

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

**CHEROKEE COUNTY**  
**BOARD OF COMMISSIONERS**  
**Work Session**  
**August 21, 2012**  
**3:00 p.m.**  
**Cherokee Hall**  
**MINUTES**

The Chairman began at 3:09 p.m. with all members of the Board present by reading a few parodies from Despair.com.

Scott Parker of Gallagher Benefits Services provided an overview of the 2012-2013 benefit renewal cost projections during the BOC Work Session. The overview included the County's self-funding structure and year-to-date results as of July 2012. Year-to-date the County is slightly under budget according to Gallagher's calculation method. Additionally, Mr. Parker reviewed negotiations with BCBSGA and requested authorization of the renewal position of fixed costs and program services to be effective October 1, 2012. Gallagher Benefits Services negotiated favorable rates on behalf of the County. Specifically, total annualized savings were \$78,246 over the BCBSGA renewal offer. There was a decrease of \$33,786 to the submitted 2012-2013 budget projection, and the net increase in fixed costs is \$55,476.

Margaret Stallings gave a review of the public hearing for the annual update to our CIE report. Margaret said they collected approximately \$160,000 in impact fees for calendar year 2011. The Impact Fees were down to 10% for five months and at 50% for seven months and resulted in the low amount collected. She said on August 1, 2012 Impact fees went back up to 100%. Margaret said this year the parks projects were added into the Short Term Work Plan. She added that next year we would probably need to make some adjustments to our impact fee calculations by conducting a study to determine if

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

the rate should be adjusted based on the 2010 population and to see if parks bond funding should be accounted for in the Impact fees calculation.

#### 1. Discussion of Regular Agenda Items.

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

- Consider authorization of the renewal position of fixed costs and program services to be effective October 1, 2012. Gallagher Benefits Solutions negotiated favorable rates and the total annualized savings are \$78,246.00 over the BCBSGA renewal offer. There was a decrease of \$33,786.00 to the submitted 2012-2013 budget projection and the net increase of fixed costs in \$55,476.00.
- Consider approval of Business Associate Agreement between the County and Gallagher Benefits Services, Inc. Covered entities are required under the Health Insurance Portability and Accountability Act (HIPAA) to enter into such an agreement in order to protect, use, and disclose protected health information.
- Consider approval of a Change Order to the Professional Services Agreement (PSA) with AMEC for additional compensation in the total amount of \$33,536.27 for full design and engineering services recommended by the master plan for Waleska County Park.

The Chairman presented the slides from the HOST presentation as follows:

#### WHAT IS A 'HOST' ?

- 1% additional sales tax charged on same purchases & services as State sales tax. (exception: grocery is exempt from State tax).
- Primary purpose: Property tax relief on homesteaded, primary residence property.
- Secondary purpose: up to 20% of revenue can be used for Capital expenditures.
- Termination only by referendum.

#### WHY A 'HOST' ?

- Will reduce/remove property tax burden on residents by more broadly spreading the cost to all who use County services, including visitors.
- Cherokee is one of only 3 counties in Georgia that does not use sales tax for

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

property tax relief.

- “Consumption tax” to replace/reduce property tax.
- All residential homesteaded properties – City and County. If not already, must apply by 31 March 2013.

#### KEY FACTORS

- Exemption on County M & O line item for homesteaded, primary residence properties.
- Maximum five acres contiguous with residence.
- Law allows up to 20% for capital. BOC plans to waive this option indefinitely, and use 100% for property tax relief.
- If balance available after H/S exemption, will apply to non-homesteaded and commercial properties.
- No sunset – can only terminate by referendum.

## CHEROKEE By The NUMBERS

### 2012 TAX DIGEST

	Parcels	Assessed value	millage	General Fund Revenue
Homestead Res	48,600	\$ 3.0 b	5.825	\$ 17.6 million
Non –HS Res	14,400	\$ 0.650 b	5.825	\$ 3.7 million*
<b>sub-total</b>	<b>63,000</b>	<b>\$ 3.650 b</b>	<b>5.825</b>	<b>( \$ 21.3 million )</b>
Other	tbd	\$ 2,650 b	5.825	\$ 15.3 million*
<b>TOTAL</b> per millage adoption		<b>\$ 6.300 b (gross)</b>	<b>= &gt;</b>	<b><u>\$ 36.6 million</u></b>

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

HOST penny generates => approx. \$ 30.0 M / Yr.

= 100% Homestead exemption (\$ 17.6 m )

= leaves Balance for other property \$ 12.4 m

= Remaining Real Property Balance, 'Non HS and other ' is \$ 19.0\*, per previous summary.

If so, could exempt approx. 65 % of all remaining

This would likely decrease if more residential is added. Offset is incremental sales tax collections

- Example - new outlet center opens in mid-2013.

CHEROKEE COUNTY / HOST - Other

- Not a 'guarantee' to eliminate County M & O, but a promise to apply 100% of sales tax revenue.
- County can collect up to one full year of revenue before applying exemption. This can build back much needed cash reserves. Options to apply sooner being reviewed
- Average value of H/S property: \$ 175 k uninc and \$ 150 k cities. At \$175k, County M & O is approx. \$ 350.00
- How much does one penny cost a County resident ? About \$250.00 - \$300.00 per yr. Consider that visitors who make purchases pay a percentage of the penny collected ... is it 10 % or 25 % ? Take your pick
- Huge benefit to Seniors who already have school exemption – only parks and fire remain as property tax obligation.

Discussion and comments among the board included various scenarios of applying credit back to the tax payers if the HOST passed. They all agreed that once the plan was decided on, they would adopt a resolution to show good faith to the tax payers that 100% would go back to the tax payers. They plan to strongly encourage any future board to adhere to the resolution as well.

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

---

The Chairman asked if there was anything else. Hearing none, Commissioner Hubbard made a motion to adjourn to Executive Session at 4:49 p.m. to discuss personnel issues, pending litigation and property acquisition. Commissioner Nelms seconded and the motion carried unanimously.

Executive Session to Follow