

Special Called Council Work Session of the City of Milton was held on December 13, 2006 at 4:30 PM, Mayor Joe Lockwood presiding.

City Manager Bovos stated this work session was to address the CH2M Hill Contract. He turned it over to the CH2M Hill team for their presentation with a question and answer session following.

Senior Vice President Rick Hirsekorn stated that there were many conversations on topics here and there but he never actually had the opportunity to sit down with Council and go through the terms of the engagement.

Mr. Hirsekorn gave the following presentation:

MILTON CITY SERVICES CONTRACT PRESENTATION
DECEMBER 13, 2006

Agenda

- CH2M HILL OMI Georgia Summary
- Project teams' progress to date
- Key contract terms
- Scope of services

About CH2M HILL OMI

- Full-service engineering, construction, and operations firm
- Established in 1946
- 100% employee-owned
- \$3.8 billion in revenue
- 18,000 employees

CH2M HILL OMI is unparalleled in Georgia

- 38-year history in Georgia
- 1,316 Georgians on staff – 848 in Metro Atlanta
- 60 Georgia cities on our client list
- Solid relationships at state and county level
- Proven experience in Sandy Springs

The CH2M HILL OMI/Milton team continues to drive toward City startup

Actions completed to date:

- Temporary office space, furniture, IT and communications
- City Hall space; programming, design, CM, lease negotiations and signing, assist with furniture procurement
- Hiring of City staff immediately + CH2M HILL staff—all staff either hired or ready to be
- Administration/Operations; support to Aaron, Carol and Jeannette on agenda preparation, business license support, etc
- Public Relations and Communications:
 - Web site development and launch; logo development; media contacts, stories and news releases
- Meeting set-up, equipment and support
- Purchasing—subcontracts and misc goods
- IS/IT/Communications:

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- HTE—Financial systems implemented quickly (relationships , influence and lessons learned
- Blackbear—community development; a few permits already issued
- Computers, telephones and support
- GIS—set up and progressing well; continuing to import, validate and/or correct data sets from FULCO and developing layers for use by staff; annexations and city limit boundaries being input
- Customer service—receptionist enters service requests in GBA Mastery
- **Community Development:**
 - Tagged and readied FULCO files for moving
 - Courtesy reviews (November)
 - Code enforcement
 - Misc info/support on DRI issues
 - Contact with ATL Homebuilders, other groups
- **Community Services:**
 - City limits sign installation
 - IMS planned
 - On-call services and addressing FULCO issues to facilitate handling/completion
- **Grant Writing assistance for public safety and recreation and parks**

Mr. Hirsekorn introduced Gary Miller who is responsible for Development Efforts Corporate-wide and Brent Diemer who is responsible for Commercial Development.

Contract is structured around an equitable risk allocation resulting in an efficient pricing approach

<i>Term</i>	Contract will commence on December 1, 2006 for ten months and will automatically renew for five (5) successive years. The contract provides an option to continue for an additional five (5) years upon mutual consent
<i>Metrics and Benchmarking</i>	CH2M HILL OMI and the City agree to develop performance metrics for City Operations during the first 12 month term
<i>Compensation</i>	Fixed price to be paid in equal monthly installments, annual escalation is set by third party price indexes (CPI, ECI)
<i>Police and Fire Support</i>	CH2M HILL OMI agrees to assist City to develop strategy, upon completion will provide support services proposal
<i>Mobilization</i>	Initial term includes startup and mobilization which provides for use of CH2M HILL OMI City Services facility. CH2M HILL OMI is currently providing services in good-faith.

Scope of services provides Milton essential operations services and customized level of service

<i>Administrative services</i>	<ul style="list-style-type: none"> ▪ Contract administration ▪ Policy implementation ▪ Daily communications (Web site, newsletter, media) ▪ Customer service/call center ▪ Records management ▪ Information technologies and communication/telephone systems ▪ Human resources ▪ Safety
<i>Financial services support</i>	<ul style="list-style-type: none"> ▪ Revenue collection ▪ Capital program administration ▪ Budgeting and forecasting services ▪ Accounting services ▪ Purchasing

Scope of services provides Milton essential operations services and customized level of service options

<i>Public works and transportation</i>	<ul style="list-style-type: none"> ▪ Transportation planning ▪ Traffic engineering ▪ Streets and right-of-way maintenance ▪ Stormwater maintenance
<i>Community development</i>	<ul style="list-style-type: none"> ▪ Planning and zoning ▪ Building and development ▪ Permit review, inspections and issuance ▪ Code enforcement
<i>Parks and recreation</i>	<ul style="list-style-type: none"> ▪ Program administration ▪ Community liaison ▪ Parks maintenance

Rick Hirsekorn went over the following sections and concerns that the Council and staff had with the contract:

- Section 4.3 - Additional Services
- Section 5 – Hour of Operation
- Section 7.3 – Corporation Employees
- Section 8 – Program Director
- Section 9 – Compensation
- Section 12 – Termination
- Section 13 – Default
- Section 14 – Transition
- Section 15 – Indemnification

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- Section 16 – Insurance
- Section 22 – Rights in Data
- Section 35 – Equipment
- Section 42 – Disputes
- Sales Tax
- Performance Measures
- Out of scope items
- Mobilization costs
- Internal Control
- Human Resource Support
- Website
- Future Expansion
- Scope of Services – 2.1.2 – Financial Services
- Scope of Services – 6.1.1.2 – Public Works
- Scope of Services – 7.1.4 – Street & Right of Way Maintenance

Councilmember D’Aversa-Williams stated that they wanted to be frugal with everything to make the right decisions. The Council thanked CH2M Hill for all of its hard work.

Councilmember Zahner Bailey stated that the only questionable thing now is the cost and are we making the best decision from a cost perspective.

Councilmember Mohrig stated that over the years it has been learned that there is give and take between the partnerships. He stated that CH2M Hill will do their best to be efficient, professional and satisfy the City of Milton.

Councilmember D’Aversa-Williams stated that from the City’s perspective we were signing a contract that we would be tied to and we would like for this to be a long-term relationship. Therefore, due diligence is more important now than it ever will be.

Councilmember Zahner Bailey stated that the due diligence is not something that they take lightly. CH2M Hill is customer service driven. The customer service is not to the Council but to the citizens of the City of Milton. From a timing perspective, many on the Council only had the opportunity to see the contract within the last two weeks. She stated that communication is paramount and we should always have this.

Mayor Lockwood spoke highly of working with Rick Hirsekorn and how the organization is determined to see the City of Milton through this process.

Councilmember Thurman stated that CH2M Hill put significant time in before we were an official city. They were helpful in sharing their knowledge of Sandy Springs and how things worked.

Councilmember Elect Lusk asked Mr. Hirsekorn to confirm the Premium Costs of \$250,000 for the Excess Liability Insurance, whether the City could pay on terms, and whether this same policy covered other clients.

Rick Hirsekorn responded that \$250,000 was the cost; it must be a lump sum payment, and it did not cover other clients.

Jan Jones, State Representative, gave praise to CH2M Hill. She stated that three cities have been launched on private enterprise models. No one of them would not have launch if the CH2M Hill organization did not

exist. She stated that the County will be set up on a privatized model as well. She stated that the Governor is interested in doing more.

Lynne Riley, Fulton County Commissioner, stated that we have been the representatives of the community. They had no one else to speak for them and now they do. It is nice to be in a partnership with a self-governance model. It is second to none.

Governor's Commission Chairman Ron Wallace stated that it was a good exchange of questions and answers tonight. Everyone has done a good job at putting CH2M Hill under a microscope. Some significant decisions must be made very soon and he urged them to conclude it, make a decision, and move on. Even though contracts have to be signed, trust must also be in the equation. If the privatization hurts and the City does not like it, at the end of the year, stop doing it and use an alternative. CH2M Hill had a very short time to put a city together, but they exceeded every expectation.

Neal O'Brien, Councilmember Elect, stated that he has been reassured and has consistently seen Rick Hirsekorn at every meeting he has attended through the Governor's Commission. Even though questions may arise along the way, he is reassured that it is in CH2M Hill's institutional culture to respond affirmatively and effectively to them. He could not imagine any details that would emerge that would compromise the long-term relationship.

Mayor Lockwood asked any Councilmembers would be interested in being on the committee of doing the final due diligence on this.

Councilmember Thurman, Councilmember Zahner Bailey, and Councilmember Elect Bill Lusk will be on the committee.

City Manager Bovos stated that the contract will be on the agenda at the December 21 meeting.

Mayor Lockwood asked for CH2M Hill to make the adjustments that were discussed during the question and answer session.

Rick Hirsekorn, CH2M Hill, stated that they would do everything they could to make those adjustments tomorrow.

Councilmember Zahner Bailey asked if there was something that the City did not address towards this contract that they needed in order to make the 21st deadline.

Mr. Hirsekorn stated that everything was addressed.

City Manager Bovos asked did the Mayor or Councilmembers have any reports.

Councilmember Thurman asked when the letter would be available for Mayor Lockwood to sign.

City Manager Bovos stated the goal was for the letter to be available today but was unable to receive it from George before the meeting. It may be available in his inbox upon return and will be distributed.

He also passed out the picture schedule for December 21.

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He reminded the Council there is a ribbon cutting at SunTrust.

The laptops for the Council came in and they were there for the Council to pick up.

The retreat date was discussed and everyone agreed on February 12 – 14.

Mayor Lockwood adjourned the Special Called Work Session at 6:05 PM..

Date Approved: January 11, 2007

Jeanette R. Marchiafava, City Clerk

Joe Lockwood, Mayor