

Covington City Council Meets for Two Day Retreat

COVINGTON, Ga. (February 7, 2020) – City of Covington elected officials, city manager and others met at the Georgia FFA-FCCLA Center for a two day retreat on February 4-5, 2020. The first day's agenda included a discussion of the goals and vision of the elected officials, quality of life initiatives for citizens and employees, a discussion of the Enterprise vehicle management contract and project updates for Covington Town Center and Three Ring Studios.

The day started with a discussion of the Economic Development Department, which currently housed at the Chamber of Commerce. The Chamber has decided not to provide E.D services effective March 31, 2020 and the elected officials agreed to explore all options as it relates to the future of economic development in our community.

Council representatives met with Newton County governmental leaders to discuss a partnership as it relates to economic development functions. Moving forward, city leaders will entertain all options while consideration is given to cost, direction and vision as it pertains to the future of local economic development services.

City officials are committed to doing what is best for all parties involved while being responsible to the citizens of Covington, while continuing economic success.

The next order of business was a presentation from Enterprise Fleet Management, explaining the city's current agreement with elected officials. Enterprise manages 2.1 million vehicles annually.

“Government entities do an amazing job of purchasing vehicles at a low cost. The issue is created when the vehicles are kept too long, maintenance and fuel costs rise and the vehicle is sold well past its life.

“That is where organizations lose money, but that is where Enterprise comes in. The resell market is doing well and when you combine your low purchase price with a high resell price, you can use a vehicle for pennies on the dollar. Enterprise watches market trends and pinpoints when to sell the vehicle to maximize the sell price.”

Because they receive lower prices because of their bulk purchases, Enterprise currently purchases vehicles directly from the factory and has them sent to local dealerships for preparation for pickup. The local dealerships receive a small payment for preparing the vehicles for pickup. Moving forward, Enterprise has agreed to explore purchasing vehicles from local dealers so they can receive a payment in addition to the preparation fee.

The next item on the agenda was an update on the Covington Town Center project. Jerry Silvio from Silvio Developments presented the council projections regarding the investment at the CTC project. While shops and businesses will start construction in the coming months, a full build out of the entire property is anticipated in five years. Once complete, Silvio estimates CTC will employ 1,500 people, contribute \$5 million annually in property taxes and \$2.5 million in sales tax. Dedication of roads of completion of street lights are among the final outstanding items.

The City has \$1,130,000 in infrastructure costs with an anticipated remaining expense of \$761,000 after reimbursement of nearly \$400,000 for a traffic signal. A chart can be viewed at cityofcovington.org.

Currently under construction, the city's total utility investment in Three Ring Studios is \$536,000 with an anticipated expense of \$100,000 to complete phase one. A pay back of \$91,000 is expected which will leave the additional investment number at \$9,000.

Day two started with a presentation from the city's planning and zoning department. The importance of zoning, demographics, current ordinances and overlay districts were all discussed.

City manager, Dr. Scott Andrews led the next portion of the day with discussions about the city's organizational chart, hiring processes, studies and potential partnerships.

Electric Director Freddy Morgan discussed the ramifications of the impending completion of nuclear power plant Vogtle. Costs are expected to rise \$8 million per year, over the next five years because of the upcoming electric generation.

In 2019, the city officials created a six-person focus group to review the city's current and future electric situations. The committee made several recommendations to combat the expected rising costs and correlating rates to consumers.

- 1) Reduce transfers to the city's general fund each year, by one percent for eight years.
- 2) Target a rate increase from electric customers not to exceed 1.92 percent per year for the next eight years.
- 3) Utilize funds from the Municipal Competitive Trust to reduce the impact of the cost increases at a level of \$500,000 per year for eight years.

At this point, the city will rely on Electric Cities of Georgia to analyze billing data and prepare a revenue projection for the coming years and then prepare multi-year rate recommendations for the council to consider. The council anticipates discussing the new rate structure with citizens in March.

The final topic of discussion was parks and trails in the city. The council reached a consensus to continue the beautification of Legion Field and the fair building. They also instructed staff to begin planning a three-concert series over the spring, summer and fall at Legion Field. Community reception and participation will dictate future events.

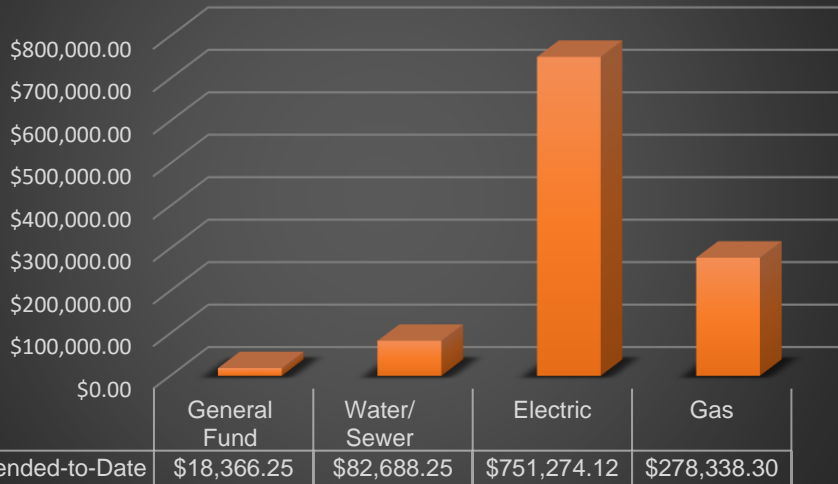
Improvements at Central Park are also planned for the coming months. Trash cans, benches, stairs in steep areas and restrooms are all budgeted for.

The Conyers Street Gym facility was discussed. The historic building has suffered water damage, mold and deterioration. Initial estimates are in the \$2 million range to make the massive building functional. City staff will facilitate a survey of the property to determine the steps needed to stop the decline of the building. At that point, the community can help decide where the building fits into the long term plans of the community.

The City Council meets the first and third Monday of every month at 6:30 p.m. in the Council Room located next to City Hall on Stallings Street. Citizens are encouraged to attend and hear the business of the city.

COVINGTON TOWN CENTER

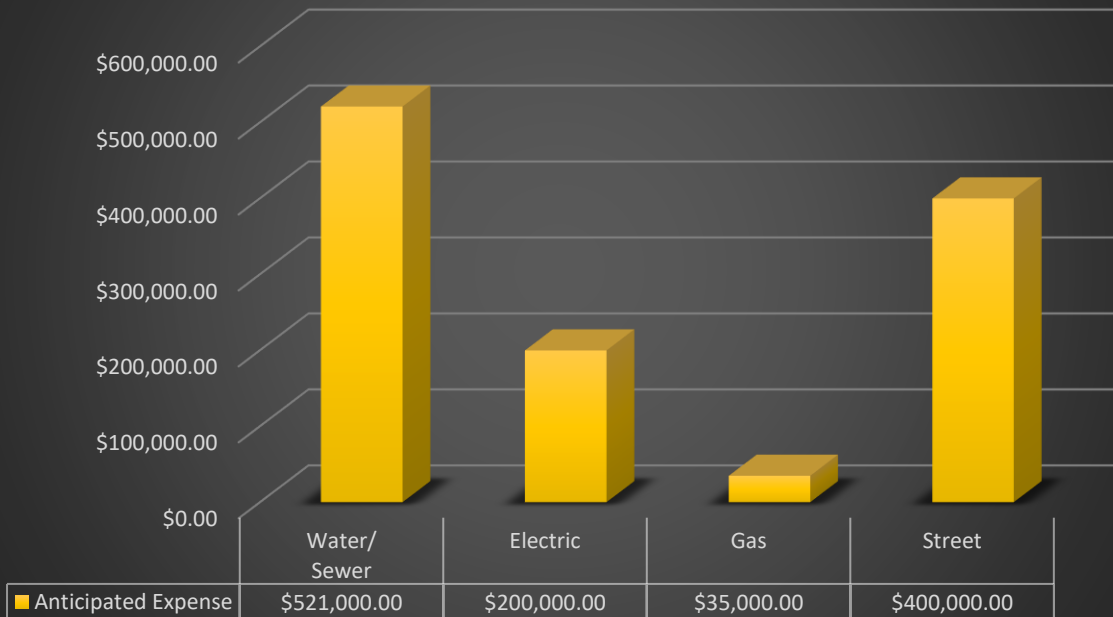
CTC Expended-To-Date



**TOTAL
EXPENDED-TO-DATE
\$1,130,666.92***

** Does not include initial value of land given to developer of approximately at \$1.5 million*

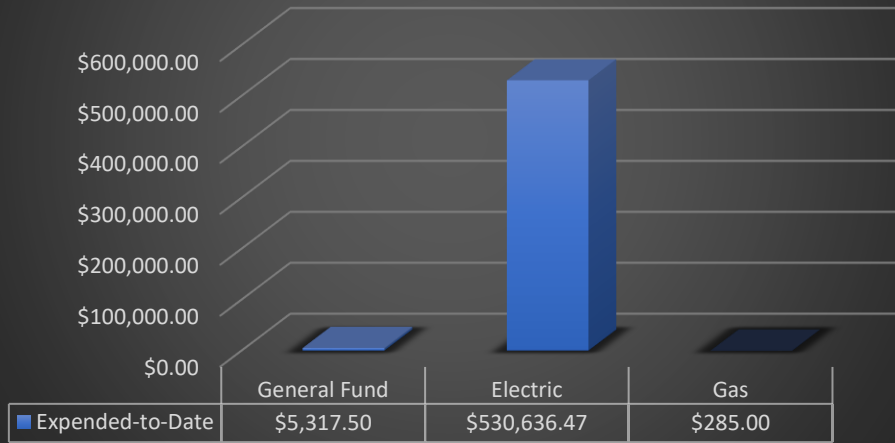
CTC Anticipated Expense



***Please note: The “Anticipated Expense” graph does not reflect a payback of <\$395,000> which brings the total to \$761,000.**

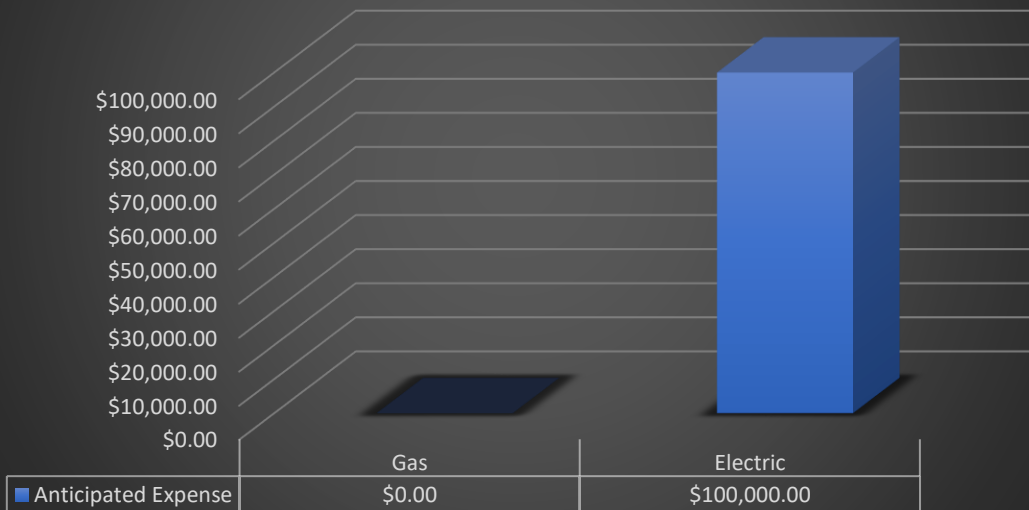
PROJECT 3 RING

Project Three Ring Expended-to-Date



**TOTAL
EXPENDED-TO-DATE
\$536,238.97**

Project Three Ring Anticipated Expense



****Please note: The “Anticipated Expense” graph does not reflect a payback of <\$91,000> which brings the total to \$9,000.***

Above figures are for phase one.