**City of Peachtree City**
**Minutes of Meeting**
**October 2, 2003**
**7:00 p.m.**

The City Council of Peachtree City met Thursday, October 2, 2003, 7:00 p.m., in the City Hall Council Chambers. Council Members attending were: Mayor Steve Brown, Steve Rapson, Dan Tennant, and Murray Weed. Annie McMenamin was out of town.

## Announcements, Awards, Special Recognition

There were no announcements, awards, or special recognitions. Brown noted that Weed was one of four Peachtree City residents selected to attend the Regional Leadership Institute. Brown added that only about 50 people from the metro area were chosen each year and it was an honor for Weed to be selected.

## Approval of Minutes

Tennant moved to approve the August 21, 2003, regular meeting minutes with changes from Brown and Rapson. Weed seconded. The motion carried unanimously.

Rapson moved to approve the September 4, 2003, regular meeting minutes as amended by Weed. Weed seconded. The motion carried unanimously.

Rapson moved to approve the September 18, 2003, special called meeting minutes and September 18, 2003, regular meeting minutes as amended. Tennant seconded. The motion carried 3-0-1 (Weed).

## Monthly Reports

Brown noted the following events: Four Nights in October, October 2-5; Hispanic Heritage Festival, October 4; Light the Night Leukemia & Lymphoma Walk, October 4; Alzheimer's Memory Walk, October 11; Peachtree City Classic Road Race, October 18; and City Election, November 4.

Brown reported that the Building Department had collected $352,573 in building fees year-to-date, which was a little off the pace of last year. The top 5 automobile accident sites for the year were Highway 54/Highway 74, 52 incidents; Highway 54/Huddleston Drive; Highway 54/Planterra Way; Highway 74/Crosstown Drive; and Highway 54/Commerce Drive.

## Consent Agenda

1. **Employee Medical Insurance Renewal**
2. **Consider Brand Name Purchase of Play Equipment for Beaver Dam Park, Wynnmeade**
3. **Consider Fire Department Homeland Security Grants and Budget Amendments**
4. **Consider Contract for County to Conduct City Election**

Weed moved to approve the Consent Agenda and asked Brown for a summation of the Consent Agenda items for the benefit of the public. Brown noted that Item #1 increased the employee group medical insurance excess coverage from $40,000 to $50,000. Item #2 allowed for a sole vendor without a bid for playground equipment. He added that the City was trying to have all the playground equipment in conformance and the new equipment at Pebblepocket, Picnic Park, and Glenloch was purchased from this company. Using the same type of equipment at all of the playgrounds would save on maintenance and replacement costs. Rapson noted the developer was also putting in $20,000 (in-kind services) for the playground equipment at Beaver Dam Park. Item #3 included adjustments to the budget to accept federal grant money and allowed Fire Chief Stony Lohr to act as the authorizing agent for the Homeland Security Grants. The grants were worth $163,903 and required no matching funds. Item #4 was an agreement with the County to allow the County to conduct the City election. Tennant seconded. The motion carried unanimously.

**Old Agenda Items**

**04-03-03 Consider Defined Benefit Pension Plan Adoption Agreement**

Brown noted there was a substantial additional document on the dais entitled "The City of Peachtree City Defined Pension Plan Effective December 31, 2003." Financial Services Director Paul Salvatore reminded Council that at the April 3, 2003, meeting Clark Weeks of Actec, Inc., had discussed several potential changes to the Defined Benefit Pension Plan that could bring a significant savings to the City. During the discussion, Salvatore said they focused on the Georgia Municipal Employee Benefits System (GMEBS) defined benefit pension plan. Salvatore said there had been sharp increases in the contributions of nearly 35% for the last two years. Some of the increase was due to the pay plan changes, as well as the bearish stock market. More stability in the level of contributions was needed and Weeks felt that could be achieved, along with higher overall returns and more control over the plan in general, if the City got away from GMEBS, with whom the City had no say in how the money was invested. Council had agreed with Weeks and instructed staff to come back with a recommendation on making the change.

Salvatore continued that the first step was to draft a new plan document. The new document mirrored GMEBS as far as the pension benefit formulas, but there were changes that would benefit the City aside from the investment changes. With the help of Fredrick Cox, Jr., an attorney who specialized in Employee Retirement Income Security Act (ERISA) laws, the document was complete. No changes were made to the employee pension benefit formulas; however, there was a provision in the existing document for disability benefits. Salvatore said that was not needed since the City had taken out a long-term disability policy for employees that the City paid a premium on several years ago. The funds for the disability benefit could be shifted over to the pension benefit, which would result in an immediate reduction of the planned benefit obligation (PBO) of about $230,000. Salvatore said that would decrease the unfunded liability of the plan by about five percent. There would also be a decrease in the required annual contribution by about $46,000 to $50,000 a year for the next 20 years. Salvatore said there would also be a reduction in administrative costs due to several other minor revisions.

Requests for Proposals (RFPs) had been sent for the investment management and trustee services. The RFPs were due back on October 7 and they should be evaluated and a recommendation should be made in time for the October 16 meeting. Salvatore said the time schedule would give staff 60 days to make the change over before January 1, 2004, which was the date the actuarial valuation would change to so it was consistent with the calendar year. Salvatore asked Council to take action to adopt the new plan document, which had been reviewed by Cox and City Attorney Ted Meeker.

Tennant said this was a good example of Council relying on staff's recommendation. Rapson said it was a good example of Council moving forward on something that was a savings from the pension aspect and reaping some benefits. Rapson explained that there would be a recurring savings in the PBO. Rapson said the changes could knock down the millage rate increase in FY 2005 by at least $100,000. Rapson moved to replace the GMEBS plan document and adoption agreement as presented. Weed seconded. The motion carried unanimously.

**09-03-04 Presentation on No Smoking Resolution from Board of Health**

Dr. Thomas Faulkner, the City's representative to the Fayette County Board of Health, addressed Council. He said members of the Board of Health were addressing officials throughout the County regarding a proposed no smoking ordinance. Faulkner pointed out that smoking, both direct and second-hand, was a significant contributor to disease and was linked to 60,000 deaths per year. It also was related to heart disease and lung cancer in non-smokers. There was a significant impact on children, and asthma caused by inhaling second-hand smoke was increasing. He said the Board of Health's resolution asked the City to consider an ordinance that prohibited smoking in all public places. He commended the City for the ordinance already in place, but said second-hand smoke was a risk at sporting and field events.

Faulkner continued that the resolution was one of the initiatives from Helping People 2010, which was a program of the Department of Health and Human Resources to try and increase overall public health and prevent chronic and acute diseases.

Brown asked if the County already had an ordinance in place. Faulkner said he understood that the County did not have an ordinance in place. Tennant asked if any jurisdictions had enacted an ordinance to date. Faulkner answered that he did not know of one that had, but there were more municipalities getting involved in similar resolutions. He noted that over 2,500 municipalities or counties in the United States had initiated some kind of no smoking ordinance. For some, the ordinances included all workplaces, including restaurants. Those ordinances were almost exclusively in California and Massachusetts. In Georgia, Loganville was the only standout in the state. Effingham County also took the lead in restricting smoking in restaurants. DeKalb County had a resolution restricting smoking in workplaces excluding restaurants.

Weed asked what the Board of Health recommended prohibiting, and where. Faulkner said in all public places the City had control over. Weed asked for a definition of a public place the City had control over, whether it would include City-owned property or property throughout the City. Faulkner said if the Board of Health had its way it would include all areas within the City, such as workplaces, restaurants, and businesses. Faulkner said the board realized the City did not have control over how businesses offered their services, but at least extend it to public-owned buildings, sports fields, and amphitheaters. Brown said the Amphitheater already had a smoking prohibition in place.

Brown said the matter would be discussed with staff and Council would ask for recommendations. Rapson suggested putting the resolution on the website to find out what the residents thought. Tennant suggested staff could do some research analysis and make a recommendation.

**Public Hearing – FY 2004 Millage Rate**
Salvatore had a brief PowerPoint presentation on the FY 2004 millage rate. He said this was the third and final hearing required by law to adopt a millage rate that exceeded the rollback millage rate.

Salvatore continued that the major issues affecting the budget included employee health insurance costs going up by a minimum of 15% a year, defined benefit pension plan costs, Local Option Sales Tax (LOST) revenue shortfalls/formula change, hotel/motel tax shortfall in excess of $20,000, declining impact fees, decline in personal property values (about $32 million in three years, mainly in the industrial area), and state grant revenue loss (the funds to pay the last installment on Drake Field had to come from the FY 2004 budget rather than the $250,000 grant). Salvatore added that expenditures in general had exceeded revenues for the last few years. He said it was not deficit funding, just that spending had exceeded tax revenues. Other revenues, such as user fees and charges, helped cover the expenditures. The proposed millage rate for FY 2004 was 5.283 mills, an increase of .580 mills or 12.3% over the current rate of 4.703 mills.

Salvatore said the overall increase in the millage rate was 1.283 mills. One mill was due to the County school system. The remaining .283 mills was a combination of the County's millage rate decrease and the City's millage rate increase, which was indicative of the LOST redistribution. For every $200,000 of taxable property, the increase in the tax bill would be $102.64. Staff's recommendation was to adopt the millage rate of 5.283 mills.

Citizens who addressed Council regarding the millage rate included David Chaney, Larry Aronson, Nick Kaigler, Robert Brown, John McGregor, and Bill King. Their concerns included the following:

- Nickels and dimes caused higher taxes;
- Turn up the air conditioning, turn the heat down, and turn off the lights;
- Too much spent foolishly, such as on dog park;

- A lot of people out of jobs;
- Not looking for ways to save money;
- Employees need to pay more for medical insurance;
- Sell Tennis Center and Amphitheater to private entity;
- Contract out work that would be done in satellite auto shop;
- Sell Drake Field or get different terms from seller;
- Get spending under control and live within means;
- Act responsibly;
- Politicians were better stewards of taxpayers' money before they were elected;
- Look at effectiveness of money spent on Leisure Services and Public Safety and number of employees
- Look systematically at budget and operating costs;
- Residents get a lot of services for little taxes;
- Deal with senior citizens and those on fixed incomes.

Weed noted that the City gave the Dog Park Committee $5,000 in seed money. Weed continued that the committee had more than raised all of that money back and planned to pay the City back for the seed money. Weed said public land would still be dedicated for the park, but no public money would be involved. Salvatore noted that the Mayor and Council budget for FY 2004 was increased due to the cost of the November election. Brown closed the public hearing.

Rapson responded to the citizens' comments and noted that City Manager Bernard McMullen had implemented five major projects and saved millions in Fulton County due to energy conservation. He said McMullen would also do that here. Rapson continued that Council had discussed increasing the cost of medical benefits to employees, but pointed out that some employees were just barely above the poverty level and could not afford increased costs. Rapson said the pension plan could not be systematically suspended because people had vested rights in the plan. Rapson continued that the City could not sell its assets to maintain liquidity and asked where the line would be drawn. He explained that GASB 34 was a State requirement regarding how the City was to keep its financial records and there were major changes for the City. The City previously used the self-insurance fund to cover premiums, settlements, and liabilities. Items previously paid for by the self-insurance fund now had to be allocated out to the proper department and line item, which accounted for the spikes in the departments.

Rapson noted that he worked with finance as a living. He said one of the first things this Council had to do was to deal with the actions of the previous Council in their last year and those actions were the equivalent of approximately one mill, or one and a half million dollars. Those actions included a new pay plan, adding 12.5 employees, and rolling back the millage rate. Rapson said this Council could have gotten rid of the new employees, but 90% were in the Fire Department. Those were not bad decisions, but the millage rate was not changed at the same time. Those changes all affected service levels. Rapson discussed the new police cars and pointed out there were standards to follow and the vehicles had to be replaced because they were unsafe for police officers. The vehicles were not scrapped or given away. Other departments used the vehicles. Those police vehicles that were not used elsewhere in the City were surplused and the money from the sale was put back into the general fund. Rapson continued that the Police Department also had a take home policy and that was one reason people felt safe. He added that when someone said this Council had not been good stewards, then that person was not aware of what this Council had done.

Tennant said he had a lot of respect for City staff, who had worked very hard on the budget, and for his colleagues because the budget process was not easy. Everyone on Council believed strongly that they were doing what was best for the City. Tennant said he had been preaching no tax increase for many months and there was plenty more in the budget to cut. He acknowledged that it was one thing to say "no tax increase" when running for office, but he had proposed three plans for a zero percent increase without touching public safety. The plans meant making choices, including staff reductions, big increases in fines, and selling land. It all came down to the "willage" rate, not the millage rate. The "willage" was to raise taxes. Tennant said he would not vote for an increase. Tennant continued that desperate times called for desperate measures. He disagreed with cutting Public Safety since that was the most vital thing Council could provide. Tennant said it was plain and simple that the will was not there. Tennant said he was disappointed and that public servants were vital. The reality was that only one person in private enterprise served on Council and he understood what everyone had said.

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Tennant said no one was talking about changing the City's way of life, but about using the budget hatchet where it had to be used. Tennant said Council wanted more money for the cart path system. They could double the money in the budget for cart paths if they had not hired an assistant city manager. The net increase to the budget would have been zero. Tennant called for the vote.

Brown said Tennant had presented three plans for no tax increases and that Tennant had said during the budget hearings that two of the plans were undesirable. Tennant said that he did not say that, but that the middle plan would be his choice if he had to choose. Brown continued that the third plan gave COLA for half the employees and not the other half. Brown said there was no fair way to determine which employees would receive the COLA, and it would have caused morale problems. Tennant said Public Safety employees should get the COLA because their jobs were fundamentally different from someone patrolling a park or working at the library.

Rapson said it was important to note that the Fire and Police Departments disagreed with Tennant. Weed suggested Tennant tell a public services worker that his job was not as valuable as a police officer when he was cleaning out a culvert in 102-degree heat and facing a snake. Brown said Tennant's plan also included laying off two employees with health issues, which was an EEOC lawsuit waiting to happen and would more than make up for tax savings. As for the satellite auto shop, Brown said the fire engines that needed the auto shop were purchased on Tennant's watch and there was no capacity to service them. Tennant said the City did not need state-of-the-art indoor facilities to take care of the fire trucks. Brown continued that Council had also spent money on vital road improvements and without those improvements, the traffic delays at 74/54 would be worse than ever. Brown said that money was pulled from other areas. Brown closed the public hearing.

**New Agenda Items**

**10-03-01 Adopt FY 2004 Millage Rate**

Salvatore said he had already gone over the reasons for the millage rate increase several times. Staff recommended a millage rate of 5.283 mills based on the service levels Council directed staff to maintain. Salvatore said staff recommended that the Mayor and staff be authorized to sign the necessary documents needed to implement the 2003 tax levy and homeowners tax relief grant certification.

Rapson moved to adopt the millage rate as proposed by staff. Weed seconded. The motion carried 3-1 (Tennant).

**10-03-02 Public Hearing – Consider Increase in Occupational Tax**

Administrative Services Director/City Clerk Jane Miller addressed Council. She said Council had directed staff to look at all fines and fees and evaluate them as part of the 2004 budget process. She said the notices for the occupation tax would be going out soon so a decision needed to be made so the appropriate information could be sent. Currently, the cost was $15 per employee, with a minimum tax of $100 and a maximum of $2,075.

Miller said staff had provided information on three options to Council. Staff recommended Council adopt Option 2, which included a $20 administrative fee, an increase in the per employee charge from $15 to $17.50, and a minimum of $100 and maximum of $5,000. Miller said Option 2 had no impact on businesses with four employees or less, which accounted for almost 75% of the businesses in the City. The main impact would be on the large businesses currently maxing out. She added that the maximum amount was scheduled to change to $2,575 in 2004. The recommended option would generate approximately $46,000-plus in additional revenue.

Residents who addressed Council included Judi Rutherford, Robert Brown, Don Bagnall, and Dave Wortman. Comments included:

- Council was asked to explain what businesses were required to pay occupational taxes;
- Businesses collected the tax from the customers for the government.

Rapson asked Miller to clarify what businesses were required to pay occupational taxes. Miller noted that several things were exempt from the occupational tax by ordinance. She read from Section 74-36 of the City's Code of Ordinances:

(b) The following persons will not be subject to the occupational tax:
- (1) Persons deemed to be engaged in business solely by reason of being engaged as a farmer in the production of crops, livestock or other farm products within the city.
- (2) Persons engaged in recreation activities sponsored by the parks and recreation department of the city.
- (3) Self-employed persons engaged in performing day and domestic work or services conducted in connection with or for occupants or residents of the city.
- (4) Those businesses regulated by the state public service commission
- (5) Those electrical service businesses organized under O.C.G.A. § 46-3-170 et seq

Miller continued that the City had conducted an audit of businesses based on a list obtained from Dunn & Bradstreet. Over 500 of the businesses on the list had never paid occupational taxes and the City had no record of them. Those businesses were contacted and over $16,000 in previously unpaid occupational taxes had been collected. One of the issues encountered with people who worked out of their home was that an independent contractor who received a 1099 was considered a business. If they received a W-2 from a company and just happened to do some things out of their home, they were in a different situation. Some of the businesses felt they were not home occupations, but were considered such by the ordinance.

Bagnall told Council he was appalled by the lack of decorum at the dais. The Mayor asked Bagnall if he was going to address the occupational tax and Bagnall said no. Tennant moved that the gentleman be allowed to be heard. Weed said he agreed that the resident should be heard, but not at this time. Brown asked if anyone wanted to speak regarding the topic. Wortman questioned why Bagnall was not allowed to speak. Rapson said Bagnall could speak, but Council was working on an agenda topic. Tennant asked which agenda item would allow the residents to speak. Brown said under Council/Staff Topics. Weed told Tennant he would second a motion to allow public comment at the conclusion of the agenda item.

Tennant moved that there be no increase in the occupational tax as presented because it was bad to tax businesses when in a recession. Brown seconded.

Tennant said, in lean times, the last thing Council should do was to make it more difficult to do business in the City. Brown pointed out that Council had asked staff to look at an increase in fees. Tennant said most of the members wanted to look at the fees paid by non-City residents and that it was timing that brought this matter forward at this time. Tennant said Council wanted staff to look at fee structures for fees paid by non-City residents such as court fines and recreation fees.

Miller agreed and said staff needed to know about any changes in this tax before 2004. Tennant said he was not upset with staff and understood why the matter had been brought before Council at this time.

Rapson noted that Council had discussed an increase in this fee two years ago. He said he was in favor of discussing the matter instead of just denying the increase. He agreed the tax was passed on to customers and said that was just part of doing business. He said there were 1,601 businesses and 73.2% would not be impacted by staff's recommendation. The occupational tax was not a huge expense unless there were hundreds of employees and was a part of doing business. Rapson said he was in favor of Option 2, or at least discussing it.

Weed asked Miller if the City had ever charged an administrative fee in the past. Miller said no and added that staff had discussed whether to charge an administrative fee or not. She explained that it was labor intensive for staff to monitor and maintain the process. Staff time was used to generate new licenses and to process renewal notices every year. There was a maintenance agreement for the software program used to maintain the records. She continued that Code Enforcement monitored home occupations to ensure the ordinance was followed so there were some administrative costs involved.

Weed said he also understood from the tax law that there was nothing in the tax itself to recover the administrative costs. City Attorney Ted Meeker said the law did allow for an administrative fee to be collected. Rapson added that the increase in the occupational tax meant $46,000 that the millage rate would not have to increase.

Weed asked Miller to compare the City to neighboring entities if Option 2 were approved. Miller noted that a list of cities was included in the meeting book and went over some of the information on the list. She said staff chose what they felt was a justifiable and reasonable administrative fee. Staff felt the increase would not impact smaller businesses without the opportunity for significant revenue.

Tennant said it did not matter what the other cities charged. Either Council wanted to hurt businesses, or they did not.

Rapson said there were 1,601 businesses and 1,172 would not be impacted at all. If Council dropped that to 90% of the businesses being impacted, another 268 businesses would be picked up for an additional $4,443, which meant of the 90% of business impacted only 268 would pay an additional $16.58. The remaining 161 businesses, the large businesses, would see the increase and cost them another $220 or so on average. Rapson felt that did not impact the business community, but they were taking the expenditures associated with occupational taxes and making the City comparable to neighboring jurisdictions. At the same time, every dollar staff found in another revenue category would help with next year's budget.

Tennant said everything should be on the table, but this particular tax increase sent the wrong message. The lack of good will over $46,000 in additional occupational tax would hurt the City's reputation. If the Chamber of Commerce were present, they would make the same argument.

Tennant called the question. The motion failed 2 (Brown, Tennant)-2 (Rapson, Weed).

Miller noted that Council had approved a schedule of increases two years ago and a $500 increase in the maximum tax was already in the ordinance for January 1, 2004. She asked Council if that increase was also to be eliminated. Tennant said yes. Brown and Rapson questioned whether that change would need a motion. Meeker said the approved increase was not a part of the action. What was on the books was still on the books. The ordinance had gone into effect and the proposal before Council would have amended the ordinance. No action was taken to amend the ordinance.

**10-03-03 Consider Approval of GA DOT Grant Application Submission for Multi-use Bridge**

Brown noted there was an additional document on the dais regarding this agenda item entitled "Submittal of CMAQ grant application, GA 74 North multi-use bridge." City Planner David Rast addressed Council and explained that the City received information from the Georgia Department of Transportation (GA DOT) on the renewal of the authorization of the Congestion Mitigation and Air Quality (CMAQ) program. Essentially, a call had been put out for projects to be reviewed by the state's air quality partners and the selected projects would be forwarded to the Atlanta Regional Commission (ARC) for potential implementation in the FY2005-2007 transportation improvement plan. Rast said staff recommended a multi-use bridge that would span Highway 74 north of Peachtree Parkway and connect from the Kedron Office Park to the Fayette County water tower site. Rast said the project had been in discussion for some time and the need became more evident with the opening of Crabapple Elementary and redistricting of the subdivisions on Peachtree Parkway.

Rast continued that the CMAQ program was similar to a transportation enhancement program to provide funds for alternate transportation. Staff prepared the application for this project. The estimated cost of the bridge was $800,000. They were requesting CMAQ funding in the amount of $622,000. The local match would be $178,000, including $20,000 in staff time, which could be submitted for reimbursement. Because of the amount and because the project was unbudgeted, staff brought the matter to Council for their recommendation.

Brown asked if the grant application had to be approved at this meeting. Rast said the application was due October 6. Rapson pointed out that staff time could eventually reach $178,000 and Council might not have to pay the match if that happened. Rast reminded Council that the City was eligible to submit staff time for reimbursement. Rast said staff time included project administration, construction administration, and any time spent by Financial Services in administering the grant. Rapson added that Council would also have to approve the grant if the City was selected and staff was basically asking for approval to send the application.

Tennant moved to authorize the Mayor to sign the grant application and forward it to DOT staff for consideration. Rapson seconded. The motion carried unanimously. Rast said staff should find out if the project was selected.

A resident asked if there could be a tunnel instead of a bridge. Rast explained that tunnels were difficult to construct after the road had been built. He added that there were also embankments on both sides of the highway. Another resident remarked that a tunnel would also be more aesthetically pleasing. Rapson noted there were also problems in the area with rock.

**Council/Staff Topics**

McMullen announced that the City would host the Association of Fayette County Governments (AFCG) meeting on Tuesday, October 14, 7:00 p.m., in Council chambers.

McMullen said Council Member McMenamin had called and reported that her son, an Alabama police officer injured in the line of duty, was being transferred to the Shepherd Center in Atlanta on Friday, October 3.

Brown mentioned that David Chaney fell in the parking lot and Chief Lohr took care of him. McMullen said Chaney was taken to the hospital and would need some stitches.

**Update on Amphitheater and Tennis Center**

McMullen said the City's Development Authority, on September 25, had approved transferring the operation of the Tennis Center and Amphitheater over to the City. Brown noted there were additional documents relating to the topic on the dais – a memo from McMullen with the subject "Update on Tennis Center and Amphitheater." The next day, staff began looking at options to make the transfer occur by October 30. On October 1, the Development Authority rescinded its previous action. McMullen said one of the documents on the dais gave three options under consideration, as well as the pros and cons.

Brown said, after looking at the research, he noticed that almost $112,000 from the Amphitheater had been used to subsidize the Tennis Center. He said that should be looked into and was a great concern. The Amphitheater had increased the price of tickets and the public was told the money would be used for the Amphitheater.

Tennant asked McMullen, given the fact that the Development Authority was to retain the operating power of both venues, what his game plan was.

McMullen said staff had come up with viable options. The game plan was to contact the Development Authority to work together on a solution. The City wanted something accountable, flexible, and stable. McMullen said both entities could work together to satisfy those requirements.

Tennant said, that after a 5-0 vote, it was clear there were major implications in the vote. By definition, the venues would go back under the City's control. He continued there were a number of logistical and legal problems with the transition. At his request, the Development Authority reconvened and chose to maintain the operation of the venues at least until the end of the year so everybody could sit down and figure out the best game plan for future management. Tennant said 30 days was not enough time and the Development Authority had made a wise move to give the City time to come up with a plan. There were a lot of options to consider. Tennant said he was greatly relieved the City did not have 28 days to figure everything out.

Tennant said everything had happened too fast and too furiously, and with a lot of emotion. Everything had happened when Scott Bradshaw quit and submitted his resignation letter to the Mayor and Council and the Development Authority. Tennant said his understanding, after talking to Bradshaw, was that the press had gotten hold of the correspondence in a matter of minutes.

Tennant asked Brown if he had notified the press. Brown said that Bradshaw had e-mailed the information to a number of people. Tennant said Bradshaw said he had not sent the letter to the press. Brown said all the copies he had were e-mailed. Brown said he had talked to the press about it and said the letter was a public document.

Tennant said the divulging of information should be investigated and rectified, if necessary. Tennant said he talked to Bradshaw and Bradshaw had e-mailed him that day. He read:

> Dan, your memory is correct. I developed a proposed transition plan for turning the two facilities over to a sports and entertainment authority several months ago. You will recall that we thought it might become a reality and the Authority agreed we should put our best foot forward and cooperate in the event the change was mandated. Authority members received a copy of the plan, but I did not distribute it to City Council because the actual legislation passed by the General Assembly made it possible for the Authority to continue operating the venues. Yes, I did tell you at the time that it would take four to six months for a smooth transition. I believe that because of the complexities of employee benefit programs, modifying contracts, pre-paid tennis memberships, etc. It will not be a simple process. I agree with you that changing over the operation within 30 days will be painful for everyone. A smooth transition will take a minimum of 90 to 120 days. Thanks. Scott Bradshaw.

Tennant said Bradshaw concurred with his evaluation. Tennant said there would be unbelievable stress on staff and now there was the opportunity to sit down professionally and work out a plan.

Tennant moved that whoever from the public that wanted to speak be allowed to speak to Council. Rapson seconded. The motion carried unanimously.

Residents who addressed Council included Don Bagnall, Bill King, Robert Brown, John McGregor, Bill Chapman, Tennis Center Director Sean Ferreira, Jane Chapman, Robin Tennant, Shelby Barker, Bill Touchstone, Dave Timmis, Dave Wortman, Nick Kaigler, Mary Hamm, and Dave Gardner.

- No decorum on Council and no one without fault;
- Appeared that illegal activities had been conducted and worried about taxes going up;
- Damage done;
- People are innocent until proven guilty;
- Council is representative of democracy at work and provide cheap entertainment;
- Council should have consensus on this issue as it was an attempt to create a shadow government;
- Rapson should be unmuzzled and allowed to state his position;
- Wants a clear statement of what Tennis Center expansion cost;
- Public tennis facilities might not be able to operate at a profit or a break even basis;
- Not one stand-alone tennis facility in Atlanta was self-sufficient;
- Public record of Development Authority debt is wanted;
- Two outstanding facilities that bring people to the City and should be built up;
- Time needed to look at operation and do it correctly;
- Do not have all the facts;
- Not one dollar of ad valorem tax spent on venues;

- Economic impact of venues needed;
- Venues almost breaking even without support from ad valorem tax;
- Have to start working on solution and stop being problem;
- Tired of innuendo in newspapers;
- Need to be specific about illegalities;
- Might be problems, but should be commended for quality of facilities;
- Financial help, management, and accountability needed;
- Council needed to change and work together;
- Form a committee to go through budget line by line;
- Rapson v. Development Authority case needs to be resolved immediately;
- Comments about Fulton County and Coweta County residents being less educated and less wealthy were embarrassing to citizens of Peachtree City.

**Council comments:**

Brown said he had real problems with a major capital project where all the money had been given out for and bills kept coming in. There was consistent red ink and cost overruns had not been approved. The business model was crashing. Brown continued, based on recent information he had received, that the Amphitheater was subsidizing the Tennis Center. He referred to a memo to Mayor and Council from the City Manager. The memo is included in the official meeting file. Brown noted that the Amphitheater had a $112,000 profit and that had gone from one venue to the other. McMullen answered a resident's question that the Tennis Center received a supplement of $155,000 each year. Tennant said the Tennis Center had lost $65,000 this year.

Rapson asked Meeker if he could clarify expenditures. Meeker said as long as the information was contained in a budget document that Rapson could clarify the numbers. Meeker clarified Rapson could do so as long as the information was source information that was public information.

Rapson explained that the $155,000 subsidy all went into the Development Authority's economic development line item. The Tennis Center revenue was $897,000, of which expenditures were $963,000, which meant the Tennis Center operated at a loss of $65,000. The subsidy was fully spent by the economic development line and the revenue source of $265,000 was fully spent at $271,000, creating another loss of $6,700. The excess revenue at the Amphitheater covered those two losses. The Amphitheater had $1.426 million in revenue and expenditures of $1.314 million. The Amphitheater generated $111,945, which covered the losses at the Tennis Center and in economic development. Rapson said, historically speaking, that the Tennis Center lost between $100,000 to $125,000 a year, which had been covered by excess revenue in the Amphitheater.

Tennant said the Development Authority had not incurred any more debt this year. Brown noted that the cost overruns associated with the construction projects had increased the debt. Tennant said the Development Authority was within its right to turn the venues back over to the City and was also within its rights to rescind the vote. Council received a legal opinion regarding the rescinding vote. Tennant said now there was more time to transfer the operations. Brown said the Amphitheater had proven it could be profitable. Brown said, with the limited access to records that he had, he believed the Tennis Center could break even. Brown said when the Tennis Center expansion was approved the language clearly stated that the expansion would make the venue self-sufficient and that was how the project circumvented the referendum process.

Weed said the City entered into an agreement in 1993 that specifically said, an uncontested fact, that the facility would be self-sufficient and that was the reason the Tennis Center did not go before a public referendum. Weed said he did not know if it was possible to run a Tennis Center that could break even or make money. Weed continued that the Development Authority had proposed a plan that would narrow the gap or maybe actually break even. Weed asked the City Attorney to find out if there was anything in the agreement that said the Amphitheater would supplement the Tennis Center. Weed said the agreement that founded the Development Authority's management of the Tennis Center did not contemplate one venue paying for the other.

Brown continued that the venue was a public enterprise that had to abide by state law. There were no exclusions to state law and the state law mandated there be a balanced budget. Brown said the Tennis Center had never had that. Brown said the expenditures needed to meet the revenues. He said the Development Authority had been allowed to create their level of service through debt funding.

Brown asked Tennant what should be done about clear violations of state law. Tennant said no law-abiding citizen condoned violations of state law. Tennant said if a problem was identified it needed to be resolved.

Weed noted that he and Tennant had met with representatives of the Development Authority for months in an effort to work things out and that time had been wasted. Weed said now they were back to square one and he did not know where things were going from here. The 1993 agreement never contemplated that the Amphitheater would pay off the Tennis Center. Weed said he was not interested in having the City run the Tennis Center.

Brown said he did not want the Tennis Center to become part of the Recreation Department. He continued that the levels of service would clash and there would be feuding over funding. Tennant said if the Development Authority had not rescinded its vote that was exactly what would happen in 28 days.

Weed noted that he and Tennant had supported the idea of a sports and entertainment authority a year ago and both still supported that idea. Tennant agreed and said that had been a viable option until the Legislature changed the state law to allow the Development Authority to oversee the venues. Tennant reiterated that it would take more than 28 days to come up with a plan to run the facilities. Tennant said the panacea was not for the Development Authority to maintain control, but in the interim, it made sense for the Development Authority to keep running the venues until a plan was worked out. Brown said what he saw was that Tennant was telling the membership he wanted to keep the same management and the same set up. Brown addressed the economic benefits of the Tennis Center. He said a tournament would bring people into the City and the participants would patronize restaurants and stores, but if the Tennis Center did not have the money to pay the bill for cost of the tournament then there would be trouble. The costs of the tournaments had to be covered.

Brown said Council specifically told the Development Authority not to borrow any more money for operating expenses and they did just that shortly afterward. Tennant said they did not borrow money for operating expenses. The loan was for capital expenses.

Rapson answered a question from a resident regarding the Wynnmeade land purchase. He explained that the acquisition was $875,000 and cost the City $56,000 a year in debt payments. He said everyone concentrated on the acreage at the Wynnmeade entrance, but the City also purchased another 45 acres. The bridge cost was $600,000 and the City had a grant of $429,000. The City had to ante up approximately $128,000. Rapson said the City would save about $200,000 in 2004 considering what the City got for the grant as opposed to the debt service. Weed added that the bridge would serve several neighborhoods on the Wynnmeade side of Highway 54.

Brown responded to a question about the Tennis Center employees. He said he had no intention of laying anyone off. He continued that the employees were paid partially by hotel/motel taxes and there were a lot of hoops to jump through to make sure the hotel/motel tax money could be used. Making the Tennis Center and Amphitheater employees city employees voided the hotel/motel tax. Brown said making the employees contract employees was one way to allow the continued use of hotel/motel tax money. Tennant asked about benefits. Brown said benefits were part of the contract now and could be a part of the contract through the City.

Weed noted that one thing Council and the Development Authority agreed on was the validity of the 1993 agreements. The agreement also allowed the City 30 days notice to terminate the agreements and the City had been given the notice. Weed said he did not want to take on the management of the facilities. State law was changed so the Development Authority could run the venues legally. Furthermore, the City was prepared to create a 501(c)(6) organization so the venues could legally receive the hotel/motel tax.

Weed noted that according to ordinance, the meeting could not go past 11 p.m. He moved to suspend the rules to hear Mr. Gardner and adjourn the meeting after that. Tennant seconded. The motion carried unanimously.

There being no further business to discuss, the meeting adjourned at 11:27 p.m.

Jane Miller, City Clerk

Stephen D. Brown, Mayor

Pamela Dufresne, Recording Secretary