City Council of Peachtree City
Minutes of Meeting
September 7, 2000
7:00 p.m.

The City Council of Peachtree City met in a regular session, Thursday, September 7, 2000, at 7:00 p.m. in the City Hall Council Chambers. Mayor Robert L. Lenox led those attending in the pledge of allegiance. Other Council members present were: Carol Fritz, Annie McMenamin, and Bob Brooks. Dan Tennant was not present.

ANNOUNCEMENTS, AWARDS, SPECIAL RECOGNITION
Mayor Lenox presented two Awards of Recognition to Mark Bunker.

MINUTES
The minutes of the August 17th Council meeting should be available for review and adoption at the September 20th Council meeting.

MONTHLY REPORTS
Mayor Lenox announced that the monthly reports through the end of August were available at City Hall for review.

CONSENT AGENDA

1. Consider Bids – FY2000 LARP Street Resurfacing Program
2. Consider Ambulance Bids

Fritz made a motion to accept the bids as presented for the FY2000 LARP Street Resurfacing Funding and the Ambulance Bid. McMenamin seconded the motion. Motion carried unanimously.

OLD AGENDA ITEMS

08-00-05 Appeal – Wal-Mart – Conceptual Site Plan

Lenox advised that a written request had been received from the developer for the Wal-Mart project indicating that the traffic engineers and attorneys were still discussing this matter and asked that the appeal be rescheduled until the next available City Council meeting at which all the Council members would be present. Lenox said if there were no objections he would table the matter to a later date, which would be announced to the public due to some Council members scheduling conflicts over the next several meetings.

08-00-04 Consider Jail Impact Fees

Basinger addressed Council and advised that the latest jail impact fee schedule proposed by the County had been received, and that Peachtree City had primarily been concerned about the non-residential fee. Basinger said he thought the residential fee, at $794.12 per unit, had pretty much been agreed on by Council, but that the City had been going back and forth with the County on the non-residential fee. Basinger said basically what the County was proposing now pretty much fell in line with Council's last recommendation to the County. Further, regarding non-residential fees, there would be a *retail trade fee*, which would fall into two categories – one for those structures less than 50,000 square feet at $4,331.56, and 50,000 square feet or greater would be

$8,663.12, or double the cost for those below 50,000 square feet. All other fees, whether Office Institutional, Industrial, or whatever, would be $1,588.24. Basinger said the City Attorney felt that these fees were at a level that probably would not affect the City's ability to work with developers in obtaining needed project improvements as new developments came on line. Basinger said staff recommended that Council adopt the jail impact fee schedule as proposed and submit the proposed fees to the City's Impact Fee Committee for consideration and approval. He said staff would then submit a recommendation and an ordinance incorporating Peachtree City's CIE (Capital Improvement Element) and the fee schedule for Council's consideration and approval at a future Council meeting.

Fritz asked if anyone had discussed the fees with any members of the Development Authority and what their response had been to the jail impact fee proposal. Lenox said he had spoken with a couple of the Development Authority members informally, and the general feeling was that it was reasonable; particularly since the brunt of the fee fell to retail businesses, and that that was probably appropriate. Lenox said further that the Industrial fee was viewed as equitable and not a burden to recruiting. Brooks stated that he had received the same kind of feedback from the same kinds of conversations.

Citizen Steve Brown addressed Council from the audience, and Mayor Lenox reiterated that Commercial fees were a *flat figure,* and that structures of less than 50,000 square feet would pay an impact fee of $4,331; those over 50,000 square feet would pay twice that - $8,663 – the same as residential – a flat figure per unit.

McMenamin made a motion to adopt the Jail Impact Fee Schedule as proposed. Brooks seconded the motion. Motion carried unanimously.

08-00-10 Consider Employee Pay Plan

Basinger addressed Council and stated that Mr. Phillip Robertson, Consultant for the Mercer Group, would arrive a little late because his flight had been delayed due to weather and requested that this item be moved towards the end of the agenda.

Lenox said they would hold this item if there were no objections and go on to the new agenda items. There were no objections.

NEW AGENDA ITEMS

09-00-01 Consider Ordinance – Outside Storage Display

Director of Developmental Services Jim Williams addressed Council and stated that the Planning Commission had reviewed and recommended the Outside Storage Display Ordinance for Council's consideration. Williams said he would first like to review the highlights of the ordinance and take some time at the end to answer questions and discuss the matter. He added that Council did not necessarily have to adopt the ordinance at this meeting.

Williams said further that, between the time the Planning Commission acted on the ordinance and now, he had received feedback from some commercial people in town who were unhappy about some of the provisions. Williams explained that the ordinance began by referencing that products and materials not be displayed or stored outside in any commercial areas unlessthey were out of sight from the street, or they were in some kind of a fully enclosed structure." This meant that in the case of K-Mart, for example, it could be an outside structure, but that there should be a fence around it, or some kind of containment for it, so that products and materials were not sitting in the parking lot. Williams said the idea was to *not* have big piles of building materials and lawn materials out in the parking lot.

He said the second point was that, if the products were not outside under limited circumstances, and contained within six feet of the building, the products could be stored as long as they were not visible from the street, did not occupy more than 100 lineal feet of the store frontage, and that at least six feet of walkway (if a walkway was intended there) be kept open so people would not have to walk out into the parking areas or drive ways to get around. Williams said further that this was the section he had received the most comment on, and that this ordinance was basically a change from the existing ordinance in that the current ordinance (which was developed several years ago through a committee that was set up to develop it) stated you could have outside storage as long as it was within six feet of the outside of the building. Williams said he thought the current ordinance was easy to administer and had not been overly abused. Williams continued by saying that the new restrictions being proposed were substantially more burdensome. He said that it would come into effect if someone had a newspaper rack and a couple of other things sitting outside (which was commonly done at convenience stores for example), and that these things were considered outside storage and all were visible from off site and they did not have six feet of walkway around them. He said the new ordinance would be aimed at a K-Mart type of situation, but perhaps did not adequately take into consideration the convenience store situation.

Williams said the third type of condition for outside storage and displays would require a temporary use permit. He said this was how the City took care of things like ChristmasTree sales in a parking lot. Williams explained that the vendor would have to meet certain conditions. The conditions were that the time was limited (specifically limited), and that a number of approvals had to be obtained from the Police Department, Fire Department, etc., to ensure the event was handled safely. He said the sale could take place as long as these approvals were obtained, and that it was always necessary to provide for those types of situations. In addition, there should not be a sign that was legible from off site.

Williams explained that the main part of the ordinance had to do with trucks and trailers in commercial areas. The new ordinance intended that trucks would not stay in commercial areas for more than two hours after a delivery was made – that this would give the driver an opportunity to get out and have lunch. Trucks not making a delivery would not be allowed to park in a commercial area unless the owner of the truck was the owner of a business in that commercial area or unless the truck driver was actually doing business in the area. Williams said this was intended to keep someone from parking a truck on a continuing basis in a shopping center parking lot. Williams added that the City had received many complaints over the past year about this issue.

Further, any truck that displayed advertising for a business in a commercial area should be parked so that the advertising was not legible from a public street off site. Also, trucks and trailers should not be stored in a commercial area for more than two hours unless they were stored at a designated loading dock, or unless they were stored in an area that was screened from public view so that trucks could not pull up and stop all over the commercial area - sometimes waiting several days to be unloaded. He said from time to time trucks would pull up into parking lots and sell from them - pine straw was the most common thing sold in this manner – and that several of the businesses did that with great regularity. Williams said this was usually a pretty messy operation and that sometimes safety was questionable because of the truck and the traffic in the parking lot. Williams advised that these last four conditions addressed the truck and storage portion of it.

Brooks asked that they look at a specific example like Pike's Nursery. He said Pikes had a couple of trailers (more toward the back that he thought were actually behind fences) that sold pine straw. He asked if that would be okay since they were in a "screened area" that was screened from public view. Williams said the Planning Commission said they did not want selling out of a truck - period. Lenox said it was not so much that they sold out of the truck – you go in to buy pine straw, and they asked you to pull your truck around to their truck and that was how they loaded it; otherwise, where were they going to put it and how would they handle it. Lenox asked further if someone could sell out of a trailer in a commercial area if that was part of the temporary use permit. Williams said as long as you had the temporary use permit, you could do this for a short period of time only and as long as it did not cause a safety hazard.

Brooks said he could understand some of the intent, but that he thought it would create an unnecessary hardship. For example, in the Pikes situation, the fact that their trucks were located behind a screened fence that this seemed like a practical way to handle pine straw. Brooks said, frankly, if you were going to unload the pine straw out of the truck and stack it somewhere else, it would almost create more of a mess than just leaving it in the trailer. Brooks said he would like to see the ordinance worded in a way that businesses could at least be practical. Williams said that would be no problem.

McMenamin said she had received some calls from members of the Fayette County Chamber of Commerce requesting that those members be allowed to have an opportunity to participate in discussions in this regard and review the ordinance as it progressed, and that she had advised the Chamber members that this would not be a problem. In addition, McMenamin asked if it would be appropriate to prohibit overnight parking of mobile homes or tourist-type vehicles in this ordinance. She said she was asking this because of a story she had heard that Wal-Mart allowed overnight parking in their parking lots for up to two days. McMenamin added that she understood Wal-Mart was doing this mainly in tourist areas because it was very convenient in a 24-hour parking lot to allow people to park there and do their shopping early in the morning or late at night or when it was convenient. McMenamin said further that it might never happen in Peachtree City, but that she thought it would be a good idea to be proactive in preventing that type of situation from occurring. Williams said they could include this.

Fritz asked to go back to item number two regarding the six-foot walkway requirement. She thought that that requirement could be a real problem for some places because some places did not have the space required for a six-foot walkway, like a convenience store, and felt this would be a real nightmare for a convenience store. She said she thought it was geared more towards a larger store. Fritz said, for example, she felt the requirement that storage not occupy any more than 100 lineal feet, which could possibly be the whole front of a convenience store, might encourage abuse by smaller businesses. Williams asked Fritz if she felt they should leave it the way it was originally written – that they could use six feet of the outside space. Fritz replied that she did not see that Peachtree City had had a great problem and asked Building Official Tom Carty if the City had experienced any big problems. Carty replied "no." Fritz asked why the City would want to create more bureaucracy. McMenamin answered that she thought sometimes in the *big box* areas (that the City was now facing), slabs or timbers, etc., were stored in the front and that it was difficult to get around them, and she thought the City was trying to prevent this from occurring.

Lenox said this situation did not preclude the typical store from having a side walk sale four times a year, and felt the store could probably work around some of these rules through the permit process as long as everyone agreed that it was safe. For example, K-Mart displayed their flowers that seemed to stay out for a fairly long time and pretty much fell within the range of the existing ordinance. However, Lenox added that they did block the sidewalk to some extent and would not meet the six-foot pathway issue necessarily, but that the flowers were contained.

McMenamin asked if there would be any restrictions regarding the appearances of the fences mentioned in the ordinance. Williams replied that these restrictions were addressed in the current fence ordinance itself.

McMenamin suggested that a copy of the ordinance be sent to the Chamber of Commerce and to anyone else who was interested in reviewing a copy. In this way, Chamber members and anyone else who wished to review the ordinance, could submit their recommendations and that perhaps Council could discuss those ideas at the next meeting.

Lenox asked how this would impact a restaurant with seating on the outside. Williams said the ordinance would not apply to this situation.

Williams said the only portion that caused a real problem with interpretation was the Yard Time business, which was probably the perfect business for that particular site and did not fit this ordinance at all. He said Council could grant a variance to operate this type of business rather than struggle to make an ordinance that would fit this situation.

Lenox said he did not have a problem with most of the proposed ordinance because it was fairly practical and was, in the interpretation - an application, and that it became tricky to have an ordinance that would not be abused and that was not an undue burden on a business. For example, prior to the issuance of a temporary use permit, Lenox said that portion of the ordinance seemed a little daunting, but in actuality, the business needed to obtain clearance from the Health Department and the rest of it was internal with Peachtree City, and that the City would have a process to get that done pretty quickly in the usual manner. Williams responded that a typical approval for this situation took less than a week. Williams added that the most difficult situations involved *tent sales* because the tent material had to be inspected to ensure the material was not combustible.

Williams said if Council had no further input, he would contact the President of the Fayette County Chamber of Commerce to obtain input from their members or anyone else who might want to participate in the matter. Williams also advised that he had sent copies of the proposed ordinance to those people who called him with concerns and had asked for their input as well.

Lenox added that the convenience store issue was a little tricky because many of them had newspaper racks, ice vending machines, propane cylinders, sometimes soft drinks, etc., all visible from the street, and that the City should make sure we were practical about this kind of circumstance.

Brooks said he thought part of the problem was that consumers wanted these things to be visible from the street (i.e., if you want a newspaper, you want to be able to see a newspaper stand from your automobile). Williams said the way this issue was resolved previously was that if products could be displayed within that six-foot range, it was fair game. He said this kept the huge mounds of Coca-Cola boxes from being displayed because it was difficult to get them up against the wall. Williams added that the proposed ordinance would also impact big racks of tires that some of the service stations put out on display.

Lenox asked if Council wanted to continue this matter to the next meeting, and requested that Williams actively solicit input from the Chamber of Commerce and perhaps the local shopping centers.

Robert Brown addressed Council and said that part of the issue on who would have this might be solved if, instead of saying "not visible from any roads," say "arterial or collector roads." That would get the unsightly displays off of the City's main roads and onto side roads where they would be more appropriate, and that this would also take care of "Yard Time" because that was not on an arterial or collector road. In addition, the issue of the convenience stores could possibly be handled by a minimum of any display under 10 lineal feet and could take the entire sidewalk because if a convenience store even had a sidewalk, it was maybe six feet wide anyway, so if they said six feet, they would cover the whole thing. Brown continued by saying that the primary reason for implementing this ordinance would be to take care of the big displays on the big box-type stores. Further, regarding whether products could be sold out of trailers, that Councilman Brooks was correct, it sometimes made a bigger mess to unload the trailer, but that if products were sold out of trailers, they should be screened and the trailers at Pikes Nursery were not screened – they were clearly visible from the highway. Brown said further that it was mentioned at the Planning Commission meeting that there were a number of golf cart dealers on Huddleston Road and the golf carts took up much more than six feet. Another point Brown raised was the parking of vehicles overnight in Wal-Mart. He said he did not think this issue would fit this category because this would be an amendment to the Sign Ordinance, and since those motor homes parking in the Wal-Mart parking lot were not part of Wal-Mart's advertising, and since the homes did not actually advertise for Wal-Mart, that this might not be appropriate for the Sign Ordinance, but it might be appropriate to cover this in another ordinance.

Lenox said he completely agreed, and that he did not want vendors selling anything out of trucks, - including pine straw. If the truck was not parked in the parking lot – in other words – the truck was in a contained area or part of the operations area of the establishment – that this was a different story.

Steve Brown addressed Council and advised that the Home Depot in Snellville, Georgia, had devised a system where the tractor-trailer could actually run into the store itself with decking that was put up after the trailer was pulled in, and this enabled them to sell from the container inside the store. He added that newspapers had extra protection under the law, so that newspaper racks could not be moved even if Council wanted to move them. Brown said the Supreme Court always ruled in favor of newspaper stands.

Lenox said they would continue this matter to the September 20th meeting.

Basinger addressed Council and advised that Mr. Phillip Robertson, of The Mercer Group, had arrived.

08-00-10 Consider Employee Pay Plan

Lenox advised that Council would now return to this item to consider the Employee Pay Plan.

(Note: The Mercer Group will be referred to as "The Group" for reporting purposes in this transcript.)

Basinger addressed Council and stated that Mr. Phillip Robertson would present the proposed Pay and Classification Plan and the process by which it was developed, but that he would like to make several comments first. Basinger said that, in preliminary meetings between staff and individual Council members over the past few weeks, it was generally felt that staff should pursue implementing the plan at the 75th percentile as opposed to the 50th or 85th percentiles. He said The Mercer Group estimated the cost of implementing the study at the 75th percentile to be almost $500,000. He said further that certainly this was a major increase to the salary line item should Council approve the plan at that level. He advised that staff had attempted to provide Council detailed information on the salary increases based on the 75th percentile.

Basinger advised that it appeared that, due to an Open Records request, some very preliminary working papers and incomplete information on the study had unfortunately been distributed to some employees. Basinger stated further that he knew, based on this preliminary and incomplete information, that some of those employees were prematurely concerned about some aspects of the Plan as it related to them, and rightly so. As stated in the Plan provided to Council, and as Mr. Robertson would explain, employees who disagreed with their new grade, salary or position title could file an appeal. Basinger said further that, if Council felt uncomfortable approving such a large expenditure tonight and desired additional information or time to consider this matter, then staff would recommend Council table this item. However, in the interest of the City's employees, should Council elect to table this item tonight, and a plan not be acted on until after October 1st, he recommended that Council consider taking action tonight to make the plan – whenever it might be approved – retroactive to October 1st. Basinger then suggested that Council proceed with Mr. Robertson's presentation.

Mr. Phillip Robertson, Consultant for The Group, addressed Council and explained that the study itself had two parts – a compensation part and a classification part – done independently of each other and brought together at the end as they fit positions into an overall pay plan. Regarding compensation, comparable local organizations had been identified to survey for their salary levels – minimum and maximum – for certain chosen positions. Those positions were called *benchmark positions* and were chosen specifically because they were fairly common positions throughout the market. Robertson asked Council to keep in mind that no individual employee's salary was set by whether or not their position was chosen as a benchmark position – that benchmark positions were a survey tool. Further, that the consultants had tried to pick positions from every area in the City's overall pay plan. In this way, when the market was surveyed, the consultants were able to put together an overall market pay plan to show Council where the City's overall pay plan was in the market. Robertson said the organizations chosen for the survey were Alpharetta, College Park, Decatur, Fayetteville, LaGrange, Newnan, Roswell, Marietta, Clayton County, Coweta County, DeKalb County, Fayette County, Fulton County, and Spalding County. Robertson said private organizations were also surveyed and that, in gaining information from private organizations on salary levels, confidentiality had to be promised, and that a part of the confidentiality included that their names would not be divulged in a public meeting or on written documents. Robertson said if Council wanted this information, he would be glad to share it with them after the meeting or at another time. Robertson advised further that the Marietta salary survey, which was produced every year, had been used as one piece of data in the overall data collection. In response to Fritz's question, Robertson said the Human Resources Department for the City of Marrietta had performed their survey.

Hearing no comments or questions from Council regarding the choice or applicability of the comparable organizations, Robertson continued regarding the benchmark positions stating that the consultants had chosen positions from every area of the City's overall pay plan, which included the following positions: Library Assistant, Maintenance Worker I and II, Secretary, Equipment Operator, Executive Secretary, Code Enforcement Officer, Building Inspector, Police Officer – Certified and Basic, Engineering Technician, Purchasing Agent, City Planner, Building Official, Police Lieutenant, Fire Training Captain, System Administrator, Public Works Superintendent, City Engineer, Fire Chief, Police Chief, Firefighter EMT, Firefighter Paramedic, and Firefighter Lieutenant. Further, that comparable organizations had been contacted and if they had positions that matched the duties of those positions in Peachtree City, the minimum and maximum salary was collected enabling the consultants to construct an overall market pay plan to present to Council. Robertson explained that, in constructing the overall pay plan, it was determined that Peachtree City was a bit below the average for the market. Upon instruction, budget and implementation figures were developed to put the pay plan to market, which would have been at the 50th percentile, the 75th percentile, as well as for the 85th percentile. Robertson said their recommendation was at the 75th percentile, and that the implementation amount was about a half million dollars.

Hearing no comments or questions from Council regarding the compensation side of the study, Robertson continued with the classification part of the study stating that The Group had looked at every position in the City and had passed out questionnaires to every employee. When the questionnaires were completed, interviews were scheduled with employees. At least one employee holding every position in the City was interviewed, and sometimes more than one interview was held. Once the results of the questionnaires were compiled and the interviews conducted, The Group went through the factor evaluation system, which basically compared every position to ten compensable factors. Each factor had a levels and there were points associated with those levels. Robertson explained that by adding up total points, The Group was able to make recommendations on putting positions at a particular pay grade in the pay plan.

Robertson asked Council if there were any questions regarding the classification portion of the study. Robertson continued and said that at the end of the study, The Group had positions they had recommended pay grades for, they had an overall pay plan, and by slotting those positions into the pay plan, The Group was able to bring the two parts of the study together and recommend a new pay plan for the City.

In answer to Lenox's question regarding the overall return rate by employees of the questionnaires, Robertson replied he thought it was 93%. Robertson advised that a lot of times when multiple employees were in one position such as EMT Firefighter, it was easier for them to get together and fill out one questionnaire once they agreed they were all doing the same job instead of having them all fill out individual questionnaires that said basically the same thing.

Brooks said he was unable to compare the current recommendations The Group was making as compared to what some of the job descriptions were before. Robertson said The Group usually did not take a firm stand on position recommendations until after Council had acted to accept the methodology, and that there was a part of the study that dealt with appeals. For example, if an employee felt The Group had missed something in the factor evaluation system, or if there was something that was misunderstood during the interview, or something was not clear on the questionnaire, The Group offered an opportunity for the employee and their supervisor and department head to go over all the factors in that factor evaluation system for their particular position. Robertson said it was not until that time that The Group really said these were their final recommendations on positions.

In response to Brooks question regarding whether The Group made many revisions regarding position descriptions, Robertson replied that it was within normal range. He explained that The Group usually found in some positions that were under-compensated or under-classified, and a lot of positions that were well classified, and just a couple that were basically over classified. He said The Group never recommended that anyone's salary be reduced even in an over-classified position.

Brooks said he thought the plan was really not that far off, and that it was interesting if you looked at the governing entities south of I-20, even with the City's current pay system (before the Reevaluation), the City was 2% above (not below) and that the maximum was only 2% below, so actually it made a comment that the system has worked fairly well. Brooks said he understood the basic process, and that this was obviously a very important issue. He said further that, although he understood the more significant factors in general, he had not yet been able to feel totally comfortable on some of the transitions of positions – specifically some of the reclassifications. Brooks added that he felt the study was still a work in progress and that he also had some philosophical questions that might or might not be solved tonight.

Lenox advised that this was the first time a study had been done in almost ten years, that Council tried to be very careful regarding salary administration, and that he felt the City had an excellent group of employees and Council had always tried to compensate everyone fairly. He said further, that the City had instigated the study to find out if the City's pay plan was comparable. Lenox said he found it interesting that the overall – for something that had not been done in ten years – the City was pretty close. Further, that in the individual areas, which a lot of people regarded as some of the City's lower-paid jobs, the City had fallen behind in their salaries. Lenox said the City should implement the plan, whether it was done exactly as suggested or if it was modified, and that the pay scale needed to be updated. He said he believed that the Plan should be implemented at the 75th percent level with 50% being the average of the market. Further, that the City's employees were not average employees, and he thought that Peachtree City residents would agree with that. Lenox said the employees did an outstanding job and that they were a very service-oriented group. He said Council had worked very hard at paying the employees fairly and providing a good working environment, and that this was part of that process. He said further that he certainly understood the process, which was very complicated because The Group was trying to relate different jobs in terms of ten characteristics - each of which had a completely different mix of responsibilities and problems. Lenox said that, for a public organization like the City, he thought it was the only way to determine classifications – that the City had to do it that way – unlike private organizations who were much more secretive. He said while there might be some questions on Council's behalf or on an employee's behalf about job classification in a particular instance, he thought the important thing was that the City had the right process so that if Council or an employee had a question, they could get an unbiased answer to understand how their job was rated. Lenox concluded his remarks saying that he thought that the process was pretty good overall.

McMenamin asked Robertson if The Group had discussed the classification or reclassification with the employee during the interviews, or was The Group not prepared to talk with the employee about classification. Robertson replied that the interview with the employees was part of the classification development. McMenamin said that, because she thought perhaps there were no follow-ups with employees, it might have caused some concern for them. She said she felt uncomfortable with some reclassifications without the employee being told because the employee might feel their new classification did not fit. Robertson said that The Group had tried to explain the process to every employee, and that if they disagreed, there would be an appeals process once Council had acted. Further, that until Council accepted the process as it was, there was basically nothing to appeal because The Group was outside of the City with the process at present and that once the Plan was accepted, The Group could open appeals with employees who felt that their particular classifications were inaccurate or that there were things that were not accurately reflected in the factors.

In response to Lenox's question, Robertson explained that The Group was asking Council for a ratification of this process tonight so that the process could be continued.

Basinger addressed Council and stated that one concern for a lot of employees was how their positions would be slotted in. Basinger asked Mr. Robertson to comment on this point.

Robertson replied that there was a process by which longevity was taken into consideration in putting employees into the new pay plan and that by using the formula on Page Ten of the proposed Plan, if an employee had been in a position for a particular amount of time, the employee was put at the particular step that related to the amount of time based on the following formula:

Less than 12 months - Step One
12 to 23 months - Step Two
24 to 35 months - Step Three
36 to 59 months - Step Four
60 months or over - Step Five

Robertson said this represented employees whose salaries were at the 75th percentile and would be below that particular step given. Another example of how this would not be used to penalize an employee was that if an employee had been here 58 months and their salary was at the 75th percentile, it would be higher than Step Five, then that employee would be moved to the Step closest to their salary – only higher – they would not be brought back down to Step Four because of their months with the City. Robertson said there were other recommendations The Group had made to implement the Plan if Council would like to go on to that part of the Plan, or if Council would like, they could discuss the particular methodology.

Firefighter/Paramedic Lt. Ron Mundy addressed Council from the audience and referred to Page 10 of the Pay Plan Study. He asked about that particular paragraph that stopped at 60 months and over. Mundy said it was his understanding that another document had been presented to the staff that addressed the issue up to180 months and over that increased the position to Step 7. Robertson replied that the basis for submitting that information (found on page 10) was his own misunderstanding of the rationale that the City wanted to use and apologized for any false hopes that someone would have received from that document. Robertson said once he presented that document to the City, he was advised that that was not what the City had wanted. Mundy asked Robertson to give his opinion as to whether or not he thought that was equitable. Robertson replied that, speaking personally from the studies The Group had conducted, he thought the City had been very, very generous. He said the usual tact of municipal and county organizations that The Group dealt with was to make sure that the employees who fell below the minimum in their new pay grade were moved to their new pay grade. If there was any money left over, try to give some kind of cost of living implementation and beyond that, people should be happy with it. Additionally, Robertson stated that because the City went the extra step, he personally did not have a problem changing it to Step 5 because even Step 5, based on The Group's experience, was very generous.

Regarding the hiring schedule, The Group recommended that hiring be allowed up to Step 10 with the approval of the City Manager. He said further that it was a 20-Step Plan, which was fairly accepted out in the world in the current labor market where things were fairly tight, and that the City Manager should be allowed to approve hiring up to the mid-point. Robertson said that a lot of times when you have a really good candidate and you have to bring an action to the board, sometimes that extra three, four, or five days or a week could spell the difference in getting the candidate.

Regarding the Merit Pay, Robertson said The Group recommended that the City continue the Merit Pay System, and that it was always good to find an organization that had a Merit Pay System. He said The Group also recommended that the City have a separate Annual Market Adjustment based on CPI or whatever the City wanted to base it on. The important thing about the recommendation was to try to keep Merit Pay and the Annual Market Adjustment separate. He said a lot of times organizations would try to meld the two together and the Merit end suffered in the bargain.

Regarding employee promotions, Robertson explained that if an employee was promoted to a higher grade, The Group recommended that the employee receive at least a 5% increase in pay. With the step system, sometimes you could go from Step 5 in one pay grade to Step 3 in the next highest pay grade, and it was really the same salary; so basically you would be giving more responsibility to an employee without any additional money.

Robertson continued saying that The Group recommended that the City implement a policy that dealt with Market Impact Positions. He said a lot of times the local market, or market mandated by State Statute, could bring to bear forces on a particular position that really didn't need to be addressed through classification. Robertson cited the example that, after the hurricane in Florida, the State passed a really restrictive statute that dealt with Building Inspectors, and once the Grandfather Period ran out, Building Inspectors were sought by all the organizations, and a lot of the organizations would artificially inflate the classification of Building Inspectors to be able to offer them more money to start because it was such a competitive market. Further, The Group recommended that the City deal with market forces head on. Robertson advised if the City had difficulty filling a position or keeping someone in a position, and if employees were going somewhere for more money, that it was easy for other employees to understand (continually) that something other than classification was taking that person or that position away. Robertson said the City should go out into the markets, look at the hiring rates, and raise the hiring rate for the City's positions to the market. Also, if there were other incumbents, or if there were any incumbents in that position, to keep someone from feeling put upon by someone coming in at the same salary that the employee was making when the employee had been with the City for years, The Group recommended raising the incumbent's salary by whatever percentage the City had to raise the salary to the market hiring rate. Robertson added that under Building Inspectors, the particular category indicated on Page 12 of the Pay Plan, dealt with Code Enforcement, Senior Code Plans Examiner and Development Inspector and that The Group recommended an incentive process be built into the Southern Building Code certifications. He said The Group, with the help of City staff, had identified the certifications that would fit into that particular structure. Further, that incentive be awarded, if it was included in someone's annual development plan, and that an incentive be awarded for every second certification that was received. In this way, the City would be asking employees to do one certification on their own, and an incentive would be awarded for the second certification, which would be a one-step increase in pay.

Regarding the Fire Department, Robertson said the City currently had a position titled Fire Maintenance Specialist, and that the person doing that work currently was a paramedic, and The Group felt that instead of tying that particular function just to a Paramedic, once that person retired or was promoted, the City might not want to be bound by a Paramedic, so The Group recommended a 5% increase to either an EMT or a Paramedic who would be performing that maintenance position in the Fire Department. In this way, the City would have more flexibility. Further, The Group recommended a $25 Special Team Payment per week for special teams for weeks that employees were in training or performing special team activities. Robertson said The Group also recommended a similar stipend for Training Officers and for part-time, on-call Paramedics and EMTs. The Group recommended that the City look at the current structure in which there was really no movement, and what was available for their pay, and to look at giving increase or to develop some kind of salary advancement structure for those employees.

Brooks commented that he knew training was very, very important for all employees of the City, but particularly for Firefighters because training represented a significant portion of time when the Firefighters were not actually out firefighting. Brooks asked if, when an employee went into training, the training was additional to their normal responsibilities, or if the training was part of their responsibilities, and asked what the employee would be doing if they were designated as part of a special team.

Acting Fire Chief, Stony Lohr, addressed Council and stated that special teams were in addition to their regular duties (i.e., the HazMat Team, which was a highly technical and much more dangerous position). Brooks asked if employees rotated through the special teams for brief periods of time. Lohr responded that once a team was designated, it would depend on how many training events they attended or how many events they responded to, and that once an employee was on a team, the employee stayed on the team until they no longer wanted to participate. Brooks asked why The Group chose to pay the team members $25 per week as opposed to the training being a part of the employee's job when they were on the designated special team, or if they had the duties of performing as a training officer, why wouldn't they get a step increase by classification. Robertson said that Training Officers or Special Teams was usually something an employee would do of their own volition, and employees participated because they had an interest in it, and because they had the capability. Further, a lot of times things might come up in the employee's lives that would make that extra effort something the employee could not do. For example, if an employee were on a HazMat Team, there might be times an employee would have to get off the team for other reasons, and that if the pay was in a pay structure, then the employee would be in a particular spot in the Pay Plan, and then when they came off the team, the City would have to lower them; in effect, it was not technically a demotion, but it would be viewed as a demotion. Robertson explained, for example, if the employee was at Step 9, and the employee got off the team, the City would have to put that employee at Step 8. Robertson said if the City did it with a stipend structure, when someone came off a team, they would no longer receive the stipend for as long as they were on the team and for whatever reasons they had to come off the team, but the employee would not suffer any damage to their base pay.

Regarding the Police Department, for Uncertified Police Officer, The Group recommended they be hired at 5% below the minimum of a Certified Officer, and when the Officer received the certification, the 5% increase would be advanced. For advanced certifications, with the City Manager's approval, The Group recommended that Police Officers be hired two steps above the hiring rate, and for current employees who obtained an advanced certification, a 2-step incentive was recommended. On special teams, overtime compensation was recommended for any activation of the special team. Further, this request came from the special team commander who advised he did not want anyone on his special team if they were there just for the money. The special team commander wanted to be sure the employees participated because they wanted to be there, but The Group felt there should be some recognition for people who served on the SWAT Team or SRT. The Police Department already had a Field Training Officer stipend, and The Group recommended that this current form of compensation be continued.

Robertson advised that once The Group started appeals, they would be able to make a recommendation regarding Fair Labor Standard Act designations for all positions, and would also recommend a strict adherence to Fair Labor Standard Act provisions on overtime.

Lt. Mundy addressed Council again and asked them to refer to Page 12, which included a recommendation that all future promotions require the employee to have Paramedic Certification. Robertson said this was currently in debate, and that was The Group's recommendation based on other fire departments The Group had dealt with in the past – there were debates on either side. Robertson continued that there were two sides – one was that if you had someone genuinely gifted in command, who understood when they needed to delegate to someone who knew more, and to lock them out of the command structure might be a disservice to the organization. Robertson added that he did not think the requirement had been totally decided. Mundy said he guessed that would be one of the issues if Council chose to adopt the Plan. Lenox stated he regarded that as a philosophical decision rather than a Pay Plan decision. Lenox said the impression Council got was that it wasn't necessarily the standard – there were departments that did it both ways and came as something Council might want to consider or recommend, and he thought they certainly needed to consider it. Lenox said part of that would be a discussion with the department and with senior staff.

Basinger said that decision was really a department decision that Mundy really needed to work with the other management people in the department on because that decision was made at the Fire Department level and not by the City staff. Mundy said all he was asking was why that was left out because he thought they skipped over it. Basinger said it was left out because the Fire Department asked for it to be left out, and that Robertson did not skip over it, it wasn't in the report. Mundy said he was trying to determine who the ultimate authority would be regarding the decision on the Market Impact Positions. Robertson said Mr. Basinger would make that decision.

McMenamin asked, when The Group made recommendations, if department heads and the City Manager have some input into agreeing with The Group at some point before the Plan was finally developed, or how many stepsThe Group went through before the first draft was ready, and what The Group's dialogue with staff had been throughout the process initially. Robertson said The Group was not keen on surprising top management staff and that they tried to touch base at every point along the way. McMenamin asked if there had been a debate on some of the issues. For example, The Group explained their reasoning and the department head had the opportunity to express their concerns or disagreements, but then how was the decision made. Did The Group always agree with the department heads and staff's recommendation or did they sometimes win because The Group thought their ideas were the best. Robertson said there were some issues about which The Group felt very strongly, and in those cases they made the case very strongly. Robertson added that there were issues in the interviews that they had told employees they would do, and bring forward, and that was something they always did. He said further that, one thing to keep in mind when the study was over, was that The Group would go back home and the last thing they wanted to do was to leave Council with something that would cause internal strife and would be debated after they left. McMenamin said she hoped the department heads and staff would be looking out for the City's employees, and that they would try to argue on the best side of the employee or at least obtain an opinion from The Group as to what was the best thing for the employee.

Lenox asked if there were any other questions, comments, or input and if everyone was comfortable with continuing the process at this time because he thought that was what Council needed to do. Fritz said she was not comfortable with it, that she would like to have a couple of workshops because she had a lot of questions about things that should be discussed in a workshop. Lenox asked Fritz if her questions were about the process or the market analysis or did it deal with individual cases in question. Fritz said some were to do with the process and some with individual cases that were in question, and the process by which they were reached. Lenox said Council should be very concerned with the process, the accuracy of the market study, and with the philosophy of the level at which the City's employees were to be paid. He continued, saying he did not think it was appropriate for Council to be concerned about individual employees unless there was an argument that could not be resolved with the consultants and the staff because that was staff's job. He said the only way to resolve any problems with the City's 200 plus employees was when the Plan was finalized. He thought perhaps 90% of the City's employees would be happy with what Council decided and 10% of the employees would have a variety of questions relative to their grade, classification, or pay, and that 90% of those issues would be resolved through meetings and open discussions. However, Council would not get to that point unless they agreed that the basic process was pretty good, and he was satisfied that it was. Lenox said the consultants had an excellent reputation, and they had recommended a Plan that was more sophisticated and more flexible than plans used in the past. Lenox said he thought the City had done a pretty good job over the past ten years and that it was timely to conduct the study at this time to determine where the City should be. He said he did not want the process to be held up because he thought the employees should know what their salary would be next year as soon as possible. Fritz said she did not have a problem with the market analysis or with The Group, but that she did have some questions and issues with the process and staff's involvement with it, and would like some time to discuss this a little further. Fritz added that she was still not sure where this would end up with all the steps and reclassifications, and was having a hard time putting it all together.

Lenox said it was the Council's job to set salary levels and do everything they could tonight within the parameters of the philosophical direction, and that the direction was to survey the market very carefully, characterize and categorize every job very carefully, and then Council would want to pay all of the employees above the average of what was determined. He said beyond that point, he really viewed it as largely a staff function to implement the Plan unless there was some major problem in which Council needed to become involved.

Brooks said philosophically he agreed with what the Mayor said, and he thought Council's overall role in the process should be one of guidance. He said he thought Council should go to the point where they felt comfortable with how positions had been reclassified. But then, at the point where that fit in individually, and where people started to get plugged in, some of that should already be defined and certainly that was not Council's role; it was staff's role if Council felt comfortable about it. Brooks said further that he thought there were some concerns regarding the transition area between implementation and general philosophy. He said that these concerns needed to be addressed and Council needed to feel comfortable before they proceeded. He also said Council needed to work through this fairly quickly and that part of the problem and part of the reservations were that the City started a little late with this a few months ago and Council felt under the gun. Brooks said he thought he was right in the middle because he heard Fritz' concerns, and was sympathetic to them, and that certainly Council should take the time to go through those concerns. However, at the same time, most of Council's concerns should be on the level that the Mayor had just described.

McMenamin said she would agree with that, and that her problem was not so much with the process, that she knew it took a long time to match it all up, put it together, understand it, and that even after several meetings with the staff, it was very hard to read and match and compare pages. She said the easiest part of it was probably the process, but there were still some problems within the process that she had concerns about.

Brooks said his one overall general concern was, and agreed with the Mayor that the City did have a very good group of employees, who were better than average, that they needed to be compensated accordingly. Further, the City had the least number of employees per capita of any other City or County in the area and that Council was very well aware of it and very appreciative of it. He said his first reaction was that if the City was going to have a basic pay rate, minimum and maximum, that that basic pay rate should be at 50% from the standpoint of how the pay grade was set up and then move people within the pay grade and manipulate them that way, but at this point in time, with some of the information he had seen, he was not sure if this undermined what the City was trying to accomplish. He said, the market that was used for the survey, which was the total Atlanta-Metropolitan area, and included Alpharetta and Roswell, and that even if the City came in at 50% of the overall metropolitan area of Atlanta, it would still put the City above average – at about 60%. He said if the City came in at 75% of the overall market, it would probably put us at 80% or a little above on the south side of I-20. Brooks said he was trying to be honest, but at the same time he wanted to be able to accomplish the goal that the Mayor expressed, which was that the City had a better than average group of employees and they should be compensated in that manner, and the easiest way to do it might be to put everyone at the 75th percentile. Brooks said, however, that he understood there were some implementation concerns.

Basinger addressed Council and said if Councilmember Fritz had concerns, that possibly Lenox and himself or two Councilmembers and himself could talk about the concerns and determine what could be done to resolve them. Fritz said that was possible.

McMenamin said she was more interested in the dialogue that Robertson had shared with the staff and with the department heads. Also, she was more interested in the appeals process for the employees as far as the compression that might take place. She said further that those were her general concerns, but thought they were after the process. She said her biggest difficulty was keeping track of making sure the Plan was done right for the employees, and that while she kept hearing that Council should not think of employees as individuals, she had difficulty not thinking of the employees as individuals.

Robertson advised that part of the process was to address employee concerns through the appeals process. He said basically no one had a classification until the appeal process was completed. McMenamin said she had forgotten that point because Mr. Basinger had told her that one other time and that it was an important clarification. Robertson said at the beginning of the study, for The Group's purposes, no one had a job description, they did not look at job descriptions, and if an employee said he needed eight years experience to do this job and the job description said four, it was immaterial to The Group and they would usually take what the employee said. He said further that it would have to be reviewed by the employee's supervisor, and that The Group did not look at the job descriptions for the study, and that there were no job classifications until the end of the study when the entire appeals process was completed.

Basinger suggested Council adopt the Plan tonight, noting that the City would have the appeal's process, which he understood would be handled strictly by The Mercer Group. Then, if there were further problems that had not been resolved after the appeal process, maybe he and several Councilmembers could discuss those individual situations.

McMenamin said her concern was more with compression. For instance, the Fire Department. - just because they were a group of people that might be very close in time and rank, there might be a larger group of people being compressed. She asked Robertson if he would view those employees as a group or as individuals? Robertson said that all the EMTs would be viewed as a group. If one EMT appealed, and that appeal was granted, that appeal would apply to everyone in that position.

Fritz asked what would happen if Council had a concern about a market value maybe being a little over rated, and that obviously the employee would certainly not appeal the process if that happened. She asked how Council would bring that into effect? Robertson said the market did not determine anyone's individual pay grade or salary, that they looked at the market to determine the overall pay plan. He said further that there was no market data to bring into the appeal to say a specific salary was too low; the market data was considered in the overall pay plan. He said if they had eight or ten other organizations *exactly* like Peachtree City, they could do a one-to-one comparison on position-to-position for salaries, but he did not know of any other single organization exactly like Peachtree City. He said the market had to be for overall pay plan purposes and Council could set the overall pay plan at whatever level Council desired, but once the overall Pay Plan was set, that would be the determinant of minimum and maximum salary ranges for every employee.

Lenox said, if there was a particular classification that Council or staff felt something was wrong within the study – whether it was too high or too low – then certainly it was Council's responsibility to give input on this. Robertson said that would be along the classification line, and that classification was open for discussion. Robertson said once they started outside of the concept of Market Impact Positions, and once they started bringing market to bear on individual salaries and individual pay grades, it degenerated very fast and the City would pretty much lose all the internal equity gained through the use of a factor evaluation system.

Fritz said she felt like she was being told on one hand that this was none of her business, and on the other hand she was being told yes, maybe she could have some input. She asked if she approved the Plan, was she out of the process? Lenox said he was not ready to approve the entire Pay Plan so to speak, but he was satisfied with the process, and that the process at this point was only two-thirds of the way there. Lenox said Council had a very important part of the process yet to go, and in doing that, Council would find out if there were any major problems or not because they would then find out if they had any appeals. Lenox said he thought they needed to discuss it further, but he was just trying to get a sense of Council as to whether to proceed with the plan.

McMenamin commented that perhaps Robertson could make Councilmember Fritz more comfortable with the appeal process. Robertson replied that The Group would make sure every employee knew they had the right to appeal. Employees would be given a description of their job from the factor evaluation system, and the employee would be advised where (within that factor evaluation system) their particular job fell. He said a lot of times you had to make sure the employee understood that when you were looking at a particular position and you were classifying it against factors – one factor – the overall word for it was that it was at the *mastery level* and a lot of people, especially in skilled trades would look at that and say they *were* a master of their skilled trade. However, when you were looking at the overall organization, the only person that had the mastery necessary to administer the entire organization was Mr. Basinger. He said further that one of the functions of the appeal process was so that people could actually get into the process itself and look at their ten factors when compared to the overall organization. Further, a lot of the appeal process was about people understanding how The Group came up with the recommended classification, and that was something that was absolutely necessary for employees to accept a pay plan. He explained that a lot of the pay plan was acceptance, and that usually when The Group went through the appeal process, they would show the employees how The Group had arrived at their classification, that the supervisor would be there, and questions about what the minimum qualifications for the position would be addressed. He explained further that most of the appeals were agreed upon as to whether the position had been properly classified, but that The Group never went on the assumption that someone would understand the process in the beginning.

Brooks said he had some concerns philosophically about an overall rate plan, as far as a minimum and a maximum, but after listening to some of Robertson's comments, for Council to suggest an overall minimum and maximum, would totally mess it up and cause the implementation to be reworked. Brooks said, from the standpoint of staff guidance, he felt comfortable with implementing the Plan at the 75th percentile. He said he thought the most important thing for Council to do that evening would be to come to two conclusions. One was that Council should feel comfortable with the overall process and whatever reservations Council still had, they could be worked out as part of the continuing process. And, two, was for Council to be able to take some kind of monetary value into the budget discussions that would take place after this agenda item was concluded.

Brooks made a motion to accept the presentation of the Pay Plan and Classification Study, that Council agreed with the general guidelines and information that had been collected, and that the 75th percentile of the market be embraced. Brooks then asked Fritz and McMenamin if they felt comfortable implementing the Pay Plan on October 1st. McMenamin said she thought Council wanted to go through the process before they actually adopted the Plan. Fritz said she thought there was a lot more to it. Brooks then made a motion to go on with the process.

Robertson said from a consultant's standpoint, he liked to believe that people stepped back and only looked at things from a pragmatic standpoint, and that a lot of times whether someone would appeal their position or not, had a great deal to do with their salary. That, without deciding on the 50th or 75th percentile, usually the appeal was opened after people were notified of their position title, their grade, their step, and their salary. He said that was the complete body of information an employee would need to have before they decided whether or not they were going to appeal. Brooks said that was why he made the comment about the 75th percentile. He said he felt comfortable with that because it was the most pragmatic way to achieve the goals Council had discussed. Fritz said those were the kinds of details she had been looking at in order to be totally comfortable with everything.

City Attorney Rick Lindsey addressed Council and stated that a second was needed for the motion before any further discussion, or the motion would die. Brooks restated the motion that Council accept the Pay Plan and Classification Study as presented, acknowledging that it was still a work in progress to some extent, and that Council accept it at the 75th percentile of the market so that further implementation and the appeal process could be implemented. Lenox said he would add to the motion that it be continued to the next meeting. Fritz advised she would not be in attendance at the September 20th Council meeting.

McMenamin asked if that would give time to complete the process, the appeals, the interviews with the employees, etc. Robertson said there were some administrative things he did not really have control over and did not know what kind of corner Council would paint themselves into by telling someone what their salary would be before the beginning of the program or fiscal year. He said the employees would have to be notified of their salary, grade, step, and title, and then be given probably at least two weeks to decide on whether or not they wanted the appeal and, during that time, give the employee the guidelines for preparing the appeal before handing it back in.

Lenox said what he thought he was hearing everyone say was they were all comfortable with the process, but that he had not heard anyone express any problem with the 75th percentile. He said had essentially completed their study to the point where Robertson was prepared, with Council's approval, to go to each employee and say this is your title, your grade, your step, and this is what you're paid, and this is how the Plan worked. Lenox said if Council was philosophically comfortable with the 75th percentile, it seemed they should proceed with that because how else would Council find out if they had any misunderstanding problems.

Basinger said he thought what Council was saying was that they wanted to hear the results of the appeal process and be sure all of those were worked out before Council approved the Plan. McMenamin and Fritz agreed that was correct. McMenamin added that, once the Plan was approved, it was retroactive until October 1st as far as the pay was concerned, so that it could be plugged into the budget at the 75th percentile right away.

Lindsey suggested they bring the matter back for discussion at the October 19th Council meeting because he felt Council would need about six weeks to accomplish this. Lindsey advised this should be the last part of the motion, and that a second was still needed before any more discussion. Lenox seconded the motion and said he wanted to make sure Council did this correctly, that Council was comfortable with the decision when they made it, that Council might need to continue the process until they got comfortable, and that Council agreed on that the 75th percentile was appropriate for the City's pay scale. He said he thought he had heard from Council, at one time or another, agree that however long it took them – hopefully by the end of October – that any increases would be retroactive to October 1st. Everyone agreed they were comfortable with that. Lenox said they would continue the matter until the October 19th, giving six weeks to go through the notification, appeal and discussion process. Lenox asked for all those in favor, motion passed unanimously.

Lenox announced that Council would take a two-minute recess.

09-00-02 Public Hearing – FY2001 Budget

Basinger addressed Council and stated that a Budget Workshop was held on July 20 at which time the proposed Fiscal year 2001 Budget and Public Improvement Program was discussed in detail. Basinger said Council would again discuss both the proposed Budget and Public Improvement Program, but at this point, staff did not plan on getting into the level of detail provided at the Workshop unless Council so desired.

Basinger continued, saying at the workshop staff discussed two items that were not included in the budget at that time, but were included in this budget. As reflected on this chart, one was the Pay Plan that Council had taken action on earlier tonight, and the second was the three new firefighter positions.

Basinger said the FY2001 budget totaled just over $27.0 Million dollars compared to $24.7 Million in 2000. He said year in and year out this increase was really not meaningful due to the varying amounts of carryover projects. In fact, the re-budgeted program totaled almost $5 Million for 2001 and included the new Police Station. In addition to the re-budgeted items, the larger expense areas included the Operating Budget at almost $13 Million, the PIP at over $3 Million for FY2001, Debt Service at $731,000 and Self-Insurance at just over Two and One Quarter Million dollars.

Hearing no questions or comments, Basinger then addressed the major revenue and expense sources in the budget. Basinger asked Council to please note that General Fund revenues were projected to total just over $16.5 Million dollars. This was a 4.23 % increase in projected new money or $669,700 - certainly, a conservative projection. Basinger commented that, as he had stated each year, this new money was the key measurement in evaluating budget increases.

Basinger explained further that the City's major sources of revenue continued to be Local Option Sales taxes and Ad Valorem Property Taxes. He said staff was projecting a conservative 3 percent increase in the LOST and an 8 percent increase in the Ad Valorem Property Taxes. The 8 % projected increase included both reassessment and growth. He said until the City received the digest, which he understood would be delivered tomorrow, staff did not know what percentage would be growth and what percentage would be reassessment. In addition, a new State law required Council to either roll back the amount attributable to reassessment or publicly advertise it as a tax increase. Basinger said the budget presented was based on no roll back. Basinger pointed out that Building Permits and related revenues were projected to decrease due to the continuing decline in residential development.

Hearing no questions or comments, Basinger continued and explained that the pie chart reflected on the screen indicated the percentage of revenue by source. Basinger said further that LOST accounted for the largest percentage, followed by Ad Valorem Taxes, and in third place was Utility Franchise Taxes.

Basinger continued and stated that the budget was based on the current millage rate of 4.06 Mills, which had been the rate for a number of years now. Basinger asked Council to please note the drop in the rate over the years.

Basinger said if there were no questions on revenues, he would discuss expenses. He said the first major expense was the Operating Budget. The Operating Budget at the Workshop represented a 6.51% increase with the major increases in the Public Safety areas of Fire and Police. However, as stated earlier, the three additional paramedic positions and the Pay Plan Study had impacted the total Budget. Basinger asked Council to please note that the Pay Plan costs were a separate line item at the bottom and had not been disbursed throughout the divisions, and would not be disbursed until Council approved the proposed Employee Pay Plan. He said the Operating Budget now totaled $12,892,919 or an 11.82 percent increase.

Basinger stated further that the bar graph being displayed on the screen compared the Division Operating budgets by dollar allocation. He said one could readily see the importance that Council placed on Public Safety, Leisure Services and Public Services, that .87 cents of each dollar was spent on Public Safety, Leisure Services, Public Services and Developmental Services, and that only 13 cents of each dollar was spent on the Administrative and Financial operation of City government.

Basinger said regarding the new Personnel Positions, that a major on-going cost in the Operating Budget was new personnel. At Retreat staff briefed Council on the need to add 9 full-time positions and one part-time new position. This included 3 maintenance workers, a Librarian, a part-time Developmental Services secretary, a Fire

Department Secretary, a Police Captain, and 3 Firefighter Positions. As stated earlier, the Fire Chief had requested to add 3 more firefighter positions for a total of 6 in FY2001.

Basinger said further that, periodically Council was shown a chart that compared Peachtree City with other municipalities in the Atlanta area based on the number of employees per one thousand population. Due to the number of employees staff was requesting this year, he thought it was appropriate to update that chart. He said the City still had the lowest ratio in this area. Basinger added that to ensure the comparison of apples to apples, employees assigned to utilities operated by any of these cities were deducted from their employee count.

Basinger discussed the status of the Council Contingency Fund, which had been funded in the amount of $ 700,000. As requested by Council at Retreat, staff had already set aside $25,000 of this amount for contracting with non-profit organizations.

Basinger continued and said that the Self Insurance budget totaled $2,257,157 and included just over $938,000 for employee's Health expenses, $219,000 in property and casualty insurance coverage, plus $1,100,000 in Cash Reserves in the Self-Insurance fund. Basinger advised that this met past Council's objective of keeping at least $1 Million Dollars in Self Insurance reserves.

Basinger said the City's Debt Service Fund totaled $731,429 and included the Recreation bond issue and the GMA brick and mortar program financing for the new Police Station.

Basinger advised that this concluded his presentation on the proposed 2001 Operating Budget and asked if there were any comments or questions before he discussed the Public Improvement Program.

In response to Fritz's question regarding the $25,000 set aside for contracting with non-profit organizations, Basinger confirmed that Senior Services was included as a line item under the Council Contingency Fund.

Brooks said his paperwork indicated that Council Contingency was $861,000. Basinger said the City had money set aside for land acquisition, but that the new money going in the budget this year was $700,000 and that the money for the land acquisition was being carried over.

Basinger stated that the final major item area he would like to cover was the Public Improvement Program. As reflected on the chart presented, the FY 2001 Public Improvement Program totaled just over $3.2 million dollars. At Retreat Council wanted additional funds placed in Street and Cart Path Maintenance and that had been done. Major projects included the Sumner Road reconstruction, The Gathering Place expansion, improvements at the Amphitheater, the Multi-Purpose Rink, the Neely Fire Station renovations, the Police Vehicle Lease Program, and the Facilities Build-out Plan.

In response to Fritz's question as to whether the Public Works' mower blades were adjustable, Basinger said he would get clarification on this from the Public Works Supervisor, Bobby Thompson.

Basinger said that at Retreat Council had also directed staff to move up the Library expansion from 2003 and 04 to 2002 and 03. He asked Council to please note that Phase I of II of this addition had been funded and said that Phase II of II was in the 2003 PIP.

Basinger advised Council that there were several carryover projects of public interest on which he would like to comment. First, was the Police Station, which was on schedule and was projected to be completed by December 10, 2000.

The next project was the Highway 54 Cart Path Bridge. The bridge had been closed to golf carts due to deterioration of the approach spans. He said the spans were on order from Steadfast, the Alabama fabricators that built the bridge. However, the City was having problems with Steadfast in giving our spans some priority. Since Steadfast did such a good job on the bridge structure, staff would prefer to stay with them on the approach spans. He said staff did have another delivery date set for the end of October. In the meantime, it was just not safe to reopen the bridge and that, and that the City had received some citizen calls on this issue due to the lack of activity. Basinger said he hoped the City would receive some media coverage on this issue.

Basinger continued and stated that the final project that had significant public interest was the signalization of the Highway 54 and Flat Creek Road intersection at City Hall. He said that the poles for the signals had been delivered and placed on the right-of-way of the Northwest corner of the intersection, and installation should start next week, weather permitting.

Basinger concluded his comments on the Proposed 2001 Budget and Public Improvement Program and said that staff recommended Council's approval and would be pleased to answer any questions Council might have.

Basinger added that no action was necessary this evening because there would be another public hearing on the proposed budget and staff would ask for Council's approval at that time.

Brooks pointed out that Council had wanted a Cash Reserve Fund of about $1 Million, and that last year's Fund was approximately $800,000. He said this year, the City had surpassed that amount and felt that it was important to have a good Cash Reserve Fund because it had helped with things like improvement of the City's bond rating. He said further that the City was no longer in a position like they were ten years ago when the City had to worry about Tax Anticipation Notes, etc. He said he thought the City might want to consider using some of the Cash Reserve Fund, decreasing that and rolling back the millage rate so that it equaled the increase from the assessments. Brooks said further that he wanted to introduce this philosophically and that, as staff received numbers in the next few days, this could be discussed further. Brooks added that if you look at the Council Contingency Fund and the Cash Reserve Fund, that that was $2.4 Million.

Basinger said in the Council Contingency Fund, the City had $700,000 *unallocated*. In Cash Reserves the City had $1.6 Million, and that staff's objective was to have 90 days in Cash Reserves, which meant the City needed $2.8 Million. Brooks said that was why he thought a philosophical conversation was needed, but that he understood the City would have income coming in periodically during the year for cash flow. However, this general fund Cash Reserve was money that was just sitting aside in an account that was not committed to anything and was an unrestricted source of cash. Basinger said the Council Contingency Fund was strictly in case of an emergency situation or they ran out of cash. He said based on the recommendations of the Georgia Finance Officer's Association, (the experts in that area), the City should have three months of cash reserves, but that Council did not have to follow that principal.

Lenox said he thought Brooks had a good point that warranted a good philosophical discussion, and that he would rather do it in the context with the Digest and the Millage Rate information.

Steve Brown addressed Council and asked if the City had a priority list for land acquisition or a timetable.

McMenamin said her top priority was Drake Field, and that perhaps the rest of Council had the same priority. She said it was zoned Commercial, and she would love to have that piece of property for the City.

Lenox said there was a lot of property in the City that was well situated, and he thought the old water treatment facility that the County owned, the parcel behind Photocircuits, and Drake Field were three important parcels of land.

COUNCIL/STAFF TOPICS

Basinger announced that the Council meeting for Thursday, September 21st had been rescheduled to Wednesday, September 20th.

Lenox made a motion to take a five-minute recess and to reconvene into Executive Session to discuss a personnel matter. Brooks seconded the motion. Motion carried unanimously.

EXECUTIVE SESSION

No action was taken in executive session.

Lenox made a motion to adjourn the meeting. Brooks seconded the motion. Motion carried unanimously and meeting adjourned at 11:00 p.m.

Attest: Robert L. Lenox
Mayor Robert L. Lenox

Gloria Reid
Gloria Reid, Executive Secretary