends and some genuine enemies. Succeed anyway.
If you are honest and sincere, people may deceive you. Be honest and sincere anyway.
What you spend years creating, others could destroy overnight. Create anyway.
If you find serenity and happiness, some may be jealous. Be happy anyway.
The good you do today will often be forgotten. Do good anyway.
Give the best you have, and it will never be enough. Give your best anyway.
In the final analysis, it is between you and God. It was never between you and them anyway.

Public Comment

Lauren Abi-Najm of Loring Lane thanked Council for voting to close Crabapple Lane to vehicle traffic, saying it had made a world of difference in the neighborhood. Parents felt more comfortable letting their children out to play and walk to the bus stop. She thanked Council for listening to them and being there for the residents of Peachtree City.

John Dufresne stated the Sewer Use Ordinance was enacted by Council in May, 2018. Council had the exclusive authority through their legislative powers to enact changes to any City ordinance, including this one. At its November 4 meeting, the Water and Sewerage Authority (WASA) approved amendments to the Sewer Ordinance, which it did not have authority to do. Dufresne said they should have approved a recommendation for the changes and forwarded them to Council for consideration. He said he sent an email to two WASA board members. One responded that it was presented by WASA's legal counsel, and he was sure the correct procedure would be followed. But, Dufresne noted, it had not appeared on a Council agenda, and WASA did not bring it up at its last meeting. He expected the two WASA members to take proper action.

Chip Glazier recalled that he came before Council a few weeks previously to discuss a Federal Judge's order regarding election interference in the 2018 mayoral race. He said the meeting minutes recorded that he spoke but failed to include the information he provided or an official response. He said he pressed Council for a response via email. King responded, thanking him for his concern, while Ernst called him a "piece of work" and said he "shouldn't trash people who were trying to make a difference." He said Prebor replied that it was a campaign issue having nothing to do with how the City conducted the election. Glazier noted that no one denied there was election interference. Glazier said Council became aware of the Mayor's wrongdoing when presented with the judge's order, if not sooner, but had taken no action. He commented that the citizens deserved integrity from Council, adding that they should have condemned the action with censure.

Rorie started to reply, then asked City Attorney Ted Meeker to take over. Meeker said he reviewed the materials Glazier left at the earlier meeting. He pointed out that the City was not named as a party, nor was there any question about the conducting of the election by the City. No one from the City had any involvement in what was discussed in those documents, he stated.

Agenda Changes
None

Minutes
King moved to approve the December 2, 2021, regular meeting minutes. Madden seconded. Motion carried 4-0, with Fleisch abstaining due to her absence from that meeting.

Consent Agenda
1. FY2021 Budget Amendment – Year-End
2. FY2022 Budget Amendment – Carryforward
3. Approval of Vehicle Replacement- Fire Department Brush Truck
Madden moved to approve Consent Agenda items 1-3. Ernst seconded. Motion carried unanimously.

Old Agenda items
None

New Agenda items
12-21-03 Public Hearing – Text Amendment to the Administrative Variance Requirements
Meeker noted there was a revision to the agenda that was on the dais.

Since it had been a few weeks since this was first discussed, Planning and Development Director Robin Cailloux reminded Council that there had been an increase in the number of rear setback variance requests since 2020, saying they reflected changing housing needs, such as the desire for home offices or ground-level master suites for aging in place. Staff was asked to look at the ordinance and streamline the process while maintaining the character of existing neighborhoods.

There were three types of variances in the ordinance. The special exception and administrative variances were intended for requests that impacted only the immediate neighbors. Staff was suggesting they combine those two. Now, one of these variances had to go through a public hearing but did not have to meet the hardship criteria; the other went before a review committee consisting of Cailloux, the City Manager, and a Council member. Staff proposed combining both types into the administrative format, keeping all the existing standards, while adding two new types of requests to which this could be applied and some additional criteria.

One addition would be a rear zoning setback request that did not extend to more than 50% of the setback. In Peachtree City, the greatest rear setback was 30 feet, so this request could be for no more than 15 feet. The addition or new structure must be composed of similar exterior materials, color, and roof pitch as the primary structure. An applicant must also provide letters of support from all adjacent property owners and the homeowners association (HOA), if one existed.

She said the City Attorney had requested an addition regarding fence regulations. Right now, the special exception applied to fence height when there were concerns about safety and security, but that definition had no limitations. There was no definition of safety and security and no limitations on fence height. They had added a maximum height that could be requested under this type of variance as well as a definition of safety for pool barriers related to international building codes.

The Planning Commission had held a workshop on this. Some members of the public voiced that they felt all variances should go through a public hearing. Some of the Planning Commissioners noted that this change could improve communication between neighbors. Right now, letters of support from neighbors were not required; the Planning Department simply posted a notification sign on the property.

Staff recommended approval of this amendment to the ordinance.

The Mayor opened the public hearing. No one wished to speak in favor or in opposition, and she closed the public hearing.

King stated that he had no issues with the variance. Madden said he was in favor of streamlining the process.

Ernst moved to approve New Agenda item 12-21-03, Text Amendment to the Administrative Variance Requirements. King seconded. Motion carried unanimously.

12-21-04 FY2021 Year-End Financial Update

Rorie said they would be talking about Agenda item12-21-06, Project Recommendations, as they went through this update.

Finance Director Paul Salvatore said they did this update every year to show how the last fiscal year, which closed out on September 30, ended. These were unaudited numbers, but Salvatore said he felt they were fairly accurate. He began by reiterating that the City's budget policy said new services could not be added unless an ongoing funding source was identified through increased revenues or a reduction in expenses.

They budgeted very conservatively for fiscal year (FY) 2021 due to uncertainties surrounding the impact of COVID-19. However, revenues came in higher than expected, but there were many vacancies and recruitment difficulties, especially in Public Safety. They were having to deal with supply chain issues and inflation. In July, the City received the first half of the funding from the American Rescue Plan Act (ARPA), which was $6,760,492, and would get the other half in July 2022.
In the end, he concluded, the impact was not as severe as they had anticipated, and they were proceeding with guarded optimism.

Salvatore presented the revenues in the adopted budget, the actual revenues, and the amount over and under the budgeted predictions. Due to higher-than-expected revenues, they finished the year with a surplus. The budget estimated revenues of $37,503, 053, but $41,787,149 was collected, resulting in an overage of more than $4.2 million, mostly from Local Option Sales Taxes (LOST) and some other taxes, such as franchise taxes, cold beverage tax, and insurance premium tax. Investment income was way down, but that was expected, Salvatore noted. Intergovernmental funds appeared to be short, but that was because some of it was moved out of the General Fund and over to Capital Improvement Projects (CIP).

They were almost spot-on with the budget on the expense side, but Salvatore said they made adjustments throughout the year to add to that.

When the actual revenues and expenses were compared, it showed about $3.2 million in revenue over expenditures. The adopted budget called for using about $1 million in cash reserves, but they increased cash reserves by $3.2 million. That is why there was a favorable budget variance of $4.2 million. When the $3.2 million was added to the existing cash reserves, it came to about $24,769,000. They already had some commitments against that for FY 2022, which Salvatore listed. They used $500,000 to balance the 2022 budget and had carryovers of $369,000, mostly because of the supply chain issues that meant those purchases were delayed until after the year end. The 5.2% Cost of Living Adjustment (COLA) accounted for $827,000, and they used $490,000 to pay off a loan from 2009. The net uncommitted reserve balance ended up at approximately $21.8 million, or 51%.

This was reflected on the five-year financial model and had been adjusted for FY 2022 to end with a 52% reserve balance, but that depended on what budget adjustments would be needed. The model showed that the uncommitted reserve funds were well-above the 31% policy each year through 2027, even though they were spending from it.

Rorie talked about some financial matters on the horizon, saying they needed to not only look at where they were, but at where they were going. The cities and the County had service delivery agreements that were negotiated every 10 years. They did this two years ago. The idea was to pin down who provided what services so there was no double taxation and services were provided in the most efficient manner. Even though they were just two years into the current agreement, it might be beneficial to revise that agreement at the same time they began LOST negotiations, which also had to take place every 10 years to decide how LOST revenues were divided between the cities and the County. They had to enter negotiations by July 2022 so the new agreement could take effect in January 2023. The items on the financial model could be impacted by those agreements.

Renewal of the Special Purpose Local Option Sales Tax (SPLOST) was another piece. They were currently operating under the SPLOST approved by voters in 2017, but that would expire in January 2023. A renewal needed to happen in November 2022 or through a special election in March 2023. Rorie recommended they push for this to be on the November ballot.

They would be making a recommendation on distributions of the ARPA funds to the new Council that would take over in January. The recommendation would be to dedicate 64% to sewer infrastructure, 31% to stormwater infrastructure, and 2.5% to employee wellness/pay. There were restrictions on how those funds could be used, all relating to infrastructure. They had applied for State ARPA funds for stream maintenance and restoration projects relating to Lake Peachtree.

Another horizon issue was intersection improvements to accommodate the new Booth Middle School. It was currently accessible by a residential street, Carriage Lane, and a private gravel road, Stagecoach Road. They had talked with the Georgia Department of Transportation (GDOT) about a partnership for some type of intersection improvement at Carriage Lane and SR 54 East, but there was no money available. They would have to figure out if there was a demand, what should they do, and how would they pay for it? He did not know if they could do that through a partnership with GDOT and the Board of Education. In its current state, Stagecoach Road could not be used for in and out vehicular traffic as well as golf cart traffic. The cost to improve it would easily eclipse a million dollars. Rorie said he was talking to the School Superintendent about this, and it did not matter if you supported the new school or not-- it was being built, and they would have to deal with it.

Implementing the pay study was another horizon issue. They would discuss that in detail in a few minutes, Rorie said. Salvatore had talked about recruitment and retention strategies utilized over the past year. Every Public Safety officer over the past two years had been advanced roughly $4,000. All other employees received additional COLAs as well as a 5.2% COLA. That totaled a point of departure from the previous budget by about $840,000. Staff had moved forward with the recruitment and retention strategies related to degree completion and the career development program, along with adjustments in the base pay.

During the pandemic, every department was asked to reduce expenses by 2%. There was an expectation that all departments come in at least 2% under budget, so this was asking them to finish 4% under budget. One of the areas cut was the right of way crews from Public Works, which lost a position. Rorie said that had hurt them tremendously. They were depending on part-time and temporary employees, but they were had to find. Public Works staff was having to assist Keep Peachtree City Beautiful (KPTCB) because they did not have enough personnel. One of the City's main jobs was to mow the grass and pick up litter, so they were requesting three additional Public Services employees for about $180,000.

The goal for the fund balance was to retain $1 million per year for five years. The idea behind that was to be able to respond to recessionary cycles so they could maintain what they had. The point of the 2017 SPLOST was to recover on the infrastructure deficit. Staff had made the necessary reversions to put them in the position they were in. Rorie said it was his responsibility to present a budget each year, and he recommended they create these three positions in Public Services. Using the reserve funds was not deficit spending; it could be an appropriate strategy to use cash reserves.

King moved to approve the addition of three Public Services employees as stated. Prebor asked if this was separate from the pay study? Rorie said it was. Ernst seconded. Motion carried unanimously.

They were able to hire those three employees, Madden remarked, because of the sound fiscal policies practiced during the pandemic. Everyone should understand that 31% in reserves—and they had 50%—was the least they could have and get the best bond rating. That meant that when Peachtree City borrowed money, they could get the absolute best rate.

Fleisch thanked Salvatore for the report and asked him to repeat something that had been stated often during the past year; Peachtree City was in the best financial position it had ever been in, Salvatore affirmed.

12-21-05 Compensation/Classification/Benefits Study Evaluation and Analysis
Rorie said this topic would take a while to explore and, at the end, they would make a recommendation for another $650,000 in expenses. They would be discussing service delivery strategies. Council's role was to provide a vision, and Rorie's was to implement it. He had to figure out how to make those budget allocations fit together to do that. It came down to these categories: personnel, operations, supplies, and capital. The end result was to produce a satisfactory quality of life, but everyone had a different idea of what that was.

He showed a pie graph from the 2021 budget book that broke down the service delivery strategy into expenses by account category. They needed to look at what showed up on the books as an asset or a liability. Everyone agreed that employees were an asset; nothing could get done without employees. However, 57% of the budget went to personnel costs. The employees provided service to the community, and it was important that they be adequately, equitably, and appropriately compensated. That included benefits, not just pay checks.

Looking at compensation from a historical perspective, Rorie stated that for the five years from 2004-08, employees received a 2% COLA and up to a 4.5% merit increase, but that became unsustainable. From 2009-11, there were no increases. The City had not recovered from its sales tax loss in the Great Recession. It took until 2017 to break even again. In 2011-2013, there was a 2% one-time bonus in lieu of an increase. A 2% COLA was approved in 2013-14.

In 2014, a pay and classification market study was commissioned with the goal of providing a compensation program that was fiscally sound, equitable, and competitive in the marketplace. Rorie recalled that the night they adopted the compensation plan, the walls of the Council chamber were lined with Public Safety employees. He called this "totally inappropriate," saying intimidation was not the right approach.

At that time, they adopted what the report called "salary scale B." Scale A was 10% higher, while C was 10% lower. B put them in what was considered the average percentile. Rorie showed a bar graph titled "equity adjustments" and said that when he was preparing to present his first budget in June 2015, he created a spreadsheet and put in the name of every employee. After adoption of the 2014 compensation plan, every employee got a 2%, 4%, or 6% bump in their pay, dependent upon their length of service.

Why did they base the increases on time, Prebor asked, if it was to catch up with the job market? Rorie said he agreed, but they had to move people within the scales because if you just moved them from the minimum, you created compression. At that time, 43% of the employees got a 6% increase, while 36% were eligible for the 2% raise. Rorie said he was opposed to raising pay just because someone had been on the job a long time. They should reward merit or added value, not just the length of time of employment.

For example, Rorie said $30,000 was the minimum pay, and they were looking at raising it to $32,000. Some of the employees in that grade already made $32,000, while others were making $30,000. Moving those lower-paid employees up collapsed the scale. After the 2014 compensation study, he found that 72% of the employees were below the mid-point. They had to look at how people fit into that range penetration. They had to deal with that compression every year and look at each employee. The 2014 study found that 7.2% of employees were making above the maximum salary. They did not cut their pay, but they froze it.

Prebor again mentioned that a job should just pay the stated salary; an employee should not get more money just because they had been there a long time. They got more vacation; should that not be enough? Rorie said it was a question of balance.

In 2015-16, there was no pay increase. In 2016-17, again there was no increase, but everyone got a $300 performance incentive. They were able to do a 3.5% COLA in 2018-19; the COLA was 2.5%, but they rolled it up another 1% because they were looking at the long-range penetration and how it would look in the scales. The next year, there was a $2,500 market adjustment for all Public Safety sworn officers and fire fighters. Salary grades 13PS through 25PS were created for market adjustment. All employees saw a 1.8% COLA.

There was a 1.5% COLA in 2021, and the salary scale was adjusted for that. Merit increases were bumped up to $1,300. Education adjustments of $1,000-$2,000 were implemented. They increased the Career Development Program (CDP) from 1% to 3%. Sign-on bonuses of $2,000-$3,500 were implemented, and all sworn officers and firefighters saw a $1,500 market adjustment.

This is where they were now, Rorie stated. By policy, they should have done a compensation study two years ago. It was called for every five years, but they waited because of the uncertain conditions brought on by the pandemic. Now that they had the historical perspective from the last 18 years, Rorie said he would turn to the representative of Management Advisory Group (MAG) to present the findings.

Human Resources and Risk Management Director Ellece Brown stated that since they had had difficulties recruiting and retaining employees, especially over the past year, and it had been seven years since the last compensation and benefits, a request for proposal (RFP) was put out in July. Seven consulting organizations responded, and they awarded the contract to MAG. The study began in October. She introduced MAG's Dr. Donald Long to share the findings.

Long said his company was founded more than 20 years ago and had conducted hundreds of these studies in 40 states. The study included all City positions. They looked at the market and at competitors to ensure that Peachtree City was competitive. They wanted to make sure that positions performing similar work were classified at the same level. They wanted to achieve internal equity and external competitiveness. They had developed a competitive compensation structure and some best practices to guide policies in the development and administration of a compensation plan. The scope of the study included 275 positions in 98 job titles. They also looked at benefits to determine if they were competitive.

The first step was to capture information about employees, such as names, titles, and current pay. They talked to Staff about areas where there were recruitment or retention issues and gathered salary and compensation data from competitor organizations. Employees were asked to complete online questionnaires related to their jobs, and Long said they did a wonderful job in explaining the nature of their work. Long said they had developed and were recommending changes to support a competitive compensation system. His company also had developed software that could calculate options for implementation of compensation studies. There were a number of ways to approach implementation, he stated. Internal equity was how the different positions related within the organization, while external equity involved the market. They had developed proposed salary schedules and had provided calculations on an implementation option.

He presented a list of the other cities and counties that were considered in the market review. Some were not as progressive, while others were more progressive, but it was a moving target. Long said they were seeing a very interesting process going in Public Safety, especially, over the last year or two. The information they captured from the 16 other governments was used as a guide in setting salary structure. Overall, they found that Peachtree City lagged the market slightly, but there were certain positions that were further behind. These included lieutenant and battalion chief in the Fire Department, purchasing agent, and city engineer. The market told them that the ranges from minimum to maximum were about 56%, but Peachtree City's were 48%. The City's overall structure was set at approximately the 85th percentile, which put them in a competitive position.

MAG had developed a unified plan for all position titles. There were some agencies that had separate plans for Police, Fire, or general employees. In this unified plan, all 98 job titles were assigned to a level in the overall structure, with 33 grade levels and a range width of 55% from minimum to maximum. Long said the implementation approach identified in the report was called Range of Penetration. The criteria in the software was set to suggest that they retain the same percentage of penetration. If a person was halfway through their current range, for example, the implementation cost MAG identified would place them at the same level.

Of the 275 positions, 68 were below the recommended minimum, and it would cost about $145,000 annually to ensure that each person was at least at the minimum of the recommended range. The annual equity adjustments would cost about $912,000. for a total of just over $1 million each year. The change in total payroll would be 7.13%. Long again stated there were a number of ways to implement a new pay and compensation plan, and this was one that was within the normal range. Many agencies did this.

MAG also made some recommendations, that Long called "best practices," on various policies related to administering a compensation plan. The report went into detail, he stated, on reclassification, promotions, lateral transfers, temporary assignments, and hiring, among other topics.

The study found that Peachtree City was in a competitive position in terms of benefits. Long said they had some minor recommendations. In terms of benefits as a total percentage of compensation, Peachtree City was a little above average. MAG felt that the benefits plus the base salaries put Peachtree City in a market-competitive position.

MAG's calculations showed that it would take $1,058,215 spread among all the positions to implement their recommendation. Starting salaries were competitive for all positions, although Public Safety was a moving target. Overall, Long concluded, Peachtree City was market-competitive in base salary and benefits, and this supported the City's goal of being an employer of choice.

Rorie said he started with the historical perspective and context was because, while MAG did well and did exactly what they were asked to do, MAG did not produce a budget. Staff had spent a lot of time going over the findings, and Rorie said they again went over everyone's position and had come up with an alternative pay plan that he was going to recommend. They had considered where everyone was in terms of grades and scales. They did not want to create inequities or compression; they wanted to ensure that employees were fairly and equitably compensated across the board.

Brown and City Clerk Yasmin Julio had spent a great deal of time looking at the numbers, Rorie continued, and he asked Brown to review the modified plan they were going to recommend.

This period of time had been dubbed The Great Resignation Era, Brown noted. Nationwide, there was a downturn in the number of job applications received. She recalled that when she first came to Peachtree City, they would get hundreds of applications for one posted position. Now, they might get 10 and not all would be qualified. The public and private sectors were competing to attract good employees. She noted that Hobby Lobby had just raised its minimum pay for full-time employees to $18.50 per hour. Those were not highly skilled positions, but, when multiplied by 40 hours a week, the pay came to $38,480 per year. Brown said the City had five salary grades, and 12 job titles, with starting pay below that.

It was hard to compare benefits, Brown continued. The organizations that responded to the MAG survey offered a variety of health insurance. It might be a health maintenance organization (HMO), a point of service(POS) plan, a preferred provider organization (PPO), or a high deductible health plan (HDHP). The majority were self-funded, but there were two that were fully insured.

They looked at what employees in three organizations in Fayette County paid. An employee with single coverage in a PPO paid $750 annually in Peachtree City; in Fayetteville, they would be paying $926.90 starting in January. Fayette County offered a POS, and premiums for a single person were $1,632.28. Family coverage was $1,878 in Peachtree City; $2,966.60 in Fayetteville, and $5,451.68 in Fayette County. Brown said if an employee wanted to leave Peachtree City to make more money with the County, she hoped they would consider that they would be paying almost $3,600 a year more for their family's health insurance.

Nine respondents offered some type of retirement plan, with 33% having a defined benefit (DB) plan, and 78% offering a defined contribution (DC) plan. Some offered a combination of both, similar to Peachtree City's.

In Peachtree City's DB and DC plan, the formula that determined the pension amount the employee would receive used a 2% multiplier. In 2017, employees began to contribute 2.25% of their pay. There was a five-year vesting period, so if someone left before five years, they would not receive a pension, but they would receive their contribution. Fayetteville's DB and DC plan had a 2.5% multiplier and required a 3% contribution. There was also a five-year vesting period. A Fayette County employee must choose between a DB or a DC plan. The DB plan had a 2% multiplier, a 5% employee contribution, and 10-year vesting.

Peachtree City also offered a 457 plan, similar to a 401k plan. Both Peachtree City and Fayetteville would match 50% of the employee's contribution up to 2% of their salary. Both offered immediate vesting. Fayette County's 457 plan required employees to contribute 5% in order to receive the 2.5% match. They were vested after five years.

The study showed that Peachtree City had competitive benefits in virtually every metric reviewed, including vision, dental, life, disability, and health insurance.

The study was 160 pages long, Brown disclosed, so they were just going to review a few examples. They had selected three sample positions. The first was a certified police officer at grade 14PS in Peachtree City. She showed the minimum, midpoint, and maximum salaries in all the responding organizations. There was variety, and Public Safety salaries were a moving target. Brown said when Sandy Springs responded to MAG, their minimum salary for a police officer was $46,176. The midpoint was about $60,000 and the max was around $75,000. But, since then, Sandy Springs had approved a pay raise for their officers and sergeants. A new recruit would start at $52,641. After completing the Field Training Program, they would be raised to $55,414. Brown said that is what they meant by a moving target.

Rorie said they knew about this in October when they agreed to movement in police salaries. All the metro area agencies were making moves. They were waiting to see what Peachtree City did. However, they knew Sandy Springs' salaries, but what was the benefits package?

In South Fulton, a certified police officer started at about $45,000 with a maximum of about $67,000 at the time of the MAG survey. Now, that had changed to a minimum of $52,000 and a maximum of $78,000.

Fayette County had just approved a 19% increase for Public Safety employees. An EMT and Sheriff Deputy's starting pay had moved from $42,117 to $50,117. Paramedics went from $48,800 to $58,000. Fayetteville had also contracted with MAG for a study but had not received the results. However, Brown said they felt certain they would be instituting increases effective in January, 2022.

To show how the alternative plan worked out, Brown presented a spreadsheet showing the salary for Grade 14PS. The current minimum was $47,800; the midpoint, $58,500; the maximum, $69,300. MAG proposed the new range to be $49,000 at the minimum, and $76,000 at the maximum. The difference between the minimum pay was 2.74% for the positions in 14PS; the percentage would be different for every salary grade. Brown explained that the spreadsheet they had created had names and the current and proposed salaries. If someone was below the minimum, they would be raised to the minimum.

She showed the salaries for Firefighter/EMT in Peachtree City and in the organizations that responded to MAG. MAG said the positions were in salary grade 110, which included some positions they had in 14PS and 16. New employees would move to the minimum. Others would see either a 2.74% increase or a 2.2%, depending on the current salary grade.

Maintenance Tech I was the last position Brown reviewed. They were all hired as level I, no matter their skill set. There were criteria they needed to meet to progress to Maintenance Tech II or III, including written exams and proficiency tests. She showed how it would impact salary grade 10, which included other titles than Maintenance Tech I, such as Library Assistant. MAG said the minimum salary should change from $35,872 to $36,655, a difference of 2.18%. Individuals in that grade would be brought to the minimum if they were below it, then raised by 2.18%.

The current payroll, Brown reported, was approximately $14.8 million. It would cost a little more than $1 million to implement the pay plan MAG devised, with a change of 7.14% to the payroll. Staff was proposing a modified plan that would still implement the new salary grades so they could recruit qualified candidates. The cost would be $597,000, a difference of 4.02% in the payroll. The total implementation cost would be around $650,000, which included changes in payroll, changes in Social Security and Medicare, as well as in the pension plan.

It was never just that simple, Rorie mused, pointing out that changes in salary required changes in other areas.

Madden recalled that one of the first slides said there would be a $1.1 million cost to the payroll to get them to the 85th percentile. The $650,000 would not put them in the 85th percentile; it would put them in about 75th or 78th.

Rorie said a lot of factors came into play. They were not recommending a move to the 85th percentile. At best, they were talking about somewhere in the 65-70% range with this modified plan. It was all part of the compensation philosophy. Right now, they were above average with benefits, but that would erode over the years.

He went back to the Maintenance Tech I position, drawing Council's attention to how it went from $35,872 minimum to $36,655. By comparison to the private sector, Hobby Lobby would be at $38,000. What would you rather do? Get on a lawnmower in 90-degree weather for $36,000 or work in a controlled climate for $38,000? Prebor said insurance might make the difference. Rorie noted that they could not be all things to all people at all times. There would always be people who thought they should do more.

At the end of the day, they had to develop a plan of action that cobbled together personnel, operations/supplies, and capital to produce results to provide services for the community. They had to compete with the private sector, the public sector, neighbors to the north, neighbors to the south, those within a 30-mile travel distance. There were a lot of pieces. He reflected that many employees probably thought they would never get benefits from Social Security. Rorie said he thought they would, but the contribution might have to be raised 1%. They could not focus on just the present; they needed to look at these horizon issues.

They had taken the liberty of assuming Council would approve the three new Public Services employees, Rorie noted, and, if the pay study was implemented as recommended with the three new employees, the reserve percentage in the budget would decline. They did not modify any revenue streams, but all they could control was expenses.

Rolling out the pay study at $650,000 was a lot of money, but Rorie recommended they move forward with this modified plan recommended by staff. However, he cautioned, it might not be good form to do it that night. No matter what they did, people were going to say they either should or should not have waited for the new Council to take office. Rorie said he could not tell them what to do, but he could say that he felt this plan was fiscally responsible and equitable. If they adopted it that night, the soonest it could be implemented would be Feb. 1.

King remarked that this Council had a history of tackling issues head on and not kicking the can down the road. He said he would like to approve this now. The next Council could change it if they desired. He said bringing Peachtree City to the 70th percentile should be sufficient. Some of the cities polled would be places many employees would be hesitant to go to, King commented. At the 70th percentile they could offer a good DB plan, a competitive salary, and just to move, say to Fayetteville, did employees really want to pay $1,600 more in health insurance? He did not think so. Over the last few years, they had made good decisions in getting people in leadership positions, whether that be the Police Department, the Fire Department, the City Manger or so on. They had created an atmosphere of people wanting to be here. For that reason, he concluded, he was ready to go ahead and act.

Prebor said he was not.

Fleisch asked if the new Council had been briefed on this? Rorie said only the current Council had the information. The Mayor said she agreed with King, but she also thought the new Council had to learn and perhaps should make the decision. She said she wanted to think it over.

This was a lot of information to take in and make a big decision on, Prebor stated. This was the first time they had gotten all this information, and it was a lot to consider. He was not ready to vote.

Ernst said it was not the first time they had heard this, but Prebor said it was the first time they had seen this study. Ernst agreed but added that they knew what was coming. They all wanted to get good employees, Prebor commented, mentioning the struggles his own company was having, but said he would tell the next Council that they needed to see how all this shook out. The difficulty in attracting employees was a nationwide problem. This was a big decision that would take a lot of thought.

Madden confirmed that Feb. 1 was the soonest it could be implemented and noted that the new Council took over Jan. 6. They would need time to get this information, but could they vote on it at the second meeting in January and still have time to impose the plan? Brown said it would have to be implemented in March, if that was the case.

Fleisch said the new Council members could be briefed before the end of the year.

Madden said he agreed they must make tough decisions and not kick the can down the road, but in the past quarter there had been a large COLA increase for all employees and bonuses for first responders. An increase of $650,000 to the budget should be something the new Council should discuss and decide.

That was a good point, Fleisch responded; it would be different if they had done nothing about compensation for the last few months. She had not kicked anything down the road, but because this was on the cusp, she said she would feel better letting the new Council decide.

Ernst said he joined the Council eight years ago, and the previous Council made decisions as they were walking out the door. He had worked for the City for 28 years—20 with the Police Department and eight on Council. This was something that needed to happen, and he did not want to put that decision on a new Council.

Ernst moved to approve New Agenda item 12-21-05, Compensation/Classification/Benefits Study Evaluation and Analysis, but Meeker said the motion should not be phrased like that and asked Ernst to withdraw it. Meeker asked Brown if there was a recommended phrasing?

Brown read: "Council approve the proposed modified employee pay plan as presented by staff", and Ernst made the motion. King seconded. Motion was denied 2-3, with Ernst and King voting in favor, and Fleisch, Madden, and Prebor voting in opposition.

Madden moved to continue the Compensation/Classification/Benefits Study Evaluation and Analysis to the next Council meeting. Prebor seconded. Motion carried 3-2, with Fleisch, Madden, and Prebor voting in favor, and Ernst and King voting against.

King raised a point of order: was it not a decision of that Council that only the approving side could bring it up in six months? Meeker pointed out that the first motion failed.

<u>Council/Staff Topics</u>
King said he would like to thank the three members of Council who were leaving that night. Madden had served four years; Ernst, eight, and Fleisch, four years on the Council and eight as Mayor. He noted that they had not always agreed on everything, but they were able to disagree without being disagreeable to one another.

King presented some photos of some of the major projects they had accomplished: the splash pad, the Gateway Bridge, the award-winning spillway at Lake Peachtree, Drake Field. The whole city looked better, King continued, and the employees and residents were proud of that. He pointed to the Community Garden as an example of where they got a lot of flak, but the new location turned out to be better. He thanked the Mayor, and Rorie, for their work.

Prebor added his thanks. He said you heard a lot of complaints, but when he spoke with people in the community, 99% were happy about the town.

It had been an honor and a privilege to serve for the past eight years, Ernst remarked.

Madden said it had been a joy to have spent four years working with Council and the dedicated staff. It was remarkable what they had been able to accomplish.

King presented Fleisch with a plaque, saying she had truly left the City a better place than what she found it.

This Council had worked well together, Fleisch remarked. They were not elected to be family, but she felt they had truly become so close.

King moved to convene in executive session to discuss pending or potential litigation at 8:53 p.m. Ernst seconded. Motion carried unanimously.

Madden moved to reconvene in regular session at 9:07 p.m. Ernst seconded. Motion carried unanimously.

There being no further business, Madden moved to adjourn the meeting. Ernst seconded. Motion carried unanimously.

The meeting adjourned at 9:07 p.m.

Martha Barksdale, Recording Secretary

Mike King, Council Member