

By policy, minutes are not official until approved by the Board at a future regular meeting.

CHEROKEE COUNTY
BOARD OF COMMISSIONERS
Work Session
August 7, 2012
3:00 p.m.
Cherokee Hall
MINUTES

The Chairman began at 3:09 p.m. with all members of the Board present.

He asked Janelle Funk to present the **June 2012 Financial Update**. Ms. Funk confirmed that all results were materially on track and she explained the General Fund Cash balance is better than expected primarily due to increased tax collections from motor vehicles, tax penalty collections, and intangible taxes related to refinancing and modifications to mortgages. However, these over-budgeted revenues could not be guaranteed to repeat in future years – so while good news for FY 2012, they were not reliable sources to plan in FY 2013.

Janelle confirmed revenues were on track and were expected to exceed budget. She did point out that while EMS revenues would be higher than budget – these represented higher billings, not collections, and in fact EMS collections were not as expected. EMS Leadership was putting significant pressure on the third party biller, ADPI, to correct their performance issues contributing to the lower collections. If ADPI cannot correct performance, EMS is strongly considering putting this business out for bid for a new supplier. She said SPLOST collections continued to be strong. 2012 YTD SPLOST Revenue was 7.5% better than Budget, and it is the County's highest YTD SPLOST collections since 2007.

Janelle confirmed expenditures were also on target and expected to achieve budget. She explained that when comparing 2012 YTD to 2011 YTD the county's expenditures were higher due to an additional payroll cycle in 2012 v 2011, the classification of the TAN loan, and spending on capital projects. She explained these were timing or

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expense classification issues and did not represent overspending. She did express some concern over the increasing number of workers comp claims. She explained it was not out of control, but the County needed to address the trend before more increases occurred. She gave the example that Uniform Patrol had 15 new claims 2012 YTD v 8 claims in 2011 YTD. Fire Fighting had 34 new claims v 23 2011 YTD. She explained Key Risk, the third party administrator would be visiting the county to discuss training issues to reduce claims.

Chairman Ahrens asked about the percentage of Admin costs for workers compensation v true claim cost. Janelle explained Admin costs were not only the cost of Key Risk to administer the claims, but also included the county's excess workers compensation insurance policy, McCart Consulting, State Board of Workers Comp, and payments required to the Subsequent Injury Trust. Mr. Cooper added that \$170K of the admin cost was for stop/loss insurance. Commissioner Johnston asked in the future if Workers Comp could be broken down into more detail.

Janelle said the Insurance Benefits Fund is forecast to incur \$7.4M in costs vs. the \$7.5M Budget, and we could expect the reserve in this fund to grow to \$1.1M which is closer to the recommended level of \$1.2M - \$1.5M (industry standard for medical insurance plans).

Janelle summarized the County's financial status by saying all items appear on track, but the County continues to avoid a cash low point utilizing one-time funding sources, and if the HOST is not approved by voters in November 2012 the County will need to address some serious cash shortages in FY 2014.

Chairman Ahrens asked Commissioner Nelms to give a preview of tonight's proclamation. Commissioner Nelms announced that there 4 teams this past year that won the Georgia Dizzy Dean State Championship. Also, Twin Creeks Softball fast pitch team won the ASA State Championship and a 13 year old baseball team out of Hobgood Park won the 2012 Grand Slam World Series. He said they were expecting about 150 players, parents, coaches and members of the community to attend the regular meeting for the presentation of the Proclamation for **Youth Sports Champions Day**.

Chairman Ahrens asked Jeff Watkins to come forward and present information regarding the zoning case on the agenda. Mr. Watkins said that the **zoning request** which was postponed from the last meeting has since been revised to include conditions that are in agreement with the County and the attorney for Racetrac, Mr. Parks Huff. Mr. Huff came to the podium to answer any questions. Commissioner Johnston commented that at the last meeting he had been waiting for a response by GDOT related to the left-in and left-out access to Hwy. 20 and has since heard back and that he was prepared to accept the request with the 13 conditions as presented but with an additional condition that he

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would discuss during the regular meeting. Comments were made regarding meeting the Canton Street Scapes requirements.

Chairman Ahrens announced the amendment to his portion which was to consider the re-appointment of Marion Wilson to the **Board of Tax Assessors**.

1. Discussion of Regular Agenda Items.

Mr. Cooper went over the **Consent Agenda**:

- Consider acceptance of insurance recovery monies received and budget amendment to increase Fire Fund 270 in the amount of \$3,336.30.
- Consider approval to purchase a replacement John Deere skid-steer loader for the Roads and Bridges Department from Flint Equipment Company in the amount of \$35,670.70. This quote came in under the state contract price from Borders Equipment's quote for a Case Loader; the County has several existing pieces of John Deere equipment serviced by Flint Equipment Company.

Commissioner Johnston asked if the County should take bids if we were using the state contract price for a piece of Case equipment but purchasing a John Deere from another vendor, even if at a lower cost. He also asked if John Deere was necessarily a better brand than Case, etc. Geoff Morton commented that the County has a history with John Deere equipment and is familiar with the service provided by the Flint Company on existing equipment. Commissioner Johnston added that he wasn't necessarily objecting the purchase but had a concern about the substitution of equipment being perceived as inadvertently by-passing the bidding process. Angie Davis commented that although it made good practical sense to go with the lower cost for a brand we are familiar with and a seemingly good end-result, that she would take a look into the matter of interchangeability to see if it is allowed. Mr. Cooper suggested that the item be removed from the consent agenda for further discussion.

Mr. Cooper then went over the items under the **County Manager's** portion:

- Consider approval to award annual contracts for 2012 stone/aggregate purchases to LaFarge Aggregates and Vulcan Materials on an as-needed bases by Roads and Bridges Department.
- Consider approval of request to submit list of eight (8) roadways in need of resurfacing to GDOT for funding under the 2013 LMIG (Local Maintenance and Improvement Grant).

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- Consider acceptance of new state awarded no match DUI grant and budget amendment to increase FY2012 Grant Fund Revenue and Expenditures in the amount of \$4,895.00 for the quarter (July – September 2012).
- Consider approval of the Community Development Block Grant (CDBG) Activities for the additional HUD funding of \$280,574.00 that was approved by the BOC on May 1, 2012 as follows: MUST Ministries, \$150,000.00; Cherokee Senior Center, \$95,574.00; Cherokee County Administrative, \$35,000.00.)

Commissioner Johnston asked if the funding included SPLOST funds for Capital Projects and Mr. Cooper said that they were. Mr. Cooper added that the MUST Ministries portion was going toward the relocation of their offices near the R.J. Jones Library in Canton and said Mr. Don Hausfeld was in attendance tonight if anyone had any questions.

Chairman Ahrens then mentioned the amendment to the County Manager's portion adding the consideration to adopt the revised local EMA ordinance. Mr. Cooper explained that the only changes to the ordinance since the last Board approval were in the formatting of the document and the dates.

Angie Davis then went over the items under the **County Attorney's** portion:

- Hear the appeal of a denial by the Zoning Board of Appeals, Case Number 12.06.0015V, regarding the variance request of Michael Jorge.

Vicki Taylor Lee came forward to present this item. She said Mr. Jorge appeared before the Zoning Board of Appeals at their June 7, 2012 meeting. At that time he requested a reduction in both front and rear building setbacks with the intent to split the lot into two lots for two new residential structures. There was significant opposition from the neighbors, not to the variances, but to the splitting of the lot. The ZBA denied the petition. Mr. Jorge and his attorney worked with the neighbors to revise his request to having only a five foot rear setback variance.

- Notice of annexation from the City of Holly Springs on four (4) properties along Hiram Way.

Angie Davis commented that she didn't see any reason for the Board to oppose the annexation request but that if they did oppose, the deadline to notify the City of Holly Springs was tomorrow.

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The Chairman suggested that the approval of the regular meeting minutes be postponed until the August 21, 2012 meeting. He said he had been out of town and had not had time to thoroughly review the minutes and that although minutes aren't typically verbatim he had some additions he'd like to make for the purpose of memorialization.

Chairman Ahrens then opened the topic of **HOST** for discussion. He handed out a 'working document' of information from his meeting with John Adams and also information he printed out from the web regarding HB 108. Much discussion ensued regarding how the credit to residential property taxes would be handled once the funds were collected. Commissioner Johnston noted that penny tax would have to be collected for a year before a credit could be given and that maybe they should consider a partial rollback the first year and so on. He added that he wanted to have the 'schedule' in place so that the tax payers would have faith that the funds were being dedicated to that purpose. Commissioner Bosch said it would be a good idea to have that memorialized by resolution once a plan was decided on. Chairman Ahrens agreed. He said meanwhile that his goal was to have somewhat of an idea on their approach and how to educate the public by September 1st, and that for September 16th Town Hall meeting they could wing it a little depending on the activity there. Commissioner Johnston added that he would like clarification on whether they have to include Fire or not and Angie Davis said that she would review it. Chairman Ahrens then asked the Board and Janelle Funk to start looking into the matter.

The Chairman asked if there was anything else. Hearing none, Commissioner Hubbard made a motion to adjourn to Executive Session at 4:58 p.m. to discuss personnel issues, pending litigation and property acquisition. Commissioner Nelms seconded and the motion carried unanimously.

Executive Session Followed