

**HABERSHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION MINUTES
5:15 P.M., MONDAY, APRIL 21, 2025
HABERSHAM COUNTY COURTHOUSE
JURY ASSEMBLY ROOM
295 LLEWELLYN ST, CLARKESVILLE, GA 30523**

The Habersham County Board of Commissioners held a work session on Monday, April 21, 2025 at 5:15 p.m. in the Jury Assembly Room of the Habersham County Courthouse located at 295 Llewellyn St, Clarkesville, GA 30523.

Present was Vice Chairman Bruce Harkness, Commissioner Dustin Meador, Commissioner Ty Akins, Commissioner Kelly Woodall, Interim County Manager Tim Sims, County Attorney Donnie Hunt, County Clerk Brandalin Carnes, staff, members of the media and the public.

Absent was Chairman Jimmy Tench.

Vice Chairman Harkness called the work session to order at 5:19 p.m.

Commissioner Meador lead the invocation.

Commissioner Akins lead the pledge of allegiance.

Motion by Commissioner Woodall, Seconded by Commissioner Akins and voted unanimously (4-0) to approve the agenda for the work session as presented.

TOPICS OF DISCUSSION

a. Current SPLOST Update

Chief Financial Officer/Interim County Manager Tim Sims addressed the Commission to give them an update on the status of the current SPLOST collections and projects. Mr. Sims informed them that as of March 31, 2025 the county had received \$37.93 Million in revenue from SPLOST VII, which was 19.66% above projections for this time frame. These revenue collections have remained consistent with the exception to the increased revenues in November and December from holiday spending and then the post-holiday decrease in January and February. At this time, Habersham County has received \$26.98 million of these collections with \$4.69 having been earmarked for the paying down the hospital debt, which is considered a Tier II Project, and the remaining \$22.23 million being Habersham County's share of the revenue. The remaining \$10.64 million has been distributed to the municipalities.

Mr. Sims gave the Commission a detailed breakdown of the projected SPLOST VII budget and what expenditures have taken place so far. The Sheriff's Office has expended their entire \$775,000 that was budgeted for vehicles and equipment due to the dramatic increase in costs of those items. Last year's vehicle purchase for the Sheriff's office were made with excess SPLOST proceeds, and they will be looking to see if this can be done again this coming fiscal year or if additional vehicle purchases for the Sheriff Office will need to come out of the general fund. He reminded the Commission they had just financed the construction of the animal shelter with a Certificate of Participation which they planned to pay back with excess SPLOST proceeds, however if there is a little extra, they could potentially use it to purchase additional vehicles for the Sheriff's Office.

Fire and EMS have a budget of \$6.3 million, of which they have already spent \$3.37 million. Most of these expenditures have been for fire apparatus, vehicle replacement or ambulance remounts. There is

\$4 million of the \$6.3 million that was budgeted that is earmarked for the new central fire station and headquarters. This project has been put on hold, and it is possible that there will have to be a Phase II for this project in SPLOST VIII due to the increase in construction costs.

There was \$7.2 million budgeted for the Radio System Replacement, of which \$3.8 million has been spent. There is an additional \$2.4 million of ARPA funds leftover to finish out this project. These ARPA funds are earmarked for the radio system project and are in a separate account. The radio system is almost 75% completed and they are hoping to go online before the end of June.

The new animal shelter project had a budget of \$1.75 million of SPLOST funds. The rest of the \$6.7 million in projected cost for this project is being financed through a certificate of participation (COP) that will be paid back with excess SPLOST proceeds for a total project budget of \$8.35 million. At this time, \$341,557 has been expended on the animal shelter project for design, engineering, etc.

There was \$11.26 million budgeted for Road Improvement Projects in SPLOST VII, with \$6.56 budgeted for road construction & maintenance, \$3.2 million budgeted for bridge updates/repairs/replacements, and \$1.5 million budgeted for equipment. At this time, \$5.53 million has been expended on road construction & maintenance and \$963,460 had been spent on equipment. Only \$19,897 has been spent on bridge updates/repairs/replacements due to the many lengthy studies and approval of plan submissions that must be done by GDOT before this type of work can be done.

The landfill had \$1.22 million budgeted to make the debt payments on loans that were used to purchase equipment that they had needed. Most of this was for the trash compactor, a new dozer and a new backhoe. At this time, \$807,936 has been expended towards the debt payments for this equipment.

Mr. Sims reviewed \$5.42 million in encumbrance for the aforementioned projects.

b. Future SPLOST & FLOST Planning

Chief Financial Officer/Interim County Manager Tim Sims addressed the Commission regarding the need to start planning for SPLOST VIII. He reminded everyone that SPLOST helps residents of the county by replacing a portion of the property tax obligation with a one-penny local sales tax. Approximately up to 1/3 of sales taxes end up being paid by non-residents who purchase goods in the community. The one-penny SPLOST is generally considered the fairest and most affordable way of funding critical community needs as it keeps property owners from bearing the entire burden of projects such as roads, public safety and other public projects. The SPLOST spreads the cost of these projects to everyone, including the visitors and tourists who shop and eat in Habersham County.

Mr. Sims recommended that the Commission consider pursuing a SPLOST VIII referendum as part of the upcoming November 4th election. He reviewed the timeline of events that would need to occur for the referendum to happen on November 4th. Though the referendum would be held a year early, the actual collections for a new SPLOST VIII would not actually begin until April 2027. To make all this happen, they would need to start talking to the municipalities in May about their potential project lists. They would need to meet with the municipalities elected officials to negotiate and draft an intergovernmental agreement before the end of June that determines the method and distribution of funds. These intergovernmental agreements would need to be finalized around July at a meeting that the cities must be notified about at least 10 days in advance. All of this must be done to meet the deadline to call for the referendum by August 4th, which is 90 days in advance of the election. They

must start advertising the date and purpose of the SPLOST VIII referendum by October to meet the requirements of having this published at least four (4) times in the newspaper. He reminded the Commission that the County will rely on the involvement of community groups throughout this process to support the SPLOST VIII referendum, as while the county is allowed to have informative public education meetings, the county cannot actively advocate for the SPLOST.

Commissioner Harkness asked what other elections were going to be on the upcoming November 4th ballot? Mr. Sims informed him that he believes that it mostly consists of municipality elections. Commissioner Meador stated that this year is an off cycle as last year was the presidential election and next year is the state elections. Concern was voiced by the Commission regarding voter turnout. Mr. Sims said that the reason they are wanting to go ahead and pursue the SPLOST VIII referendum a year early is because the cities are also wanting to potentially pursue a FLOST, however both the county and the cities are very dependent on SPLOST funds, and they want to make sure that this is secure prior to pursuing FLOST. Should a SPLOST referendum fail this year then they can always hold another referendum next year.

Commissioner Harkness wanted to make the public aware that the SPLOST VIII referendum would not be adding a new tax, it would be a continuation of a current tax that goes a long way towards helping to keep property taxes lower. Commissioner Harkness stated that he felt that it was important to start educating the public now, as if there is a low voter turnout in November then a small portion of the county's population would be controlling the projects and budget for the county for the next 6 years. Commissioner Woodall stated that he felt that consumption taxes are the fairest taxes as they place some of the burden for the cost of county services on those who visit and shop from outside the county. Commissioner Akins stated there are approximately 6,000-8,000 people who live outside of the county who come to Habersham to work every day, on top of tourists and visitors on the weekends and those who use the recreation facilities. SPLOST ensures that these individuals contribute to the costs of providing community services. Mr. Sims informed the Commissioners that no vote is needed at this time, however he does need to know if the Commission wishes for him to start this process. Commissioner Harkness, Meador, Akins and Woodall all agreed that they wished to move forward with pursuing a SPLOST VIII referendum in time for the November 4th election.

Mr. Sims did a quick review of House Bill 581, and the newly created local option sales tax called FLOST. HB581 was voted on by statewide referendum last year and overwhelmingly passed. In addition to creating a statewide homestead exemption that limits the annual increase in property tax assessments, HB 581 allows for counties and cities to be able to implement an additional 1% local sales tax called the FLOST that can be used to help offset any revenue loss from the new homestead exemption. Habersham County will not experience a revenue loss resulting from HB581 since the county already had a more generous homestead exemption in place. However, HB 581 will allow the county and the cities to pursue a FLOST, the sole use of which would be to roll back the millage rate. This is similar to the LOST that is received by the School Board, with the exception that the FLOST must be renewed by referendum every five years. An IGA would need to be completed with the cities to determine the distribution, which is usually calculated based on population. Mr. Sims reviewed some preliminary calculations with the Commissioners that showed an anticipated millage rate rollback of potentially 4.385 mills if a FLOST is approved by the voters. This would result in dramatic reduction in the millage rate for the cities, with the city of Alto and Mt. Airy potentially having their millage rate reduced to zero. By having the SPLOST VIII referendum hopefully approved a year in advance, it would allow the county to have most of 2026 to present the FLOST to the citizens and educate them on the impact it could have on lowering their millage rate for a potential referendum next November.

c. Safe Streets for All Grant Safety Action Plan

Chief Financial Officer/Interim County Manager Tim Sims addressed the Commission. The county applied for the Safe Streets for All Grant in September 2022, which was funded by the federal Build Back Better Grant. The grant assists in paying for a traffic engineer to complete a safety action plan. The benefit of this safety action plan is that it can be used to apply for future infrastructure grants to implement the safety solutions that are identified during the study. Habersham County has no obligation to apply for any future grants; however, it is still beneficial to have the safety action plan regardless as it will aid the county in identifying problem areas and prioritizing road projects. The County ended up being awarded this grant, and its acceptance was brought to the Commission for approval back in May of 2023. An RFP was released in September 2023 and Kimley-Horn was selected to complete the safety action plan. This grant had a local match requirement; however, the county was allowed to use the salaries of the IT and Road Department staff that assisted with the Safety Action Plans as an in-kind match. This covered the match in its entirety. Part of the stipulation for this grant is that they must approve a resolution saying that they are going to work towards a goal of zero traffic related fatalities and serious injuries. If the Commission does not approve the resolution, then the requirements of the grant will not be met, which will leave the county having to pay for the entirety of the work that Kimley-Horn has completed on the safety action plan. A request for the approval of the resolution needed for this grant is on tonight's Commission meeting agenda.

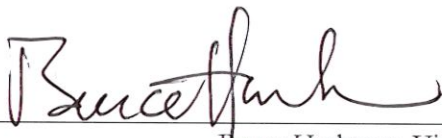
ADDITIONAL COMMENTS

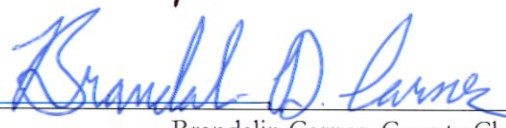
None

ADJOURN

Motion by Commissioner Mealor, seconded by Commissioner Akins and voted unanimously (4-0) to adjourn the meeting at 5:47p.m.

Respectfully Submitted,

By: 
Bruce Harkness, Vice Chairman

Attest: 
Brandalin Carnes, County Clerk