City Council of Peachtree City
Minutes of Regular Meeting
October 7, 2004
7:00 p.m.

The City Council of Peachtree City met Thursday, October 7, 2004, in the City Hall Council Chambers. Mayor Brown called the meeting to order at 7:00 p.m. Other Council Members present were: Stuart Kourajian, Steve Rapson, Judi Rutherford, and Murray Weed.

Announcements, Awards, Special Recognition

Mayor Brown recognized Wes Saunders for his service on the Planning Commission. He also recognized Ken Griffin of the Lacrosse Association and Jay Rivard of the Youth Basketball Association. Brown read a proclamation of appreciation to the Library staff for their efforts during the move. Brown proclaimed October as Breast Cancer Awareness Month.

Rutherford moved to table Agenda Items 10-04-03 Consider Step One Annexation Application from John Wieland Homes, 10-04-04 Consider TDK Preliminary Engineering, and 10-04-05 Consider Approval of Site Plan for Kedron Village Retail Center Expansion. Rapson seconded. Rapson asked City Manager Bernard McMullen to arrange a meeting on Sunday, October 10, at 2 p.m., so he could review the plans. The motion carried unanimously.

Minutes

Rutherford moved to approve the September 2, 2004, Regular Meeting Minutes as amended; the September 14, 2004, Special Called Meeting Minutes; the September 14, 2004, Regular Meeting Minutes as amended; and the September 21, 2004, Special Called Meeting Minutes. Kourajian seconded. The motion carried unanimously.

Monthly Reports

Brown noted that the Great Georgia Airshow would be held Saturday-Sunday, October 9-10. Four Nights in October started October 7 and would run through October 10. The Peachtree City Classic Road Race would be on October 16. The top five accident sites for the month were GA 54/Planterra Drive, GA 54/GA 74, GA 54/Peachtree Parkway, GA 74/Rockaway Road, and GA 54/Huddleston Drive. Cart path paving year-to-date was 21,444 feet compared to 10,313 feet last year.

Consent Agenda

1. **Consider Extending Compliance Date for Alcohol Handling Permits**
2. **Consider Donation of Surplus Property**
3. **Consider Approval of Surplus Items for Auction**

Brown noted there were additional documents for Consent Agenda Items #1 and #3 – a letter to Council from Sonny and Donna Ishmael and a memo to Council dated October 7, 2004, with the subject "Auction of Surplus Property – Additional Items."

Rapson asked if anyone had spoken to Chief Murray regarding the letter on the dais concerning the alcohol permits. Chief Murray said that the only protests they had received had been from people with criminal records. Rutherford pointed out that the letter specifically addressed servers who had Minor in Possession charges on their criminal history. Chief Murray said that there had to be at least two years since the charge. He said the servers could still work for the businesses, but servers with permits would have to take the drinks to the tables.

Rutherford moved to approve the consent agenda. Rapson seconded. The motion carried unanimously.

Old Agenda Items

09-04-CA1 Alcoholic Beverage License – Change in License Representative – Eckerd #3458, City Circle

09-04-13 Alcoholic Beverage License – NEW – Eckerd #6743, Wilshire Pavilion

Weed moved to approve 09-04-CA1 and 09-04-13, the alcohol beverage licenses. Rutherford seconded. The motion carried unanimously.

09-04-14 Tax Relief for Seniors with an Annual Household Income of $30,000 or less

Brown noted there was an additional document on the dais from City Manager Bernard McMullen – an e-mail dated October 6, 2004, with the subject "A Bill to be Entitled."

Brown moved that Council define the qualifications for a $5,000 homestead exemption for Peachtree City senior citizens as 1) any homeowner who had reached the age of 65 on or before January 1 of the current taxable year; 2) the combination of the homeowner and spouse's total annual income as defined by the Internal Revenue Service being less than $30,000 for the calendar year immediately preceding the current taxable year. The $30,000 total income would exclude non-taxable Social Security. Weed seconded. The motion carried 4-1 (Rutherford).

New Agenda Items

10-04-01 Consider Resolution on Homestead Exemption for Seniors

Brown noted there was an additional document on the dais – an amended version of a Bill to be Entitled an Act.

Brown moved to accept the resolution as amended on the dais. Rapson seconded. The motion carried 4-1 (Rutherford).

10-04-02 Overview of Aberdeen Woods Conference Center Renovation

Brown noted there were additional documents on the dais – an e-mail from the City Manager to Mayor and Council with the subject, "FW: Aberdeen Woods Construction GIS Map" and a copy of the GIS map.

Glen Wallberg, president of the Pitney Bowes Sales and Service Training Center (Aberdeen Woods), addressed Council. Wallberg said that the Aberdeen Woods Conference Center (AWCC) had been under renovation for the last 18 months and was now in the final phase, which was the training building (the conference center). The renovation of the training building was critical to the project and was different from the other phases. The training building was the engine that drove the rest of the center; however, the building was close to residential areas. Closing the training building during the day would reduce revenue over the three-month project, which would affect the 200 employees. Rescheduling meetings meant that current customers might not return. The plan was to work around the scheduled events, with some of the work to be done at night.

Wallberg said they recognized the fact that working at night near a residential area created potential problems. Wallberg continued that they had discussed the matter with the Building Official and had sent a letter to the residents within hearing distance of the project. A hotline had been set up and would be manned during the construction so citizens with problems could call. The neighbors had been invited to a meeting to discuss the construction and potential problems. Construction would be scheduled during normal working hours as often as possible. He added they might have to come to the City with any problems they could not solve. Wallberg said his purpose for attending the Council meeting was to get the information out.

Brown said he attended an informational meeting held for the neighbors who were affected. He noted that the building was constructed of steel and the noise would reverberate throughout the structure, which would disrupt any meetings held during the day. He said that if neighbors called the hotline with a problem, then the work would cease until a way could be figured out how to do the work differently.

Wallberg said the work had started recently, and they had not heard anything from the neighbors yet. There was the potential that there would be no disruption to the neighbors. He reiterated that keeping the training building open was critical to maintaining their customer base.

Rapson asked what made the noise. Wallberg said saws would be running, and materials would be torn off the building. The soffets and the eaves would be torn off and replaced. The work would be performed from 6 p.m.-3 a.m. Rapson told Wallberg the conference center was doing what it should do as a good neighbor. Wallberg said letters had been sent to 90 residents. The exterior portion of the work would be done by mid-January, and the interior work should be completed in March.

10-04-06 Consider Letter Regarding EMS Funding/Tax Equity

McMullen explained that he wanted to send a letter from the Council to the Fayette County Board of Commissioners and ask them to establish a special service district for emergency medical services (EMS). The County had a special revenue district for fire services, which provided service to the unincorporated County, Brooks, Tyrone, and Woolsey.

McMullen explained that the County funded the EMS through the County's general fund and provided services to all the municipalities and the unincorporated County, except Peachtree City. The City's residents paid for their own EMS services, as well as services for the County. The City's residents were taxed twice for EMS services.

McMullen continued that there was a difference in how the City and County staffed their EMS. The City only had one person, a lieutenant, funded in the EMS budget. The County had 59 of its fire and EMS personnel covered in the fire services budget, with 28 funded in the EMS budget. The County's firefighters also served a dual role, just as the City's firefighters, by fighting fires and providing emergency medical services.

Brown suggested that the County take the fire districts and create an EMS overlay. McMullen said there could be a cookbook approach. Those who received their fire service from the County paid an additional millage rate for the service. The County could establish an additional millage rate for EMS, which would be added to the tax bill of those served by the County. The only exception would be Fayetteville, which provided fire services, but did not provide EMS. Brown noted that the savings to City taxpayers would be over $2.5 million over a 10-year period.

Rutherford moved to go forward with the letter regarding EMS funding tax equity and that the Mayor and full Council sign it. Rapson seconded.

Kourajian referred to a comment in a newspaper article by Commission Chairman Greg Dunn, who had suggested that the County would gladly take over EMS services for the City. He asked if that was something Council should consider. McMullen said he had spoken to the County's fire and emergency services chief to find out how the City would be supported if the County took over EMS service. The County would have one ambulance at Station 82 and would require all the City's pumpers to be ALS qualified. All of the pumpers would have to be upgraded and the three ambulances the City currently had would be reduced to one. Kourajian clarified that for a quarter million dollars the City would have to spend money on the pumpers and ambulance coverage would be reduced by 67%.

Rapson asked if the ALS requirement was required of the other jurisdictions. McMullen said the only municipality that could be required to do so would be Fayetteville, and he did not have that answer. Rapson said Fayetteville did not have that requirement.

Rutherford said if one ambulance covered the whole City, then a pumper could answer a call from the Braelinn area if it was ALS certified. Rapson said they would be creating mutual aid and ensuring the City could provide mutual aid. It would cost $95,000 each to reconfigure the City's pumpers. The initial cost would be $300,000 and the ambulance support would be reduced by two-thirds.

Kourajian asked if this letter would be the first formal communication. Rapson said the matter had been discussed at Retreat. Brown added that he, personally, had talked to the Commissioners about the matter in the past.

The motion carried unanimously.

10-04-07 Consider Award of Employee Insurance

Brown noted there were additional documents on the dais – a memo to Mayor and Council from the Financial Services Director dated October 7, 2004, with the subject "Health Insurance Broker Selection" and a copy of the Request for Proposal, with addendums #1 and #2.

Administrative Services Director/City Clerk Jane Miller said that the City had been self-insured through American Medical Security (AMS), which provided third-party administrative services and excess insurance. Private Healthcare Systems (PHCS) was the preferred provider network.

Miller continued that Clark Weeks, the City's consultant, had suggested saving money by comparing preferred provider networks. An RFP was prepared that asked for quotes for third-party administration, excess insurance, and a comparison of the anticipated claims costs based on the negotiated rates of the networks. There were 21 responses, all of which were evaluated by Weeks. Miller said it appeared that, if the City used United Healthcare and their network, then the City would save $500,000 in payments based on historical data. Staff recommended United Healthcare as the third-party administrator and excess coverage provider. Miller said three of six United Healthcare brokers were interviewed, and staff recommended Palmer and Kay based on their fees and experience.

Rapson stated, for the record, that 21 solicitations were received and staff recommended United Healthcare. Six brokers were considered. Weeks said there were actually five selected for interviews since two submitted a joint proposal. Rapson said the logic was sound and the three selected for interviews had the most volume with United Healthcare. The two brokers that were not selected for interviews did not have a significant volume of business with United Healthcare. Rapson noted that the three brokers selected were platinum level brokers. Weeks added that the firms selected were also not the biggest brokers. The selection had nothing to do with the size of the firm, but with the volume of business with United Healthcare. Miller added that the negotiated rate United Healthcare was less than the AMS network. She explained that if the negotiated rate for United Healthcare was $73 for a procedure, and the PHCS rate was $83, then the City paid $73 as opposed to $83. Rapson noted that the cost of medical claims, on average, would be 28% less with United Healthcare.

Kourajian asked the difference between being fully insured and self-insured. Weeks said that insurance companies were in business to make money, and insurance was based on the law of large numbers. There might be a random event, but if the random event occurred enough times it became a certainty. Whether fully insured or self-insured, the companies looked at the claims over the last few years. If an insurance premium was paid, the bid was loaded by 5%. Over time, the City would pay about 5% more if fully insured. If self-insured, the City would save money over time.

Miller said the last time the City had reviewed companies was in 2001, and staff had not done an in-depth analyses of the claims, but had looked at fixed costs. She cautioned that if the City shopped the market too often, nobody would respond to bids and RFPs.

Weeks said the company also offered a substantial pricing advantage, and that no one else was even close. Kourajian asked if there was anything written into the agreement that would increase costs. Miller noted there was excess coverage for anything over $50,000. Rapson said timing was good since the market had become more competitive. Miller said the employees were surveyed regarding the doctors and medical facilities they used. The results were compared to the network providers in United Healthcare and all but a few were included.

Rapson moved to go with United Healthcare as recommended by City staff and to appoint the firm of Palmer and Kay as the City's health insurance broker. Rutherford seconded. The motion carried unanimously.

Council commended Miller and Financial Services Director Paul Salvatore for their work. Salvatore introduced Chris Clark, a representative from Palmer and Kay.

10-04-08 Consider Award of City 457/401a Pension Plans

Salvatore told Council that the change only affected employees' money. The goals were to reduce fees, to continue to have good choices and returns, and to provide better customer service. Staff went through the RFP process and recommended Southtrust as the preferred pension provider.

Kourajian asked if Southtrust had a local representative. Salvatore said the representative was Kevin Kelly in the Atlanta office. Weeks added that Kelly had agreed to come to the City on demand or for special events. He said there was also an 800 number. Rapson asked if they could look at adding other 457 plans. Weeks explained that it was a mass issue. If the City did not have the mass, the cost for participants could not be reduced. He said the two components of costs were the asset fees and the per account fees. The vendor looked at both fees to pay freight. If assets were taken away, the cost would go up. If there were more than one provider, the employees would carry the costs. Weeks added that Southtrust would just be an administrator.

Brown said his concern was whether they could tap into a broad range of funds. Weeks said Southtrust was just the administrator.

Rutherford said there was news that Southtrust would merge with Wachovia. She asked if a merger would affect the City. Weeks said the pricing was guaranteed for three years with an option to renew for another two years. No Southtrust funds were offered. There might be a money market fund, but Weeks was unsure. Weeks added that Southtrust was very competitive and that each employee that participated would have an additional $1,000 in the their account for the next five years.

Rutherford moved to approve Southtrust as the vendor for the 457/401a defined contribution pension plans and to authorize the Mayor to sign the resolution and the plan documents pending approval by the City Attorney. Kourajian seconded. The motion carried unanimously.

10-04-09 Consider Award of City Banking Services

Salvatore told Council that seven banks submitted proposals and were rated on several criteria. The criteria included qualifications and experience, approach implementation, relationship support, references, and the cost proposal. The cost proposal rated most heavily and narrowed the field from seven to four banks. Staff look at the final four based on the cost proposal. The top two banks were Southtrust and Wachovia. Salvatore said staff recommended Southtrust Bank for banking services pending the City Attorney's approval of the one-year contract with two automatic one-year renewals.

Rutherford moved to approve the recommendation to award the one-year contract to Southtrust Bank for comprehensive banking services with two automatic one-year renewals and to authorize the Mayor or City Manager to sign all contracts and agreements required after review by the City Attorney. Rapson seconded.

Kourajian asked if City employees received free accounts with the current bank. Rapson said he set the banking services up and that employees received free checking with direct deposit at Peachtree National Bank. Rapson suggested asking Southtrust if they provided the same services. Southtrust representative Tina Hunt said that they offered free checking to employees with direct deposit. Other perks included free safe deposit boxes, no cost ATM, reduced rates on loans, and other possible services. She said the nearest Southtrust branch was in Braelinn Village. Hunter pointed out that one advantage was there would be more offices in the City when the merger with Wachovia was complete. She said information would be available at the branch office and that she could bring starter kits to the City.

The motion carried unanimously.

<u>Council/Staff Topics</u>

Rutherford asked if the new positions included in the FY 2005 budget had been posted. Miller said most had been posted and they were working on ads for some of the positions such as purchasing agent and assistant planner. She added that they were still working on the job description for the fire marshal position.

Rutherford asked about the City Engineer position, which had been open for some time. Developmental Services Director Clyde Stricklin said there had been interviews, and they were interested in one person. That person, however, was working for the Federal

Emergency Management Administration (FEMA) and was currently very busy in Florida. Miller added that staff had been advised not to hire for the newly approved positions until after October 1.

Update on Kedron Phase 1 Traffic Lights

Stricklin reported that staff had been unable to confirm any negotiations between BBT and Faison. He had spoken to the City Attorney about writing a third notice letter to BBT. Weed asked what action the City could take. Meeker said the City could shut down the shopping center. However, Meeker said the best course of action would be to give them another two weeks to put the letter together and hear from the shopping center's management company.

Weed made a statement regarding New Agenda Item 10-04-01 Consider Resolution on Homestead Exemption for Seniors. Weed said that, because the vote was not unanimous, the request for legislation would be dead in the water. The County's legislative body had historically refused to consider any legislation if there was not a unanimous vote.

Meeker said there was a matter of pending or threatened litigation for executive session. Rutherford moved to reconvene in executive session. Kourajian seconded. The motion carried unanimously.

Brown moved to reconvene in regular session. Rutherford seconded. The motion carried unanimously.

There being no further business to discuss, Rutherford moved to adjourn the meeting. Brown seconded. The motion carried unanimously. The meeting adjourned at 9:55 p.m.

Jane Miller, City Clerk

Stephen D. Brown, Mayor

Pamela Dufresne, Recording Secretary