

CHEROKEE COUNTY
BOARD OF COMMISSIONERS

Work Session

December 4, 2012

3:00 p.m.

Cherokee Hall

MINUTES

The Chairman began at 3:05 p.m. with all Board members present. The Chairman announced that Senator Chip Rogers had resigned to take a position at Public Broadcasting System. He then proceeded to read from "Fearless to a Fault" about a Roman Emperor who "had everything except a character of integrity and that's the one thing a leader simply cannot do without."

The Chairman introduced Misti Martin, President of Cherokee Office of Economic Development (COED) and Marshall Day.

1. Presentation by Misti Martin and Marshall Day for quarterly update on Economic Development.

Ms. Martin gave an update on various economic development activities. She stated she will review existing industry growth, our Cherokee 75 Corporate Park, and our new prospect activities, beginning with existing industry growth. She said that we have had thirteen industries expand in 2012. She said that a survey will be conducted in April 2013 to view patterns. She said they are currently calculating investment and job creation numbers which would be presented in January.

She then discussed the Cherokee 75 Corporate Park, Phase, stating that it should be complete in early first quarter. Ms. Martin shared that the County received "GRAD Ready" certification, which is Georgia Ready for Accelerated Development, meaning that we are one of twenty-two "shovel ready" developments in the State. Ms. Martin gave some background information on the certification. She included that they will be looking at other possible sites to get them added under the GRAD Ready status. They will be working with developers to make sure they don't miss out on any opportunities.

Ms. Martin then discussed new prospect activities. She said that in 2012 there have been 61 projects so far, making this the highest activity we have had in the last five years. She said that she believes this is just another indicator of how the economy is turning around in Cherokee County. She stated they have worked with seven new companies, around \$4M in investments, and over 90 new jobs. She said that we will have some really strong numbers on the existing industry growth, as well.

Mr. Day approached to speak, beginning with the announcement that a company, Vanderlande Industries, has relocated to Cherokee County from Fulton County. He said that they have leased a 95,000 square foot building in North Point Industrial Park and plan to move in around January or February. He stated that the company builds automated materials for handling equipment and they service equipment. Their equipment is primarily used in distribution centers, parcel and postal facilities, and in airport baggage handling. Their current plan is to invest about \$150,000 in tenant improvements and equipment and will bring twelve jobs here. A press release will be given later. Mr. Day said he believes them to be a good fit for Cherokee.

He then stated that FactoryMation will be expanding and adding a total of 38 new jobs. At least one other announcement is expected before the end of the year. He added that more information will be forthcoming on the COED Annual Report which is due out after the first of the year. Over the last several years, COED has worked diligently with developers to establish good relationships with them. Mr. Day highlighted MDH Partners, stating that in addition to the building in North Point, MDH Partners built the first spec building in the airport commerce center. He said they acquired the Herman Miller building and leased it to Belnick, Inc. (also known as BizChair.com). They acquired the 200,000 former Quill building in the Canton-Cherokee Park and Belnick now occupies 800,000 square feet in Cherokee County. Mr. Day thanked the Commissioners and Mr. Cooper for their support over the years. He also addressed Commissioner Bosch and Commissioner Hubbard, thanking them for their service to Cherokee County.

The Chairman asked Ms. Martin if she would provide copies of the recap of 2012 and their business plan for 2013. Ms. Martin said she would. She that they are making adjustments based on feedback from the previous meeting, but will get that completed and distributed.

The Chairman mentioned the Commissioners would be spending some time on Economic Development during their retreat and would like Ms. Martin to join them for that discussion. Ms. Martin asked if there were any questions. The Chairman asked if the Vanderlande location was a new start-up or relocation. Ms. Martin stated they have a small location in Fulton County with only three employees, so this is a big expansion for them. Commission Johnston asked if this would be actual manufacturing or just a distribution center. Ms. Martin said it would be mostly distribution.

The Chairman thanked Ms. Martin and Mr. Day for their presentation.

2. Presentation on Coast2Coast Prescriptions by representative Scott Parker.

Mr. Parker thanked the Commissioners for allowing him to make a brief presentation about a unique opportunity for Cherokee County residents. Mr. Parker gave some background information on the company. He stated this is not a part of the employee benefits program but is designed to target the citizens of the County. He added that there are benefits to both citizens and to the County. He stated that the program was investigated by ACCG and has been adopted by 27 counties/city governments in Georgia so far, with Cobb County implementing it out about six weeks ago. Mr. Parker stated there are no costs to the County for this program and in fact they would receive royalties when the plan was used by citizens.

Commissioner Bosch said that if the slide presentation wasn't too long that it might be a good idea to include the presentation in the regular meeting if they are to decide on it tonight. The Chairman stated it was on the agenda for consideration under Mr. Cooper's section.

Mr. Parker went on to state it is simply an Affinity discount program where citizens can go to virtually any pharmacy and get a discount off the retail charges. He said there is a manufacturer's rebate of \$1.25 per prescription paid to Cherokee County as a result of an individual using the discount card. He stated this benefits citizens who do not have prescription insurance coverage. The program is administered by a company out of Florida. The business model is that you get a discount off of retail costs for up to 60,000 retail prescription drugs. The amount of the discount can be up to 55%, though not for everything. Commissioner Bosch asked if it included vet services. Mr. Parker confirmed and added that included vision and other services. The company has contracts with the vendors who agree to accept the card. Commissioner Bosch asked if all services were under the same card and Mr. Parker replied that one card is used for everything. The requirements for Cherokee County would be to endorse the program; do a press release; and make available space on the County website, providing a link that would take individuals to the Coast2Coast site where they can print off a card at home and carry it with them. The cards will also be available at places like hospitals and libraries. He stated that other than that, there are no requirements from the County and no money involved. The company handles everything including reconciliation and reporting to Mr. Cooper and the HR Department of the number prescriptions that have been dispensed every month with a reconciliation report along with payment to the County of whatever money is due.

Commissioner Bosch asked if the contract was a year long. Mr. Parker stated it was a one-year contract with a 30-day renewable out clause. He stated it is a pretty loose contract and in the County's favor. Commissioner Bosch said the reason she asked was if something changes with the program, we could get out. Mr. Parker said if there are people with cards still out there and use the card, the County would still get a royalty but at a reduced amount if the County chose to drop the program. He added that if the

County endorses this program, it is exclusive, and the County couldn't endorse another program and obtain the same royalties per prescription. He also disclosed to the Board that ACCG would also receive \$.40 for every prescription dispensed. Mr. Parker recapped the benefits of the program, stating that everyone is eligible to obtain the card and that it's easy to use. Financial Marketing Concepts is the name of the company and Coast2Coast is the name of the program. Gallagher Benefit Services receive no compensation from this program. Mr. Parker asked if there were questions.

The Chairman asked for a ballpark figure of how much it might be worth to the County. Mr. Parker said he did not know until the program is rolled out. He said it depends on how quickly we make the cards available and how many people pick them up. Where to place the cards is up to the County to decide. Commissioner Bosch asked how long other counties have been involved. Mr. Parker believes the program is less than a year old. He stated the biggest obstacle is skepticism. He felt the same way when he first heard of the program. He then gave a background as to how the prescription rebates work.

Commissioner Nelms asked that regardless of the price of the drug, the rebate will be the same. Mr. Parker said that is correct. Commissioner Nelms also inquired how the company will track the dollars back to Cherokee County. Mr. Parker stated there will be a unique identifier on the card specific to the County. Commissioner Nelms asked who is in charge of that. Mr. Parker stated it was Financial Marketing Concepts. Commissioner Nelms further asked if there was an audit process in place. Mr. Parker replied it is through what they called a reconciliation process. Commissioner Nelms asked how the dollar amount transacts to the County, if it's annually or quarterly. Mr. Parker said the program is a point of sale event and that they will probably report monthly. He added he anticipates that any payments to Cherokee County are going to be at the end of the month following the month in which the drugs are dispensed. The funds go directly to the county.

The Chairman interjected that he assumes in some way the ACCG would step in and make sure the process is working. Mr. Parker went on to mention the liability issues in the contract. There is an indemnification clause. Commissioner Johnston asked when someone signs up do they have to give personal information or is it as simple as a stack of cards and someone takes one. Steve McClure stated that the website asks for name, address, and phone number and that's it. Commissioner Bosch added that one picking up a card from a stack would probably have to register the card. Mr. Parker mentioned there is a clause in the contract stating the company would protect the individual's information and would not use it for any other reason. If the County sees it as an issue, it can be put in the form of an addendum in the contract. Commissioner Bosch felt that ACCG would not do anything to jeopardize their reputation. Further discussion concluded that when the prescription is filled, the number on the card is likely automatically associated with the individual.

3. Discussion of Regular Agenda Items

Chairman Ahrens went over the **Chairman's portion**:

The Chairman stated that we have two "at large" appointments to the Planning Commission that expire on December 31st to discuss. He commented that he reached out to Bob Whittaker and he spoke to Garland Steward to see if they were willing to continue serving in their positions. Mr. Whittaker replied back to the Chairman that they both would continue. The Chairman said he would leave that open unless the Board wanted to discuss it further. He added that the Commissioners-elect may have their own appointments to add.

Commissioner Bosch stated that she wanted to confirm that the Board is ready to make a motion on the Coast2Coast before progressing further with the meeting. Ms. Davis stated that she didn't think the revisions of the contract had been agreed upon by the company, but if the Board wants to push it forward with the approval of our proposed modifications, she suspects there could be some negotiations back and forth. She would bring those back to the Board if they change substantially. The Board received a redline contract from Ms. Davis a couple of weeks prior with clarification of what the conditions were. They put in their standard contract provisions. Ms. Davis added that the Board can wait upon final approval from Mr. Cooper and herself.

The Chairman went on with his portion and said that there are two vacancies on the respective Development Authorities. He met with the Chairmen of both. He also mentioned the re-appointment of Chief Danny West to the Northwest Region 1 EMS Services Council. Mr. West has agreed to serve. Commissioner Nelms will be Vice-Chair for next year. The Chairman said he opted to include that in this meeting since he will be absent at the next meeting.

The Chairman announced the State Delegation meeting to take place on Thursday, December 6th. They are holding meetings with the City councils as well as the Board and then will have a public meeting in Cherokee Hall at 6:30 p.m. The Chairman will distribute to them desired topics of discussion. One he mentioned was regarding the respective Georgia codes for the Development Authorities as well as codes that allow counties to levy ad valorem taxes with a request that they find a way to change the code. The Chairman also included Certificates of Need. He feels this is an archaic anti-competitive legislation and non-marketing related. Commissioner Johnston added that it goes back to the days when government ran hospitals and the state was concerned that if government put in too many hospitals, then the market would be flooded with hospital capacity, and some would fail and would cost the government money. Hospitals are now for the most part owned by non-profits. Commissioner Bosch stated the entire process is cumbersome and that they spend big money just completing the application.

The Chairman talked about HOST II and believes that if the state sees this as a tax reform package, then they could clean up the existing legislation and make it clearer. Then, with voter approval they could terminate one and commence the other. The Chairman went over the last topic of financial impact of State Highway 20 construction on local businesses. Some entrances are either blocked or people have to navigate

through cones. Owners are asking to have the State come up with some sort of system to lessen business interruption. Commissioner Hubbard interjected that maybe we can take the lead in asking GDOT and legislature for a procedure.

Commissioner Johnston confirmed with the Chairman that the meetings are open to the public and begin at 2:30 p.m. Commissioner Nelms asked if the Chairman included anything about economic viability and some of the big corporations we've lost to groups like Research Triangle. The Chairman answered that it is under the Economic Development caption.

The Chairman mentioned that since he would not be at the next meeting, he will give Christy Black a draft of the January retreat agenda to be distributed. Then, Ms. Black will submit an official public notice to the media during the first week in January.

Mr. Cooper went over items under the **Consent Agenda** portion:

- Consider approval of FY2012 GDOT supplemental contract in the amount of \$13,782 for reimbursement of operating expenses associated with the CATS 5311 Rural Public Transportation program. Per the supplemental contract Cherokee County will be reimbursed an additional \$13,782 in FY2012 operating expenses.
- Consider approval to set a public hearing for January 8, 2013 for an Exceptional Variance to the TND Ordinance at 5808 Highway 92 for a restaurant. Ms. Stallings clarified zoning questions.

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

- Consider to purchase three (3) vehicles and two (2) enclosed bed units for the Marshal's Office for a total amount of \$83,382 from SPLOST funds.
- Consider approval to accept and approve Aquatic Center add alternates for one-year maintenance agreement with option for second year in the amount of \$50,000 year one and \$52,000 for year two as submitted by Aqua Design Systems; and approval to accept one-year agreement with Shumate Mechanical in the amount of \$18,000 and second year agreement in the amount of \$18,000. Total amount for the first year not to exceed \$70,000.

Commissioner Hubbard confirmed that the funds had already been budgeted and they are just up for approval at this point. Commissioner Nelms asked Mr. Cooper if there have been any approaches on the national high school level for use of the Aquatic Center. Mr. Reynolds answered not at this time. However, the local swim leagues will host three to four swim meets a year in addition to any high school meets the County hosts. Commissioner Johnston stated swim meets occur every other weekend during the high school swim season.

- Consider approval to award low bidder, Alert Works, Ltd., for the purchase of NOAA Weather Radio All Hazard Receivers in an amount not to exceed \$23.00 per radio for 500 radios for a total amount not to exceed \$11,500. Second lowest bid was in the amount of \$25.90 per radio from Midland Radio Corp.

Commissioner Johnston asked what is done with the current radios. Mr. Cooper said they will be distributed to those who need them. The Chairman asked how people obtain them. Mr. Cooper responded that the radios are provided through a federal grant through Homeland Security. He believes they provide them to Senior citizens who may need them.

- Consider approval to engage McClendon & Associates to perform a forensic audit related to the BGR/Bobo Project in the amount not to exceed \$75,000.

Mr. Cooper noted the period of time covered in the audit will be from 2005 to the present. Commissioner Bosch asked what part of the scope will the audit begin with. Mr. Cooper stated they will interview multiple people and look at all documents pertaining to the subject. Commissioner Bosch stated she understood there was a rush to have the Board investigated and would be fine if they started there first. Commissioner Johnston commented that there needs to be a public disclosure of all findings. Ms. Davis interjected that she contemplates we are going to be given access to all of the documentation via something like dropbox and that the information is public record. She summarized that what we are doing is having a trained professional pour through the documents and draw conclusions to trace revenue and so forth and in doing so, they will probably request more information and we will provide anything the auditor asks. Preliminary findings will not be disclosed along the way, once completed it will be turned over the Board for production in accordance to the Open Records Act. The Chairman made reference to a recent forensic audit done by Dekalb County.

- Consider approval of Coast2Coast Rx Program and agreement as modified by Jarrard & Davis.

Ms. Davis went over items under the **County Attorney** portion:

- Consider amendment to Cherokee County Code of Ordinances related to the regulation of dangerous dogs.

Animal Shelter Director Susan Garcia was asked her opinion of the new ordinance. Ms. Garcia responded that in trying to find bonds with underwriters, they discovered they will have a hard time underwriting the bonds for dog owners because collecting them would be difficult. She further stated that holding the animals costs the County money that is rarely recovered. She added that the minimum hold time for dangerous or vicious dogs is 15 days for them to decide whether to go to trial and 30 days for the Animal Control Board to convene to hear the case. She said in addition there are cruelty cases, criminal cases, and dog bite

quarantine cases of which no costs are recovered. She said that typically, the owners go through the hearing with a majority losing the case, then they walk away from their obligation due to the shelter. It costs more to try and collect the debt than the debt itself. She said that other jurisdictions have found ways to make owners pay in advance and that they will continue to try and find a way to do the same. Ms. Davis reaffirmed that we do have a charge process, but the reality is it's not worth the collection effort. She further stated Ms. Garcia had an idea of posting a bond but was not able to come up with a resolution due to the costs associated with issuing/collecting bonds. Commissioner Nelms asked if we could mitigate the cost. He added that we need to decrease the time period for the owner. Commissioner Hubbard stated that if the owner is willing to fight it, they should be required to pay a kennel fee. The Chairman asked if any of the County staff has been injured in the process of obtaining these dogs. Ms. Garcia confirmed that to be true. Commissioner Bosch commented they had to change the kind of cage used because the dogs were biting through the metal. Commissioner Nelms complimented on the cleanliness of the shelter upon a recent visit during their Open House. Ms. Davis suggested following through with adopting the ordinance during the regular meeting in order to be in compliance with state law which will give more leverage while Animal Control continues to research the cost issue, amending later as needed.

The Chairman asked if there was anything else. Hearing none, Commissioner Hubbard made a motion to adjourn to Executive Session at 4:36 p.m. Commissioner Bosch seconded and the motion carried unanimously.

Executive Session to Follow