City Council of Peachtree City
Minutes of Meeting
October 18, 2001
7 p.m.

The City Council of Peachtree City met Thursday, October 18, 2001, in the City Hall Council Chambers. Mayor Lenox called the meeting to order at 7:00 p.m. Other Councilmembers present were: Carol Fritz, Annie McMenamin, and Dan Tennant. Steve Rapson arrived late.

Announcements, Awards, Special Recognition

Mayor Lenox recognized Jim Fulton for his service on the Development Authority from 1975 to 2001. Lenox recognized Cecilia Eifert and Chuck Lehman for their service on the Commission on Children and Youth. Jim Kretchman of the Fire Department was presented with a 10-year service pin. Wray Russell, outgoing Youth Basketball President, was presented an award of recognition for his service. Chris Campbell was recognized as Employee of the Month for September and Jill Prouty was recognized as Supervisor of the Quarter for the Third Quarter.

Approval of Minutes

Council did not receive an entire set of minutes for the October 4 meeting and tabled approval of the October 4 minutes until the November 1 meeting.

Consent Agenda

1. Award Stormwater Management Program Contract
2. Request for Use of City Logo

Lenox moved to approve the consent agenda. Tennant seconded. The motion carried unanimously (4-0).

New Agenda Items

10-01-04 Public Hearing – Variance – 124 Masters Drive North

Lenox read the procedure for public hearings. Property owner Anice Pearson addressed the Council concerning a request to roof and screen the upper area of their deck. Pearson explained their property was located on a greenbelt with a creek right behind it. Since there has been no rain, there was standing water in the creek, which led to an increase in mosquitoes in the area. Pearson commented that had become a concern with the West Nile Virus and asked for the variance to screen-in their deck.

Developmental Services Director Jim Williams told Council that Mr. and Mrs. Pearson had been granted a variance several years ago (May 6, 1999) for the deck, which was added to the home by the previous owner and encroached into the setback area. When the first variance was granted, the Pearsons did not want to permanently enclose the deck area and the variance was granted with the condition that the deck remain open. After using the area, it became obvious there was a mosquito problem. Williams said the Pearsons' request was reasonable and wouldn't encroach on anyone. Staff recommended the second part of the variance for 124 Masters Drive North be approved.

McMenamin said she agreed with Williams and that there would be no negative impact on the neighborhood or precedent-setting action. McMenamin moved to approve the variance request for 124 Masters Drive North. Fritz seconded. The motion carried unanimously (4-0).

10-01-05 Public Hearing – Variance – 406 Holly Brook Lane

Tennant said he would like to table the variance until the November 1 meeting. He continued that the property owners and their neighbors were not advised that staff had recommended denial of the variance and many of the neighbors weren't able to attend this meeting. He said Council owed it to the neighbors to table the variance for one meeting. Lenox said this question had been encountered a number of times. He added that approval of the variance was not a question of marshalling the forces and that decisions were made based on the arguments, not the number of people. Tennant stated that the property owner was under the impression the variance would be granted and only learned a few hours ago that wasn't the case. From a fairness perspective, Tennant said they should wait one meeting. Lenox, Fritz, and McMenamin said they were ready to hear the variance.

Brian Dingivan spoke to Council concerning his request to install a 6-foot privacy fence on the rear property line, which is within a required fence setback area. Dingivan said all of the neighbors (8 houses in a row) had agreed to use the same contractor and to install the same type of fence. He pointed out that Holly Grove would become a main thoroughfare once it was opened to traffic and the neighbors were concerned about the traffic, children, pets, and noise abatement. He added that the 35-foot buffer would abate no noise at all. One of the reasons the neighbors agreed to the same contractor and fence design was so it would be attractive and so that people wouldn't feel as though they were driving through a tunnel. It had been brought to their attention that the City staff would help with landscaping, and improving the greenbelt, so the fences wouldn't have a "stockade" effect.

Jane Thompson, managing agent for the Wilshire Homeowners Association, spoke in support of the variance. She added that the road would become a major thoroughfare once it was connected and the neighborhood would lose the use of their backyards and a lot of privacy. She said when Centex developed the property it was a residential area and now they realized it would be a major thoroughfare. Carrie Barbieri and Michael Maconiac also spoke in favor of the variance.

Williams said when the residents on Holly Grove came to see him they indicated almost all of the people who lived on the block would rather have a fence. Rather than have 10 variance applications, staff decided one person should come in and apply. If Council had granted the variance, Williams said he would have recommended the ordinance be changed to reflect a 25-foot setback rather than a 35-foot setback so there wouldn't be numerous variances. History led to staff's recommendation against the variance, Williams said. He continued that the ordinance read the way it did because of the trend of "fence, fence, fence," creating a walled-off appearance of the residential areas from the rights-of-way of the streets. Council felt that wasn't in character with Peachtree City and the ordinance was proposed. Williams noted that a lot had changed during the last 10-12 years and that the lots in Wilshire weren't the largest in the City. Fences weren't restricted by the ordinance; but the height of fences was restricted within the 10-foot area between the property line setback and the greenbelt. He added that a 4-foot fence would restrain a lot of children and animals, but not all. Williams continued that under the conditions of the ordinance, staff had to recommend disapproval. Several variance requests on this issue had been turned down in the past, but times had changed. Williams said it would probably be a good time to re-evaluate the policy.

Dingivan responded that the neighborhood was unique. A nearby home was only 13 feet from the buffer. If required to meet the ordinance, the owners would be able to fence in only three feet of their backyard. Dingivan said he had 62 feet from the rear of his house to his property line, while others had 30 feet. Moving the fences back 10 feet to meet the ordinance requirement would take 30% of some of the backyards.

Lenox said the question was far more serious than the particular neighborhood or lot involved. Council had studied the issue numerous times. Approving the variance would have an impact all over the City and Lenox didn't feel it was time to change the ordinance. The City's neighborhoods were designed so houses weren't lined up along the collector roads, but backed up to them. The ordinance was created to avoid the "stockade" look. From a personal standpoint, Lenox continued that the City was extremely attractive, and changing the ordinance would drastically alter the City's appearance. If the variance were approved, the ordinance would have to be changed. He pointed out that a lot of people had spent time, energy, and effort to meet the ordinance and that a 4-foot fence could be built on the property line, or around a swimming pool.

McMenamin stated that Council had tried to establish an open greenspace look in the City over the years and had turned down several variance requests. While it was difficult, it was for the overall good of the City, she said. McMenamin said they tried hard not to set precedents in the City that would be negative. Having turned down other requests, McMenamin said she couldn't approve this variance in the best interests of the City.

Dingivan pointed out that at .31 acres, he had one of the largest lots in the subdivision. He added that it wasn't the norm in Peachtree City to have a house that close to a collector road. People weren't interested in degrading their property values. He said it would be a community effort with landscaping to enhance the neighborhood.

Lenox said the key was that while Dingivan and his neighbors felt their situation was unique; there were approximately 11,000 dwelling units in the City. This neighborhood was not unique compared to many of the situations that had been looked at. He reiterated that he wasn't telling people they couldn't use their property. They could build a 4-foot fence, do all the landscaping, and in the end, it would be the landscaping that would provide the buffering, the sound abatement, and the quality the rest of the residents would like to see maintained in the community. Lenox said they wanted to work with the residents and do what was best for their property. The quid pro quo was that Council also had to be responsible to the entire community and to all the situations that arose.

Fritz commented that she looked at the area and had a problem with houses on hills, which would put the fence up on hills, and that would not be attractive.

Tennant said he had also seen the property and, in his view, it came down to two feet. He asked why the ordinance was so important as to deny an aesthetically pleasing fence that would abate the noise and protect children. He added it was something the neighbors wanted and there were a number of trees on the greenbelt side of the fence that would prevent a "tunnel" effect. He said he would support the variance request.

Rapson said he had looked at the property, as well as the adjacent properties. Approving the variance would open the gates for the rest of the properties. Rapson felt that 6-foot fences changed the aesthetics and character of the City. The City's ordinances and zonings were very strict and that contributed to making the City such a wonderful place to live.

McMenamin moved to deny the variance request for 406 Holly Brook Lane. Rapson seconded. The motion carried 4-1, with Tennant opposed.

10-01-06 Consider Alcohol License for Publix #799 (New)
Bryant McClenaghan submitted an application for an alcohol license and applied to be appointed as the Licensee and License Representative for Publix #799 at 1200 Highway 74 South, which was slated to open December 6. McMenamin moved to approve Bryant McClenaghan as the Licensee and License Representative for Publix #799. Fritz seconded. The motion carried unanimously.

10-01-07 Consider Alcohol License for Thai Peachtree City, Inc., DBA/Thai Spice (New)
Steven Chan submitted an application for an alcohol license and applied to be appointed as the Licensee and License Representative for Thai Peachtree City, Inc., DBA/Thai Spice, which was scheduled to open November 1. McMenamin moved to approve Steven Chan as the Licensee and the License Representative for Thai Spice. Fritz seconded. The motion carried unanimously.

10-01-08 Award Bid for Employee Health/Dental Insurance
Director of Administrative Services Jane Miller said staff was directed to bid the employee medical insurance program during the Council retreat. The Request for Proposal (RFP) asked for quotes on both self-insured programs and fully insured programs as well as enhancements identified on an employee survey. The enhancements included vision, well-baby care, prescription drug card, routine adult physicals, and increasing the lifetime maximum from $1 million to $3 million. The City's insurance consultant analyzed the responses and recommended the City remain self-insured and that the City remain with AMS, the current carrier. Staff concurred with the recommendation, Miller said. The FY 2002 budget included $1,059,500 in funding for employee medical, dental, LTD (Long Term Disability), and life insurance. Costs were determined to add some or all of the enhancements that were bid. Staff recommended adding well baby care, routine adult physicals, and increasing the lifetime maximum from $1 million to $3 million. The total costs were $1,237,784, which created a budget shortfall of $178,284. The cost was for full-time employees only. Miller explained there was a request to cover part-time employees at Retreat, but that would cause a greater shortfall during the current budget situation. Staff originally planned to recommend the City pay half of the shortfall with employees paying for the other half. After some discussion, Councilmember Rapson suggested the City pay 75% of the shortfall with the employees picking up the difference. This required employees to pay $16 per month for employee coverage and $40 a month for family coverage. Staff supported the recommendation, but realized in discussions with Councilmembers, the need for continuing evaluation of the level of employee participation in paying for medical coverage and the likelihood of future increases in employee payments. It had been discussed with employees so they knew it would be evaluated with a potential adjustment on October 1 of each year. Staff recommended Council pay the $136,132 of the shortfall from the unreserved self-insurance fund, which currently had a balance of $1,100,000 with the remaining shortfall to be funded by employees.

Miller said the City had also bid the dental insurance program and 14 companies had responded. The City had been with The Guardian for a number of years and the company recently significantly increased the cost of coverage. Currently, the City paid $22.46 a month for employee coverage and employees paid $47.58 per month for family dental. The bid from GE Financial was $21.66 for employee coverage and $33.88 for family coverage. It saved the City $.80 per month per employee and saved the employee $14.20 per month for family coverage. The City's insurance consultant assured staff that the GE Financial plan offered the same level of benefits as The Guardian. Staff recommended GE Financial with an effective date of January 1, which would enable staff adequate time to complete the enrollment paperwork.

Miller continued that one of the enhancements requested, but not included in the medical insurance, was vision care. A bid from Spectera for vision care would be an optional plan fully funded by those employees who wished to participate. The cost for employee coverage was $6.50 a month and full family coverage was $18 per month. Staff recommended offering the program, which would be fully funded by employees for themselves and family coverage effective January 1 to give staff time to enroll and educate employees about the program. Employee medical costs could be paid through the City's Section 125 plan, which allowed for pre-tax payment of premiums and reduced the employees' out of pocket net cost.

Rapson asked Miller if it was correct that the premise that the actual budget of $744,000 for claims was based on historical actuarial-type tables and pointed out that it might not come to fruition based on the reality of next year, at which point a lot of the $136,000 taken from self-insurance would reside in the self-insurance fund. Miller answered that could well be so. With the Section 125 eligibility (in which all employees are automatically enrolled), a $40 a month benefit would be just over $15 per pay period for the family and just over $6 for the employee. Rapson said he wanted to have the comparison and felt it was fair to say that the plan was an extremely attractive benefit package, and the actual cost to the employee was extremely reasonable. Miller said staff met with a large number of employees prior to the meeting to let them know what was recommended, so they could come to the meeting if they had comments.

Lenox commented that the City's benefits program by today's standards would be described as extremely generous. The amounts charged to the City's employees on a monthly basis were what most employees in the Industrial Park paid weekly. The City was trying to be careful about impacting employees, but in the next few years the City might have to become more competitive in what was charged for benefits. That would not be favorable to employees, but it was an area where costs were escalating tremendously, he added.

Tennant said the three factors that enhanced the program, the well baby care, the routine physicals, and increasing the lifetime maximum, cost about $25,000. Tennant said that was a good investment. He continued that the City's employees were getting a free ride for a long time and felt 75% of the costs should be paid by the employees rather than 50%. However, Tennant felt Rapson's program was good because a lot of people who worked for the City would be hit hard even at $19 or $20 a month. The program wasn't perfect, but was probably the best that could be done.

Fritz commented that it was better than her insurance plan. McMenamin compared it to her son's insurance plan. As a police officer in Alabama, he paid more than $300 a month for health insurance.
Lenox said that with 223 to 224 employees at a cost of $1.2 million, the insurance costs were about $6,000 per employee.

Rapson moved to approve the medical and dental insurance bid with the additional enhancements noted by staff and the funding as indicated in the analysis. Fritz seconded. The motion carried unanimously.

10-01-09 Assumption of Deed Covenants from Pathway Communities
Williams said that a few years ago Council had expressed concern about the appearance of some of the subdivisions in terms of code enforcement and architectural review. A request was made for staff to take a more active role in the architectural review process. For 30 years, Pathway, PCDC, Garden Cities, and Bessemer exercised tight architectural review, which paid off and had been an important factor in the City's appearance. After November 1, Pathway would no longer administer architectural review since they had just about sold out their residential inventory and had moved to other areas, but they would retain architectural review over industrial and commercial projects. Williams added Pathway would work with the City in transferring the responsibilities. Williams said the best alternative with a strong legal basis was for Pathway to assign the City their rights and responsibilities in deed restrictions. Historically, deed restrictions applied to subdivisions for 20 years. Recently, deed restrictions became indefinite until everyone in the subdivision voted to discontinue them. The problem was with the older subdivisions whose deed restrictions were gone, Williams continued. Williams said the City would get the responsibilities for the bulk of subdivisions in the middle. The early subdivisions weren't included and homeowners associations were set up in the newer subdivisions that had a review process. The problem was the older subdivisions were in danger of falling through the cracks. If assigned the deed restriction responsibilities, the City would pick up the process and carry it forward. In addition, staff suggested Council pass an ordinance that covered all properties in town to provide a consistent blanket of architectural review. Williams recommended Council take immediate steps to assume the responsibilities and also draft a good architectural review ordinance for all properties in the City and apply across the board. The ordinance would supplement areas that still had deed restrictions in place. Williams added that the process had gone so well over the years that the City ought not to let go even for a couple of weeks. Williams added he had a great deal of experience in architectural review and felt it could be handled in-house in the immediate future.

McMenamin asked if this was anything a board of citizens could do with expertise, or if he recommended keeping it a staff level. Williams recommended handling it at a staff level, but that a controversy or concern would be brought to a board, much the way it was done with the Sign Committee.

Lenox commented the problem he saw was that it was an aesthetic decision and might be difficult for the City to administer. If Pathway wasn't going to do it, the City had to do it.

Tennant asked if there were a way for each subdivision to enforce its own deed restrictions without having to get involved on a staff level. Since it would take a lot of man-hours, he asked if there was a better way to handle it. He said it might be worthwhile to let each neighborhood enforce its covenants. McMenamin added it would be difficult, especially when there was absentee ownership. Fritz pointed out the neighborhoods would have to be incorporated and have some ability to enforce them. Without a legal homeowners association, it couldn't be done.

Rapson asked if this wasn't the first fundamental step the City had seen in transitioning from a growth-oriented community to a stable community. He commented that it was really about shifting from building inspection to code enforcement, with code enforcement mirroring what the deed restrictions used to be. The City really had no choice but to accept the responsibilities and should start mirroring ordinances after deed restrictions. He added that it probably should have been done sooner. Lenox said it would help maintain the quality of the neighborhoods. He said assuming the deed covenants gave the City a lot more power to maintain the quality of neighborhoods. Rapson said he agreed with Lindsey's suggestion that the ordinances should reflect the deed restrictions. It would be easier to handle the matters in Municipal Court than in Superior Court. Fritz pointed out that having the City accept the responsibilities removed the neighbor against neighbor association when problems occurred. Over the past 30 years, PCDC and Pathway probably took about a half dozen people to court, if that many. Williams said it was a sign of poor administration to drag citizens into court when it could be worked out on a one-on-one basis. Williams said the answer wasn't in picking fights, but working to find a mutual solution. Pathway had done a good job of that through the years and Williams hoped to continue that.

Residents who spoke included Dan Lakly who said this would be a major change. For most residents, their biggest investment was their home and they were going to take care of it, Lakly said. He added that he lived in an older neighborhood and there were very few instances where people were not maintaining their homes. It was a major change with potentially a major change in the City government.

Scott Bradshaw commented that it was his job to enforce covenants in Smokerise Crossing and three phases of Smokerise Estates. He added it was a difficult job and that he had to say no to something at least every other day. If the City accepted the deed restrictions from Pathway, he hoped other developers would eventually turn theirs over to the City.

Fritz asked for clarification on whether the City would take over just the architectural review part of the deed restrictions, or whether it included everything in the covenants. City Attorney Rick Lindsey said that according to the document the City would be taking over all the enforcement rights under the deed covenants, many of which were already covered by ordinances. Rapson said the City would be accepting the assignment, and then ordinances would dictate what would be enforced. Lindsey said it would be put in ordinance form as soon as possible and some of it would be difficult. He added it was a step toward a maintenance mode.

Steve Brown asked how it would apply to newer subdivisions once it was put in ordinance form. Lindsey said it was more complementary to the covenants for newer subdivisions and would not exclude homeowners associations. Brown asked what would happen when the homeowners association's restrictions and the City's disagreed. Lenox commented that the City was breaking some new ground and that he would like to see strong homeowners associations such as Planterra's throughout the City with whom the City would delegate, in partnership, the authority to enforce the restrictions. It would also provide the perfect opportunity to put some teeth into homeowners associations if they needed the City's assistance. Rapson said he would also like to establish a board to develop the ordinances so that by the time problems reached Council; a majority of the issues would have been worked out.

Rapson moved to accept the assignment for the deed restrictions as outlined and at the same time establish a board to work in conjunction with City staff in helping to develop ordinances that would mirror the deed restrictions. Fritz seconded. The motion carried unanimously.

10-01-10 Budget Reduction Plan

City Manager Jim Basinger presented the Budget Reduction Contingency Plan to respond to anticipated reductions in revenue developed by staff as directed at the October 4 meeting. The plan included expenditure cuts to compensate for potential shortfalls in four areas of sales tax in the amounts of 5%, 10%, 15%, and 20%. The 20% worst-case scenario totaled almost $1.5 million. The cuts included a number of large equipment pieces for the operating division, delays in construction of several facilities, plus a reduction of almost $129,000 in the operating budget. He asked Council to note they had an impact statement on division operations for each line item proposed to be cut. There was also an additional reduction of $45,000 in the Facility Build-out Plan. Staff was continuing with the move of Developmental Services to the lower level of City Hall due to counterproductive working conditions. The review of the operating budget did not include consideration of any reduction of personnel, merit performance increases, or health and retirement benefits.

Paul Salvatore, Financial Services Director, gave a powerpoint presentation (the presentation is included in the official meeting file) on the details of the Reduction Contingency Plan. Salvatore said major revenue sources affected by the downturn in the economy were targeted. The four revenue sources targeted were Local Option Sales Tax (LOST), Hotel/Motel Tax, Alcoholic Beverage Tax, and Mixed Drink Tax. Shortfalls were calculated in the 5%, 10%, 15%, and 20% categories. The worst-case scenario showed a $1,463,596 shortfall that must be compensated for. Salvatore added that the amount happened to be about 10% of the City's operating budget. Salvatore showed the budgeted amounts for each shortfall category and the strategy for how each of the shortfall levels would be met. To meet a 5% shortfall, staff recommended making only three quarterly payments and delaying the fourth payment on the Bricks & Mortar Debt service, which would save $103,000; $200,000 from net revenues from FY 2001 would be appropriated; delaying some of the design services for the Gerald Reed Memorial Park saving $17,500; and using $45,399 from Cash Reserves. Those items combined totaled $365,899 for a 5% shortfall.

Additional cuts for a 10% shortfall included cutting some Bricks & Mortar project cuts and delays, including a maintenance storage facility at Kedron ($100,000), a maintenance building expansion at South 74 ($75,000), delaying concessions and restrooms at the outdoor rink, and reducing the Facility Build-out Plan by $40,899 for a total of $365,899. The cumulative total for the 5% and 10% strategies was $731,798.

Additional cuts in the event of a 15% shortfall included the above strategies plus additional cuts and delays in the Facility Build-out Plan ($45,476), leased equipment cuts and delays ($41,704), additional PIP cuts and delays ($65,000), and taking $213,719 from Cash Reserves. The cuts and delays totaled another $365,899. The cumulative total for a 15% shortfall was $1,097,697.

Additional cuts for a 20% shortfall included delaying the expansion of The Gathering Place ($232,501), additional operating budget cuts and delays ($128,781), and taking $4,617 out of Cash Reserves. The additional items totaled $365,899. The cumulative total was $1,463,596. Most of the additional operating budget cuts were for capital equipment beyond its useful life. It might not be cost effective to repair the equipment, but staff felt the equipment might hold on a little longer. The items in the 20% category would be the first to go back into the budget should the shortfall less than 20%.

Salvatore continued that the action to be taken included impounding the funds at a 20% level. He said he wouldn't ask for a budget amendment at this time, but would enter encumbrances against the funds to tie them up until it was ascertained that there would not be a 20% shortfall. Rapson asked if that would be done with dummy purchase orders and Salvatore said yes. The revenues would be monitored closely and staff would ask council to release the funds based on projections.

Basinger said staff would report back to Council periodically and would ask Council to release funds as they became available.

Rapson said it was a step in the right direction based on the economy and was a city manager/finance director approach. He said it looked like a viable approach and liked the proactive plan.

Fritz moved to approve the Budget Reduction Plan as presented by staff. Tennant seconded. The motion carried unanimously.

10-01-11 Consider Contract for Tennis Center Expansion

Lenox stated this was in accordance with previous Council decisions. The Development Authority and Virgil Christian, Tennis Center director, spent considerable time and effort getting the final plan together. Group VI was partner in the project. Under the intergovernmental agreement, Council had to approve the bid package.

Tom Farr, chairman of the Development Authority, told Council they were in the contract phase of the Tennis Center expansion. The project was originally brought to Council at Retreat last year, and then again this year. On April 1, Council approved the project, as well as a 5% increase in the Hotel/Motel Tax. In June, the project was approved along with an intergovernmental agreement that provided the funding. Under those approvals, the Development Authority began the process of determining the best method of building Phase III, a 55,908 square-foot enclosed project including six covered courts and an administration/clubhouse building. The Development Authority used the provisions of House Bill 1079, which provided a procedure for competitive sealed proposals for public works construction projects over $100,000. Those details were included in the October 9 letter to Council. The Development Authority was at the point of signing the contract. Farr said it was an advantageous time to do that because of a slowdown with the contractor, who gave several concessions on the project. Based on the Development

Authority's evaluations, the project was in the range of $3.1 million and the contract price was $2.507 million. Farr asked Council to approve the contract.

McMenamin said it was a very attractive price and that she liked the fact local people were used. The trickle down of putting people to work in the City and County, and possibly buying things locally, was an advantage for the City right now, she added.

Kai Wolter, who oversaw the Hampton Inn and the Holiday Inn Hotel & Suites in Peachtree City and the Holiday Inn Express in Fayetteville, spoke in favor of the contract. He said the hotels and motels were very excited by the project. Their needs were primarily weekends and there were very few events that drew people to Peachtree City. Any event that generated room nights helped not just the hotels and motels, but the restaurants and shopping as well. He assured Council that his industry was doing everything possible to ensure there wouldn't be a 20% shortfall in Hotel/Motel Tax revenue.

Tennant asked Wolter what had happened to his occupancy rate since September 11. Wolter replied that the first six months of the year were very strong. A decline in occupancy started around the end of June, first of July. The events of September 11 caused further erosion of room rentals and Wolter said they were currently down 20% to 30% of occupancy. He predicted they would finish the year at that rate.

Rapson said the hotel/motel tax was supposed to fund the debt service for the project. He added that he had spoken with all the hotels and motels in the City and all of them said their revenues were down closer to 35% to 40%. Rapson said he had talked with all the Councilmembers and that he knew Wolter was working on plans to address the downfall. The debt was a 15-year debt and Rapson said he couldn't think of a 15-year time period that didn't have economic downturns and upturns. He asked Wolter what his hotels were doing and Christian what the Tennis Center was doing.

Wolter said it wasn't business as usual and there weren't great numbers of people using the Atlanta airport. He said they had to think outside the box and go after new business. He said they were actively seeking government business, which meant lowering their rates. That was also a reaction to combat the lack of occupancy, he continued. Wolter added they were going after association, religious, and sporting groups. He said they were trying to pull business away from Union City and the airport. They had beefed up their sales efforts and all their managers were required to go on sales calls. He added they had taken a proactive approach to revenue generation in order to combat the lack of travel. They had just finished their budget that week and had budgeted 3% to 4% revenue growth over 2001 for the three hotels. There had been a similar downturn during the Gulf War in 1991, and there were a lot of statistics from that time period. Wolter said they saw a rebound during the first quarter, but it would take a lot of work to get there.

Christian said the Tennis Center had always tried to work outside the box. Seven years ago, he called all the general managers for the hotels and motels and had been working to attract events. Three events with over 600 room nights had just taken place. He said they had also looked at things related to the tennis industry that wouldn't need their courts. He continued that they were negotiating a major contract with one of the two biggest sporting goods companies in the world, and would sign with one of them. Part of the deal was a tournament. They also wanted to bring their national sales conference here, and that had been put on the table. It wouldn't use the tennis courts, but would use hotel rooms. The Center put in bids for tournaments with the NCAA in 2005, the SEC in 2003, the ACC in 2003, and the NIA in 2002. He said they were also looking at USTA (United States Tennis Association) events, and other association conferences. They were all interested.

Lenox added he had talked to all the hotel operators when this was discussed originally and that it wasn't just the Tennis Center that would generate significant revenues. The City had a lot of world-class athletic facilities, such as the BMX tournament that came to town every year and stayed in hotels and spent money in restaurants. It was extremely beneficial to find ways to have soccer, baseball and softball tournaments here. He added that Randy Gaddo, the Leisure Services director, was also working with the Development Authority to attract such events.

Tennant said they had all signed off on the idea, but he was concerned with the revenue shortfalls that might come. He said he wasn't opposed to just hanging on for 60 to 90 days to see how things worked out.

Steve Brown commented that Governor Barnes had a big meeting with the hospitality industry and what happened at the meeting was not very good. The University of Georgia's economic forecast was that Georgia would be hit harder in the recession than most other states and probably would not recover until mid to late 2002. He added he would like to see the project delayed until more was known. With the current budget crisis and the possibility of a 20% shortfall, some of the Hotel/Motel Tax could be used to for enhancement projects to offset things in the general budget. He added the Hotel/Motel Tax money could be used for those projects and would also be beneficial to bringing things into the City.

McMenamin asked if the first payment was due in nine months. Salvatore said it was typically due three months after closing. Farr said it was a construction project and the reality was only a certain amount of funds would be used over the initial period. He said the construction period would probably a year. The project and the Hotel/Motel increase had been approved April 1, and the tax went into effect in July and had been collected for several months. The hotels and motels were told the increase in the tax was to be used for this project, and that had been a clear commitment from the City.

Tennant asked where the money would come from if this was an ongoing problem and there was a 30% to 50% decrease in hotel revenues. Farr commented that no one really knew how long it would last. Tennant said with the economic climate, he was being cautious. McMenamin noted that Farr's bank was still lending money and still investing, as were others. Farr said all business would face those questions and would have to decide whether to keep lending money or keep to a more conservative track. Farr said the country went through economic cycles all the time and it was clear the country was headed for an economic downturn before September 11. The question was had anything fundamentally changed that attracted people to Peachtree City. Rapson said he had no problem with the first year. His concern was that he wanted Council to go into it with its eyes wide open because, if the recession continued beyond the first year, then the City would have to take proactive steps to address the shortfall. In reality, Rapson said the shortfall would impact not only the Development Authority, but also the Airport Authority and the City, the three mechanisms for the funding source. He said he was in favor of the project, but wanted Council to be fully cognizant that Council might be required to do something in the future. Farr stated if it were a multi-year recession, everyone would have a lot of issues to face. Even the most pessimistic recovery dates were fourth quarter next year.

Lenox said the situation was the hotel/motel tax had been increased by 2%, which would generate approximately, at previous levels, $360,000 per year. The debt service requirement of the expansion was $250,000 per year, so there was a significant cushion already built in. Lenox continued that it was a golden opportunity to put this project on the ground at a significant savings. At the same time, it was helping the community by creating jobs for local companies and creating economic activity.

Wolter shared that Cooper Lighting's education facility would bring in business. About 5,000 students went through the previous facility in Illinois last year. Five thousand students times three nights was pretty significant. Two new businesses were also moving into Westpark with the possibility of 1,000 to 2,000 room nights each year.

McMenamin moved to approve the construction contract award as presented by the Development Authority. Fritz seconded. The motion carried unanimously.

10-01-12 Consider Funds Increase for Design/Engineering of TDK Boulevard Extension
City Engineer Troy Besseche told Council he had been meeting with Fayette County staff over the last few months to resolve a design conflict between the road alignment for the TDK Boulevard extension and the spillway location for Lake McIntosh. Besseche said the conflict arose about six months ago after the public meetings were held and County staff disclosed the location of the spillway. Besseche noted that the spillway was separate from the dam and would serve as the primary spillway. There were several issues and City and County staff came up with several options to consider.

The first option was to realign the road to miss the spillway, which would be difficult if not impossible. Besseche said that would create a lot of turns in the road and said it really wasn't a viable option.

The second option was to keep the preliminary alignment and design the road according to three different scenarios. One would be every storm event that happened in the area had to pass through the dam itself. In that event, the preliminary alignment could be kept and wouldn't have to increase construction funding, but would require minor adjustments to the design.

Second, most of the stormwater runoff from extreme storm events could be routed through the dam, leaving the spillway in place but functioning as an earthen spillway, and the road would be designed to either overtop or to pass those storm events with a series of small culverts. Besseche said this was a lesser option as far as expense was concerned.

The third scenario would be to route all storm events through the separate spillway and that was the option staring the City in the face with what the County was proposing. In that case, the road would have to bridge over a concrete spillway. Besseche said staff had looked at several other options, including a series of culverts, which would not be able to handle the anticipated flow from the concrete spillway. Besseche said he had some preliminary numbers from the County on what the flows would be through the spillway, but didn't have enough information to assign any estimates of cost. Staff would like to look at what that meant for the City as far as cost and design issues; however, the County wasn't ready to pursue detailed design work and had no funding set aside for it. City staff would like to move on and had asked the County's engineering consultant for an estimate on the cost of the work, which was about $30,000. The County had agreed, through the County Attorney, to reimburse the City for any of the cost that resulted in usable design information for them regarding Lake McIntosh. Besseche said staff recommended Council set aside $30,000 out of the PIP contingency fund for that purpose with the understanding the City would be reimbursed for some of the costs.

Lenox noted that it would be at least two years before the County would be at this point. Rapson asked if the commitment from the County to reimburse the City was firm. Besseche said staff felt there was a strong commitment.

The third option would be to run the road over the dam, which would tie the two projects together. Besseche said they didn't really want to pursue this option because it tied the construction together and if one got delayed, the other would be delayed. Another option would be to keep the alignment the way it was and assume the worst case for design and construction, which would require a bridge at a cost of $1 million. Lenox added that would be another point to negotiate with the County. A long time ago, the County committed to building the road across the top of the dam and committed funds in their budgetary process. If the road did not go across the dam, they would need to build less of a dam, which would save the County money. Besseche said once they had the design information they could assign costs and sit down and negotiate who would paid for what.

McMenamin felt the City needed to move ahead on the project, which had been going on since she came on Council 11 years ago. She moved to approve the $30,000 from the PIP contingency fund for the advanced design services for Lake McIntosh. Fritz seconded. The motion carried unanimously.

Council/Staff Topics

Basinger reminded Council that the Association of Fayette County Governments would meet on Tuesday, October 23, at 7:30 p.m. at the Board of Education office in Fayetteville.

On Thursday, October 25, at 7 p.m. in Council Chambers, the annual cable system meeting was slated. Anyone interested could come talk to the people from AT&T, who would also talk about their plans for they system update.

Basinger said there were amendments to the lease with the Southern Conservation Trust on the building they were using located next to the amphitheater. The lease would not be renewed on January 1, but would go on a month-to-month basis so the Southern Conservation Trust and the Development Authority could negotiate a joint lease with the City on the building.

McMenamin told Council that Tom Barnes had died that week. Barnes was director of the Confederate Air Force and was instrumental in bringing the air show to Peachtree City. He was also the key person who brought to Peachtree City the future aviation museum that would house World War II aircraft and restore World War II aircraft at Falcon Field.

Lenox said he had a request from the City of Roswell, which required a little background about the Atlanta Regional Commission (ARC) and the Governor's road program. Governor Barnes proposed the state borrow $8 billion to create a transportation plan, most of which was non-road. The money to repay the $8.3 billion would largely come from the federal funding the state was scheduled to receive for roads over the next 20 years. The issues raised by the Mayor of Roswell include the fact that out of the $8 billion, only 4%, $350 million, had been set aside for arterial roads in the entire metro Atlanta area including Highway 54, 74, and every other arterial road in the Atlanta area. Two billion had been set aside to build the Northern Arc. Lenox said he felt it would just move the perimeter out and that it was ironic that Roswell, which was close to the proposed location, thought it wasn't a very good idea. Peachtree City obviously got little or no benefit from it. The Mayor of Roswell prepared a resolution for transmittal to Governor Barnes that said, in effect, they didn't like the plan to spend $2 billion on the Northern Arc and only spend $350 million where the area was choking to death. The resolution asked that the $2 billion be added to the $350 million and the entire amount be spent on the arterial roads used everyday. Lenox agreed these were the roads that caused the problems. Atlanta was pushing further and further out, and all the big road money was being used further and further out. He pointed out there was still a lot of vacant land here. The other $6 billion would go to mass transit and interstate highway maintenance. Tennant asked if the letter was sent to all the mayors in the area. Lenox said he was sure it had gone to every city and county. Lenox said he wouldn't make the decision for the community, but was a decision for the Council. Lenox said there was a difference between sending something with his name on it and sending something with Mayor and Council signatures on it. The final vote on the Transportation Improvement Plan was scheduled for next week. Fritz suggested instead of a resolution, that a letter be written the following day that they all could sign, rather than having to put a resolution on a meeting agenda. Council agreed.

There were two personnel matters for executive session. Lenox moved to go into executive session after a short break. McMenamin seconded. The motion carried unanimously.

McMenamin moved to adjourn the executive session. Lenox seconded. The motion carried unanimously.

Lindsey informed Council that the Development Authority closed on Drake Field on Monday, October 15.

There being no further business to discuss, Tennant moved to adjourn the meeting. McMenamin seconded. The motion carried unanimously. The meeting adjourned at 9:40 p.m.

Jane Miller, City Clerk

Robert L. Lenox, Mayor