City Council of Peachtree City
Meeting Minutes
Thursday, December 1, 2022
6:30 p.m.

The Mayor and Council of Peachtree City met in regular session on Thursday, December 1, 2022. Mayor Kim Learnard called the meeting to order at 6:30 p.m. Council members attending: Frank Destadio, Mike King, and Phil Prebor.

Announcements, Awards, Special Recognition
None

Public Comment
Suzanne Brown stated that after three days of early voting, a total of 5,222 Peachtree City residents had voted in the Senate runoff, but only 3,027 of them cast a vote in the City Council runoff. That equaled 55.8% voting in both elections, but 44.2% did not vote in the municipal election. She noted that lines were long for the Senate runoff voting, and many people left rather than wait in another line to vote in the municipal runoff. She said anyone who walked away could return to vote on Friday at any of the early voting locations. They could also vote on election day, December 6, and should tell a poll worker they needed to vote only in the Peachtree City runoff, so they could bypass the line for Senate voting. She noted that Tyrone's location did not seem to have long lines for Peachtree City voters.

Keith Larson asked Council to direct staff to initiate a citizen advisory group to review the Master Path Plan as recommended in the Comprehensive Plan. He stated there were gaps in the April 2022 update that was published without City Council approval. For example, there was no pedestrian access or parking at the Somerby Woods Park and no path connectivity, which hindered maintenance, police and emergency response. He said this could be resolved with a 700-foot path extension from the crossing on Rockaway Road to the City easement to the park. He mentioned that two path projects were cancelled—Prime Point and Willowbend, because they duplicated adjacent low-speed roads. But, Larson pointed out, the speed limit on those roads were 30 mph, which he did not think most people considered that safe for walking. Longboat and two neighborhoods under construction, Mill Pond and Towson Woods, were not included. He said no site was identified for the SR 54 tunnel crossing needed to support the new Booth Middle School, and he felt they should know the location by now. This project was in the 2023 Special Purpose Local Option Sales Tax (SPLOST) list, and voters should know more about it, he concluded.

Agenda Changes
None

Minutes
November 17, 2022, Regular Meeting Minutes
King moved to approve the November 17 Regular Meeting Minutes. Prebor seconded. Motion carried unanimously.

Consent Agenda
1. Grinding and Removal Service Contract Award
Destadio moved to accept Consent Agenda item 1. King seconded. Motion carried unanimously.

Old Agenda items

None

<u>New Agenda items</u>

12-22-01 Police Vehicle Purchase

Police Chief Janet Moon asked that Council approve the purchase of nine replacement vehicles from Wade Ford. Wade Ford held the State Contract pricing of the 2023 Ford Explorer units. The $400,000 cost was approved in the current budget.

They were fortunate the vehicles were available, King observed, and Moon said it had been an undertaking. Destadio said he understood they had gone through a great deal of effort to find these and get them purchased, based on what he read in the meeting packet. Moon credited her staff and the Purchasing Department, saying they had thought they might have to accept some vehicles they really did not want the specifications on, but the deal with Wade Ford came through.

Destadio asked about a sentence in Moon's report that he understood to say they were looking for vehicles with less than 125,000 miles. Was that what they typically did? Moon said the 125,000 miles referred to when they rotated the current vehicles out of service and replaced them with new ones.

Prebor moved to approve New Agenda item 12-22-01, Police Vehicle Purchase from Wade Ford for the amount of $400,000. Destadio seconded. Motion carried unanimously.

12-22-02 Consider Intergovernmental Agreement – 2023 SPLOST

The memo in the packet contained a thorough explanation of the process for developing the SPLOST project list Peachtree City had provided to Fayette County, Interim City Manager Justin Strickland remarked, noting that a citizen advisory group met for much of this year to evaluate potential projects, and Council had approved their submitted list in September with few changes.

Tonight, Council would vote on entering an intergovernmental agreement (IGA) with Fayette County to hold the SPLOST election to include this list of 40 projects. The total collections countywide was projected at $210 million, and Peachtree City would receive an estimated $67.4 million, which was the amount budgeted in the project list. Collections would begin in July 2023, if voters approved the referendum.

City Attorney Ted Meeker had reviewed the IGA and said it met all legal requirements, with Strickland adding that he was pretty sure it was almost identical to the 2017 SPLOST IGA, with the numbers changed to represent the new figures.

Destadio noted that the date of the election was left blank in several places. City Clerk Yasmin Julio explained it was projected to be March 21, but the County would first have to call for a special election. Meeker added that the dates for a special election were set by statute. Strickland remarked that the date of the collections was left blank as well, but it would begin in July because the current SPLOST ended in 2023.

King moved to approve New Agenda item 12-22-02, Consider Intergovernmental Agreement – 2023 SPLOST. Prebor seconded. Motion carried unanimously.

<u>Public Hearings</u>
None

<u>Council/Staff Topics</u>
1. Financial Update
Financial Services Director Paul Salvatore explained that the auditors would come in January, but there was enough financial information now to present the annual year-end update. The last fiscal year ended September 30, and Salvatore wanted to review how they actually did versus what was projected when they formulated the 2023 budget in June. They would see if they met expectations and if any adjustments would be needed. Was there sufficient funding for the cost of living increase (COLA) budgeted for this year? What unbudgeted projects might they have funding available for? Salvatore said he also wanted to report on SPLOST collections and some other funds.

He explained how they budgeted conservatively in fiscal year (FY) 2022 because the country was still in a period of economic recovery. Revenues came in higher than predicted, but there were still personnel issues. There had been some improvements in the supply chain and inflation impacts. Over all, he stated, the results were not as severe as anticipated, and they could move ahead with guarded optimism. Ongoing impacts could include rising interest rates and slowdown in economic growth.

A chart showed that revenues collected were 4.3% over predictions. The biggest category was taxes, which included property taxes, Local Option Sales Tax (LOST), franchise tax, and insurance premium tax. Rising interest rates was a double-edged sword. While it would cost more to borrow money, Salvatore noted that investment income was greatly increased and should be back in the six digits. Hotel/motel tax was also up, and he said there would probably be a budget adjustment before Council to give the Convention and Visitors Bureau (CVB) some breathing room. Salvatore pointed out that the 4.3% overage came to about $1.8 million.

A similar chart showed that expenses came in 3.1% to the good versus the projection in June. Departmental operating expenses was the biggest category and was a good illustration of the supply chain issues. About $1.12 million less was spent than projected, but $1 million was carryover appropriations, which were things that were budgeted, but not purchased, and had to be carried over into this fiscal year.

Destadio asked if the $400,000 just approved for police vehicles affected that? Salvatore said it would not; they were budgeted for this fiscal year, and this was a recap of FY 2022. He spotted an error on his chart, saying it should read "Unaudited FY 2022," not 2021. They had previously ordered four vehicles, and at this meeting had added nine, Salvatore continued, but the question was if they would get them all by year's end.

Some contingency money rolled over, but they underestimated how much they would spend for capital because they had to pull money out of reserves for phase 1 of the Stagecoach Road project. Still, the projections came within a fraction of a percent of the actual expenditures.

In summary, the City was about $1.8 million to the good on revenue, about $1.3 million to the good on expenses. They had anticipated using about $100,000 of cash reserves, but still increased the cash reserve fund by about $3 million. There were some commitments against the favorable variance in the fund balance. In addition to the almost $1 million in carryover appropriations, several projects had been approved since October 1 to bring the surplus down to around $2 million.

At the start of the last fiscal year, the fund balance was about $25.5 million; with the additional $3 million, it was almost $28.6 million. They had budgeted to use about $571,000 to balance the 2023 budget; they had the $1 million in carryover and spent about $500,000 in inventories and pre-paid, plus the expenditure since October 1, leaving uncommitted reserves of about $26 million, which was 54% based on the current expenditure budget of about $48.255 million.

Upcoming financial matters included how to deal with the persistent vacancies in Public Safety, including ways to compete for labor with neighboring jurisdictions. They were waiting for the new City Manager to discuss some of those things, Salvatore reported, adding that the Police were now losing people to Coweta County. Unfunded building projects would come up during the year. Other upcoming issues were renewal of the SPLOST, spend-down of the American Rescue Plan Act (ARPA) funds, and rising interest rates.

A snapshot of the unfilled positions showed 10 vacancies in the Police Department, with another three or four coming up for retirement in the next few months. There were four firefighter positions vacant. They had filled one of the geographic information systems (GIS) positions, but it was with an internal candidate, leaving a vacancy in Stormwater. Personnel shortages had been a problem over the last few years and contributed to the surplus at year-end, Salvatore stated, adding this was a bad way to get a surplus.

He listed potential projects, with four being particular projects, and the final being citywide building maintenance projects. Department heads had been asked to submit projects, and there was a big list. In the past, capital projects had been funded through facilities bonds; two were back-to-back for $3 million each. One had been paid off, and debt service on it had been about $350,000 a year. They took the $350,000 and put it in as cash that was to be spent on capital projects. But sometimes the projects cost more than that. While they did what they could, the list was growing. This was another thing that was waiting on the new City Manager. Salvatore said they would evaluate other funding sources, noting they still had some facilities bond money left to spend. Last year, there was impact fee money. There were some reserves, but they had to be careful about what they did with those because they did not know what would happen with the SPLOST in March.

Prebor said he did not want to repeat the situation of several years ago, when the City was run down and had to borrow a lot of money because things had not been maintained. Strickland said he had a massive spreadsheet of projects they needed to prioritize and would discuss with the new City Manager.

Were many of those potential projects not included in the SPLOST? Destadio inquired. He hoped they would be covered by SPLOST, but he agreed with Prebor. Salvatore said he had a five-year model that was based on the premise that the SPLOST did not pass. SPLOST could not be used for general maintenance, correct? Prebor asked. That was true, Strickland stated, but some of the projects on existing structures were renovations, and therefore could be considered capital projects.

The 2017 SPLOST was originally expected to generate about $45.5 million for Peachtree City, about 32% of the total collected countywide, Salvatore stated. Through this point in time, they had expected to have collected about $39.5 million, but had actually collected about $49.15 million, making the current surplus about $9.6 million, or 24%. They still had several months to collect, so Salvatore said the expectation was to have about $11 million for Tier 2 projects. The total collected would be approximately $56.5 million as opposed to the original estimate of $45.5 million.

The original estimate for Tier 2 projects in the 2017 SPLOST was about $6.5 million, In today's dollars, that would be a little more than $8 million. At the end of June, the collection would be a little more than $11 million, so, when adjusted for inflation, the surplus left for Tier 2 projects would be about $3 million to be used for additional paving.

Prebor said he believed City Engineer Dave Borkowski had promised an evaluation of the road conditions soon. Public Works Supervisor Jonathan Miller said Infrastructure Management Services (IMS) had collected all the data and were evaluating it. The report on pavement condition should be ready around the first of the year. Prebor said they would know how to proceed on paving after they got that report, and Strickland noted that it informed everything they did.

Destadio wanted to confirm that the IGA stated that any leftover money would stay with the City, not go back to the County. Salvatore said it would be used for Tier 2, with Strickland adding it could also cover overages on Tier 1 projects. A lot of the projects would be over the estimate because the costs were estimated six years ago, he pointed out. What happened at the end of six years? Destadio asked, and Strickland replied that the City would keep it for completion of Tier 1 projects in progress and any Tier 2 projects. Prebor recalled that they set it up so they would have plenty of projects, but if there was money left over, the County would use it pay debts, which was all of their debt, after all.

Destadio said the IGA was an interesting document and asked Meeker if he wrote it? Meeker said County Attorney Dennis Davenport did.

The five-year model showed the adopted budget for the last fiscal year, where they had counted on using $550,000 of the cash reserves, Salvatore reported. However, the unaudited actual budget showed that the cash reserves increased by $3 million with an estimated ending fund balance of 54%. Another column showed what they had adopted for this year, with $571,000 of the reserves mentioned to balance the budget, but they probably would not spend that much of the fund balance. He cautioned that it was very early in the fiscal year, so this would have to be revisited.

What happened with the SPLOST was the key point in looking into 2024. If the SPLOST passed, .8 mills in taxes would go away, and the money allocated towards paving would go down considerably. Based on what they saw with the surplus, if the SPLOST did not pass, they might be able to stretch the Tier 2 money out another year and push the millage rate increase back to FY 2025. By then, the County might have come back with another SPLOST. They hoped the SPLOST would pass, but had to plan as though it would not, Salvatore remarked.

He reviewed the questions they asked at the beginning. They did meet expectations, so no corrective action was necessary. There would be sufficient funding for the COLA to begin December 8. They had reserves, including bond funds and ARPA money, to use for unbudgeted projects. Staff should proceed cautiously until after the SPLOST vote in March. He again noted that 2017 SPLOST receipts were coming in ahead of projections for Tier 2 projects.

Learnard asked about the grant match for a library elevator listed as a potential project. Strickland said they had to apply for the grant first and, in order to apply, had to verify that the City would match the grant money. Destadio asked about the cost, and Strickland said it would be $93,000 for the City, so the total cost would be twice that.

There were no further questions, and King noted they were in a lot better shape than a few years ago and in better shape than many other cities. Destadio told Salvatore he always gave a great presentation.

Council/Staff Topics

Prebor said he was at Oak Grove Elementary when he observed a fantastic kindergarten teacher. He wondered if the City's communications department could get together with the school system's communications department and put together some things to show what great schools Peachtree City had. Julio said they did post this information on the City's website, social media, or through the newsletter. However, they had to share things with the school system that were relevant to students throughout the County, not just Peachtree City. Julio said they pulled things from the school system all the time about Peachtree City students, teachers, and schools.

Prebor said he was just looking for ways to promote Peachtree City and its schools. Strickland said they often ran things from the school system, just when the school system borrowed their content, it would need to apply to the County as a whole.

Learnard reminded everyone that Hometown Holiday would start at 5 p.m. on Saturday at Drake Field, with the tree lighting at 7 p.m. Santa would be at the Paschal Fire Station from 10 a.m. to 1 p.m. for a food and toy drive.

King moved to convene in executive session at 7:15 p.m. for threatened or pending litigation, sale, acquisition or lease or real estate, and personnel. Prebor seconded. Motion carried unanimously.

King moved to reconvene in regular session at 7:41 p.m. Prebor seconded. Motion carried unanimously.

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

The meeting adjourned at 7:41 p.m.

Martha Barksdale, Recording Secretary

Kim Learnard, Mayor