STATE OF GEORGIA
COUNTY OF HENRY

The Henry County Board of Commissioners and Leadership Staff held a Strategic Planning Retreat on March 25-27, 2024, at the Columbus Convention and Trade Center located at 801 Front Avenue, Columbus, GA 31901.

Board Members Present:

Carlotta Harrell, Chair
Johnny Wilson, District 1 Commissioner
Neat Robinson, District 2 Commissioner
Dee Anglyn, III, District 3 Commissioner (not present)
Vacant, District 4 Commissioner
Kevin J. Lewis, Vice Chair/District 5 Commissioner

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

Cluster Leaders: Shannon Sagnot, Roque Romero-Muniz, David Smith, Hutch Purvis, Jonathon Penn, Toussaint Kirk, and Mark Amerman

Directors/Assistant Directors: Stacey Wallace, Russ Hassell, Melissa Robinson, Meredith Butler, Holly LaFontaine, Ameika Pitts, Lynn Planchon, David Simmons, Chris Matthews, Jamie Pownall, Jesse Dobbs, Greg Brown, Bernita Campbell, Susan Harris, Donna Holder, Shawn Norris, Kamau As-Salaam, Rhett Wheeler, Santos Bowles, Susan Howington, Ryan Morrison, Jason Bolton, Victoria Rogers, Pat Wilson, Bert Bivins, Brett Hanes, Ashley Larrow, Scott Morris, Taleim Salters, Chetara McKinney, Herb Dillon, Shamsul Baker, Mike Ireland, Jonathan Burnette, Tamika Kendrick, Amanda Maddox, Kevin Johnson, Keith Shumate, and Angie Sorrow

Speakers: Courtney Rogers, Davenport Company; Josh Fenn, Henry County Development; Mill Graves, Director of Community Partnerships for Retail Strategies; and Dr. Stephanie Thomas, Atlanta Police Leadership Institute

Day 1 March 25, 2024, Commenced at 10:15 a.m.

FY 24 Financial Update and Capital Improvement Plan
(Presenter: David Smith and Bernita Campbell)

David Smith presented a PowerPoint slide providing an overview of the General Fund and Revenues. As of March 2024, the total year-to-date revenues amount to $201.5 million, which is 112 percent of the total budgeted revenue for fiscal year 2024. Property tax revenues collected stand at $9.2 million, with other tax revenues at $4.2 million lower primarily due to stabilization in sales taxes, while investment income is $0.4 million higher due to more favorable negotiated bank interest rates.

Mr. Smith noted that total year-to-date expenditures amount to $130.8 million, representing 56.4 percent of the FY 2024 budgeted expenditures of $232.3 million. Overall expenditures are trending slightly lower as a percentage of the overall budget compared to the expected year-to-date pace for the first 7 months of the fiscal year. The items responsible for the change are noncontrollable salary and benefit related expenses and timing of the FY 2024 debt service payment. The Elections Department is preparing for 2024 State and Federal Elections, therefore major expenses for them will be incurred later in this fiscal year and FY 2025. In Fiscal Year 2023, 98 percent of all overtime paid by Henry County is paid to Public Safety with 951 employees receiving overtime pay, this is consistent in FY 2024.

Bernita Campbell stepped forward to present information regarding the budget, emphasizing it is a lengthy and tedious process. She highlighted that the projected general fund revenue for FY25 is $251,463,000.00. That amount is based on a 4 ½ percent increase on the property taxes. **Ms. Campbell** mentioned preliminary discussions with the tax assessor, indicating that property tax numbers are expected to be lower this year compared to previous years. That is primarily due to the year over year growth rates are being driven by home prices being slightly higher this year.

Chair Harrell brought up pending legislation that could impact taxes, suggesting that if the new tax bill passes, the county might incur a loss. Mr. Smith clarified that the legislation Chair Harrell mentioned pertains to a three percent cap on appraised property values. He noted that while this cap might not significantly affect the county due to a frozen exemption in place, it has its drawbacks.

The frozen exemption means that for homeowners who benefit from it, the three percent cap on assessed values will not have much impact; however, **Mr. Smith** highlighted the cost of this exemption to the county amounting to over $82 million since 2018, with $34 million in 2024 alone. He pointed out that if the county were to assess new homes being built, it could have potentially collected close to $1 million. Additionally, with an expected 41 percent growth in the county, the impact of the three percent cap on new homes would only be around $2 to $3 million. As for the commercial aspect, he admitted not having explored that side yet.

Chair Harrell also mentioned legislation regarding the frozen homestead potentially becoming statewide. She expressed concern about the impact on the commercial side, particularly regarding the inventory that they tax, which is increasing by a certain percentage. She was uncertain about how this would affect the county.

The County Manager asked Mr. Smith to explain to Chair Harrell why the budget conversation is crucial. The County Manager reiterated that she had requested budgets from everyone and emphasized the necessity to revisit and reassess the budget based on the ongoing discussions.

Mr. Smith highlighted the importance of reassessing everyone's budgets if revenues start to decline, noting the significance of certain properties. He emphasized that it takes three years to acquire fire equipment, underscoring the need for a solid plan in place to ensure funding for such necessities in the future. Additionally, as the community grows, so do public safety needs, along with increased demands for parks and facilities. These are priorities that will need to be addressed first.

Ms. Campbell presented our FY24 baseline budget, amounting to $235,241,831. She stressed the importance of focusing on recurring expenses, resulting in this figure after excluding one-time items. Lines 4-6 on the PowerPoint detailed FY25 projections, including a 1.8 percent longevity increase, a $4,042,409 COLA increase, a $3,200,000 pension increase, and miscellaneous budget adjustments totaling $5,921,467, all of which are recurring priorities.

Ms. Campbell also mentioned that our debt payments amount to $1.5 million. Additionally, the total departmental requests received totaled $21 million, while the total expenses reached $271.6 million. She indicated that the other columns on the PowerPoint represent recommendations from the Finance Department, the County Manager, and Chair Harrell.

County Manager Matthews raised the question of whether we should provide a 1% Cost of Living Adjustment (COLA) to all employees along with a longevity benefit. She suggested considering whether this is something to address this year or to postpone until the following year, taking into account the allocation of funds for COLA, longevity, and capital needs. It is essential to ensure we set aside funds for capital projects and address our future needs.

Mr. Jonathon Penn, Cluster Leader inquired about the timing of the class and compensation increase. County Manager Matthews clarified that it was implemented last July.

Ms. Melissa Robinson, Communication Director, expressed her interest in receiving both the Cost-of-Living Adjustment (COLA) and longevity benefits.

County Manager Matthews highlighted the question of whether implementing the Cost of Living Adjustment (COLA) and longevity benefits would result in other priorities being neglected.

Mr. Penn inquired if the Board will cover the cost of insurance increases? County Manager Matthews replied that a decision will be made and recommended to the Board. She noted that

Kaiser Permanente rates increased by 25 percent. Transitioning Kaiser Permanente members off the plan presents a challenge, as it would result in a 20 percent higher cost to move them to the United Healthcare plan.

Commissioner Wilson mentioned that he thought Kaiser Permanente was a cheaper plan. **County Manager Matthews** clarified that it is indeed a cheaper plan. She explained that the county has many high claimants to consider. Additionally, some employees have spouses or dependents who are likely to incur high claims individually. Every year, she recommends passing on the insurance increase. However, the challenge arises when considering whether to give employees the COLA and longevity benefits while also passing on the insurance increase. This situation can make it seem like employees are bearing the burden of the increase.

Chair Harrell asked what are the insurance choices when selecting another provider?

County Manager Matthews mentioned that United Healthcare returned with a lower price. However, the primary issue lies with claims, particularly with many dependents driving up our claim costs.

Mr. Smith explained that they did not seek out any new providers this time around and stuck with United Healthcare because they offered the lowest price increase. Currently, the county is in the second year of a third-year contract with them. **Mr. Smith** highlighted that transitioning to self-funding saved the county three million dollars in the first year. However, the challenge remains with high claimants driving up insurance costs. He acknowledged that the county has consistently covered the cost increases for employees, ensuring they have not had to bear the burden. While changes could be made, they would impact employees, which the Board is hesitant to do. **Mr. Smith** noted that with revenue increases becoming tighter, the situation is becoming more challenging.

County Manager Matthews added another aspect to the conversation, noting that they were deliberate in the Class and Compensation study. The increase in salaries has consequently affected pension prices.

Chair Harrell expressed her desire to explore insurance bids beyond the ones solicited, as there may be other options available.

Shannan Sagnot, **Cluster Leade**r, responded, suggesting that they can prepare for solicitation for the following year.

Vice Chair Wilson inquired about the clinic available for county employees.

County Manager Matthews mentioned that they are currently soliciting new proposals for a new provider at the clinic due to significant turnover. She expressed concerns about the clinic being shut down at times when it should be open. The clinic was initially created to help reduce costs in the pharmacy sector.

One recent change is that, as they understand it, without a Medical Doctor on staff, the county may no longer be able to provide pharmaceuticals. Although the County Manager has seen an opinion from the Attorney General, she is still awaiting official confirmation. Everside, the current provider, has indicated that they will no longer be able to provide pharmaceuticals, which is a significant cost driver within the county's insurance program.

Vice Chair Wilson inquired whether a Medical Doctor must be on staff at the clinic.

County Manager Matthews confirmed that indeed, at the clinic, the Medical Doctor must be on the county's payroll. She explained that they currently have a medical doctor assigned through Everside who signs off on physicals used during licensing. However, to comply with the requirement, they would need to hire a Medical Doctor to be permanently stationed at Henry County. She noted that they had two nurse practitioners and will have the Medical Doctor until April 1, 2024, due to one of the nurse practitioners resigning.

Vice Chair Wilson mentioned it was supposed to be a full service clinic.

County Manager Matthews emphasized the need to explore other options, reiterating Vice Chair Wilson's point. She explained that the primary goal of creating the clinic was for it to be a fully serviced clinic, where employees would be onboarded through Henry Cares instead of going to Caduceus. However, this transition has proven challenging, particularly with the Fire and Rescue Department.

Commissioner Lewis expressed his support for the Cost of Living Adjustment (COLA) and longevity benefits, underlining the significance of competing against other counties to retain employees.

Mr. Penn inquired about the healthcare situation, asking if the providers have suggested a list of actions to help reduce costs and whether these suggestions are being communicated across the board to facilitate necessary changes.

Holly Lafontaine, HR/Risk Director, responded that the county does have a wellness program in place, but it needs to be revamped. She expressed openness to suggestions and changes.

Mr. Penn recommended creating a wellness committee within the county. Additionally, he mentioned that this year, the county is organizing an in-house run instead of participating in the Kaiser run.

Mr. Penn expressed concerns about the county's ability to maintain the current level of services in the community and suggested considering a potential millage rate increase.

Mr. Penn emphasized that our parks play a crucial role in providing a quality living experience for residents, and therefore, we must invest in their maintenance. He noted that the current state of our parks reflects years of neglect, and we are now playing catch-up to improve them.

Chair Harrell inquired about whether we are charging non-residents a fee to use our resources.

Mr. Penn confirmed that we do charge an out-of-county fee for all registrations.

After the discussion, County Manager Matthews asked Bernita Campbell to continue her presentation.

Ms. Campbell presented a PowerPoint displaying the assumptions, which included a 4.5 percent inflationary growth on the property tax digest. Constraints outlined in the presentation included the impact of a frozen exemption in 2023, resulting in a revenue loss of $34 million, and a total impact of $82.4 million over the last five years. Additionally, pending legislation was mentioned to cap inflationary millage at 3 percent.

Ms. Campbell discussed the potential implementation of a public safety tax, defining public safety to include police, fire, and code enforcement, and suggesting that each should have its own service district. A PowerPoint presentation illustrated the impact of a 1 mil increase in property tax specifically designated for public safety. The cities listed for fire services were McDonough, Stockbridge, Hampton, and Locust Grove. Ms. Campbell explained that a 1 mil increase would amount to $10.3 million dollars, assuming that McDonough Fire pays its share of the Fire Mutual Aid, which is 45% of the value of a mil. For police services, it would be $7.3 million because only unincorporated areas would be included.

Commissioner Lewis inquired whether a 1 mil increase would be sufficient.

Ms. Campbell clarified that the presentation aimed to demonstrate the value of a mil, but they still need to work out the specifics. This includes breaking down the allocation to the special service districts and determining the exact amounts. Collaboration with the tax commissioner is necessary to determine the precise impact. She emphasized that special service districts are intended to be self-sufficient, meaning the general clientele should not subsidize them, which is currently the case.

Chair Harrell inquired if a 2 mil increase just for public safety or would animal control and the Sheriff's Office be included.

Ms. Campbell clarified that animal control and the Sheriff's Office are excluded from the 2 mil increase because they provide services to the entire county. She explained that based on the SDS model, Fire and Police Departments provide services to individual cities within their respective service areas, so they are separated into distinct service district groups.

Mr. Smith addressed the capital requests, noting that the total amount received is $25,794,431. With limited funding available, prioritization of projects and identification of funding sources are necessary steps.

Lunch 12:06pm-12:38pm

Post Rezoning Development Process
(Presenters: Kamau As-Salaam, Assistant Director of Planning and Zoning; and Brett Hanes, Assistant Director of Building Department)

Mr. As-Salaam outlined the sequence of steps in the rezoning process that applicants must follow. It begins with a pre-application meeting, followed by the submission of the application. Afterward, there is a Planner's Review Meeting, followed by a Zoning Advisory Board Meeting. The final stage occurs at the Board of Commissioners Meeting.

Mr. As-Salaam clarified that after completing the rezoning process, applicants transition to the post-rezoning development process. This involves a due diligence meeting, followed by the submission of the development permit. Subsequently, there is a review stage and the collection of permitting fees, leading to permit issuance. This is followed by inspections and project completion.

Mr. As-Salaam described SagesGov as a streamlined platform for the regulatory review and approval of development and construction projects. Additionally, Mr. Hanes mentioned that individuals without internet access can visit the office, where staff will assist them. He noted that the department has three iPads available for on-site use.

Mr. Hanes emphasized that during the review process, the Planning and Zoning department carefully examines factors like buffers, landscaping, potential setbacks, the highway corridor overlay, lot dimensions, zoning district development standards, and other pertinent considerations. He highlighted that each department conducts thorough building and planning reviews.

Mr. Hanes confirmed that Stormwater is fully compliant with both the Georgia Stormwater Management Manual and the regulations set forth by the Metro North Georgia Water Planning District.

County Manager Matthews expressed concern over complaints received by the Commissioners regarding issues such as flooded houses, prompting a discussion on potential actions. **Mr. Hanes** acknowledged that they frequently receive such complaints. He explained that his department, in collaboration with the stormwater team, conducts on-site assessments to evaluate the situation, considering factors like previous history and the property's development. However, if the issue pertains to private property, they require permission to inspect, and there are limitations on what they can do ultimately placing responsibility on the homeowners.

Chair Harrell raised the important question of how to address new developments in the context of climate change. While these developments may not immediately impact the community, they can pose challenges as time passes and climate-related issues become more pronounced. The question then becomes how to proactively address these potential problems.

Mr. Hanes clarified that once a home is signed off on, the responsibility for maintaining the property falls to the homeowner. However, Chair Harrell inquired about the course of action if a development is inspected and found to be substandard.

Mr. Roque Romero mentioned that in such cases, code enforcement would need to intervene. He emphasized that it remains the property owner's obligation to maintain their property. Mr. Hanes added that they always conduct assessments and investigate complaints to ensure proper resolution.

Vice Chair Wilson shared that he faces a similar issue in District One, where constituents have been voicing concerns about flooding caused by new developments. This situation is exacerbating problems for homeowners in the area.

Mr. As-Salaam suggested that perhaps it would be beneficial to enhance our stormwater ordinance to better safeguard the residents of Henry County.

Chair Harrell inquired about the mechanisms in place to ensure that new developments do not disrupt existing ones.

Mr. Hanes explained that the responsibility for designing developments lies with civic engineering. County staff review the submitted plans to ensure compliance, but they do not engage in the actual design process. He mentioned the possibility of implementing an ordinance or another measure to address this issue. Chair Harrell agreed, emphasizing the need for a solution to mitigate the impact of new development on existing ones.

Chief Mike Ireland highlighted the need for additional officers to accommodate the demands of new development in the area.

Chair Harrell inquired about the impact of new development on public safety. Chief Ireland responded that they require over 50 new officers to address the demands brought about by the influx of development.

Mr. Hanes suggested that when revisiting the Unified Land Development Code (ULDC), they could include discussions about potential changes needed in the stormwater section to accommodate these developments.

(Break: 1:47 pm-2:00 pm)

<u>Capital Planning Analysis Update:</u>
(Presenter: Courtney Rodgers, Senior Vice President of Davenport Company)

Mr. Rodgers highlighted the importance of considering both Debt Capacity and Debt Affordability when contemplating taking on additional debt to fund capital projects. He emphasized that it is crucial for the County to be mindful of the impact of tax-supported debt on its debt ratios, especially considering its AAA rating.

The County Policy specifies that the total tax-supported debt service, encompassing General Obligation, Intergovernmental Agreement, and Long-Term Lease obligations (excluding SPLOST debt), should not surpass 12% of the Operating Expenditures and Debt Service of the General Fund.

Mr. Rodgers concluded by highlighting that the County has effectively managed its capital projects with available funds and minimal debt in recent years. Consequently, there is ample debt capacity to undertake the proposed large Capital Improvement Plan. Despite not being at historic lows, tax-exempt bond rates remain very attractive, hovering around mid-3% levels for 20-year bonds. He noted that the County will need to allocate some of the recent surplus revenues over expenditures from the general fund to cover the debt service, starting in FY 2025 and increasing through FY 2028.

County Manager Matthews delivered her closing remarks, and day one of the retreat concluded with a**djournment at 3:58 pm**

<u>Day 2 March 26, 2024, Commenced at 9:15 a.m.</u>

<u>Re-Cap Day One</u>: (*Presenter: Cheri Hobson-Matthews/County Manager)*

County Manager Matthews revisited our March 25, 2024, session, highlighting David Smith's budget overview and Chief Burnette's discussion on critical public safety concerns, such as the ISO rate and the urgent need for a training facility. Chair Harrell expressed interest in organizing a workshop involving commissioners, public safety officials, and the finance team. Furthermore, there was a discussion about a potential two-millage increase related to public safety initiatives.

Chair Harrell inquired about the budgetary implications of implementing a two-millage increase for public safety. She asked about the process that needs to be implemented and how it would impact the county's budget**.**

The County Manager explained that if the Board decides to implement the two-mil increase, it would take effect in the next assessment cycle, not the current one. Typically, the Board approves the millage rate in July. She emphasized that if there is a desire to consider the two-mil increase, the budget team needs to be informed so they can run the numbers accordingly.

David Smith stated that the estimated dollar amount from the two-mil increase is around 11 million dollars, and when combined with funds from other cities, it totals approximately 17 million dollars.

In response to Chair Harrell's question about whether the 17 million dollars would help offset contributions to the general fund, the County Manager clarified that it does not offset general fund contributions. **David Smith** further explained that the additional funds are specifically designated for public safety and can be used for both operating and capital expenses. However, they must be related to public safety in order to apply.

County Manager Matthews stated that Chief Burnette had discussions with all the Commissioners except Commissioner Robinson regarding the ISO rate. Some deficiencies have been identified that the county should have. She expressed Chief Burnette's concern about the direction of the ISO rating due to these deficiencies. Certain items identified in reports are crucial for the county government, but they won't be in place in time for the next ISO rating assessment. This is significant because it will impact property owners and their insurance rates.

Chief Burnette explained that the county undergoes an ISO evaluation every four to five years, with the rating scale ranging from one to ten, where a higher number indicates a worse rating. This evaluation affects all residents and businesses within the county. He highlighted that one of the key factors attracting industry to Henry County is its low ISO rating, as it indicates the quality of services provided.

However, Chief Burnette expressed concern that the next evaluation, due in 2025, may result in losing the current ISO rating of two, potentially reverting to a three or four, as it was in 2020. This would lead to a three to six percent increase in homeowners' insurance for residents and businesses. He emphasized the need for a training facility in Henry County, as currently, personnel are trained in other counties. While efforts are underway to address deficiencies, some necessary items may not arrive in time for the next evaluation. He urged consideration of these factors when planning resource allocation for public safety.

County Manager Matthews emphasized that even with a 2 mill increase for Public Safety, the necessary resources won't be available to prevent an increase in the ISO rate. It's important to communicate this to the public.

Commissioner Robinson inquired about the timeline for obtaining this information, expressing a desire to share it at a town hall.

County Manager Matthews responded that they will initiate the conversation during the budget hearings.

Chief Burnette added that while the guaranteed evaluation cycle is every five years, if the ISO rating increases to a two to four and the county receives four ladder trucks within three years, the county can request an earlier evaluation during that timeframe.

After the discussion on the Public Safety millage increase concluded, the County Manager informed Jamie Pownall that there is a need to revise the SDS contracts to make them individualized.

<u>March 26, 2024 Breakout Session, re: TRANE Central Energy Plant for Master Plan</u>

TRANE Presentation, regarding Henry County Central Energy Plant (CEP) for Master Plan. This will be a centralized infrastructure to provide heating, cooling and power to the Administration Building, E-911, Jail and Phase 1 facilities. New buildings will be connected to the CEP as they are constructed, and existing buildings will be connected when their current equipment needs to be replaced.

Board of Commissioners attending breakout session:

Carlotta Harrell, Chair
Johnny Wilson, District I Commissioner
Neat Robinson, District II Commissioner
Dee Anglyn III, District III Commissioner *(not present)*
Vacant, District IV Commissioner
Kevin J. Lewis, District V Commissioner

Staff attending: Cheri Hobson-Matthews, County Manager; Serena Nowell, County Attorney; Stephanie Braun, County Clerk, Jasmin Head; Deputy Clerk; Ashley Larrow, County Manager's Chief of Staff; Hutch Purvis, Facilities Maintenance/Cluster Lead; Kevin Johnson, EMA Director; Tamika Kendrick, E911 Director; Scott Morris, Capital Projects; Susan Harris, Purchasing Director; Santos Bowles, Building Department Director; Brett Hanes, Building Department Asst. Director; Mark Amerman, Public Safety Director; David Smith, Financial Services Director/Cluster Lead.

TRANE employees in attendance: Tommy Brown, Project Executive; Jeff Kellner, Team Leader; Walter Reid, Account Executive; Jeff Taylor, Account Manager; Dan Shabo, Principal Project Developer; Monte Edwards, Subcontractor Partnerships Program Manager; Brad Mason, Regional Energy Director.

<u>Central Energy Plant Concept (CEP)</u>
A central energy plant is a facility that produces and distributes energy to multiple buildings or locations. It helps reduced emissions, lower utility costs, enhance flexibility and scalability and improve reliability and resiliency.

<u>What does a CEP look like for Henry County?</u>
It will serve as the central infrastructure for the Master Plan. There will be three (3) phases: 1) Core infrastructure build out; 2) Facilities added; and 3) Additional facilities added. The structure will be approximately 8,400 square feet. As an example, this CEP would heat/cool about 1,000 homes.

<u>Solar Panels:</u>
There will also be solar panels which will take up about 6-7 acres, and there is enough property to expand in the future, if needed.

When you see solar panels around the country they are usually tied to a grid and that energy goes wherever it goes. These solar panels will be consuming the energy on site which is a change from what is typically done. It will offer a better return on investment and more sustainable outcomes for the plan being discussed. The solar panels will reduce the amount of power you have to purchase and will save money. It will also put the County more in control when utility rates increase. The solar panels will not provide all of the power needed, but it will provide between 20-30% of it. The panels are not required in order to do the CEP, but it will benefit the County greatly if we add them due to the funding that can be

Redundancy:
Usually there is one unit in a building and if that unit fails you loose heating/air in that facility. When you have a CEP and are aggregating the cooling equipment back to the central plan, it allows you add redundant equipment so if one of your compressors fails you do not lose power.

Maintenance:
TRANE will be responsible not only for the maintenance, but the solar panels, CEP and all of the associated infrastructure. It would be in the $800,000 - $900,000 range per year, but this is rolled into the cost provided.

Future Resiliency:
The full design and core infrastructure will be built out to support E911, Jail and Phase 1 facilities. The new buildings will be connected to CEP as they are constructed. Existing buildings will be connected to CEP as existing equipment is replaced. As new buildings become available and construct outside of the initial phase, we would expand the CEP in accordance with those buildings and then fold it into the loop. The initial core infrastructure includes the end in mind and is designed so that we can tie into it as expansion is needed.

A few examples were provided regarding what we have now versus what it will look like once the CEP is in place. Mr. Taylor, TRANE Account Manager, addressed the deferred maintenance in our jail, stating that we can utilize the energy savings to modernize failing systems such as boilers, flush valves and HVAC equipment. This will also simplify operations and maintenance, there will be improved contraband control through automated flush valves and it will significantly reduce the cost of utilities. An example of annual water cost comparison for the jail would be $430,000 (current operation) to $229,000 (post upgrades). The centralized cooling for the old pods at the jail included 2 pieces of refrigerant equipment (i.e. chillers), whereas the new pods (i.e. DX cooling) is 23 pieces of refrigerant equipment. With significantly redundant equipment, it will keep everything up and running if there is ever an issue.

Hutch Purvis, Facilities Maintenance/Cluster Lead, added that currently, Henry County spends around $300,000 for preventative maintenance for our heating/cooling equipment. Four times a year, each piece of equipment gets a filter change and a belt replaced, and twice a year the current equipment gets cold cleaning solvents. If you get ten years out of a commercial piece of equipment you are doing good.

The TRANE representative added that the CEP plan will significantly reduce costs and provided some of the Federal Tax Incentives:

Financial Considerations:
Inflation Reduction Act (IRA) – Note: TRANE will identify and quantify all eligible tax credits during Project Development

- Direct Payment for Tax-exempt Agencies
  - Solar PV and interconnect systems are eligible
  - Energy Storage is eligible
- Up to 40% Tax Credit
  - $2-4M potential tax credit for Solar PV work scope
  - Energy Storage not accounted for yet
    - Further design required
    - Up to 40% credit

TRANE went over the Financial Evaluations (DX Option versus CEP Option) which would be a 56% Reduction for the Operations/Maintenance Responsibility and Pieces of Refrigeration Equipment if the County approves the CEP plan:

	DX Option	CEP Option
30 Lifecycle Cost	Equal	Equal
Operations & Maintenance	Henry County	TRANE
Pieces of Refrigeration Equipment	200+	3
Annual Utility Cost	$2,752,445	$1,222,969
Carbon Footprint	10,874 Tons CO2	4,948 Tons CO2
Tax Credits	$0	$2-4M
Solar PV Savings	$0	$180,675
Jail Water Usage Cost	$430,000	$229,000

There will be three phases: Phase One ($30M); Phase Two ($10M); and Phase Three ($10M), but today's request will be $2,227,830 for Project Development Cost. The projected total first cost will be $49,262,961; and the project lifecycle would be 30 years.

Environmental Stewardship

TRANE provided an example of Environmental Stewardship stating there would be an annual reduction of 18,931,128 gallons of water, plus 3,285,000 kWh of annual solar generation which would be equivalent to 8,811 Tons Co2 per year; 1,042 homes worth of annual energy use; and 12.4 olympic-sized swimming pools of yearly water use.

Workforce Development

There is a lot of federal funding available which has been committed to State and Local Governments in order to modernize community infrastructure, to create high-paying jobs, and to expand clean energy affordability. These investments can also have ripple effects, improving the environmental, social and economic health of communities. These programs will be used to kickstart the new energy grid in the United States because we have a lot of really old natural gas and coal power plants and this will be the transition for not only wind and solar but also for nuclear and conversion of natural gas facilities. All of this will be driving job growth. Georgia is one of the top three listed for receiving the highest funding.

Walter Reid, TRANE, talked about how the Central Energy Plan can also be used as a workforce development pathway. TRANE will utilize the CEP as a tool to train students on STEM (Science, Technology, Engineering and Math) and CTE (career and technical education) curriculum. They spoke about how our local Henry County Schools as well as our technical college, Southern Crescent, can benefit from this program. TRANE is part of a program called NC3 (National Coalition of Certification) where they partner up with around thirteen other companies where they offer certification training. They help schools with specialized training, using the latest, most advanced equipment and sophisticated controls systems to create real life scenarios for hands-on learning. They seek to work closely with schools and students in order to have a positive impact on the industry and communities. Their goal is to keep Henry County residents in the County for jobs. They will train them to have skills that will help them get jobs within the County such as: Kubota, Apple, Snap-on, 3M, etc. (*a video was played about the program)*

Economic Development

This is not only an outstanding project which is forward-thinking, technically sound, and overall a good financial decision for Henry County, but TRANE believes there is a great opportunity for economic engagement and growth in Henry County. The CEP project will require a diverse group of skilled tradesmen and women and aims to build a project team that is inclusive of local business. A local field office would be established in Henry County and TRANE would identify partnership opportunities which would be local. They will identify trade areas where local partners are not available and identify "up-training" opportunities. TRANE also maintains a list of 139 approved subcontractors that do business in Henry County.

TRANE spoke of their MWBE (Minority/Women-owned Business Enterprise) Programs. They target 30% MWBE participation; develop a program management plan to property document results; and identify partnership opportunities. In 2022, TRANE spent over $607M with diverse-owned organizations. They will also host a diversity subcontractor vendor fair.

Financial Considerations:
TRANE believes this is the first time in history that a municipality can take advantage of a tax credit because county governments are usually exempt. The tax credit that is available for various forms of renewable energy and efficiency (in this case, the solar panel system along with the electrical distribution system) may be around 40%.

The DX Cooling option with the rooftop equipment is what has been discussed quite a bit.
The difference in operating utility expenses will be around $1.5M per year in reduction.
Without the federal tax credits it would make it hard for the solar to pay for itself, but with the tax credits the solar will pay for itself and actually provide a little bit of additional positive revenue over the cost of the debt service. The dollar reduction will be from the higher efficiency and the more favorable rates we are going to get with the new electrical service. Why would we do this big project if it ends up being equal financially? The average life cycle of the bonds are 30 years, but this system will last much longer (i.e. 50 years).

Next Steps:

1) Stakeholder Engagement
   - Identify program needs
   - Feasiblity discussions
   - Engage Design Build energy service partner
2) Prelminary Study
   - High level energy study
   - Initial CEP development
   - Investigate financial options
3) Notice to Proceed (with Project Development Agreement/PDA)
   - Decision to move forward
   - Partnership with energy services company
   - Commit to CEP concept

   (At this state, there will be an optional project off-ramp wherein Trane is due payment of PDA costs OR County proceeds without CEP and no further obligation)
4) Design Phase
   - Fully develop CEP program and construction scope
   - Complete baseline engineering and energy modeling
   - Firm-fixed pricing
   - Financial arrangements
5) Construction Phase

- Project implementation

The breakout session adjourned at 2:06 p.m.

Strategic Planning
(Presenters: Shannan Sagnot and Jonthan Penn)
Mr. Penn and Ms. Sagnot came forward and gave a recap of what has been happening since 2021. They stated that the county has Purpose, Mission, and Promise. They discussed the five pillars that they have come up with: Accountability, Collaboration, Fiscal Stewardship, Integrity and Service.

SPLOSTV and SPLOST VI and Capital Projects Update
(Presenters: Roque Romero, Public Works Cluster Leader; Bert Bivins, Assistant SPLOST Director; and Lynn Planchon, Capital Projects Director)

Mr. Roque Romero, Cluster Leader, provided a recap of the previous SPLOST projects that have been completed. These include the construction of twelve fire stations, nineteen parks, fifty-eight intersection improvements, five recreation centers, sixty-eight roads, two hundred and seventy-two miles of resurfacing, twenty-six bridges and culverts, five libraries, and four senior centers, all funded by SPLOST funds.

Mr. Romero provided an update on the status of projects funded by SPLOST V funds. He noted that there have been twelve completed transportation projects, with an additional twenty-two transportation projects currently in progress. Additionally, ten capital projects have been completed, with six more in progress. In terms of county-wide resurfacing efforts, two hundred and fourteen roads have been resurfaced, improving a total of one hundred and twenty miles, which includes funds from the Local Maintenance Improvement Grant (LMIG).

Mr. Bivins provided details on some of the roads completed with SPLOST V funding. In District 1, Peeksville Road, previously a dirt road from Old Jackson to Tussahaw Bridge, was improved. Iris Lake at Racetrack Road saw the installation of a roundabout for intersection improvements, a project shared with District 3, with an Intergovernmental Agreement (IGA) with the city of McDonough. In District 3, an intersection improvement was made at Turner Church Road and SR 20. Additionally, there were improvements at North Ola Park entrance and sidewalk, South Ola Road extension, and West Village Parkway widening. In District 2, the Greenwood Parkway at SR155 intersection improvement with a signal was completed.

Mr. Romero provided updates on the SPLOST V projects currently in the design phase:

- In District 1, Burg Road right-of-way acquisition is in progress, and construction is scheduled to start in May 2024. Dutchtown Road right-of-way acquisition is also in progress, with construction set to start in July 2024. Mill Road widening (from Jonesboro Road to Peachtree Peddlers) is in progress.

- In District 3, Airline Road at McGarity will undergo intersection improvements, with construction anticipated to begin in Q1 2025 if sufficient funds are available.

- In District 4, Rock Quarry Road, funded by TSPLOST, will have its bid date for the project in September 2024.

- In District 5, Fairview Road will see a sidewalk project, with the bid date set for June 2024. Additionally, Fairview Road will be widened from Home Depot to Hearn, with right-of-way acquisition scheduled to start in Summer 2024.

Mr. Romero provided details on the active SPLOST V construction projects:

- McDonough Parkway (North Tie-In to SR 20): The Notice to Proceed will be issued in the first week of April 2024.

- Resurfacing 34 Roads: A pre-construction meeting will be conducted in the first week of April 2024.

- Flippen Road Extension: The bid date was March 13, 2024, and it will be on the Board of Commissioners Agenda for Approval in April 2024.

Mr. Romero provided updates on the TPLOST projects:

- McDonough Parkway from Turner SR 42 to SR 155: The bid date was March 20, 2024, and it will be on the Board of Commissioners Agenda for Approval in April 2024.

- Rock Quarry Road Widening: Construction is scheduled for September 2024.

- SR 81 (from Postmaster Drive to Bethany Road): Right of Way Acquisition is in progress.

- Mill Road (from Jonesboro Road to Peachtree Peddler's): Right of Way Acquisition is in progress.

- Bill Gardner Parkway (from SR 155 to I-75): Right of Way Acquisition is in progress.

- Fairview Road (from Hearn to SR 155): Right of Way Acquisition is in progress.

- Jonesboro Road Widening (from Mill Road to North Mount Carmel).

Ms. Lynn Planchon highlighted the accomplishments of SPLOST V for capital projects:

- Nash Farm Event Pavilion & New Playground (District 2)

- McDonough Senior Center Fitness Room Addition (District 3)

- North Ola Park Concession/Restroom Renovation (District 3)

- New Entrance Sign for newly renamed Gary Barham Park (District 3)

- Police Precinct (District 4)

- J.P. Moseley Park Disc Golf Expansion (District 4)

- Mickie D. Cochran Park Renovation (District 4)

- Fire Station #6 (District 5)

- Fairview Police Precinct (District 5)

- Village United Soccer/Lacrosse Park (District 5)

The SPLOST V capital projects currently in progress include:

- Aquatic Center & Outdoor Water Park: Construction is in progress.

- Fire Station #5 Replacement: Design is complete; the City of Hampton Plan Review is in progress.

- North Mount Carmel Recreation Center: Construction is in progress.

- McDonough Library Renovation: Construction is in progress.

- J.P. Moseley Pickleball Court Design: Concept design is in progress.

- Bud Kelley Park Disc Golf Design: Design is in progress.

Mr. Romero discussed the SPLOST VI program and presented projected numbers with and without Intergovernmental Agreements (IGAs) with the cities. He stated that with a 5-year program and no IGAs, projected collections would be $380 million. However, with a 68 percent participation rate, it would amount to $258.4 million. If the county opts for a 6-year program and the cities agree to participate, the projected collection would be $470 million, resulting in $319.6 million at a 68 percent participation rate.

County Manager Matthews asked Mr. Romero to explain the concept of Intergovernmental Agreements (IGAs) and no IGAs to the new commissioners. Mr. Romero clarified that a no IGA scenario occurs when the cities do not reach an agreement on the collections. He emphasized that for an IGA to be established, every city must be in agreement, or at least the two most prominent cities must agree to proceed.

Mr. Romero explained that the current SPLOST is a five-year program because there was no agreement with the cities. A called meeting in July will address the Intergovernmental Agreements (IGAs), where the cities will have to sign and approve them. He emphasized that the cities must agree first before the county can proceed with the six-year program. He then broke down how the allocations would look with a five-year IGA and the six-year IGA program. With the five-year program without city participation, transportation would receive $175,000,000, capital projects $78,400,000, and program management $5,000,000. With the six-year program, transportation would receive $216,369,200, capital projects $96,838,800, and program management $6,392,000.

Mr. Bert Bivins presented the SPLOST VI recommended major transportation projects for District 1 and District 2. Here's a summary:

District 1:

- SR 81 (Bethany Road to Kerry Ferry): Phase two in progress, shared with District 3.

- Hampton Locust Grove Road Widening (SR 20 to SR 155).

- Intersections and signalization improvements at Peeksville Road and Old Jackson Road.

- Dirt road projects: Ellistown Road, Sandy Ridge Road, and Happy Hollow Road.

- Bridge improvement at Hampton Locust Grove Road over Towaliga River.

- Standard $10 million allocation for district resurfacing.

District 2:

- Fairview Road Widening (Home Depot to Hearn Road): Construction in progress.

- East Atlanta Road Widening (Rex Road to Fairview Road).

- Jonesboro Road Widening (County Line to N. Mt. Carmel Road): Shared with District 5.

- Jodeco Road Widening (Hudson Bridge Road to I-75): Shared with District 4 and District 5.

- Intersection and signalization improvements at Flippen Road and McCullough Road (Shared with District 5), East Atlanta Road @ Rex Road, Panola Road at Scarborough Road, Panola Road at Flakes Mill Road, Scarborough Road at Church Road, and Scarborough Road at Fairview Road.

- Sidewalks and trails: Fairview Road Side path (from Church Road to Hearn Road).

County Manager requested skipping the slides for District 3 and District 4 due to the absence of the commissioners. Then, in **District 5**, the recommended major transportation projects include:

- Jonesboro Road Widening (County Line to N. Mt. Carmel Road): Shared with District 2.

- Jodeco Road Widening (Hudson Bridge Road to I-75): Shared with District 2 and District 4.

- McDonough Parkway (from storage units to Jonesboro Road): Shared project with District 4 and City of McDonough.

- Intersection and signalizations improvements at Chambers Road @ McCullough Road, Flippen Road @ McCullough Road (Shared with District 2), Mt. Carmel Road @ South Mt. Carmel Road, Racetrack Road @ Travis Drive (Shared project with District 3 and City of McDonough), and McDonough Parkway at Bridges Road (Shared project with District 4 and City of McDonough).

- Dirt road project: Dutchtown Road.

County Manager Matthews outlined the process for presenting the SPLOST VI options to the Board. The committee will compile a list based on two options: a five-year agreement without an intergovernmental agreement (IGA) or a six-year agreement with the IGA. This list will be presented to the Board along with a resolution for approval, which may include amendments. Any projects not initially considered can be discussed further in a workshop. Following this, Holly Lafontaine led a team-building exercise for the group.

<u>Henry County Development Authority Presentation</u>
(Presenter: Josh Fenn, Executive Director)

Mr. Fenn stepped forward, emphasizing the mission of the Henry County Development Authority: to foster economic growth in Henry County by attracting new investments and job opportunities, while also supporting the retention and expansion of existing industries. The vision entails Henry County becoming a hub for leading companies across diverse sectors, leveraging its global connections and skilled workforce to create a vibrant environment for living, working, and recreation. He highlighted that they generate $0.40 from each dollar through commercial and industrial property taxes, a figure further bolstered by the homestead exemption. However, he also pointed out a concerning trend: they're witnessing a loss of $0.40 for every $1 on residential properties.

Mr. Fenn mentioned that 89 percent of homes in Henry County are at least 10 years old. He noted a decline in rental rates and emphasized the necessity for sustainability in this regard. Additionally, he addressed the longstanding issue of road infrastructure, acknowledging that it has been flagged for improvement over an extended period and requires immediate attention.

Mr. Fenn highlighted that the GA HWY 155 CID proposal, initially tabled in June 2019, has remained undecided despite multiple requests from the Board. Consequently, property owners have lost interest in the proposal. He proposed a solution within the SPLOST VI program, suggesting the inclusion of two Industrial Roads/Main Commute Routes: Greenwood Industrial and King Mill of Westridge. Alternatively, he recommended establishing a Service Delivery Region for other roads in Industrial Parks. This approach would allow the county to bond and resurface industrial roads collectively, alongside implementing a 1 Mil tax to expedite repayment.

Chair Harrell disagreed with Mr. Fenn regarding the CID, citing ongoing conversations with industries still interested in doing business, including Medline. She questioned whether Mr. Fenn was proposing that the Board raise property taxes to fund the 1 Mil for road payment.

Mr. Fenn clarified that the service delivery would be targeted specifically to those areas, resembling a CID but focused on individual roads. He acknowledged the challenges, noting that many industries lease their spaces, necessitating renegotiation for any changes to infrastructure.

Chair Harrell inquired with County Manager Matthews whether there had been discussions about pursuing a regular CID with a company, specifically referencing the company responsible for the CID in Cobb County.

County Manager Matthews responded that during last week's Leadership Henry panel, Sharon Hill and representatives from two existing industries discussed transit availability and options, as well as the potential for a CID to fund essential road projects. County Manager Matthews noted that Sharon Hill committed to reconvening for a meeting with those industries to initiate progress on both the transit and CID fronts.

Mr. Fenn emphasized the necessity for property owners' assistance, as they are the ones who own the properties that would be subject to taxation.

C**ounty Manager Matthews** noted that some commissioners who were part of the initial CID felt that the area was too large, as it included Highway 155 and the South Pointe area.

Chair Harrell mentioned that the leadership at Leadership Henry welcomed the discussion about the CID. She stated that if they are willing to tax themselves with the one mil, then that is open for discussion.

Mr. Fenn highlighted the goals of the Henry County Development Authority's Established Industry Program, which aims to support the retention and growth of Henry County's established industries. They collaborate with various institutions to provide this assistance. He noted that the county currently boasts the fastest enrollment growth rate in technical colleges. He expressed satisfaction with Southern Crescent Technical College's contributions to the community. In terms of economic performance, Henry County ranks fifth in job growth and fourth in manufacturer growth in Georgia. Additionally, the county leads the nation in industrial leases and renewals. **Mr. Fenn** emphasized the growing market share for small businesses, citing Henry County's seventh-place ranking in new business startups last year. He clarified that this ranking was based on business licenses issued, not necessarily the number of businesses counted in the four cities where licenses were issued**.**

Mr. Fenn noted that the first CID has been successfully completed through a partnership with the city of Locust Grove. He highlighted another benefit for job and investment growth, citing Piedmont Henry's $215 million expansion for a new tower. He emphasized that the county is seeing a return on its investment.

Retail Strategy
(Presenter: Mill Graves, Director of Community Partnerships)

Mill Graves emphasized the importance of confidentiality to their organization and clarified that they do not control property nor operate as a retailer. Their role is to persistently engage with communities, understanding their trajectory and challenges. They view this as an ongoing process, collaborating with approval teams to deliver a genuine strategic plan. This plan involves extensive marketing analysis. Mill Graves's purpose is to invest time, effort, and expertise in building relationships with property owners and making connections. They act as an extension of the county on state, southeast regional, and national levels.

Mr. Graves provided a PowerPoint slide that outlined their approach to customizing trade for the area. Each retailer, he explained, employs specific site selection criteria to determine the viability of opening a profitable store. Initial evaluations involve considering municipal boundaries, radius rings, and drive times to gather essential information for decision-making. Moving forward, the process involves creating a customized trade area, which is crucial for analyzing the market effectively. This trade area delineates a core customer base likely to patronize local businesses regularly. It is constructed by integrating mobile tracking data with drive times, geographical boundaries, and proximity to neighboring shopping destinations. Furthermore, Mr. Graves emphasized that each retailer conducts its own analysis of the trade area, considering factors such as existing stores, competition, and individual site selection criteria.

Retail Strategies has developed a customized core trade area depicted on a map, targeting consumers who may travel to the market for shopping or dining purposes. Mr. Graves explained that they gather data through peer analysis, comparing various communities and their market supplies. This process helps gauge similarities between communities and provides insights into potential opportunities.

Marketing your community, **Mr. Graves** emphasized, is crucial. Providing easy access to the right information in a convenient manner is essential for fostering growth within the community.

Commissioner Lewis inquired about the recruitment efforts for restaurants and assistance in that regard. **Mr. Graves** responded that the next step involves actively representing the community and engaging in recruitment efforts on its behalf. He mentioned attending over 15 conferences per year to recruit retail to specific sites within the communities.

Commissioner Lewis sought clarification on what success would entail. Mr. Graves explained that success involves proactive engagement leading to tangible results. **Mr. Graves** emphasized that relocating one retailer to Henry County, facilitated by their efforts, would not only cover their contract but also contribute through sales tax, property tax, and job creation, similar to the impact of industrial industries. However, **Mr. Graves** clarified that while they cannot guarantee outcomes due to not controlling real estate or realtors, they have a network of individuals who can advocate on behalf of the county and influence the situation.

Chair Harrell is interested in what steps need to be taken to attract higher-quality restaurants to the area.

Mr. Graves mentioned that navigating development properties can be complex. They are currently in communication with retailers to understand their requirements, and they will relay this information back to the team. He noted that they conduct quarterly reviews, which provide comprehensive information necessary for decision-making.

Chair Harrell requested that the information be shared with the County Manager.

County Manager Matthews provided instructions to everyone regarding the group activities, and day two of the retreat concluded with **adjournment at 2:10 p.m.**

Group activities lasted from 3:00 p.m. to 6:00 p.m.

Day 3 March 27, 2024, Commenced at 9:29 a.m.

Atlanta Police Leadership Institute

(Presenter: Dr. Stephanie Thomas-APLI, Director (Atlanta PD)

Tamika Kendrick, E-911 Director, stepped forward to introduce today's speaker, Dr. Stephanie Thomas.

Dr. Thomas came forward and provided a brief introduction of herself. Following this, she asked her staff member, Ebony Walton, to introduce herself. **Ebony Walton** then stepped forward and gave a brief introduction, highlighting what leadership means to her.

Dr. Thomas emphasized the significance of roles within an organization and her role in teaching individuals how to excel as leaders. She underscored the importance of communication, building trust, and listening, highlighting these as crucial elements of leadership. Dr. Thomas also noted the legacy individuals leave behind as leaders and stressed the importance of addressing mental health concerns within the organization by actively listening and caring for internal staff. Furthermore, Dr. Thomas posed questions about organizational change and cultural competence, urging attendees to embrace change both internally and externally. She then facilitated a group exercise aimed at understanding the dynamics of the individuals present at the table.

County Manager Matthews delivered her closing remarks, and day three of the retreat concluded with **adjournment at 12:00 p.m.**

Carlotta Harrell, Chair

Stephanie Braun, County Clerk