

**STATE OF GEORGIA
COUNTY OF HENRY**

The Henry County Board of Commissioners held a Virtual Called Workshop Meeting at 9:00 a.m. on Tuesday, November 9, 2021. This meeting was streamed on Henry TV at the county website, as well as streamed Charter/Spectrum Channel 180 and Facebook Live. This meeting was advertised in the *Henry Herald*. Those present on the teleconference were:

Carlotta Harrell, Chair
Johnny Wilson, District I Commissioner
Dee Clemmons, District II Commissioner
Greg Cannon, District III Commissioner
Bruce Holmes, District V Commissioner

Absent: Vivian Thomas, District IV Commissioner

Also in attendance: Cheri Hobson-Matthews, County Manager; Patrick Jaugstetter, County Attorney; Stephanie Braun, County Clerk; Toussaint Kirk, Planning & Economic Development/Cluster Lead; TBD

INVOCATION

The Invocation was given.

PLEDGE OF ALLEGIANCE

The Pledge was recited.

CALL TO ORDER

Carlotta Harrell, Chair, called the Workshop Meeting of the Henry County Board of Commissioners for Tuesday, November 9, 2021 to order at 9:00 a.m.

PRESENTATION

Discussion regarding Impact Fees, Purchasing Policy, State Contract Process and Capital Project Update.

Chair Harrell announced that the presentation will begin and turned it over to **Toussaint Kirk, Planning & Economic Development/Cluster Lead**.

Cheri Matthews, County Manager, approached and acknowledged the prayer given by Michele Weaver, Executive Assistant to the Board of Commissioners. She asked that before the presentations begin to pause for a moment of silence for the passing of Paramhans Desai, Henry County Police Officer.

(PAUSE FOR MOMENT OF SILENCE)

Ms. Matthews thanked everyone and stated the purpose of the meeting is to present several items to the Board of Commissioners (BOC) in a workshop format and receive feedback. There are items that have been discussed and items for the future. The impact fees item presented by Mr. Kirk, will be a

follow-up to an earlier presentation where questions were asked by the BOC. No action is needed from the BOC in this workshop meeting, only feedback on next steps. She said Mr. Kirk will provide recommendations to the BOC at the conclusion of his presentation. After Mr. Kirk's presentation succeeding presentations from Financial Services includes Purchasing Policy, State Contract Process and Capital Project Update.

Ms. Matthews asked Mr. Kirk to present his item.

Mr. Kirk approached and acknowledged comments from Ms. Matthews. He echoed that he would provide information on impact fees and provide some recommendation that will guide the BOC in their decision-making. He stated there were new slides added to the previously viewed presentation. He said to be determined is an impact fee figure and the public hearings. Once the fees are discussed today, they can move forward with the public hearings.

Mr. Kirk's first slide presented impact fee basics. He recalled questions about what the impact fees could be spent on and if it were a tax and stated the impact fee was not a tax, but a fee directly related to the county's cost of services made available. He said unlike property tax or sales tax, there is no direct relationship between what one pays and a return that the taxpayer receives. He said the goal of the impact fee is to serve new growth and development without reducing the same services and facilities related to the residents and businesses in the county. These fees are to be paid on new construction of homes or non-residential buildings. The fees can be used on library facilities, parks and recreation, public safety and roads and bridges.

Mr. Kirk's next slide showed a map of counties and cities that collected impact fees throughout metro Atlanta. He said there are approximately fifty-seven (57) in the state of Georgia that participate in impact fees but mostly concentrated in the metro Atlanta area.

Mr. Kirk compared city figures to Henry County's maximum of \$10,000 in the following slides. He then compared some counties including Cherokee, Forsyth, Spalding, and Rockdale to the county's maximum and included graphic representation.

Mr. Kirk's next slide showed a breakdown of the maximum impact fee for Henry County and the following slides displayed some options to consider. The first option presented figures at a 100% to reflect the maximum impact fee. In another scenario, some figures were changed when compared to the city of Milton and Forsyth County. He stated, it should be determined what number the county wants to be, and percentages could be adjusted accordingly. He compared and assessed the various options presented in his final slide. He reiterated that a number needs to be determined. He said we are currently at \$1661 and if we want to be at \$5K or 7K for instance then we determine what percentages to use to break down the services offered.

Mr. Kirk provided some recommendations after meeting with industry professionals. He suggested the following: (11:20)

1. *Impact fees are imposed at the time of building permit application*
2. *Impact fees must be paid prior to Certificate of Occupancy (CO) Issuance*
3. *Building permits approved prior to new impact fee will still pay the current impact fee*
4. *A 6-month grace for building permits approved prior to new impact fee; no extension beyond the initial 6-months*
5. *Adopt a phased process for new impact fee increases over a two (2) to five (5) year period*
6. *Create Advisory Group of Homebuilders & Apartment Association members*

Mr. Kirk presented a graphic representation with examples of his recommendation to adopt a phased process for new impact increases over a period. He said they would like to accommodate the builders if possible and ease the increase over time, depending on what the BOC determines to implement.

Mr. Kirk stated that he would answer any questions.

Bruce Holmes, District V Commissioner remarked that he does not see a difference between a tax and fee. He also wants to know the purpose of increasing the fees for new development.

Ms. Matthews approached and explained that the process of amending the impact fee ordinance has been ongoing for some time. The entire impact fee ordinance needed to be revisited following a request from the BOC to add transportation as an eligible land use to collect some impact fees from new developments.

Commissioner Holmes asked if the fees collected would be dedicated towards road construction, resurfacing and new developments.

Ms. Matthews responded that it would go towards any new improvements such as widening lanes and for intersection improvements. The fee won't cover resurfacing unless it is expanding the surface area of that roadway. These fees are for anyone pulling a new residential or commercial permit.

Commissioner Holmes thanked Ms. Matthews for her response.

Chair Harrell asked if there were any additional questions.

Commissioner Wilson remarked that he is not certain about Stockbridge and Hampton but wants to review the impact fee charges for the cities of McDonough and Locust Grove. He commented that the City of McDonough has just increased their fees.

Ms. Matthews asked that the slide be pulled up for reference. After the slide was located, **Mr. Kirk** commented that the City of McDonough is at the top.

Commissioner Wilson asked that the slide be made larger as he had difficulty reading the information.

Ms. Matthews remarked that the presentation was emailed to the BOC from the County Clerk, but they will try to make the presentation slide more legible. After the slide was located and enlarged, she asked the District I Commissioner if he was satisfied.

Commissioner Wilson said that he could read it but would pull it from his email as he didn't see a full frame. He had no further questions or comments.

Mr. Kirk asked if there were any other questions.

Ms. Matthews asked Chair Harrell if there were any other questions from the board.

Chair Harrell remarked that she does not see anyone from the BOC with questions.

Commissioner Holmes stated he had a question and directed it to Ms. Matthews. He requested clarity on a previously asked question and asked if the increase in impact fees would go directly towards the development when the developer pulls a permit.

Ms. Matthews responded no and proceeded to re-explain her remarks. She said anyone who pulls a building permit today is charged a building impact fee. These impact fees remain with the county and they are distributed in the areas in which the impact is occurring.

Commissioner Holmes remarked that he was speaking directly about the increase and asked why an increase is needed.

Ms. Matthews responded that the Impact Fee Ordinance in place is what we have had since the initial creation of the ordinance. She said, there is a need to increase the approximate \$1663 collected per home because the county has grown and the impacts on the number of developments. The amount collected does not take care of the cost to add those services and she provided an example. She said the amount that is charged is not comparable to the level of service we are providing to our residents, and the cost of service for us to provide it beyond just your general operating services.

Commissioner Holmes remarked he may still be confused. He said it was mentioned that we are growing and said if we are growing that means we are collecting more fees. He asked if we are collecting more fees, if it's enough to invest in our parks and other county assets.

Ms. Matthews responded we are growing as a county. She said this means our property values are increasing and we are collecting more, but we are talking about two different kinds of funds. The purpose of the impact fee is for new home and developments occurring that may have an impact on expanding those services. She proceeded to provide an example.

Commissioner Holmes remarked this is exactly what he is talking about. He said we have residential and commercial developments happening all over the county and we are collecting a lot more money because a lot of development is happening in the county. He asked why we need to increase the fee on each of those developments and this is the only thing he is trying to understand. He reiterated and asked what the purpose is of increasing this fee when we are seeing collections going on all over the county from developments.

Ms. Matthews responded that the difference is we are collecting at approximately 2% for impact fees. She restated we are growing at an exponential rate but the amount we are collecting is not enough to take care of expanding public facility categories. She said we have parks, libraries, and other areas that need to expand, but we are not collecting at the rate in which we are growing, therefore we must consider increasing the amount.

Commissioner Holmes responded this was not making sense because we should be collecting at the same rate we are growing.

Ms. Matthews asked Commissioner Holmes to remember that impact fees are collected only for new development. A residential homeowner is not paying that impact fee, but the property tax fees which goes to the general operating budget for new projects like parks, public safety, and libraries.

Commissioner Holmes stated that growth and new development are nearly the same thing. He asked if he was not understanding correctly.

Ms. Matthews responded that they both agree that growth and new development are the same thing, but the amount collected on impact fees is not comparable to the percentage of growth we are receiving. She reiterated currently we are collecting about 2% for impact fees but we are growing at a much greater rate. The rate that we are growing is not comparable to the amount we are collecting in impact fees.

Commissioner Holmes asked if we were collecting fees off of that greater growth.

Ms. Matthews responded that we are only collecting for new permits. She asked that he remember that they are collecting \$1600 per new home.

Commissioner Holmes echoed that we want to collect more than \$1600 per home.

Ms. Matthews responded that based on an assessment by our consultant, the maximum amount we should be collecting is about \$10,000 which was determined from the categories that we have currently. She asked he keep in mind the consultant was asked to look at transportation as a component to collect for because currently we don't collect for this. We collect for libraries, parks, greenspace, public safety and E-911.

Chair Harrell commented with an example of having to provide services for a 300-unit apartment complex being built. She said we already provide services for what is current but if we must increase public safety, we must have parks and quality of life for those individuals that will be residing in that 300-unit complex. This must be paid for by this impact increase that is being proposed. She said we can continue to build but if we don't have the funds it does not matter what taxes are collected, because it won't pay for services like the need for additional police officers or firefighters.

Ms. Matthews responded that the point is to serve that new development and that new growth without reducing the level of service that we have already approved. She stated, we set the budget every year based on what we believe our expenses are and what we will collect. And when we add new developments to the county, we still want to provide the same level of service to the existing residents. She provided an example of when new units are developed in an area and there may be need for more baseball fields in a park. She said, rather than returning to the BOC to increase our general fund budget or the mileage rate, we pass it on the new residents or developments that are being pulled and take the collections from that to pay for those new services.

Chair Harrell called on Commissioner Wilson to ask his question.

Commissioner Wilson asked Ms. Matthews for a breakdown of the impact fees that are collected for public safety on the current scale. He also asked if he correctly understood that for public safety you can build fire stations, precincts, and equipment.

Ms. Matthews responded that is correct.

Commissioner Wilson echoed Commissioner Holmes in terms of the growth of what we are collecting. He said when the last impact fee study was done, it probably cost a million dollars to build a fire station, and he believes it's now close to three million dollars. He said the impact fees will help offset the increase in materials and labor and will let Ms. Matthews provide the numbers.

Ms. Matthews asked the District I Commissioner if wants to know the total dollar amount that we have collected in impact fees for public safety.

Commissioner Wilson said yes and also provide the percentages out of the \$1661 that they give for public safety.

Ms. Matthews said that she will need to bring her computer which has that information stored.

Ms. Matthews remarked that the information provided is as of August 21st. She said we have collected \$1.881 million and of that we've collected 1.8849. Of that 1.8849, \$98,769 went to the Police Department; \$152,952 for Sheriff's Office, \$229,262 to Fire and \$16,136 to E-911.

Commissioner Wilson asked if that is the total collections for public safety.

Ms. Matthews responded yes.

Commissioner Wilson asked if it costs almost three million to build a fire station.

Ms. Matthews responded that's correct.

Commissioner Wilson asked if it costs over a million dollars to purchase a ladder truck and half a million for fire truck. He said he could go on but that won't put a dent in what is needed for fire stations and equipment. He stated there is a need for impact fee increase and the two biggest things to improve in our county is public safety and transportation. He asked how much goes towards libraries and greenspace.

Ms. Matthews responded for libraries they have \$133,548, \$543, 246 for parks and recreation, and \$13,888 for Greenspace.

Commissioner Wilson commented that Parks & Recreation is collecting a little less than half than Public Safety.

Ms. Matthews stated a lot of enhancements were done at our parks and we have been able to add some other projects that are ongoing in various districts as it pertains to parks and recreation. This is where a large amount of the fees collected have gone. She repeated that the idea behind this was to amend the ordinance so transportation could be added as an eligible land use activity, and by increasing that amount to hopefully share those funds with needed road improvements that are needed.

Commissioner Wilson asked if he is correct that impact fees collected in public safety stays in public safety. He said it's not like SPLOST where you can move funds around because that concerns people about SPLOST dollars.

Ms. Matthews responded this is correct and it must stay within that district. Where those funds are collected is where they must be spent. For example, if there are many housing units and permits that are being issued in District I, those fees go towards that district. She said to remember the point is to make sure that we are increasing the level of service within those districts because of homes being built and new development occurring.

Commissioner Wilson remarked except in Parks and Recreation. He said several years ago, the BOC elected to take the Parks and Recreation account and divide it amongst all five districts and asked Ms. Matthews to confirm.

Ms. Matthews responded that is correct.

Commissioner Wilson remarked that we probably need to go back and put it for the area that's been impacted.

Chair Harrell echoed that she agrees because if that area is being impacted then money should be spent in the area that is being impacted. She said that's what impact fees are and not to split and divided between districts.

Commissioner Wilson had no further comments or questions.

Ms. Matthews as Chair Harrell if there were any other questions.

Chair Harrell said she didn't see any other hands raised.

Chair Harrell remarked this is a presentation on how impact fees work and for the BOC to consider the possibility of an increase. She encouraged the public to also ask questions then asked to move to the next presentation unless staff had something else to discuss.

Ms. Matthews remarked that the next steps is to create the advisory board Mr. Kirk mentioned which includes building community members to receive feedback. She said staff had a virtual meeting with several members, and she does not want to speak for them, but they were amenable to meeting and brought some recommendation on what is being done in other communities. Staff asked that they look at communities that are comparable to Henry County so that we remain competitive, but with the understanding the BOC is looking for a standard as it pertains to the county. She said if citizens want to be involved, they'll do their best to post information as it's important for people to be involved in the conversation. She echoed what Commissioner Wilson highlighted in what it cost us to provide extra services is what's most important. The general fund budget focuses on general maintenance and general operation. After the budget has been approved, and items are needed to be added, other sourced must be considered. She said this is a reason this is being brought to the BOC. The board is going to look for guidance from staff on where we should be. She said \$10,000 is the maximum but reiterated that is not what is being recommended to the board today. Discussions about what it costs the county to provide services when we are adding developments is needed.

Ms. Matthews directed Mr. Kirk and his team to work toward an advisory committee and bring to the BOC a recommendation of what the next steps are at the beginning of the first quarter of 2022.

Chair Harrell said Greg Cannon, District III Commissioner Cannon had a question.

Commissioner Cannon said he had a comment. He said when we are voting to improve developments, every district has expressed concern on how they impact our roads, schools, and public safety. Because of this, we need to have access to more funds. Of the developers he has spoken with regarding this impact fee, none have been discouraged about the possibility of them raising those fees. He wants to go on the record in saying that he has reviewed the numbers and calculated about \$5000 with 100% going to Fire, Sheriff, Police and E-911, and the percentages would be different to the other parties. He thinks it is necessary and to provide a better quality of life. He said if we want the growth to continue, we need to have input on how this happens and the impacts it has on our community. He likes the idea of having a starting point and raising it over time. He thinks its vitally necessary to continue the right quality of life in Henry County.

Ms. Matthews thanked the District III Commissioner for his comments.

Chair Harrell echoed Commissioner Cannon's comments.

Chair Harrell asked Ms. Matthews if we were ready to move to the next presentation.

Ms. Matthews responded yes.

Chair Harrell remarked that we do not have a quorum but will continue with the presentation.

Chair Harrell and **Ms. Hobson-Matthews** thanked everyone who participated in the meeting.

ADJOURNMENT

There being no further business at this time, **Chair Harrell** adjourned the meeting. ***Meeting adjourned at 10: 24 a.m.***

Carlotta Harrell, Chair

Stephanie Braun, County Clerk