STATE OF GEORGIA
COUNTY OF HENRY

The Henry County Board of Commissioners held a Special Called Meeting ***in-person*** on Tuesday, April 9, 2024, at 1:00 p.m., at the Henry County Administration Building (Community Room), 140 Henry Parkway, McDonough GA. Henry TV also streamed this live online at its website, as well as Charter/Spectrum Channel 180 and Facebook Live. The *Henry Daily Herald* was notified of this meeting. Those present were:

Carlotta Harrell, Chair
Johnny Wilson, District I Commissioner
Neat Robinson, District II Commissioner
Dee Anglyn III, District III Commissioner
Michael Price, District IV Commissioner
Kevin J. Lewis, District V Commissioner

Also attending: Cheri Hobson-Matthews, County Manager; Serena Nowell, County Attorney; Stephanie Braun, County Clerk; and Jasmin Head, Deputy County Clerk

HENRY COUNTY CODE OF CONDUCT

(Sec. 2-2-128: Conduct during public meetings)

CALL TO ORDER

Carlotta Harrell, Chair, called the Special Called Meeting of the Henry County Board of Commissioners for Tuesday, April 9, 2024, at 1:00 p.m. to order.

*(**Commissioner Robinson** exited the meeting at 1:10 p.m.)*

FINANCIAL SERVICES

FY 2025 Budget Presentation *(Presenter: Bernita Campbell, Budget Director)*

Chair Harrell asked **Bernita Campbell, Budget Director** to come forward to begin the FY2025 budget presentation.

Ms. Campbell reminded the Board of the general budget philosophy that has been incorporated in each annual budget. The tenet of that philosophy is to maintain the current millage rate of 12.733 mills, which has remained unchanged for six years, while ensuring fair and competitive salaries and benefits for employees, advancing Board priorities and strategic partnerships and funding department essentials to maintain current service levels for Henry County residents. The goal is to create a balanced budget utilizing available revenues to fund projected expenditures and to not build our budget based on utilizing Fund Balance to fund recurring operations.

Mr. Campbell outlined that the proposed FY2025 General Fund budget stands at $259,700,000, marking an increase from the FY2024 revised budget of $238.991,831, which amounts to a $20.7 million increase or an 8.7% year-over-year rise. Key allocations in the proposed budget include $4.3 million for pension funding and insurance increases, $4 million for COLA/Longevity increases; and $1.4 million for debt payments: $1.3 million for resurfacing, $1.2 million for increased inmate medical and food costs, and $412,000 for Countywide technology service contract increases; $446,000 for increased translator indigent defense and court reporter costs, and $1.6M for all other essential departmental and contractual cost increases**.**

Ms. Campbell's PowerPoint presentation highlighted a significant difference between the recommended budget of $259,700,000 and the original request from the Departments, which would have totaled $271,496,873 for the General Fund budget. The proposed budget of $259,700,000 is deemed necessary to maintain current service levels. While this budget does not include adding new personnel, it does allocate funding for all current vacancies.

The proposed budget anticipates modest increases in property tax growth for FY25, estimated at 4.5 percent. The residential markets are showing signs of stabilization, with home mortgage interest rates playing a significant role. Meanwhile, there is ongoing growth in the industrial and commercial sectors; however, sales tax revenue is beginning to stabilize due to increased online shopping. This revenue category, which previously experienced 5% to 7% year-over-year growth, is now stabilizing and even showing some signs of decline. Consequently, no year-over-year growth is expected in this revenue category. These two revenue categories together account for more than 72% of the General Fund revenue, which is currently projected at $21.5 million.

The primary constraint for the proposed budget is the frozen homestead exemption. Since 2018, the County has lost a significant amount of revenue due to this exemption, totaling $882 million by 2023, with $34 million loss in that year alone. This loss of revenue could have been utilized for the County's growth and development.

Following discussions with Davenport (consultant experts), it has been advised that the County sets aside any excess revenue from the General Fund to cover debt services, starting in FY25 and increasing through FY28.

Ms. Campbell highlighted that Fire, Police, and Code Enforcement collectively constitute 39% of the General Fund budget. Addressing public safety concerns, the community has emphasized the importance of competitive salaries, adequate staffing, proper equipment, suitable facilities, and enhanced security measures.

Ms. Campbell explained that public safety, according to the 2020 SDS (Service Delivery Strategy), encompasses Police, Fire, and Code Enforcement services, each allocated within their own service districts. These districts are defined by the four cities: Hampton, Locust Grove, Stockbridge, and McDonough.

The constitutional provision on special districts authorizes the establishment of such districts for the provision of local government services within their boundaries. These districts have the authority to levy fees, taxes, and assessments to fund the provision of services and the construction and maintenance of related facilities (Ga. Const. Art. IX, Sec. II, Par. VI). Additionally, counties may use special service districts to offer services exclusively or primarily to residents of unincorporated areas, such as fire protection or garbage service. However, counties cannot establish special districts for services like the sheriff's office (O.C.G.A. § 33-8-8.3; Channell v. Houston, 287 Ga. 682, 699 S.E.2d 308 (2010)). This approach aims to prevent municipalities from being double-taxed.

Ms. Campbell noted that there have been numerous discussions with the Board regarding public safety needs, including the necessity for a fire training facility in Henry County, a new E-911 center, a new Emergency Management Agency (EMA) facility, expansion of the court facilities, construction of a new jail pod, and various other County facility requirements.

The PowerPoint presentation showed that Phase One is estimated to incur expenses of approximately $94.7 million, Phase Two is anticipated to cost around $116.3 million, and Phase Three is projected to require $11 million in funding.

Ms. Campbell concluded her presentation by explaining that the proposal involves increasing the millage from 12.733 to 14.658 mills, resulting in a 1.9756 millage increase. This adjustment has been discussed with the Tax Commissioner's Office, and they support it as the most appropriate approach.

Commissioner Lewis expressed the difficulty of discussing tax increases as a taxpayer but emphasized the necessity of viewing it like grocery shopping, where prices have risen across the board. He noted that the cost of all services within Henry County Government have increased over the past two to three years. It is a misconception that a surplus equates to extra funds; rather, the County aims to maintain a healthy budget and reserves while responsibly delivering services to citizens. He highlighted a lesser-known fact: the County spends more on services than taxpayers contribute, resulting in a deficit for every household in the County.

Commissioner Anglyn inquired about the millage rate before the change six years ago.
Ms. Campbell replied that the highest it had been was 14.75 mills, and they were not inclined to surpass that figure.

Chair Harrell noted that there have been discussions about potentially implementing a Public Safety millage, but it appears that the current dialogue revolves around a general millage increase. Chair Harrell then inquired whether this increase is specifically designated for public safety purposes. **Ms. Campbell** responded yes.

Chair Harrell noted a breakdown for capital funds in the presentation and inquired whether these funds are designated for public safety. She emphasized the need to ensure that the discussion pertains solely to public safety and that the allocated funds will not be used for General Fund purposes or any other budgetary needs. She sought confirmation that the funds will be strictly allocated for public safety initiatives.

Ms. Campbell confirmed that any additional funds generated in those service districts would be allocated exclusively towards fire and police-related activities. She clarified that these funds are restricted to use within those specific departments and cannot be applied elsewhere.

Chair Harrell noted that the County is behind on several fire stations and equipment. She stressed the importance of keeping our ISO rating down to prevent citizens from facing higher insurance premiums.

Chair Harrell asked Chief Burnette to come forward to give an update on the fire service needs.

Chief Jonathan Burnette mentioned that the most recent additional fire station was built in 2018, with some replacement stations and vehicles since then. However, there have been no new additional services to the Fire services. He highlighted concerns and challenges, including the increasing cost of operations. Chief Burnette noted that call volume has been rising steadily, at about 5% to 6% year over year. He also emphasized the necessity of a training facility as a critical need.

Chief Burnette expressed concern about the ISO rating, highlighting that the current rating is at risk of being lost in 2025, which would lead to a slight increase in insurance rates. He attributed this risk to the County's growth and the closure of the previous facility, coupled with the challenge of keeping up with growth by adding new equipment and stations. Chief Burnette explained that there is an opportunity for annual evaluation when additional services are added, which could potentially lead to a re-evaluation of the ISO rating and, ideally, a reduction in the rate. He asked if anyone had any questions.

Chair Harrell thanked him and asked someone for Henry County Police Department to come forward and give an update on what their needs are.

Public Safety Director Mark Amerman addressed the Board, highlighting the ongoing growth of the County and the escalating prices across all sectors. He mentioned that the Chair requested him to provide numbers regarding the County's development. He stated that as of January 1, 2024, the County has approved 8,719 dwellings. He emphasized that this would necessitate around 51 additional police officers, at an approximate cost of $8 million. Director Amerman noted that these dwellings are currently approved and under construction, with the need for 51 officers to catch up to demand. He also mentioned that pending approval are another 10,000 dwellings, requiring an additional 62 officers, which translates to approximately $10 million.

Ms. Campbell emphasized that the General Fund millage was reduced to allocate funds for the fire and police service districts. She also announced that the first public hearing is scheduled for May 7, 2024, at 9:00 a.m., and the second public hearing and adoption of the final FY25 budget will take place on May 29, 2024, at 6:30 p.m. After these hearings, the Board of Commissioners will be asked to approve the FY25 budget.

Chair Harrell asked even though all of our cities have their own police services we still provide backup services. The we provide fire services to all the cities. She asked the County Manager to speak about it.

County Manager Matthews explained that Service Delivery Strategies are in place for all services provided by the County government, particularly for police and fire services. Currently, if the County is dispatched to assist a city, there is no invoicing of the cities for these services. She noted that there has been an increase in the number of calls the County has been receiving and responding to, whether in the unincorporated area or the cities.

Vice Chair Wilson inquired about the significant increase in multifamily homes in the City of McDonough since the implementation of the SDS (Service Delivery Strategy). He asked if there had been discussions regarding how this increase would impact the County's call volume given that the City Administrator was the former Fire Chief of McDonough? **Chief Burnette** responded that there have been no discussions, and over the past couple of years, the cities have not notified them of any developments within the cities. However, he emphasized that he is still responsible for providing services regardless of the notification.

Chair Harrell asked the E-911 Director, Tamika Kendrick, to come forward. **Ms. Kendrick** stated that their call volume has increased. They received over 400,000 calls last year, which is 1,095 calls a day. **Director Amerman** stated that the Police Department has gone up 27%, Animal Control went up 16%, Fire last year was around 3%, but on average they are closer to 5% regarding the call volume.

*(**Commissioner Robinson** entered the meeting at 1:52 p.m.)*

Vice Chair Wilson inquired about the number of calls that need to be placed on hold with the Police Department and Fire Department. **Ms. Kendrick** responded that 911 does not put calls on hold; they answer every call immediately. They are one of the few agencies in the Metro Atlanta Area that do not have a recording or a hold message. However, there are instances where they run out of fire trucks and ambulances every day. In such cases, the Police Department and Fire Department do a good job of sending their staff over and prioritizing those calls as they come in.

There was conversation revolved around the detailed breakdown of the tasks required for public safety personnel when responding to calls and how the departments manage emergency situations.

County Manager Matthews requested **Ms. Campbell** to step forward and refer to the executive summary slide containing major items. She sought input from the Board regarding pension funding, insurance adjustments, longevity, cost-of-living adjustments (COLA), and the allocation of an additional $1.3 million for Public Works resurfacing. She clarified that this session was a workshop, not a voting session, and encouraged feedback from the Board members.

Chair Harrell inquired about the purpose of the $1.4 million debt funding. In response, the County Manager explained that it covers the Certificate of Participation (COP), which is an existing financing arrangement for annual debt payments. Additionally, the County Manager noted an increase in funding for judicial services.

Chair Harrell emphasized the importance of valuing employees, highlighting the significance of longevity and cost-of-living adjustments (COLA). She acknowledged the significance of resurfacing projects and expressed understanding that certain increases, such as those related to medical and food expenses in the jail, may be beyond control.

Vice Chair Wilson inquired about the breakdown of the pension and insurance. **Holly Lafontaine, Human Resources Director,** stepped forward to address the question.

The County Manager clarified that the pension number remains unchanged from last year's allocation. The recommendation is to maintain the same amount to ensure it covers the recommended funding level for the pension.

Ms. Lafontaine reported a 16.8% increase in Kaiser Permanente insurance coverage, affecting over 300 employees, while premiums for United Healthcare are expected to rise by approximately 4.88%. She questioned whether the County could absorb these increases entirely or if something would need to be passed on to the employees. **Chair Harrell** stated they do not want to pass the cost over to the employees.

Commissioner Lewis voiced support for pension funding, insurance, and longevity benefits, emphasizing the importance of taking care of employees. Regarding resurfacing funding, he acknowledged potential limitations but stressed the need to adhere to budget constraints. He expressed overall support for necessary expenses to maintain operations.

Chair Harrell highlighted the existence of numerous vacancies and reminded the County Manager of previous directives from the Board. If vacancies are not filled within a specified timeframe, the Board may opt to eliminate positions and start anew to ensure critical positions are staffed promptly. The County Manager pointed out that it does not make sense to recommend new positions when there are existing vacancies, amounting to roughly $10 to $11 million including benefits. She emphasized on July 1, 2024, all positions would be dissolved, with some vacancies lingering for up to two years. With the exception of public safety positions, she stressed the need to address the remaining vacancies. Furthermore, the County Manager mentioned the necessity of scheduling additional conversations with each Commissioner to decide whether to increase the millage rate or revisit the initial recommended budget amount.

Ms. Campbell expressed the need for clarity on the County's direction, particularly regarding a potential millage rate increase, as she prepares to publish the proposed FY25 budget in the Henry Herald.

Chair Harrell underscored the importance of arranging meetings between Commissioners and staff to address any questions, concerns, suggestions, or ideas before the May 7th budget hearing.

ADJOURNMENT

Meeting adjourned at 2:20 p.m.

Carlotta Harrell, Chair

Stephanie Braun, County Clerk