

MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF CHATHAM COUNTY, GEORGIA, HELD ON FRIDAY, MAY 24, 2002, IN THE COMMISSION MEETING ROOM ON THE SECOND FLOOR OF THE CHATHAM COUNTY COURTHOUSE, LEGISLATIVE AND ADMINISTRATIVE BUILDING, 124 BULL STREET, SAVANNAH, GEORGIA.

I. CALL TO ORDER

Chairman Billy Hair called the meeting to order at 9:00 a.m., Friday, May 24, 2002.

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II. INVOCATION

Commissioner Joe Murray Rivers gave the invocation.

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III. PLEDGE OF ALLEGIANCE

All pledged allegiance to the flag of the United States of America.

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IV. ROLL CALL

The Clerk called the roll.

PRESENT: Dr. Billy B. Hair, Chairman
Jeffrey D. Rayno, District One
Joe Murray Rivers, District Two
John J. McMasters, District Three
Harris Odell, Jr., District Five
David M. Gellatly, District Six
B. Dean Kicklighter, District Seven

ABSENT: Dr. Priscilla D. Thomas, Vice Chairman, District Eight
Frank G. Murray, Chairman Pro Tem, District Four

IN ATTENDANCE: R. E. Abolt, County Manager
R. Jonathan Hart, County Attorney
Sybil E. Tillman, County Clerk

[NOTE: The absence of Commissioner Thomas was an excused absence following surgery.]

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YOUTH COMMISSIONERS

Chairman Hair welcomed the following Youth Commissioners who were in attendance: Kathleen Nelson, a Junior at St. Andrew's, and Jazlyn Williams, a Junior at Savannah Arts Academy.

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V. PROCLAMATIONS AND SPECIAL PRESENTATIONS

- 1. PROCLAMATION FOR NATIONAL HUNGER DAY - NATALIE ALWAN JAYROE, PRESIDENT OF AMERICA'S SECOND HARVEST OF COASTAL GEORGIA, WILL BE ACCEPTING.**

Chairman Hair said, the first thing on our agenda this morning is a couple of proclamations. The first one is for National Huger Day, and I believe we have Ms. Jayroe, President of the Second Harvest of Coastal Georgia, is going to join me down front.

Chairman Hair read the following proclamation into the record:

WHEREAS, America’s Second Harvest, the largest hunger-relief organization in the united States, has launched a national campaign to secure additional resources to help families fight hunger; and

WHEREAS, because of the sharp downturn in the economy, numerous families on a daily basis are relying on food banks to secure food for their families; and

WHEREAS, June 5, 2002, has been designated “National Hunger Awareness Day” and America’s Second Harvest of Coastal Geogia, in partnership with 450 member food providers, has committed its support for the national campaign to secure additional resources from our own community to combat hunger; and

WHEREAS, the campaign will provide valuable food resources to those in need of help to reduce hunger within our community.

NOW, THEREFORE, I, Dr. Billy B. Hair, Chairman, on behalf of the Chatham County Board of Commissioners, do hereby proclaim Wednesday, June 5, 2002, as:

“HUNGER AWARENESS DAY”

in Chatham County and urge all citizens and businesses to join in supporting America’s Second Harvest of Coastal Georgia during this national campaign and for its year-long efforts to help end hunger in the Southeast.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of Chatham County, Georgia, to be affixed this the 24th day of May 2002.

Dr. Billy B. Hair, Chairman
Chatham County Commission

ATTEST:

Frances Q. Rasmussen, Deputy Clerk

Ms. Natalie Alwan Jayroe said, on behalf of America’s Second Harvest I’d like to thank the County Commission and all of the supporters here in this room. I know many of you on the Commission have supported our efforts in so many ways, both in your life as a Commissioner and in other endeavors that you’re part of. We’re proud in this community to help make the lives of this community better through ending hunger and through supporting 450 member agencies, nonprofit agencies, that are individually involved in some very great things to help build this community. Thank you very much. Chairman Hair said, thank you.

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2. PROCLAMATION FOR SAFE BOATING WEEK - REPRESENTATIVES FROM THE TYBEE LIGHT POWER SQUADRON AND THE U.S. COAST GUARD WILL BE ACCEPTING.

Chairman Hair said, our next proclamation is for Safe Boating Week and I think we have folks from the Tybee Island Squadron.

Chairman Hair read the following proclamation into the record:

WHEREAS, Chatham County area residents are increasingly heading to the water for recreation and relaxation as the opportunities for on-the-water activities grow each year on our unsurpassed local natural resources; and

WHEREAS, it is essential that both novice and experienced boaters practice safe boating habits, such as wearing a life jacket; and to commemorate the annual Safe Boating Week, this year’s theme, “Boat Smart From The Start. Wear your Life Jacket” is to recognize that boating safety begins long before the boat leaves the dock; and

WHEREAS, in recognizing that hundreds of lives could be saved each year by the wearing of life jackets - and that life jackets of today are more comfortable; and the law requires that wearable life jackets be carried for each person on board the boat - and little effort is needed to wear those life jackets.

NOW, THEREFORE, I, Dr. Billy B. Hair, Chairman, on behalf of the Chatham County Board of Commissioners, do hereby support the goals of the National Safe Boating Campaign, the Tybee Light Power Squadron and the U.S. Coast Guard Auxiliary Flotilla 10-2, and proclaim May 18-24, 2002 as:

"NATIONAL SAFE BOATING WEEK"

in Chatham County and urge all citizens to support the start of the year-round effort to promote safe boating, and urge all those who boat to wear their life jackets and practice safe boating.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of Chatham County, Georgia, to be affixed this the 24th day of May, 2002.

Dr. Billy B. Hair, Chairman
Chatham County Commission

ATTEST:

Frances Q. Rasmussen, Deputy Clerk

An unidentified gentleman said, thank you, Mr. Chairman and Commissioners. We appreciate the recognition and the support of all of you, not only during Safe Boating Week but throughout the year as the various organizations work together with the one objective, and that is to enhance safety afloat. Thank you very much. Chairman Hair said, thank you.

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VI. CHAIRMAN'S ITEMS

1. REQUEST FROM SCHOOL BOARD FOR SPECIAL MEETING OF COUNTY COMMISSION ON 2½ PERCENT TAX COLLECTION FEE AFTER COMMISSIONER MURRAY RETURNS AND BEFORE THE 14TH OF JUNE.

Chairman Hair said, I had a formal request from Ms. Diane Cantor, President of the School Board, to ask that we call a special meeting to deal with the tax collection fee because it's currently scheduled for June 14th and that would only leave them two weeks in their budget year to make adjustments. I personally think it's a fair request that we move that up and so what I'd like to do now is to set a date for a special-called meeting and I would suggest next week if we can set a date that's convenient for all the Commissioners. Would Friday, May 31st, next Friday, would that be something everybody could attend? Next Friday? Commissioner Gellatly asked, where would that meeting occur? Chairman Hair said, it will be here at the Commission meeting. It'll be a regular-called -, it'll be a special-called meeting to deal with the tax collection fee, and that would give them an extra two weeks to adjust their budget cycle, which I think is a fair request. Anybody object to that? Okay, and we'll just set it for nine o'clock next Friday. I would also ask that at that meeting, it is time for us to do the regular evaluation of the County Manager and we could always -, also do that at the end of the Executive Session at that meeting. Would anybody object to that? Any objections to that? Okay, so -, so we'll have a regular-called -, we'll have a special meeting for that purpose. The regular [sic] Commission meeting will be to deal with the tax issue and then we'll have Executive Session that will deal with the County Manager evaluation.

ACTION OF THE BOARD:

The Board agreed to schedule for Friday, May 31, 2002, beginning at 9:00 a.m., (1) a special-called meeting regarding a 2½ percent tax collection fee and (2) an Executive Session to deal with the County Manager's evaluation.

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VII. COMMISSIONERS' ITEMS

1. DISCUSSION REGARDING CHATHAM COUNTY ZONING BOARD OF APPEALS (COMMISSIONER MCMASTERS).

Chairman Hair recognized Commissioner McMasters.

Commissioner McMasters said, thank you, Dr. Hair. One of my constituents who is a member of the Chatham County Board of Zoning Appeals, Mr. Steve Day, contacted me to inquire as to why the –, his counterpart on the City's side, that is the Savannah Zoning Board of Appeals, has veto power over MPC decisions and his board does not. So I took the liberty of putting this on and ask staff as well as my fellow Commissioners if they have any insight that I might have the benefit of.

Chairman Hair asked, Mr. Hart, do you need to investigate? County Attorney Hart said, yeah. I just don't know. I know there's a little bit of difference in the zoning requirements between the City and the County. Most of the provisions try to run parallel and we try to keep it that way, but over the years I know the City's sort of drifted off this way and the County's drifted off the other direction, but I'd be glad to look at it.

County Manager Abolt asked, are you saying just one individual has veto power? Commissioner McMasters said, no, no, no. The entire Board, the Chatham County Zoning Board of Appeals has no veto power over MPC decisions whereas the City of Savannah does in their Zoning Board of Appeals. County Attorney Hart said, the County Zoning Board –.

Chairman Hair said, Clyde [Wester] may have an answer to this. We may –, from MPC here? We may not have to –. Mr. Wester said, I believe that Commissioner McMasters might be referring to the fact that there's a provision in the City of Savannah Zoning Ordinance that allows the Board of Appeals to review MPC site plan decisions, and the County Board of Appeals has asked staff to prepare an amendment to the County Zoning Ordinance to make that same provision that would apply to the County. We have done that. I think it will be on the agenda for the June 4th MPC meeting to provide similar authority to the County.

Commissioner McMasters said, okay, that's fine. Thank you. Chairman Hair said, thank you.

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2. TYBEE PIER FUNDRAISER- GORDON VARNEDOE (COMMISSIONER KICKLIGHTER).

Chairman Hair recognized Commissioner Kicklighter.

Commissioner Kicklighter said, thank you, Mr. Chairman. Is Gordon Varnedoe out in the audience? He contacted me yesterday and asked to be placed on the agenda. Mr. Varnedoe is sponsoring a fund raiser at the Tybee Pier Sunday and I just want him to be able to get up here and –, there he comes. Mr. Varnedoe, it's your time to talk about the fund raiser on Sunday. So if you would –.

Mr. Varnedoe said, gentlemen, how are y'all? Some time back when there was discussion about raising the money for the maintenance of the Tybee Pier Commissioner Kicklighter had the idea of charging money to go on the pier. I spoke with him and said at least someone's thinking of a way to raise money. Commissioner Kicklighter said, that was Commissioner Rayno's idea. Mr. Varnedoe said, okay. At any rate –. Chairman Hair said, I want to make sure we have proper [inaudible]. Commissioner Kicklighter said, I wanted to give the pier away; he wanted to charge. Mr. Varnedoe said, having spent –, having spent a lot of time on the Tybee pier when I was a young man, it seemed like there would be a way that we could do something fun and raise money. So we put together this dance contest and I've hired some bands and we moved forward. I came to the meeting with Walter Parker two weeks back, there was discussion about the Tybee Pier, but the wrinkle that I've run into is that in order for this to make any money for the County or for me to even break even, you need to have both the gate and the concession, and the concession is in the hands of a man who has in fact reserved the pier that day. The concessionaire, Dean Morrison, has reserved the pier. So he's indicated to me that I need to work through him, and the way I look at it I'm going to pay for the bands and he's going to get the concession, and the money is really supposed to come to Chatham County to help pay for the maintenance of the pier. That was the idea behind this thing. So –. Chairman Hair said, I think, Mr. Varnedoe, the attorney would have to answer this for sure, but I believe he does have a contract that allows him, I think, to get all revenue from concessions –. Mr. Varnedoe said, right. Chairman Hair said, – and I think that would require a modification of the contract, which may not be possible especially at this late date. Mr. Varnedoe said, well, that's the reason I'm here today. Since this is for your benefit or for Chatham County's benefit, is there a possibility to make an exception on a one-day business? Chairman Hair said, well, I think the attorney would probably have to have time to research –, can you make a ruling today or would you need time to look at it? County Attorney Hart said, I can tell you a little bit about the concession contract. I pulled it this morning when I saw it on the agenda just to try to look at it. The concept of the concessionaire's privilege was to give him the exclusive right to all concessions, and the contract very clearly spells that out. It provides for payment from January through May of one amount and then June through August of another amount, and then September through December of another amount to the County. The con –, you can reserve the pier, okay, and apparently –, and I don't have documentation of this, but through just being –, talking about the matter, it appears that from time to time the concessionaire reserves the pier for major events, major holidays, 4th of July, whatever, and I would assume that's to aid his business. There's nothing to prevent him from doing that as a private citizen, but it might be something that you want to think about addressing in the future in regard to your contract. The agreement is a terminal –, terminable at the convenience to the County upon 30 day's notice. But if there's going to be a modification of the contract, it's got to be by written agreement of the parties. So I don't think we can just as a body say, you know, you can't do what you're doing, but it's certainly something if you wish to consider to hold that –. Chairman Hair said, for the future. County Attorney Hart said, – that convenience –. Mr. Varnedoe said, it would seem

to be to be a conflict of interest that the concessionaire, as a private citizen, has also rented the pier. So this has prevented myself or anyone else from reserving the pier on this major holiday, which is the, you know, make hay while the sun shines.

Chairman Hair said, I understand your concern, Mr. Varnedoe. We probably need to look into that. As I interpret what the County Attorney said, correct me if I'm wrong Mr. Hart, but that you're basically saying that for this particular event it would not be allowable, but we could modify the contract within 30 days and allow it some time in the future. Is that --, did I interpret --? County Attorney Hart said, yeah, what you'd have to do is you'd have to sit down with the man and say, look, we don't want you tying up the pier on every major holiday, and we need to address that in the contract. If you want to address it and do it voluntarily, that's fine, we'll list those days. On the other hand, if you don't want to do it voluntarily, we'll serve you with notice of termination of your concession, and that puts it out. Chairman Hair recognized Commissioner Rivers.

Commissioner Rivers asked, don't we get a part of those proceeds? Chairman Hair said, yes, we do. We get a percentage of the gross, yeah. Commissioner Rivers said, we do. Chairman Hair said, yes, we get a percentage of the gross all throughout the year. Mr. Varnedoe said, he did not indicate that to me. Chairman Hair said, yes, we do. Mr. Varnedoe asked, what is the percentage? Chairman Hair said, I don't know, we'd have to look at the --, it's public record, Mr. Varnedoe. We'd be glad to give you a copy of the --. Mr. Varnedoe said, fine. That's better. I felt as though he was going to keep all the money. Chairman Hair said, no. Mr. Varnedoe said, if the money's going to the County, that's --. Chairman Hair said, no, we get a percentage. I don't remember --. Mr. Varnedoe said, that's a better situation. Chairman Hair said, -- what the percentage is. County Attorney Hart said, but based on what people have been telling me, I think Mr. Varnedoe raises a pretty good issue there that, you know, on all major holidays it would appear that you've now got a concessionaire who obviously wants to sell lots of hotdogs on the 4th of July, and I don't blame him a bit, but at the same time the 4th of July, if you tie the pier up on all major holidays, it limits the ability of other public organizations to use it.

Chairman Hair said, I think we'd have to weigh the percentage we get year round with the percentage we might get for a single event. It might be we get more money now with the way it --. You know, we just need to look at it both ways. I think you raise a pretty good question. Mr. Varnedoe said, but you understand my concern. Chairman Hair said, certainly. Mr. Varnedoe said, I've contracted the bands, I'm putting out a certain amount of money, but I'm not in a position to regain the money through the concessions. Now I can regain the money through admission, which I understand is certainly within my rights and reason to do that, working through him. You know, working through me. He and I have already discussed this and he is willing to give me the gate if he has the concessions. County Attorney Hart said, there's nothing to prevent the two parties though from getting together and reaching some kind of agreement on splitting --. Chairman Hair said, sort of like a third-party agreement kind of thing. County Attorney Hart said, yeah. Chairman Hair said, that you could just --. County Attorney Hart said, we get our share of, you know, what they decide among themselves. We could care --, you know, it's not our business. Mr. Varnedoe said, we will pursue it from that angle. Chairman Hair said, okay, and we'll look into it.

Commissioner Kicklighter said, and that would be my hope also because I certainly understand Mr. Morrison if he's planned that into his business of being, you know, a day to make money. That's his livelihood, and I certainly appreciate your efforts to offset the expenses for Chatham County. So if y'all could, I would love to see y'all sit down and come up to something --, come up with some type of compromise on this. Mr. Varnedoe said, I have claimed to be a consensus builder, so I'll try --, I'll try to come up with something. Commissioner Kicklighter said, right.

Chairman Hair said, Commissioner Odell has a comment or a question.

Commissioner Odell asked, Jon [Hart], can we have this review of the contract back within a time certain? If not the next meeting, then the following meeting with recommendations? Is that possible? County Attorney Hart said, yeah. I mean, it's really a matter of what the Commission wants to do insofar as use of the facilities. Commissioner Odell said, I think one of my questions was what percentage of gross, how that's determined. We do not, the Commission, we don't have that information, and it might be good before we made any decision if we had that information.

Commissioner Kicklighter said, one thing on that is Mr. Varnedoe's idea is excellent. You have Jekyll Island with the --, I don't know what they call it, but it [inaudible] every year, thousands of people they go to Jekyll Island to see the bands, and with a start like he's doing now I can see in the future where it's a just absolutely major event down there and we could pay for the pier --.

Mr. Varnedoe said, if we do something on the pier every Memorial Day and every Labor Day. Those are the two big holidays at the beach. We could make money to offset the --, and the last comment I'd make, Mr. Chairman, is I got from Pat Monahan a memo that is to you, Dean Kicklighter, March the 7th about an update on the operating costs of the Tybee Pier. The expenses listed here are \$58,395 for maintenance and operation. I also understand that Mr. Morrison contracts to maintain the pier, so I think y'all need to look into how much Mr. Morrison may be benefitting from the arrangement at the pier. Chairman Hair said, that's currently under review. Mr. Varnedoe said, okay.

County Attorney Hart said, and one other thing I would add. There's nothing in this contract that would prevent Mr. Morrison nor Mr. Varnedoe from getting together at this event situation and coming up with a different pricing structure on concessions. For example, if you're going to sell beer for a dollar, there's no reason they can't raise it to a \$1.20 and have an understanding between them that the other 20 cents goes to Mr. Varnedoe. So, you know, on a holiday

weekend perhaps, you know, looking at the pricing structure may accomplish what the concessionaire needs and what Mr. Varnedoe wants. Mr. Varnedoe said, well, now that I understand the situation, we will work to –, work it out for this coming weekend, but we do have time between now and Labor Day to work on a better arrangement, and the confusion here has caused sort of a delay in promoting the event. So I really appreciate –, until today it hasn't really been clear in my mind what needs to be done to make this thing work out.

Chairman Hair said, well, we appreciate your efforts, Mr. Varnedoe. Mr. Varnedoe said, thank y'all. Chairman Hair said, we'll work on it.

ACTION OF THE BOARD:

The County Attorney was requested to notify the Commissioners the amount of percentage paid to the County under the contract with the concessionaire. He was further requested to look at the contract with regard to the concessionaire reserving the pier on holidays.

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VIII. TABLED/POSTPONED ITEMS

Unless action is contemplated at today's meeting, staff report and file material has not been duplicated in your agenda packet. The files are available from the Clerk. Those on which staff is requesting action are indicated by asterisk (*).

- 1. BOARD CONSIDERATION OF A MASTER LIST OF PROJECTS FOR INCLUSION IN THE CONTINUATION OF THE ONE PERCENT SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) AND HOW TO INVOLVE OTHERS. Tabled at meeting of April 26, 2002. Included is a legal opinion from the County Attorney regarding the number of years that SPLOST might be collected.**

Commissioner Rayno asked, can we take the SPLOST thing off the table? Chairman Hair said, certainly, if we want to. To discuss it? Commissioner Rayno said, I make a motion to take it off the table. Chairman Hair asked, do I have a second? Commissioner Kicklighter said, second. Chairman Hair said, all those in favor vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes. Chairman Hair recognized Commissioner Rayno.

Commissioner Rayno said, I'm going to turn it over to Mr. Kicklighter.

Commissioner Kicklighter said, thank you, Commissioner Rayno. Mr. Chairman, it's a belief of mine that the County needs to take a different approach with the SPLOST funds than we have in the past. I believe with us being the County leaders, we need to take more of a countywide approach of developing the future of the entire County. Therefore, we should receive the bulk of the revenues to build the roads, to promote better drainage, for bridges, and I'll get in a little bit more detail in just a second. What would probably be the fair way to do this would be to provide the municipalities, all municipalities with the exception of Vernonburg, equal funding out of the SPLOST where they can do the special projects needed in their cities, but by us taking control we could absolutely give the taxpayers in Chatham County the knowledge and understanding before this vote that their money will be spent in a very responsible manner with no waste involved in it like I believe was done in the past. So, therefore, at this time I would like to make a motion that we approve a wish list for SPLOST that includes the sections under bridges and roads, drainage, and finish the unfinished parks, and with the interest that we make off of the money finish the bike paths, the boat ramp parking lots, and also what I believe will be a absolute wonderful thing for Chatham County, build a facility to house – for lack of a better word –, the deadbeat dads in Chatham County. This facility would be –, well, I can't –, I'll finish my motion. With \$3.5 million going to every municipality, individually, throughout the entire County and \$600,000 going to Vernonburg, and we limit it to those that I just mentioned. And I put that in the form of a motion. Chairman Hair said, okay. Is there a second?

Commissioner Rayno said, I'll second it with an amendment, that the three parks that we're talking about are Runaway Park, Tom Triplett Park and Mathilda Beasley Park, and also money going to the municipalities they cannot come back to us for maintenance and operations money at any point in time.

Chairman Hair said, I believe the motion might need some modification to put it in legal form. Only to put it in legal form. I don't believe you can budget interest money for a project. I don't –, I'm almost positive because you don't know what that's going to be and I don't think you can say how you're going to spend money you may not even, you know, you're not sure how much you're going to get. The other part that –, the legal form, I'm just talking about the legal form, is the SPLOST referendum requires a specific listing of projects, and we cannot –, you know, the cities would have to say specifically what they're going to spend their three and a half million for before you could put that on the referendum because the law is very clear on that, that you've got to spend the projects that they're going to spend the money for. And so they would have to come back to us with a specific list of projects –. Commissioner Kicklighter said, okay. Chairman Hair said, in order for it to –, for it to be put on the referendum. Am I correct, Mr. Hart? County Attorney Hart said, yes, and if you're going to do a percent –. I'm sorry, I was thinking about something else. Did you say three and a half million or percentage? Commissioner Kicklighter said, three and a half million per municipality with the exception of Vernonburg would be \$600,000. Chairman Hair asked, is that per year or over the five-year period? Commissioner Kicklighter said, period. Over the five-year period. Chairman Hair asked, so out of the \$250 million, roughly, they would get three and a half million? Commissioner Kicklighter said, three and a half million. Apiece. County Attorney Hart said, we would have to –, each of the cities would have to come to us and say, you know, this is what I'm going to do with the three and a half million and designate it in order to –. Commissioner Kicklighter said, right. County Attorney Hart said, – make sure that the funding is spent on that project. Commissioner Kicklighter said, right. Well, this is done with the understanding that this is our wish list. County Attorney Hart said, and there's one other issue in regard –. Commissioner Kicklighter said, and that they have to come back. County Attorney Hart said, excuse me, I'm sorry. There's one other issue in regard to that insofar as drainage projects, the way the law is written. It's also my understanding that the largest municipality within the County may have some say-so on the drainage issue, which would need to be addressed. Commissioner Kicklighter said, and we have specific drainage projects in our wish list for the largest municipality, and if that has to be broken out when that comes back to give to that large city, which would be Savannah, then we'll deal with it at that point.

Chairman Hair said, I just have two concerns about the motion. One is, I think, is a pure political concern that the out of \$250 million that the City of Savannah or, you know, Garden City is only going to get three and a half million out of \$50 million a year, which would roughly mean they'd get \$600,000 a year, are they going to be in a position to support us to try to pass the SPLOST or are they going to be in a position to become our adversaries and oppose the SPLOST

because they don't think they're getting, you know, what they consider a fair share. My other concern is that we had talked in previous meetings, a couple of meetings ago, about as part of the negotiation strategy for LOST, to also think about SPLOST and LOST together because, you know, they –, and I think we have to be a little bit careful that if we pass something today that would give them a very small percentage, compared to what they're getting now, would they be in a better position or would they be in a more adversarial position to negotiate with us on LOST? I'm just –, I just want us to keep all our options open –. Commissioner Kicklighter asked, may I –? Chairman Hair said, – and I just have a concern about that. Commissioner Kicklighter said, Mr. Chairman, with all due respect, this is an increase for every municipality within Chatham County with the exception of the City of Savannah. It's approximately seven to eight hundred thousand dollars more for every municipality than they received in the last SPLOST negotiation –. Chairman Hair asked, and how much less for the City of Savannah? Commissioner Kicklighter said, considerably less, probably \$87 million less than Savannah received.

County Attorney Hart said, and you need to also remember that –, and I'm not –, I'm just trying to tell you what the law is on that, but a municipality that has at least 50% of the population in it would also have to be a party to your inter-governmental agreement on your projects, which means that the City of Savannah has to sign off on the agreement. Chairman Hair said, yeah, and I don't think there's any way they would sign off –. County Attorney Hart said, outside of –. Commissioner Kicklighter said, if Savannah looked at the wish list, the bulk of the work that we have in the roads and drainage –. County Attorney Hart said, I'm not speaking against, I'm just saying you need to be aware of that. Commissioner Kicklighter said, is in Savannah that we would be overseeing.

Chairman Hair said, well, I mean, I think it's –, you know, I think the intent of the motion is good. Again, I have no problem with the intent, but I do think it needs some work because I think again if you go back and the City of Savannah is losing \$87 million and they've got to sign off on it, they're not going to be very happy about signing off on something where they lose \$87 million. I just think we might be unrealistic to think the City of Savannah would sign off on something when they lost \$87 million. Now we could take the position, well, we're going to throw it out there and let us see if they'll sign it, and that's the position you want to take, that's fine. I just have some concerns about the timing of the motion only to the extent that I think we have agreed, or I thought we had agreed a couple of meetings ago, to try to use SPLOST and LOST together to get the maximum benefit for the County, and if we pass this today, it may put us in a weaker position. In fact, I promise it will put us in a weaker position on the LOST negotiations because they're going to try to recoup as much of that \$87 million as they can on the LOST. So I just think we need to think about the timing of it. Commissioner Kicklighter said, and I respect and appreciate the opinion, but it's my understanding, rumors float and abound that the City of Savannah may want to build a new Civic Center with SPLOST funds. That's just –, just fluff like that that we really don't need to spend our tax dollars on. That'll shoot the –, shoot the referendum down in a heartbeat, and we will be lacking in Chatham County for the money needed to improve the roads and improve the drainage. We have a chance to try to take some type of conservative control here to make sure that the tax dollars are spent in a very responsible manner.

Chairman Hair recognized Commissioner Odell.

Commissioner Odell said, my concern –, I compliment Dean [Kicklighter] on taking the initiative on this, and my concern is that if you look at where the money is generated, it's generated, I would dare to say, at least 70% in the City of Savannah. So what we are doing is, we are making the other municipalities equal to the City of Savannah. So we have unequal population, but yet we're going to equal the dollars, and the source or the origin of the money is primarily the City of Savannah. I feel confident that the way is written, or my last recollection of having read that, the largest municipality must sign off on the legislation. I can see no motive why the City of Savannah would sign off on this legislation. I think that we're better off to include folk rather than exclude them simply because the right to make a decision falls upon us. The decision as to what is responsible, responsible is not a term of art in that responsible to you, Dean [Kicklighter], may not be responsible to an alderman in the City of Savannah. It is not universal and people have different meanings of what it responsible. I don't sit here –, in that a large percentage of my district is in the City of Savannah, the motion concerns me. Admittedly there is no way that I could support this motion. I would literally be crucified by those residents of the City of Savannah, and rightfully so. I think that we need to, as the Chairman said, there's no problem in delaying this or considering this when –, considering both items, the SPLOST and the LOST, at one juncture. If –, I think if we do this at this point, then it puts us in the untenable position to deal with the –, especially the City of Savannah, regarding the LOST negotiations. I do not think from a negotiation standpoint that it is in the benefit of anyone for us to take this move at this time. And I respect your opinion and I respect your right to have your opinion, and I trust that you agree that I have a right to have my opinion, which is adamantly against this. Do not be mistaken. I think that we do need to take care of roads and drainage. Absolutely. And I think that our people have done an excellent job in that area, but I do not think that we take all of the thunder from the major municipality that must sign off on the legislation.

Chairman Hair said, Commissioner McMasters and then Commissioner Rayno.

Commissioner McMasters said, the history of the percentages of what the City of Savannah and everyone else got on this, I think we're presuming that that original intergovernmental settlement agreement was equitable, and if you look at the scope of population outside of the largest municipality and the future growth of this County, which is clearly the Westside, I don't think that we can just constantly acquiesce to the largest municipality. I think if you look at the history of the LOST negotiations, the County was –, the County negotiated poorly. That is, we wound us incurring a tremendous amount of cost, particularly with housing of this largest municipality's jail population on the off chance that the LOST monies would work in our favor, at least in a balancing sense, and that hasn't happened. So our history of LOST and

SPLOST negotiations with the largest municipality are very weak, and I think it's time for the fiscal responsibility of Chatham County that this Commission start moving towards a stronger position, taking a lead and saying out front that it needs to be equitable, we don't want projects coming back to impact our M&O, we need to get ahead of the curve here, and if –, I don't think that creating linkage between LOST and SPLOST is going to improve our negotiating position with the City of Savannah. So I'm in favor. Whether it needs to be modified later through negotiations is fine, but we need to come out and say that roads, drainage, bridges and parks are something that everyone in this County uses and that the focusing of SPLOST monies on that sort of infrastructure is responsible, is financially the correct thing to do, and I would support the motion.

Chairman Hair said, Commissioner Rayno and then Commissioner Kicklighter and Ms. Heimes. Chairman Hair recognized Commissioner Rayno.

Commissioner Rayno said, Commissioner Odell had mentioned that the point of origin for much of the sales tax revenue comes from the City, which is true, but when you look at who's spending the money to create that money, they're coming to the malls and they're spending the money, they're coming from the unincorporated areas, they're coming from outside. They're taking a regional approach to spending that money. They're tourists that are coming in spending that money, and clearly if you attended the LOST negotiation workshop that was sponsored by the ACCG, like Mr. Murray Rivers and myself did, they gave us a booklet which said you cannot use point of origin for sales tax dollars as a means of negotiating your strength on how you distribute the money. Mr. Frank Mueller, the revenue specialist, adamantly reinforced that idea as he spoke to us that day. You're a member the ACCG, and I would hope that you would take their recommendations that they spread across the State for 159 counties. So point of origin for sales tax revenue is no argument when it comes to negotiation.

Chairman Hair said, Commissioner Kicklighter and Ms. Heimes and then Commissioner Odell. Chairman Hair recognized Commissioner Kicklighter. This could be changed and still –, to get it to pass through, where it's still done in a responsible manner, whatever responsible may be. What we could do as a Commission, as a body here, we could pass our wish list with the understanding that all municipalities comes back with their wish list. If their wish list consists of frivolous spending, we don't sign off on it. It's dead. That's the way it can be done. That's the way we control what we can control. We can't be so hardheaded that we kill the whole thing and the property owners in Chatham County, the taxpayers here, by us trying to be so conservative on spending, we can control what we can control, and get their wish list, and if we don't approve it, if we feel that it's frivolous spending, we don't sign off on it, and that would stop it, wouldn't it. Chairman Hair said, Commissioner Kicklighter, you have that right now. We don't need a motion for that. We have that right right now. When it comes back to us, if we don't want to approve, we've got to approve the final list. Commissioner Kicklighter said, that's what I'm saying. Chairman Hair said, so if there's something on there, we don't need a motion to do that. Commissioner Kicklighter said, but we need to pass –. Chairman Hair said, if that's what you want to do. Commissioner Kicklighter said, – some type of wish list to get the ball rolling. Is that correct? County Attorney Hart said, well, you'd have to decide whether you want to have SPLOST and y'all are the people that can call that, and then you have to send notices to each of the municipalities and meet with them about their needs, and then basically through the art of negotiations, for a lack of a better word, you come up with a referendum list that identifies the projects with enough specificity so that the taxpayer knows that the money being paid in that will go into those projects and not go into a boondoggle. And, you know, what is in and what is out is really part of the art of negotiation of the deal.

Chairman Hair said, you would actually have a lot more control under the present system than you would under this motion because under this motion –. Commissioner Kicklighter said, I'm trying –. Chairman Hair said, – of three and a half million –, of three and a half million –. Commissioner Kicklighter said, I'm trying to withdraw my motion is what I'm trying to do here. Chairman Hair said, okay. Ms. Heimes and then Commissioner Odell and Commissioner Rivers.

Commissioner Rivers asked, you were going to withdraw the motion? Commissioner Kicklighter said, I will withdraw the motion with the intent to change it. Chairman Hair said, okay. Commissioner Rayno said, just amend it. Chairman Hair said, go ahead Ms. Heimes. You have the floor.

Ms. Marianne Heimes said, I have my mental health hat on today and I notice that Dean Kicklighter suggested that we build a facility for deadbeat dads. I would like to remind you that for years we have needed some kind of a facility in this County for mental health and we have never been able to acquire that. And I would think that that should have some priority –, I'm not asking that you do it, but I think before you built something else, you must remember that that is something that's been very lacking, and you can talk to the people at the jail and they will tell you the same thing. The other thing is, if you were to build a facility, how are you going to maintain it? Commissioner Kicklighter said, good question. I'm glad you asked. This was –, Commissioner Odell was the leader on this one. This will actually be paid for by the inmates themselves. They will have to pay to house themselves there. They will be out working paying their wives, the ex-wives or whatever, the child support, and they will actually pay for the program. That's the beauty of it. It will eliminate overcrowding in the jails and also, let's face it, when we put a deadbeat dad in jail now they can't pay when they're in jail. This punishes that person and they pay the way. They pay for the children, which they should have done to start with, and they pay the County. So I believe the Sheriff is standing behind you and he can answer that.

Sheriff St. Lawrence said, well, you're absolutely right, but don't restrict it. If you're going to put it down as what you're going to do with the money, don't restrict it to deadbeat dads because there are people the County says can go into that same program and [inaudible] money, so don't restrict it to deadbeat dads. Commissioner Kicklighter asked, how should

we word it for a legal wording? Sheriff St. Lawrence said, as a work release program. Commissioner Kicklighter said, yes, work release program.

Chairman Hair said, Commissioner Odell and then Commissioner Rivers.

Commissioner Odell said, just to clean up a couple of points. Jeff [Rayno], believe it or not, I am aware that point of original now cannot be used. As you noted, I did not attend the meeting that you and Frank [Murray] attended within the last year. I attended that meeting four years ago. I didn't feel the need to repeat it. I don't think we need to debate whether or not City of Savannah has the obligation and the right to sign off on this. It's a matter of legal determination. Chairman Hair said, it's the law. Commissioner Odell said, and the question becomes the same argument that you used that if you look at the source of the population spending the money, your theory is that they're from the unincorporated areas. That's the same theory the City of Savannah uses when it comes at us with LOST and they say, "Look at our parks. The County's parks are slightly deplorable. The City of Savannah spends substantial money on their parks. Your people come in and use our parks." That's their argument, Jeff [Rayno]. I'm not saying that it's right, I'm just saying that that's their argument. My point being is that I think this is premature. We have no need to rush into it. It concerns me that two-thirds of the leadership for the Commission is not here. I mean, Frank [Murray] is not here, Dr. Thomas is not here, and other than Joe [Rivers], I think Frank [Murray] and Dr. Thomas are the two senior people. All of us are after Frank, Joe and Dr. Thomas. I don't have a problem with roads and bridges. I do have a problem with not including people, especially people who can make this thing work or not work. I think it's in our best interest, and I wish that we would eliminate the concept that we're the only elected officials who stand for justice, truth and American way. We're not. We are not, and I share that with you, we're not, and I think that if we treat our counterparts, whether it be the Board of Education, whether it be the City of Savannah, like we have a greater knowledge than they and they don't have an equal responsibility, that ultimately the community loses. So let us not, simply because we can actively do this, and I plan to vote against the motion, how it's framed, how it's going to be withdrawn, for the reasons that I've stated. In addition, Frank [Murray] and Priscilla [Thomas] are not here. I'd like to discuss this with the City of Savannah. I'd like to discuss this with the other municipalities. I'd like for us to have a unified plan. You know, people, believe it or not, everyone wants Chatham County to grow, but what we're doing is with the separatism we're creating a perfect video for Charleston and other municipalities to use to say, "See Chatham County. You have two separate and distinct bodies. You might have to deal with the City of Savannah, you might have to deal with the Commission, and they are constantly in continuous debate."

Chairman Hair said, Commissioner Rivers and Commissioner Kicklighter and then Commissioner McMasters.

Commissioner Rivers said, I think Commissioner Odell said most of the things that I would have said, but I want to remind you that in the last session of the LOST, SPLOST was heavily mentioned. And, believe me, they're going to weigh that, and I'm going to not only speak as a Commissioner, but I represent about 98% of the City within my district. I've got 2% maybe of the unincorporated area in my district. You know, when we first looked at this thing, we did it roads and bridges, and then it was a welcome when we came to that fifth year penny to do cultural projects and recreation so that you could include everybody because roads and bridges —, we did major roads: Jimmy DeLoach Parkway, Truman Parkway, all —, Southwest Bypass. Those are major arteries that we were responsible for acquiring the right-of-way. We did some interchanges and we did some drainage. Of course, the City of Savannah did a lot of drainage on their own which we didn't contribute to. But as Commissioner Odell said, in this, believe me, you want inclusion. I cannot sit and support any motion that doesn't deal with giving back anything to the inner city or to the urban quarter. So I can't support the motion as is. The Westside, yes, it's growing, it's our future, and we did Jimmy DeLoach, we did the Westside Bypass, we did a whole lot of things in reference to that. We looked at the ports and everything of the benefit that we would have with doing things on the Westside. I'm a proponent of the Westside. The Pooler Bypass did magnificent things for the taxpayers. So anything that's going to broaden the tax base I'm for, wherever it is, but I cannot support anything that does not include the inner city, and it all gets back to —, you know, when we're talking about a community of inclusiveness, then we're talking about everybody paying for the transit, you see, and nobody likes to be included until it's my —, my thing. So we've got to look at the total Chatham County when we're doing anything, but we must make sure that we include everybody and everybody benefits.

Chairman Hair said, I'm going to call on Commissioner Kicklighter to modify his motion and then Commissioner McMasters.

Commissioner Kicklighter said, thank you, Mr. Chairman. I just want to say that I —, you know, inclusive, yes, it was inclusive. Maybe going about it the wrong way of trying to be inclusive, but the bulk of our projects, the bulk of the money that would have been spent with the first motion would have been spent in Savannah. It just wouldn't have been handed right to them. We would have done the projects there. We wouldn't have excluded Savannah from anything. We would have done the majority of the work in Savannah, but we would have been doing it. And, yes, I'm convinced maybe we went about it the wrong way. I'm man enough to, you know, listen and y'all swayed me, so that's great. So we need to sit down, negotiate it a different way. You know, maybe I was wrong, but don't —, don't say we're —, you know, that's —, that's not fair at all because it wouldn't be excluding the inner city from anything because we would have still be doing the bulk of the work in Savannah. It would have just been us doing it. So with that I will at this time try to remove my prior motion. Chairman Hair asked, you just want to withdraw the motion? Commissioner Kicklighter said, yeah, I'll withdraw it. Chairman Hair said, okay, the motion is withdrawn. Commissioner Kicklighter said, and, if I could, I —, I'm not finished. I need to ask. Chairman Hair said, certainly. Commissioner Kicklighter asked, do we need to roll forward some how something to get it going?

County Manager Abolt said, if I may, gentlemen, you sure do. Even though we're looking at something that will not take effect until October of 2003, Mr. Hart's already given you some choices on election dates. You have a couple there in which you can schedule and not have to pay the costs for additional election, plus as any other time, I think at least in the past, you've got plenty of room for hearings. You have not relinquished in the past your final decision making, but it has always been perceived, rightfully so, as very open. And you do not have to take and make decisions other than listen to what folks say, but I think it's fair to say that it will be the ballot box that decides the extent that you can reach out and give opportunity as quickly as possible, realizing probably in your priority of things obviously budget has to be dealt with first. But I would certainly urge you by July to have already agreed upon a plan to which you would have your outreach, you would have public hearings, you would make an official entree to the different cities. If you're dealing with roads, particularly the Chairman and I discussed this after CUTS, Chatham Urban Transit, you may very well want to begin to ask for CUTS validation on some projects because that's money in the bank. You know, any road project out there that is eligible either for federal, state or both funding, brings back big bucks into the County for the penny spent here, and I'll give you an example, you've had this program now for over 15 years. Because of that type of wellspring, we've invested over a billion dollars just from that penny sales tax. A lot of things out there that are opportunities. I think you'd be remiss with jumping too quick realizing it is a partnership and you want to have folks an opportunity to testify.

Commissioner Kicklighter asked, can we set a date for a workshop with all the municipalities to sit down and discuss SPLOST? Chairman Hair said, I would suggest that we do one thing in advance of that workshop is that we first notify the municipalities to give us their list. I think if we had their list in advance, that would be helpful to have a workshop. If we don't get their list until the workshop, I think we wouldn't have time to really do research if we wanted to. I think if we first requested a list from the municipalities of projects and then have that a couple of weeks in advance of the meeting and then have the meeting, I think that would be -. I will tell you this, it's going to be -, it's going to be almost impossible to negotiate with nine Commissioners and nine City Council members and nine -, from all the municipalities. You're going to have 80 people in the room, and I don't think there's any possible way to come to agreement with 80 people in the room. I think we might need to have the list in advance and this Commission could nominate whoever they want to to be as negotiators and ask the City to nominate one or two people to be their negotiators, but I think to sit down with full bodies -, we certainly can have a public hearing where everybody would have an opportunity to speak, but I think as far as negotiations, you know, it's going to be impossible to do that with everybody. That's my personal opinion. Commissioner Kicklighter asked, so should we -, at this time would it be appropriate to get the thing moving, should we pass a wish list of keeping ours on the roads, drainage for our portion and then have the meeting with them or -. Chairman Hair said, yeah. We've already had that motion. We passed that motion at the last -, that motion to take roads, bridges -. Commissioner Kicklighter said, no. Chairman Hair said, it was passed at the last meeting. Commissioner Kicklighter said, no, it was tabled.

County Manager Abolt asked, may I suggest on what Commissioner Kicklighter was asking? If you could at least, which I think is obvious, but I would like for you to acknowledge it again, if you say your priorities are roads, bridges, drainage and some parks, then staff can -. Commissioner Kicklighter said, three parks. County Manager Abolt asked, pardon? Commissioner Kicklighter said, three parks. County Manager Abolt said, three parks. And then staff could be about perfecting the estimates because, please understand, we have not -. Commissioner Kicklighter said, okay. County Manager Abolt said, - I think for the obvious reasons, spent a lot -, much time at all putting real specific estimates on this. So if you give us those categories -. Chairman Hair said, at the same time notify the municipalities to give us their lists, okay, so we can have all the lists at one time. County Manager Abolt said, that's up to y'all.

Commissioner Kicklighter said, and just because something's on the wish list does not mean we build it. This is preliminary. Right? Chairman Hair said, that may be true of our list, too. Commissioner Kicklighter said, that's what I'm saying. That's what I'm saying here because that's what I'm talking about. Chairman Hair said, because if our list you can't get five votes for something on our list, it doesn't get -. Commissioner Kicklighter said, that's exactly what I'm saying. Chairman Hair said, yeah, I think that's fair. Commissioner Kicklighter said, so then at this time I will make a motion that we approve a wish list that includes the sections under bridges, roads, drainage and the three parks -, name 'em. What's -. Commissioner Rayno said, Runaway, Tom Triplett, Mathilda Beasley. Commissioner Kicklighter said, and also the -, what's the -, work release program facility. County Attorney Hart said, you can also amend your roads and bridges to include sidewalks and streets, which, you know, every time we've done one of these projects we've always had that -. Commissioner McMasters asked, would parking lots be included in that? County Attorney Hart said, no. Commissioner Kicklighter said, okay. So the boat ramp parking lots also, and this is with the understanding that -. County Attorney Hart said, you could do that -. Commissioner Kicklighter said, that we pay for [inaudible].

Chairman Hair asked, okay, do we have a second to that motion? Commissioner Rayno said, second. Chairman Hair asked, are y'all ready to vote on the motion. All those in favor vote of the motion yes, opposed vote no. Commissioners Rayno, McMasters, Gellatly and Kicklighter voted in favor of the motion. Chairman Hair and Commissioners Rivers and Odell voted in opposition. The motion passed by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.] County Manager Abolt said, Mr. Chairman, we're going to ask -. Chairman Hair said, the motion passes. County Manager Abolt asked, we're going to ask the municipalities, too, is that correct? County Manager Abolt said, yes, that's correct. I think that's the intent, right. Commissioner Kicklighter said, yes, it is. This is just our wish list. So now we -. Chairman Hair said, I don't think that was part of the motion, but we want them to give us their list.

County Attorney Hart said, Mr. Chairman, the other issue that this Commission does not need to take up today, but does need to consider, and we've outlined it in a memo some time ago to the Commission, is proposed dates for how you

would put this into action when the referendum is agreed to, and the only reason I bring that to your attention is that we've got several general election dates and we've got some special election dates, and I think y'all need to think about whether you wish to do that in a special election or general election. Chairman Hair said, my personal opinion is we should not have a special election and incur another \$60,000 to \$80,000 in cost when we could put it as part of regular election. I can't see justifying spending the money for a special election. Commissioner Kicklighter said, if you could –, if staff can –. Chairman Hair said, that's my own personal opinion. Commissioner Kicklighter said, – provide us with the dates at our next meeting of when –. Chairman Hair said, we have it. It's in the book. County Manager Abolt said, it's in your packet, sir. Chairman Hair said, it's in your book. The dates are in the book. Commissioner Kicklighter said, all right.

ACTION OF THE BOARD:

Commissioner Kicklighter moved that the Board approve as its wish list for the SPLOST referendum roads, bridges, drainage, streets, sidewalks, and boat ramp parking lots, and Runaway Park, Tom Triplett Park and Mother Mathilda Beasley Park, and any interest funds would be used for the building of a facility for deadbeat dads, which becomes revenue neutral after its built. Commissioner Rayno seconded the motion. Commissioners Rayno, McMasters, Gellatly and Kicklighter voted in favor of the motion. Chairman Hair and Commissioners Rivers and Odell voted in opposition. The motion carried by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.]

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- * **2. MEDICAL INSURANCE (COMMISSIONER RAYNO). At meeting of May 10, 2002, Commissioner Rivers requested reconsideration. Attached is due diligence report prepared by staff.**

Chairman Hair said, I'll ask Commissioner Rivers to make his motion for reconsideration. Commissioner Rivers said, so moved, Mr. Chairman. Chairman Hair said, okay, it does not require a second. All those in favor of reconsideration vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes. Commissioner Rayno, I'll call on you first.

Commissioner Rayno said, I would just like to –, I'm sure there's some people that want to speak out against this and I think in all fairness we should allow them to speak. If they'll come to the podium and air their grievances, we'll be happy to hear them.

Chairman Hair said, okay. Anyone that would like to speak to the issue of medical insurance. Commissioners, the Sheriff. Commissioner Odell said, I have questions about it. Before we go to the general public, I'd like for us to go to through the Commission rather than –. Chairman Hair said, we just asked for that. You want to speak, Commissioner Odell? Commissioner Odell said, oh, absolutely. Chairman Hair said, okay. Commissioner Odell and then I'll get to you, Sheriff.

Commissioner Odell said, I'm sorry, Al [St. Lawrence]. I think we speak with the same vein though. Who is the person for Blue Cross/Blue Shield my questions can be directed to? Chairman Hair asked, who's going to represent Blue Cross as far as asking questions? Mr. Mahoney, would you come forward please. Commissioner Odell has some questions for you. Commissioner Odell said, just a couple. Most of what I've read about the proposal comes from the newspaper and staff's given us a lot of information, but I guess my question is what are your administrative costs as projected for the first year? Mr. John Mahoney asked, you mean our total? Commissioner Odell said, that was the gist of my question in total. You can give it to me in parts and we can total it or you can give it to me in total. Anyway that's most convenient. Mr. Mahoney said, let's see. It's \$665,400.07. There's also a [inaudible] fee of \$433,711. The total fixed costs would be \$1,099,118. That's \$1,099,000. Commissioner Odell said, and in that you gave us a proposal, you're obviously familiar with our current administrative costs. Mr. Mahoney said, yes, sir. Commissioner Odell asked, and what are our current administrative costs? Mr. Mahoney said, your current administrative costs are projected to be next year \$837,820. Commissioner Odell said, so basically your proposal adds an additional \$300,000 just in administrative costs. Is that a fair statement? Mr. Mahoney said, 261, yes. Commissioner Odell said, \$261,000. Your potential savings, as reported in the paper, indicated that it would be approximately \$1.1 to \$1.5. Where is it? Mr. Mahoney said, the savings actually come from the claims. Claims cost. Commissioner Odell asked, and can you square with me if there are no reductions in benefits to employees, are you seeking to obtain a savings simply by having a better contract with the providers? Is that the gist of the savings? Mr. Mahoney said, well, the gist of the savings comes from two points. One is a better contract with the providers while providing better benefits. The second is there will be an additional offering for a dual choice, if you will, that offers a hundred percent benefits through an HMO, but that the employees make that choice, and there are additional savings that come out of claims that way. Commissioner Odell said, okay. You've had an opportunity to review our hospital scheduling and the physician's fee schedule –. Mr. Mahoney said, yes, sir. Commissioner Odell said, that was negotiated. Is that true? Mr. Mahoney said, yes, sir. Have we or our staff had an opportunity to review your proposed fee structure, hospital and physicians? Mr. Mahoney said, no, sir, not at this point. Commissioner Odell said, so the savings comes from the fee structure with hospitals and physicians, which we've not had an opportunity to review from the staff's point. Is that a true statement? Mr. Mahoney said, that's

a true statement. If I may qualify that, we're putting together that comparison now. We're delivering our codes and fee schedules at this point. Initially, I was asked for a little over 700 CPT codes, which takes a tremendous amount of time to put that together. It is proprietary information. Commissioner Odell said, I guess my question is if you have not put that together –. Mr. Mahoney said, yes, sir. Commissioner Odell asked, how then can you estimate a savings from those numbers? Mr. Mahoney said, it's claims data that was delivered to us –. Commissioner Odell said, okay. Mr. Mahoney said, – as we put this proposal together. Commissioner Odell said, I understand, but follow me if you will. The reason we don't have your information as to the schedule with hospitals and physicians, I quote: "You have not put that together." Are we correct so far? Mr. Mahoney said, you're correct so far. You have thereafter given a bid and that bid obviously would have to include hospitals and physicians charges. Is that true so far? Mr. Mahoney said, that's true. Commissioner Odell said, so if we don't know what your numbers are, how then can we know what your savings are? Is that one of those things that trust me? Chairman Hair said, I think this other guy wants to answer your question.

Mr. Al Jones asked, can I address the Commission, Mr. Chair? Chairman Hair said, yes. Just your name for the record. Mr. Jones said, I'm Al Jones and I'm a consultant to the ACCG on their health program. Commissioner Odell asked, you're where, Al [Jones]? Mr. Jones said, I'm a consultant to the ACCG on their health insurance program. Commissioner Odell said, okay. Does that say that you work for them or you contract? Mr. Jones said, I contract as a consultant to them on their health insurance program. Commissioner Odell said, okay. Chairman Hair asked, answer Commissioner –, can you answer Commissioner Odell's question? Mr. Jones said, I think I can. If you will just restate the one you're –, we're on I think I can answer it. Chairman Hair said, the last question. Restate it. Commissioner Odell said, yeah. My question is you gave an answer on savings, and the rationale for those savings was that you could negotiate a better rate with hospitals and physicians. We don't have your hospital and physicians rate, understanding that it's proprietary, although ours have been given to you, which I believe in equal dignity, but yet you projected a savings. I don't know how you can do that without matching. Mr. Jones said, let me start out by saying first of all that we have not seen the County's fee schedule. Nothing was provided to us on that, and in fact we have had lengthy difficulties in getting data from the County or their administrator; however, the way projections are done in this industry, we were given what your claims were. So we know what the County's claims were and we know what Blue Cross's costs are for those kind of claims, and so you take the claims that you had in the last year and you compare those to what Blue Cross would be for those kind of claims, and then you add what we call a medical trend factor to that because we're not going to pay last year's claims, we're going to pay next year's claims, and that gives us the reduction in what we expect the costs. Commissioner Odell said, okay, so –, so basically it is a rough guesstimate. Mr. Jones said, it's not really rough. There's something called actuarial science, which is not a perfect science. Commissioner Odell said, which is a guess. It's not absolute. It cannot be validated. In fact, you can use the same actuarial data and use different variables and come out with total different conclusions. Would you agree with that? Mr. Jones said, that's correct. For a group your size, however, the way actuarial science works is like a political poll, we –, are within probably plus or minus five percent of what the correct number would be. Commissioner Odell said, I understand. I was once certified as a personnel specialist in this area, so I understand that. I guess my additional questions would be in that we don't have your rates, there's no way that we can validate the potential savings. Mr. Jones said, I would say based on Blue Cross's experience with other counties, the fact that they have what is known as a favorite nation's status in their contract with providers, while you can't prove it and in fact even if you took every single claim from last year and compared the County's fee schedules with Blue Cross's fee schedules, you would still not know exactly what was going to happen next year because the claims will be different, but you would again be close. Commissioner Odell said, okay. So in that the claims would be different, Blue Cross/Blue Shield will not pick up claims that are currently in existence. Is that factual? Mr. Jones said, the way the –. Commissioner Odell said, at some point you'll have a begin date and if claims were before that point, those are not part of your estimate. Mr. Jones said, right. The claims beginning July 1st, 2002, going forward. Commissioner Odell said, now, therefore, if we look at savings, when you submitted your proposal those savings have to be based upon savings to the County. Wouldn't you agree on that simple statement? Mr. Jones said, I'm not sure I understand the question, but, yes, it is –, you were based –, we're basing it on our estimates in savings to the County. Yes, sir. Commissioner Odell said, I understand. Now, in your experience as a consultant, should we not also have a number for those claims which were occurred before but come after July 1 so that we'll know what the true cost to us would be? Would that be a fair question? Mr. Jones said, I believe staff has provided an estimate of those. Commissioner Odell said, okay. When you gave numbers as to your savings, did your number take into consideration those going forward costs incurred before July 1? Mr. Jones said, yes, they did and we believe that our proposal, as stated, will save the dollars to the County in the twelve months starting July 1st. Yes, sir. Commissioner Odell asked, when you did your analysis –, did your analysis take into effect that some of the personnel administrative decisions made by this Board were staggered in effect, having been staggered in effect we don't have the full year's impact? Mr. Jones said, I'm sorry, I don't understand your question, sir. Commissioner Odell said, okay. There were some things that we decided based upon an effort to save money that we would reduce certain benefits, but we did not do it July 1. We staged them or phased them in over a period of time. Mr. Jones said, yes, sir, I'm familiar with those. Commissioner Odell said, okay. Did –, can you tell me what those savings, what percentage of those savings going for a full year were included in your estimated total savings? Mr. Jones said, yes, they were. Both in our estimation and in the estimation of the County's costs, if they stay where they are for the next year and we estimated –, our actuary underwriter estimated those at three percent of present claims. Commissioner Odell said, okay. Mr. Jones said, and [inaudible] is a report if anybody wish to see it. Commissioner Odell said, I only have a few more questions, but I want to wind down. Chairman Hair said, take your time. Commissioner Odell said, you're familiar with the term utilization review. Mr. Jones said, yes, sir. Commissioner Odell said, your utilization review for Blue Cross/Blue Shield, is that in-house or a separate and distinct agency? Mr. Jones said, I'm going to let Mr. Mahoney address that. That's a Blue Cross question.

Mr. Mahoney said, that's an in-house function. It is a separate and distinct department –. Commissioner Odell said, right. Mr. Mahoney said, – within Blue Cross. Commissioner Odell said, okay. Do they report to the same ultimate department head? Mr. Mahoney said, in the long run through utilization management, yes, they do. Commissioner Odell said, I'll ask the consultant, have you found that to be a wise trend to have the utilization review, those people who determine the extent of hospital stay, to be in the same organization with the contractor providing the service or paying for the service? Mr. Jones said, we found that that is the most common arrangement and we found it to be very cost-effective, and we've had no difficulty with it. We find, in fact, that Blue Cross of Georgia performs one of the best utilization reviews of the plans we work with in the many public entities we work with across this country. Commissioner Odell said, yeah, but doesn't it appear to you that the auditing function is now in-house, that gives you no concern? Mr. Jones said, no, because these –, all of these Blue Cross functions, utilization review, claims payment, all are audited by an independent auditing firm. One of the large ones, not the hot Arthur Anderson unfortunately, and in addition to which part of the ACCG's responsibility is to maintain an oversight and due diligence on Blue Cross processes, and that is done. Commissioner Odell said, okay. I guess I've always kind of felt that if you have an organization that's paying for the service and you have an organization that's utilize –, a utilization review says you can be in the hospital for three days, that if that function is in one organization, that organization can control costs simply by reducing the days or excluding the care. That is a main concern that we share our savings. Mr. Jones said, it's not a concern we share in this particular instance with Blue Cross of Georgia. It has been a concern we've seen in other places, and I certainly have been exposed to it. I served as a board of directors member of Health Source, which was a large –, it became a national HMO before CIGNA purchased it. I served as consumer representative on that board of directors, and certainly that was an issue we addressed often because those were the days when many times HMO's were looking at managed –, managing costs and not managing care. That is not a concern in this situation to us at this time. Commissioner Odell said, not in this situation, but you would not agree that as far as business practice to have a utilization review with an external separate and distinct agency, that as a paid consultant would not be a better practice. Is that your opinion? Mr. Jones said, that's correct. We find generally there's inefficiencies in that arrangement. Commissioner Odell said, I understand. You're –, the authorizations for hospital stay, are those done by physicians or nurses? Mr. Mahoney said, initially those are done by nurses. If there is a question in the hospitalization stay, then they will be done by physicians. It will be elevated. Commissioner Odell said, when you say question, if I had to go in to –, to a surgical procedure, initially my doctor would make a determination. Is that true? Mr. Mahoney said, yes, absolutely. Commissioner Odell said, you all would have a responsibility to determine whether or not my doctor was correct, and that determination in your organization would be done by a nurse. Is that true? Initially. Mr. Mahoney said, initially, yes. Commissioner Odell said, only if someone complained would it go to a higher level. Is that true? Mr. Mahoney said, if the physician had a question about it, then it would go to a higher level, yes. The admitting –, your physician. Mr. Jones said, let me expand on that. The way it works, the nurse looks at what the physician, the admitting physician is recommending. If she has questions or disagrees with that, she goes back to the physician and says, "Could you help me understand this better as to why you're recommending five days when best practices show three days?" And if he has a reasonable explanation, then it's settled. If she's unclear or uncertain that she understands that that makes sense, then it goes up to a physician for a physician to physician discussion. Commissioner Odell asked, is there any way that we can isolate your potential savings included in any potential contract whereas a guaranteed maximum savings? See, our position from staff is that it's going to cost us \$750,000. That's the staff's position. That there will not be a savings of \$1.5 million, so it's not an issue of money.

Commissioner Kicklighter said, [inaudible] revised yesterday. Commissioner Odell asked, huh? Commissioner Kicklighter said, revised yesterday. Commissioner McMasters said, not true. Commissioner Kicklighter said, read that I circled. Commissioner Odell said, hold for one second. [Pause while Commissioner Odell reads the information.] Commissioner Odell asked, can we isolate what –? Thank you, Dean [Kicklighter]. Can we isolate then what savings would accrue from the policies implemented by this Board? The one you and I discussed. Mr. Jones asked, could you refresh my memory? I'm a little unclear, sir. Commissioner Odell said, we phased certain changes in our health care program in. Mr. Jones said, yes, we estimated those were at three percent of your –, of your total cost. Commissioner Odell asked, only three percent? Mr. Jones said, yes, sir. Commissioner Odell said, okay. The potential savings that you project for the second year would be what? Mr. Jones asked, year two from where we are now? Commissioner Odell said, right. Mr. Jones said, we didn't actually do a second year projection. We were comparing with next year. My expectation is because of the nature of the different arrangements that Blue Cross has compared to your present supplier, that given the cost trends of health care, that the savings will be somewhat greater in the second year than they are this year. In fact, I would be very comfortable with saying that, and we have examples among other counties that have been in the ACCG program where that's been very true. Commissioner Odell said, okay. And just three summary questions. The administrative costs on your side of the board is going to cost us about \$261,000 more. Mr. Jones said, that's what Mr. Mahoney said. I haven't looked at it this morning, but I'll take his word for that. Commissioner Odell asked, you are a consultant working with them? Mr. Jones said, I work for the ACCG and ultimately I work for the counties. Commissioner Odell said, okay. I know ultimately you work for the counties, but ACCG is sponsoring this and, therefore, as their consultant, you're their representative. Mr. Jones said, yes, sir. Commissioner Odell said, okay. Utilization review is in-house, not a separate agency. Mr. Jones said, yes, sir. Commissioner Odell said, the initial admissions would be reviewed by a doctor. Mr. Jones said, no, sir. The initial –. Commissioner Odell said, not a doctor, a nurse. Mr. Jones said, yes, sir. Commissioner Odell said, okay. I think that's all I've got. Thank you.

Chairman Hair said, okay, the order we're going to go into is myself, Commissioner Rayno, the Sheriff, Mr. Pierce and Mr. Silvers and anybody else after that. That's all I've recognized. And Commissioner Kicklighter. I think I'll recognize Commissioners first so I'm going to put Commissioner Kicklighter after you, Commissioner Rayno, and then we'll get the audience. All the Commissioners first. You know, I'm not as eloquent as my barrister colleague here, and probably not as –. Commissioner Odell said, he's right. Chairman Hair said, and probably not as intelligent either. You're right about

that. But, you know, my questions are very –, are going to be very practical. Where the rubber meets the road questions, you know. I'm not an actuary. I'm concerned about just basic issues. First question is the runoff costs –, the run-out costs of the current program is \$1.6 million. Is that correct? Who's going to answer these questions? Somebody needs to answer these questions. Who's going to answer them? Mr. James Garrison said, I'm James Garrison. I'm the representative of USI Administrators, your current plan administrator. Chairman Hair said, okay. The run-out costs are projected to be \$1.6 million to pay off claims of the current year. Is that correct? Mr. Garrison said, each year we do an IB&R claims lag study for the County. That lag study was done at the beginning of this plan year, which was last July. At the time we were looking at the future and trying to guess actuarially what the claims run-out would be. We estimate the claims run-out to be somewhere between \$1.6 and \$2 million, and this includes claims settlement costs. Someone has to pay those claims in the run-out –. Chairman Hair said, well, this is the first time I've heard the \$2 million figure, and I heard \$1.6 million. Mr. Garrison said, between \$1.6 and \$2 million. We're projecting for the future. The last calculations –. Chairman Hair asked, are you saying the run-out costs could be up to \$2 million? Mr. Garrison said, it could be somewhere between those two numbers. Chairman Hair said, well, I haven't heard that number. I've heard the \$1.6 number. So that's the –, \$1.6 is your low number? Mr. Garrison said, yes. It's projected to be \$1.6. Trends from last July till this time can make it more. Chairman Hair said, okay. Mr. Garrison said, and that \$1.6 did not include settlement costs. Chairman Hair asked, if the run-out costs are \$2 million or \$1.6, it doesn't make any difference –? Mr. Garrison said, right. Chairman Hair asked, regardless of what the run-out costs are, if we pay the run-out costs, can we still save \$1.7 million a year? Mr. Garrison said, no. Chairman Hair said, okay. Well, see, that's what I was told too. That we could pay –, if we pay the run-out costs, that we'd still save the money. How much are we going to save if we paid \$2 million run-out costs of this current program, how much are we going to save next year? Mr. Garrison said, if that –, my estimates of what –, I don't think there would be any savings. I think there would be a tremendous additional cost to the County for this proposed plan, bearing anywhere –. My estimate is higher than what the staff, I think, said it would cost \$700,000 –. Chairman Hair asked, but you represent the current program? Mr. Garrison said, I am the County's plan administrator for the current program. As we –. Chairman Hair asked, do you get a commission? Do you get a commission? Mr. Garrison said, no. We –, we charge an administrative fee of \$161,000. To answer Commissioner Odell's exact question, the administrative fee by contract with two years left and renewal options on the contract is now \$161,000. That will go up, if the Board would accept it, \$7,900 next year. The Blue Cross, to isolate the administrative fee on the Blue Cross proposal –. Chairman Hair said, I'm not asking that, Mr. Garrison. Mr. Garrison said, okay. Chairman Hair said, I want answers to my questions, okay. I want somebody from Blue Cross or whoever wants to answer this. You just heard what was said that if the run-out costs were \$2 million, there would be no savings. Can somebody either tell me that's true or that's not true from Blue Cross and Blue Shield? Somebody –, I need somebody to tell me that. You just heard that if the run-out costs are \$2 million that there will be no savings. Is that true or false? Mr. Jones said, I think that staff, after a lot of evaluation of this, concurred yesterday with our projections, and I think the Commissioners have a letter that addresses that that this has to be included as an accounting function in all proposals. Beyond that –. Chairman Hair said, I'm asking a simple yes or no question. If we incur –, see, I'm a simple person. If we incur two-point million in run-out costs, what will be the savings next year to Chatham County? What's the savings? Mr. Jones said, it will be less than what we projected because we worked with a million six. Chairman Hair asked, how much less? I mean, less could be a hundred thousand or five million? Mr. Jones said, I'm sorry, sir. The –, we assumed it would be a million six, so if they're two million, then the savings would be \$400,000 less than our projection. Chairman Hair said, which means we'd actually be spending \$400,000 more? Mr. Jones said, no, no, you'd be spending –. Chairman Hair said, \$300,000 more. Mr. Jones said, no, no. You'd be spending –, instead of saving the estimate of a million seven, you'd be saving a million three. Chairman Hair said, all right. If we have \$2 million in run-out costs, you're projecting a savings of 1.7 million? Mr. Jones said, 1.3 at that –. Chairman Hair said, okay, \$1.3 million. That's in addition to the \$2 million. If we have \$2 million run-out costs, we're still going to save \$1.3 million? Mr. Jones said, that's our believe based on –, you know, based on the data we've been provided, our proposal believes that you will save the \$1.3. Chairman Hair said, Mr. Abolt, Mr. Persaud, do y'all agree with that?

County Manager Abolt said, I –. Mr. David Persaud said, let me explain what's going on right now. I think the question is an accounting question. The County is self-insured, which means we assume all liability. We retain all our liability. Every year on the books in the group health self-insurance fund we recognize a liability for IB&R, incurred but not reported. Any time you terminate a self-insurance program, your claims are [inaudible] our liability. Chairman Hair said, I understand. Mr. Persaud said, those liabilities are already on the books. Chairman Hair said, okay, I understand that. Mr. Persaud said, it's accrual accounting. So if we terminate the plan come June the 30th, there is enough reserve to absolve those run-out costs. So that's a different issue. That's an accounting issue. Chairman Hair said, so you're saying you've already budgeted for the \$2 million run-out costs. Mr. Persaud said, it's already booked and accrued, correct. Chairman Hair said, so the savings would be for the next year. So you're going to pay the run-out costs out of the current year. Mr. Persaud said, out of the current plan budget. Chairman Hair said, okay, the current plan budget. So the savings –, so you're then agreeing with them that the savings would be \$1.3 million. Mr. Persaud said, I do agree with them based on the concept that at a starting point when the ACCG proposed a fixed end, they start with zero liability. Chairman Hair said, well, sure. Mr. Persaud said, and the current liability, or the \$1.6, is an accounting liability. It is already on the books. Chairman Hair said, okay. Mr. Persaud said, so it's two different issues. Chairman Hair said, okay.

County Manager Abolt said, if I may. I appreciate the Chairman's questions. This is the very predicament that we're in. When you do due diligence, and particularly with the relatively short time frame, we have to factor all this in. Not disavowing the credibility of any proposals, but interpreting from your action that you wish to make this decision potentially in the context of a budget strategy, and regardless of how we try, we cannot give you a legitimate option to say whatever the savings might be projected that you can take it to the bank. The other problem we get and we talked

to Blue Cross/Blue Shield extensively yesterday, you're getting right to the nubbings of it because if these dollars don't manifest themselves in whatever magnitude, they have every reason to expect that come Christmas or after Christmas you're going to have them before you asking where's the money, and our -. Chairman Hair asked, wouldn't that be true of the current administrator, too? County Manager Abolt said, yes, sir. Yes, sir. Chairman Hair said, okay, so that's a wash, okay. County Manager Abolt said, my point is that if you're making this in the context of a budget decision, it is not a legitimate -. Chairman Hair said, I'm not -. I've got my question answered, okay.

Chairman Hair said, I've got another question. Will any employee pay more under this proposed plan than they are currently paying under the existing plan? Any employee? Mr. Jones said, it's theoretically possible that if they had only emergency room claims, our Blue Cross co-pay that we've shown is \$100 versus \$75 in your current plan, and that's because we believe in educating consumers to use the emergency room -. Chairman Hair said, okay, outside of the \$25 emergency room fee, I'm talking about what they get deducted from their paycheck every month. Mr. Jones said, no, sir. Chairman Hair asked, will any employee pay more per month than they're currently paying? Mr. Mahoney said, no, sir. Chairman Hair said, okay. Next question. Will any employee, with the exception of the \$25 emergency room which we'll stipulate, stipulating that, will any benefit be reduced for any current employee? Mr. Mahoney said, no, sir. Mr. Jones said, well, there's one little piece, and that is that on the PPO plan, and keep in mind we've offered a dual option here of taking a PPO, which has better benefits almost entirely than your present plan, and a HMO, which has tremendously better benefits. But on the PPO if they go to an outside independent laboratory for testing, that is paid at a slightly lower level than your current plan. On the other hand, if they go to a doctor who does the test in his own office or laboratory and bills for it, then it will be paid under the co-pay and would actually pay better. Chairman Hair asked, will any employee be forced to change doctors if we pass this plan? Mr. Jones said, if they pick the PPO -, and, John [Mahoney], do you want to address this since you know the Blue Cross network best here in Savannah? Mr. Mahoney said, the concept of the dual option, Chairman Hair, is that under the PPO they won't be required to make any change in their physician under the -. If they so chose to go to the HMO, then they choose a primary care physician. All these primary care physicians are currently in the network, in the PPO network, and they would not have to change there. Chairman Hair asked, is that only for a pre-existing condition they're being treated for or if they have a new condition they will -, will they be forced to change doctors? Mr. Mahoney said, neither of them they would have to change doctors. The PPO would be available to them in either case. Chairman Hair said, okay. Mr. Mahoney said, but just to give you a concept of what the HMO is though. An HM -, the PPO is not referral-driven. You just use the physicians in the network and you're in network. The H -, and it is the same -. Chairman Hair said, but that -, that goes to the heart of my question though, Mr. Mahoney. Mr. Mahoney said, okay. Chairman Hair said, the heart of my question is if a -, all the doctors are not the same in Blue Cross and Blue Shield's PPO that's in the current PPO. Would you agree with that? Mr. Mahoney said, they basically mirror one another. Chairman Hair said, I wouldn't say basically. I mean if it's -, it might be two doctors or 22 doctors or 200 doctors. I'm just saying are there any doctors that are in the current plan that are not in Blue Cross's plan? Mr. Mahoney said, I'm not aware of any. Mr. Jones said, we have double checked it, Mr. Hair. According to the data that we have, the most recent data from the Savannah Business Group and the most recent data from the Blue Cross and Blue Shield PPO match up. In fact, the Blue Cross and Blue Shield PPO, being a statewide PPO network, is actually larger than the Savannah Business Group PPO. Chairman Hair said, that's -, larger doesn't -, I'm talking about here in Chatham County. Mr. Jones said, but, no, here in Chatham County the PPO networks are identical. According to data that we've been -, have been given. Chairman Hair said, so there are no doctors in the current plan that are not in Blue Cross and Blue Shield PPO. Mr. Jones said, correct. Chairman Hair said, all right, the last question is is it true that Blue Cross and Blue Shield routinely denies the last day of hospital stay? Mr. Mahoney said, no, sir, that's not true. Chairman Hair said, okay. Commissioner Odell said, it's true with my experience. Chairman Hair said, okay. Commissioner Odell said, my wife had -. Chairman Hair said, okay. Commissioner Rayno, then Commissioner Kicklighter, the Sheriff, Mr. Pierce and then Mr. Silvers. That's the order we're going to go in. Chairman Hair recognized Commissioner Rayno.

Commissioner Rayno said, if Mr. Jones and Mr. Hardeman could stay up there I'd appreciate it. The Sheriff sent out a letter and I might add that he's got such a tight budget that he used two deputies to get it to Commissioner McMasters, to hand deliver it, and they took two trips to my house to hand deliver it, when they could have used the County mail system because their budget is so tight. And it said, "I would like to take this opportunity to request the Commission take proper precautions in consideration in a new health plan for Chatham County. I've been advised that Hall County contracted with Blue Cross and Blue Shield and they've since gone back to their self-insured plan. It would be my hope the Commission seeks critical advise from the proper staff members, their most capable [inaudible] and making a thoughtful recommendation. The Sheriff's Department is the largest department in Chatham County government and many of our employees are of the belief that insurance costs are going to rise and perhaps the coverage will not be as complete. Employees just absorbed an increase in health benefits, and I'd hate to see further desolation of that coverage." Can you tell me about Hall County and then also could you share with the audience and the concerned taxpayers some of the other municipalities that are using your plan and that have sent recommendations about their savings? Mr. Frank Hardeman said, yes, sir. I'm going to start off and then I'm going to turn it over to Mr. Jones, but first of all we do have an answer on the Hall County situation and by Sheriff St. Lawrence's own admission, I talked to Sheriff St. Lawrence personally. He said he did not speak to anyone in Hall County, that he'd gotten that information from the staff. I do have letters from Bryan County, Grady County, Rockdale County, Decatur County, Morgan County, and Butts County for y'all's review. All sing the praises of the ACCG Blue Cross/Blue Shield program. These were given to me yesterday. I apologize I didn't have time to make copies for you; however, I do have it for anyone to review. As far as the particulars on the Hall County situation, I'll let Mr. Jones address those because he ran those down for us.

Mr. Jones said, thank you, Frank [Hardeman]. Our organization was very closely involved in helping Hall County out of a cost situation similar to what Chatham has seen, only perhaps even worse up at Hall County two years ago. Now I know that —, no, I've been told that Chatham County staff has talked to Hall County and gotten some, I would say, at best, indeterminate information. The entire finance, human resources and benefits staff at Hall County had been replaced twice since this was put in effect. The only thing I can suggest is that you call the —, if you really want to know more about it than I'm going to tell you —, call the finance manager for the City of Gainesville, who is —, was the finance manager for Hall County when we did this, and her name is Darla, and I can't think of her last name, but she would be able to confirm this. However, the information that we have developed in Hall County is something you're very comfortable with. They were self-funded with a third-party administrator for claims, just as Chatham County is, and their situation —, their claims costs were rising extremely rapidly, and they contacted the ACCG to see if the program could be a benefit to them. After doing some review and looking at their own neighbors, they have been so concerned, they had retained William Mercer Consulting Company to do an independent evaluation of their program. William Mercer is the largest benefits consulting company in the world, so you can put some store in what they have to say. They were projecting \$6,146,000 of costs in the county for the coming year. The actual amount charged the County by the ACCG Blue Cross program was \$5,188,000. If you take the Mercer projection for the second year for Hall County, it would have been \$7,456,000, and the Blue Cross program cost the County, we're projecting June, July and August and September to get them to the end of this plan year at the end of September, they will have paid \$5,350,000. That's a little bit over \$3,000,000 in savings. When we offered them this program initially, we offered them a choice of self-funding or fully insured. The commissioners, having experienced where they were with the self-funded program, chose insured. At last year's renewal we offered them a choice of self-funding or insured. Once again the County Commissioners chose to say insured. This year I already seen Hall County's preliminary renewal [inaudible] get a further rate reduction. It'll be the second one in a row under their insured program, and they will, of course, also be offered a self-funded option. I know some of the new staff up there is interested in that, and that's why. A program that offers both. It's the County's choice.

Commissioner Rayno said, thank you, gentlemen. Mr. Abolt, Mr. Hardeman just testified that somebody on staff contacted Al St. Lawrence concerning the Hall County. Are you aware of any staff members? County Manager Abolt said, let me explain this. I think it's very key. The information we gave you in the due diligence report, the preliminary draft, was done by myself and Mr. Kaigler. Now whether Mr. Kaigler used anybody else, I did not know. I shared that information with no other folks but you all, and it was because in the transmittal letter from the insurance folks they mentioned Hall County. In fact, Commissioner Rivers said he suggested calling Hall County. So I called the —, my counterpart, the county administrator. Mr. Shuler said that in —, he told me it was October a year ago that they had a situation much as you heard described here. They had a third-party administrator, which is as we have now, they were paying approximately \$6 million in claims. I'm not going to make any comment as to whether or not that was good or bad, but I got the impression they didn't —, they didn't appreciate the work of their third-party administrator. ACCG came in and at that time they saved \$4 million. He told me repeatedly that the County Commission has insisted on bidding this out, and then the most recent information, and I again, other than the people on the phone, I can't verify how long they've been with the county, but in our due diligence, which is only telephonic, when we talked to them this past —, most recent time, they said that the county, no doubt —, one of the reasons why they want to bid it out, that they paid \$5.1 million in premiums this past year. And I don't know whether their fiscal year and calendar year are the same, I don't know. But anyway, in that fiscal year \$5.1 million in claims and their actual —, I mean, excuse me —, in premium, and their claims experience was \$2.9, which means that they paid more for insurance than the actual experience they had in claims administration. Now we don't, as a matter of practice, you know, share that with anyone. I do believe it was fairly common knowledge because Hall County was listed in letter that it may be that some employees started to call Hall County. It's not fair to —, it's not fair, and I'll say this up front, it's not fair to these gentlemen to try to compare because ACCG, Blue Cross/Blue Shield is not homogeneous. It in effect is tailored to the needs of the different communities. These gentlemen when they came in at a very early state, I believe in the most sincere portion —, part of me that I can, they were trying to do something for our needs. So, it's historically important, I guess, because it was referenced in the letter, but it's not fair to them, to our employees, to say that whatever Hall County did or did not do is transparent in terms of [inaudible] with Chatham County. It's just an indication though of what other communities have done.

Commissioner Rayno asked, would you care to comment on anything Mr. Abolt said? Mr. Jones said, yes, and I have no quarrel. I mean, his numbers pretty much tie with mine. The \$2.9 million figure does not include the much discussed IB&R and, frankly, Blue Cross's numbers —, Blue Cross felt they were being pretty conservative when they quoted it the first year because there was no good claims reporting. One of the points made in the report from the William Mercer Company was that Hall County's reporting they were receiving on their plan was very unreliable and, as a result of that, Blue Cross was fairly conservative the first year in their projection. We had an independent actuary underwriter look at their rates the first year. We thought that they weren't as conservative as they thought they were. It turned out claims were better than the data that had been in existence at the county, better than we expected, better than Blue Cross expected. They were given a rate deduction last year, given a choice of taking self-funding. It probably would have been a good idea for them to have gone self-funded last year with Blue Cross. They would have probably saved a little bit, but not as much as the \$2.9 to \$5.1 suggests, and again they'll have the same option this year. Commissioner Rayno said, since Mr. Al St. Lawrence told Frank Hardeman he talked to somebody on the staff, would you please tell us who you talked to on the staff? Sheriff St. Lawrence said, I'm not going to tell you who I talked to on the staff. I don't think that's any of your business, Commissioner. Commissioner Rayno said, I think if people are spreading rumors which causes the people to get riled up —. Sheriff St. Lawrence said, you're looking —.

Chairman Hair said, well, let's keep it civil please. Commissioner Rayno said, I am. I'm mentioning the fact that if someone's up there riling the employees up, going to the press and putting out false information, that is disingenuous.

You're the leading law enforcement person in this community. You should be concerned about the truth in this community, and you should tell people who you talked to. Chairman Hair said, Commissioner Rayno, that's your opinion, but the Sheriff has said he's not going to state it. So you're entitled to your opinion. Anybody --, are you concluded, Commissioner Rayno? Are you finished? Commissioner Rayno said, oh, I'm concluded, but it'll come up later. Chairman Hair said, okay. Chairman Hair recognized Commissioner Kicklighter.

Commissioner Kicklighter said, thank you, Mr. Chairman. I just want to review to make sure I understand this. I'll get even plainer than the Chairman. I'm not a lawyer or a doctor, so I'm going to really bring this to the average level here. Is it my understanding that the Chatham County staff has revised their numbers and they do not disagree with the projected savings of \$1.1 million and the \$5 million? County Manager Abolt said, no, sir. I want Mr. Persaud to explain. This is a matter of --. Commissioner Kicklighter said, this is a yes or a no. Do y'all --, does it not say --? County Manager Abolt said, and I'm saying no, sir. Commissioner Kicklighter said, okay. Does this letter not say --. County Manager Abolt said, but I want the change explained. Commissioner Kicklighter said, -- that Finance has evaluated the revised ACCG/BCBS health proposal and does not disagree with the information presented in the savings projected? County Manager Abolt said, that's correct, but the numbers have not --. Commissioner Kicklighter said, okay, did that not come --, excuse me. County Manager Abolt said, but let me explain. Commissioner Kicklighter said, let me finish please. Did that not come from Chuck Voelker to Russ Abolt through David Persaud yesterday? County Manager Abolt said, and it also attached another piece of paper --. Commissioner Kicklighter said, that was just a yes or no --. County Manager Abolt said, no, sir. Commissioner Kicklighter said, yes or no question. County Manager Abolt said, sir, I would like the privilege of --. Commissioner Kicklighter said, Mr. Abolt, if you would, just answer my question. County Manager Abolt said, -- the privilege and the opportunity to fully explain. I would like that opportunity. Commissioner Kicklighter said, okay, I'll allow you to when I've finished please. County Manager Abolt said, yes, it was, but it also transmitted the same spread sheet that we gave you in the due diligence. I would like to have Mr. Persaud, who's a CPA, explain why they're, in effect, not taking differing viewpoints, but it's the way in which we're trying to protect the County and recognize our total liability. Commissioner Kicklighter said, I --, sir, with all due respect, I'm not concerned with why you came up with the numbers. I'm concerned that we were all in the newspaper with staff saying there was going to be an additional \$700,000 cost and then yesterday I receive a letter that agrees with the ACC's --, ACCG's projection. County Manager Abolt said, no, sir. Commissioner Kicklighter said, with that --. County Manager Abolt said, sir, please. I would like an opportunity to please explain. You're asking for --, not you're asking for. We began --, in fact, it's interesting if you look at the calendar now. This is very important because obviously, you know, this is critical to your evaluation of my performance and staff's performance. Let's look at the calendar. On the 24th of April we sat down with these folks and they presented their proposal. Today's the 24th of May, one month later. Two weeks after we sat down with them and we were beginning due diligence, you all decided to do it, which is your choice, and then we began to obviously pump up the volume on the evaluation. My concern, as your employee and your Manager is, I did not want you, in effect, making a decision that you feel can balance next year's budget. That's a very serious thing to say when it comes to making this decision because if it's driven by that, regardless of how you look at the numbers, you cannot save the type of money you're looking --, even in any type of quantity --, to come up with a budget strategy. That's what we hear. I would --, please allow me to ask Mr. Persaud to explain from his perspective, and again I recognize that we're losing David [Persaud], and I'm very sorry for that, but Mr. Persaud has been a man of integrity and will be a man of integrity at his next job. He's also a certified public accountant. David [Persaud]? Commissioner Kicklighter said, Russ [Abolt], if --. Please --. Chairman Hair said, well, if you don't want --, if you want a yes or not answer, you got your yes or no answer. Commissioner Kicklighter said, that's all I want, and with all due respect to staff, Russ [Abolt], we didn't ask the staff to give us an opinion on whether or not we were trying to balance the budget with this move. We asked staff to come up with numbers in comparisons. County Manager Abolt said, no, sir. Commissioner Kicklighter said, an opinion on how we want to balance the budget --. County Manager Abolt said, you didn't ask us --, I don't mean this in a critical way, sir. You never really asked us for anything. We felt that it was our responsibility to do due diligence and, in effect, we gave you a memorandum in advance of your last meeting saying we would like until the 24th to complete due diligence. You passed it regardless, and that is your choice. I'm not argumentative at all, but we are trying to do a job for you that in effect we will not regret and you'll not regret. One of --, I'm sorry, sir.

Chairman Hair said, I just think that if --, let's go forward and if we have other questions, we'll relate them to you.

Commissioner Kicklighter said, I want to move forward. Okay, if we can please --, I just want to move forward. Okay. Chairman Hair said, okay, we'll do that. Okay. Go ahead. Commissioner Kicklighter said, I'll state I received a letter. I have it in my hand. It says that the staff agrees with the projected savings. I heard earlier when you were answering the questions from Commissioner Odell your guesstimates, or whatever you want to call it, comes within five percent. So, you know, we're still going to have a major savings there. Okay, it's my understanding, and if there's anything to disagree with, stand up and let's disagree on it. I want to hear it. Number two, I believe that I heard that it will not cost the Chatham County employees any more money monthly. Mr. Hardeman said, that's correct. Commissioner Kicklighter said, okay. I believe that I heard that the benefits are better actually in most cases for the Chatham County employees. Mr. Hardeman said, yes, sir, that was correct. Mr. Hair and Mr. Rivers were very adamant about that any proposal needed to make sure that the employees had to receive better benefits wherever possible. Commissioner Kicklighter said, thank you. I believe, if I heard the --, saw the red flags pop up, I saw the scaring of the employees, that there was going to be an effect or a possible on the life insurance. Is it my understanding that the current life insurance is through Zurich Life and not with this proposal that we're actually negotiating? Mr. Hardeman said, yes, sir. Initially, on a spread sheet provided by the staff, it just showed your ancillary products and your costs, your Section 125 flex plan, your life insurance and your long term disability. Your Section 125 plan is administered by Colonial Life and Accident, Ed Wilson locally in Savannah. Your life insurance, I have a copy of the bill. That's through the Zurich. Your long term disability, I also have a copy of that bill, it's through Jefferson Pilot. We have not proposed any changes in those. Those are stand

alone products that can remain in force. All we've done is compared your health insurance now against the health insurance that we want to provide to the County. All of those products can remain in force. We have no impact on those. However, you know, the ACCG could look at those if the staff and you wanted us to. Commissioner Kicklighter said, okay. Thank you. So it's my understanding now that the proposal will not affect the employees as far as their life insurance. Mr. Hardeman said, exactly. Commissioner Kicklighter said, okay. Mr. Hardeman said, the life insurance remains unaffected. Commissioner Kicklighter said, thank you. It's my understanding now that disability or long term disability for the employees will not be affected if this proposal moves through. Mr. Hardeman said, correct. No affect on the long term disability for employees. Commissioner Kicklighter said, it's now my understanding that this proposal will not force our employees to change doctors if they choose the PPO plan. Mr. Hardeman said, all the data that we have provided by the staff and the SBG, the networks are the same. Commissioner Kicklighter said, okay. It's my understanding that under this plan our employees will actually have a choice whether or not they want their doctor's bills to be paid at 100% or 90%. Is that true? Mr. Hardeman said, yes, sir, and we have already worked out with the staff having educational meetings with your employees, showing them the differences between the HMO option and the PPO option. It will be entirely their decision. There will not be any steerage to one or the other. It is their decision and we'll sit down and help and advise them on what might be better for them and their family, but they will have an option. Commissioner Kicklighter said, thank you. Now I have one question. Somehow this thing has run out in my mind to looking like a partisan type proposal, and honestly I don't know this answer. Who initially approached y'all to do this —, come up with a proposal? Who was in on the initial negotiations on this? Who contacted you because I know that staff did not? Mr. Ben Pittarelli said, Commissioner Kicklighter, I'm Ben Pittarelli with the ACCG. I'm the Marketing Manager for the insurance programs. Commissioner Kicklighter said, yes, sir. Initially, Commissioner Rivers approached Jerry Griffin, our Executive Director, about the possibility if ACCG could propose a health plan that would help the County, and that's initially how this all started. Commissioner Kicklighter said, okay, thank you, sir. It all sounds good to me.

Chairman Hair said, okay, here's the order that we're going to go in. The Sheriff, Mr. Pierce, —, not yet, Mr. Pierce, Mr. Silvers, Commissioner Odell, Commissioner Gellatly and Commissioner McMasters. Mr. Pierce, not yet, sir. Mr. Pierce, not yet, sir. Commissioner Rivers said, John Saxon [Pierce], John Pierce —. Chairman Hair said, not yet, Mr. Pierce. You're next after the Sheriff. Okay? Okay, Mr. Sheriff.

Sheriff Al St. Lawrence said, thank you, Mr. Chairman. I'm not against this plan. As a matter of fact, Frank Hardeman brought me information on it last night at eight o'clock, and it's a summary. It's not in detail, and it looks good. What I think is —, what I believe is that this train is coming needs to be slowed down some. I would like all the questions answered. Maybe you won't grant the employees that, but I don't see where two weeks or whatever for these people to appear before County employees and answer their questions is going to hurt this County. That's my opinion. I don't know as a matter of fact of detail —, my doctor gives me two prescriptions. He gives me a 90-day supply. Some companies won't authorize but a 30-day supply. I don't know if they authorize 90-day supply or they don't. That's one thing. Mr. Jones said, we do. Sheriff St. Lawrence said, okay, he answered that question, and he answered the question about the costs to the employees. Now we did talk to Hall County this morning. We finally got a hold of Hall County this morning. We talked to the head of Human Resources, a gentleman by the name of Dennis [King] —, where you at —, he talked to a gentleman by the name Trager, who's supposed to be the head of Human Resources. He said he liked the plan except it was too expensive and they were going to have to do something about it. He talked to two other employees in Human Resources, who don't like the plan. And this is the gentleman that talked to them. Now my information the other day, Commissioner Rayno, came from a staff member and I'm not going to —, it was told to me in confidence, and I'm not going to reveal that name. And as far as my delivering this letter to you, that was given to a person riding that zone, so I actually saved you \$3.74 in postage because I had eleven to put out there. Dennis, do you want to tell them about your conversation with Hall County?

Major Dennis King said, good morning, gentlemen. I made several attempts earlier this week to try to reach Hall County at the Sheriff's direction. Earlier this week I was able to speak to a Ms. Ruff, who is employed in the Human Resources office there, and told her I was just trying to gain facts. I have no experience and no information or knowledge in the insurance business and insurance industry, but I do have 31 years experience as a law enforcement officer, and I do know how to interview a witness, so I just asked her basically objectively what she could tell me about the plan, the good, the bad and the ugly. Chairman Hair said, Major, would you speak up a little bit. We're having trouble hearing you. Major King said, yes, sir, I'm sorry. I apologize, sir. She advised that the County employees were opposed to the plan; that the County moved to it because they had such a poor history with claims; that they didn't have any choice; that previously their plan was not well administered. When they put this plan into effect, she said that they had numerous complaints from County employees who opposed the plan. They said they continue to receive complaints from the County employees, but the percentage in number of complaints had diminished because this was the second year under the plan. They said the employee costs have gone up, have risen significantly under the plan. She said the costs for retired employees have gone up, but she couldn't tell me how much. She said the cost for the COBRA separations have gone up as well, but again could not give me any facts or figures on that. She admitted that they had lost oversight —, that the County had lost oversight over the plan because it was totally separately controlled now by Blue Cross/Blue Shield. They said also the cost for injured employees out on worker's comp injury had gone up as well, but again she could not quote any costs for that. This morning I received a return call from a Bernice Whimpey [phonetic], who is also employed in the Human Resources office there, and she gave me some cost comparisons for drugs and medication and said their deductibles are \$10, \$20 and \$40 cost. Basically, she told me about their plan. I told her a little bit about what I knew of our plan, and she said basically that they had to do something again Yecker [phonetic], that because of the poor claims history, they had to do something, so the move to Blue Cross and Blue Shield was an improvement over what they had, but she said basically what they were moving to is what we already had, was a self-insured plan that was independently administered, and that's what Hall County was looking to try to go to now. She said basically if she

was asked personally about it, she would not recommend moving from what we had to Blue Cross and Blue Shield. Later I received a phone call from a Mr. Trager, Sam Trager, on a return call this morning as well, and he was the advocate of the plan, the Human Resource Director in Hall County. He advocated the plan. He told me that he had worked with Blue Cross and Blue Shield with different agencies over the past six years, and he was pleased with the performance and the history of Blue Cross and Blue Shield. He did give some relative expense costs. He said under the HMO plan their employee cost was zero dollars. The cost for coverage bi-weekly for spouse was \$61, the bi-weekly cost for family was \$116. Under the PPO plan, the cost per employee bi-weekly was \$5.03, under one spouse would be \$71.60, and a family plan cost was \$131.08. He said that it was true that their cost was the most expensive in the State, and I quoted him on that. He said, "Ours is the most expensive in the State." Clearly it is, "and that's something they had to work on." Later on I asked about the cost for work comp injured employees, citing the fact that one of injured employees out on a work comp leave and receiving a disability check would they have to pay their own medical costs. He said he didn't have any clue what that cost. He could run it down, but he didn't know off-hand what that amount was. Again, I asked about COBRA, and he couldn't give me any figures on that. I asked what the cost was for the retired County employees in Hall County, and he said, well, I do know that figure because that's controversial. He says we charge a lot to the County employee, to the retired employee. That's a quote. "We charge a lot to the retired employees." The PPO costs is \$3.75 a month for the retired employees. So that was basically the context of my limited conversation by phone with these folks this morning. That's all.

Chairman Hair asked, anything else you want to add? Anything else, Mr. Sheriff? Sheriff St. Lawrence said, I just want to add to that the \$3.75 is —, you know, now our retired employees actually get their insurance benefits less than a regular employee. That's quite a jump. The other thing is that Blue Cross/Blue Shield covers State employees out at Armstrong, and there's an individual out there that was hurt in the line of duty. He's out, having to pay for his own insurance. It cost him \$467 a month. I'm not against this plan. Again, I would like for all the questions to be answered, and the employees get a chance to get all their questions answered. That's all I'm asking for. Thank you very much.

Chairman Hair recognized Mr. John Saxon [Piccolo] Pierce.

Mr. Pierce said, the only thing —. Chairman Hair said, Mr. Pierce, put the microphone down, sir. Mr. Pierce said, the only thing for this rate, who put up the plan? Mr. Jones asked, could you say that again please? Mr. Pierce asked, who put the plan up? Mr. Jones asked, who designed it? Mr. Pierce said, yes. Your boss [inaudible] this old plan right here. Mr. Jones said, Commissioner Rivers made a contact with the ACCG last August, and we came back to the Commissioner with the plan that we thought was a good plan, but then in discussions with him and with your Chairman, Mr. Hair, both of them said we want to improve this in some way for the employees, so we actually improved the plan we brought a couple of times. Mr. Pierce said, okay. Billy Hair approved —, when you bring the plan —, you're just giving us a plan and then say, yes, Billy Hair approved it. That plan don't work. You've got to get another plan. Chairman Hair said, well, Mr. Pierce, it has been reviewed by staff as well as ourselves. Okay? We have looked at it. Mr. Pierce said, thank you. Mr. Jones said, they've looked at it. Mr. Pierce asked, they're working on it? Mr. Jones said, yes, sir.

Chairman Hair said, thank you, Mr. Pierce. Chairman Hair recognized Mr. Mark Silvers.

Mr. Silvers said, Mr. Chairman, I've got a number of things to say. I just think there may be a couple of other people. Do you want me to go ahead —. Chairman Hair said, let me go ahead and get the —, why don't I go ahead and get the rest of the Commissioners first. Mr. Silvers said, oh, that's why I thought. Chairman Hair said, Commissioner Odell, Commissioner Gellatly, and Commissioner McMasters, and then myself and then we'll go back to Mr. Silvers.

Commissioner Odell said, you know, I'm glad that we're this debate, and my questions are not directed or should not indicate that I'm not in support of the plan. My questions are a concern that's shared by our Sheriff, Al St. Lawrence. Good ideas don't have to be rushed, pushed through, and two weeks time is just inescapable as —, with other things you have to do. I fear that this Commission is getting to the position where we rather than sell ideas, we try to ram ideas and tell ideas. So that it will be corrected, this is not a partisan Republican effort. This was two Commissioners working together, Republican and Democrat, trying to save money and create a benefit for employees. Which is a good thing. The process that was started is a good thing. This dialogue is a good thing. The bad thing is that we have untimely rammed this down department head and elected official's throat. We have not had an opportunity to ask questions which we need to ask to settle in our mind. I've been a Human Resource Manager in Savannah, Nashville, Tennessee, and in New Orleans. This plan, how we're proposing to implement it, a lot of employees have had bad experiences with Blue Cross. I am one of those people, and my experience as a college student, my wife had Blue Cross/Blue Shield, and they paid zippo and we thought that they would paid was a horrible experience. So as a Personnel Manager, Blue Cross was never really on my high list of candidates to be considered. I realize that things have changed and that's been 20 years ago since I had any active experience, and I know the company has changed, and I don't want my negative experience with it to cloud what we have to do here today. What we should do is what the Sheriff suggests. We should have a period of time in which we study the proposal. We should have a period of time, if we elect to do this, to have discussions with our elected officials. If it's a good idea, then a good idea will sand the test of time and stand the test of questions. Is this the only or the best option? I have a difficult time, and I say this and I preface it by saying we are self-insured, we have a relatively low administrative cost, the cost of Blue Cross/Blue Shield will be at least \$230 [sic] per year more. If there's no reduction in benefits to the employee and no increase in cost, how do you improve upon a self-insured plan? Having been trained in personnel administration, that's a concept which I find very difficult to reconcile in my mind. I'm not saying this is a bad proposal. I am saying that there is no need for us to rush it through. It is a good thing that we got this discussion; that that end of Commission table, I think Mr. Rivers and Mr. Rayno,

working hard to ensure that we get the biggest bang for your tax dollars. That's a good thing. It is a bad thing to rush it through. We may come to the ultimate conclusion that the difference would be that we would have input from those that we have –, need to have input. I will send Al St. Lawrence a Christmas card. I'm not certain if Jeff Rayno will, but I will. Jeff [Rayno] and I joke. I would like to have Al's [St. Lawrence] support for whatever program we go to. I would like to have the Clerk of Superior Court's support of whatever program we go through; I would like to have Danny Powers's support. I would like to have 50% who are political elected officials, I'd like to have their support when we venture into this. Why is it wrong for us to allow sufficient time to review it? You know, and just over the half of Russ Abolt, Russ Abolt lost a staff member and did not replace him, and I told Russ [Abolt] when that happened, "Russ, these people will never appreciate that." So, consequently, what's happened is that we get a proposal. Their staff has to crank up because what happened in this instance is those people have the expertise, those are the people that the proposal should have come to. They should have had sufficient time to review it and advised us because they are our advisers. You all are selling something, and what you're going to make may have a benefit from that sale, you know. So no one's confused, this is not done out of the goodness of your heart. People will make money off this plan. And that's not a bad thing. I'm an American. I'm not a Communist. I think both ought to make money, but if I think we are tying up employees' dollars and we should had department heads like Al St. Lawrence, Danny Powers, and the other major players in this County, have some opportunity to review rather than rush into it. We might come to the same conclusion. Additionally, I'm concerned that one of the major providers of health care in this County, namely Memorial Health University, is not part of the proposed plan. Memorial Medical Center is a child of this County in that it was created by the Hospital Authority Act of 1948. The point being is that they provide, I would submit, a substantial amount of indigent care. I utilize Memorial Medical Center. When I do that, I have to go through my wife's plan because our plan excludes them. My only concern is if it's a good idea, let's have a rambunctious discussion. We'll invite Jeff [Rayno], who always brings the heat up a little bit, and we'll have a good discussion, and we might come to the same conclusion, so that our employees who read in the paper that we are being devastated, we have lost money, Kicklighter wants to give away the pier, Rayno wants to charge to get on it –. Here's my point. Shouldn't we have the employees' acceptance. It might be the best thing, but does it hurt anyone for us to have discussion. I think this is a good proposal. I think you guys have done an excellent job in a short period of time because no one from your organization has talked to me. No one's talked to me. Frank [Hardeman] has tried to get in touch with me two times. We played phone tag, and it ain't your fault, Frank [Hardeman]. It's just that –. Mr. Hardeman said, we have tried. We have met with each of the Commissioners –. Commissioner Odell said, okay. Mr. Hardeman said, honestly we tried on several occasions to get in touch with you. Commissioner Odell said, my only thing I'm saying, Frank [Hardeman], is that we didn't get together. Unfortunately, I have kids in college and I have to make a living like you all have to make one. And it's not your fault. Do you see a problem in delaying this so we can have discussion with department heads. Is that yes you do or no you don't? Mr. Jones said, I wasn't going to bring this up, but when Commissioner Rivers approached us last August, he asked us to put a plan together for January, if we could, because he knew what was going to happen to the employees. Every day the –, every month the County waits it costs the County a hundred, two hundred thousand dollars, it means the employees stay under the old reduced benefits. More importantly, in September we started asking for information from the staff so that we could get something ready for January. After many attempts, we didn't get our first real information until February, and we've been working since February to get additional information, but the real issue is this has been going on for a long time –. Commissioner Odell said, going on for a long time. We just –, I just haven't been in the loop and I can understand –. Chairman Hair said, we've got to get in order. Commissioner Odell said, but my last question is, did the City of Savannah have Blue Cross/Blue Shield approximately two years ago? Mr. Jones said, that's a John [Mahoney] question. Mr. Mahoney said, yes, sir, they did. Commissioner Odell said, okay. So the City of Savannah did –, was their plan comparable to our plan that's being proposed? Mr. Mahoney said, no, it really wasn't. It was not a dual option. The HMO was not in there. No. Commissioner Odell said, okay, for the record, the City of Savannah no longer has the Blue Cross/Blue Shield plan. Is that true? Mr. Mahoney said, that's true. Commissioner Odell said, and they have gone to the same plan that we're using. Similar plan that we're currently using. Mr. Mahoney said, that's correct. Commissioner Odell said, and they had the Blue Cross/Blue Shield. Mr. Mahoney said, they did have the Blue Cross/Blue Shield. If I may, they had the Blue Cross/Blue Shield on a major account basis, which was administered certainly through Blue Cross of Georgia, but the servicing office was in Atlanta. We've gone through a restructuring and a merger in Blue Cross of Georgia. We are now segmented by a business unit in order to better focus on the customer, and in that Chatham County would be serviced out of the Savannah office. Their local points of contact would be the Savannah office. Commissioner Odell said, okay, so Savannah had had a –. Mr. Mahoney said, I think that did have a material impact. Commissioner Odell said, I guess the flip side, so Savannah didn't want to save all the money you're going to save us. Is that a fair question? Mr. Mahoney said, they had to –.

Chairman Hair said, by the look on his face I don't think he thinks it is, but –. I'm a master at body language. Mr. Mahoney said, we will be addressing that with the City, absolutely. Chairman Hair said, okay. Commissioner Odell said, I'm finished. Chairman Hair said, I need to remind my colleague here, you know, your Commission pay is not based on billable hours like your other hours. Could you be a little more succinct next time, okay? Commissioner Odell said, yes, strike all I said. Chairman Hair said, I'm going to allow Commissioner Rivers to make a –, because his name was mentioned, and he wanted to make a quick comment and then we'll go back in order.

Commissioner Rivers said, I y'all will allow me. Chairman Hair said, certainly. Commissioner Rivers said, let me –, let me say this. I sit on the board of ACCG, director, as a representative of this region, and for that reason we have an insurance plan that's under ACCG. We have a representative here from ACCG. We would have personal contacts with ACCG in regard to this plan. Now I asked Jerry [Griffin] to give us an analysis on what we had versus if there was any possibility of doing a saving. I told him to talk to the Chairman. That's what he did. Now this thing started back in April of last year because I wanted to try to get it into last year –, this year's budget. It so happened they didn't get all the information and it ended up –, evidently they didn't put it together until August. That's how we got there. My intention

was when the Chairman got everything back that he sent them back to me and referred them to all of the other Commissioners was for information to see how we would agree or whether we should move forward with the plan or not. The next step in that was to get those plans together and to lay it all out, do due diligence on it. Everything would be done and then go to department heads and employees and explain the situation to them. We would not be at this point here had we not rushed to put this thing on the agenda and had better communications. So I would hope that somewhere we can rectify this, get everything on the table, get everything out, apples to apples, oranges to oranges, and whether it's a good, we adopt it. If it's a bad plan, we kick it, but allow due diligence to be done and everything to go to these employees so that they understand it and take away all the anxiety.

Chairman Hair said, okay, here's the order. Commissioner Gellatly, Commissioner McMasters, me and then Commissioner Kicklighter. I'm sorry, I'll get --, I'll put y'all down next, okay. I didn't see your hands. Chairman Hair recognized Commissioner Gellatly.

Commissioner Gellatly said, give me a chance. First of all, for the record I do in fact send a Christmas card to the Sheriff every year. Don't I, Al [St. Lawrence]? I wanted to acknowledge that. I don't think there's a Commissioner in here out of the nine that wants anything but the 1,700 employees that we have to have very best insurance policy that is possible, and I think the one that we have now is a good policy. Can it be improved on? We need to take a look at that. Can we do it for less money? We need to take a look at that, too. But what --, I think what has to occur here --, to begin with, I'm not an insurance expert. I watched the two groups duke it out and I don't have a clue of what some of you were talking about, you know, and what I'm going to have to have before I can make an intelligent decision, just one vote, is, number one, I'm going to have to have assurances that any group that we might change to, in the very simplest and easiest terms, can show that our employees, and that includes our retirees, will have the same equitable benefits, if there's going to be any cost differences, if they're going to be offset by something else, all of this needs to be clearly delineated, and in terms that we can all understand. And then, in terms that we can understand, we have to know what that savings is, you know, and I've heard that there would be, there wouldn't be, there would be this much, there would be that much, we can't really tell, and things of this nature. I think before we get involved in this that all of this has to be explained to us and the bottom line is that someone has to sign a contract, number one, that no one is going to lose benefits in any way, shape or form and that we're going to save X-number of dollars, and someone has to be willing to sign that, and if it's not met, someone needs to be held accountable for it. I think that we could be here for a year and listen to two sides saying that theirs is better, no theirs is worst, and I think the only ones more frustrated than the Commissioners would be the 1,700 employees that wonder how their medical insurance is going to be taken care of. What I'd recommend is, obviously this isn't going to be voted on today, and I think that we do need to take our time and to go through it, step by step, and if there's savings involved, by all means we need to get on with that if it's not at the expense of our employees. I would recommend that we take a look at, Mr. Manager, that we take a look at getting a third party disinterested person that has no interest on either side, but is an expert on insurance, and let's get an opinion from a third party that knows what the heck they're talking about that doesn't want to sell us anything, and if we have to pay him a little bit of money for his evaluation, why I think we need to do that, and I think when we have the third party come back to us and tell us that, hey, yes, this is a good thing or, no, it's not a bad thing, or it's a good and a bad thing, we can make an intelligent decision, but right now we're not in a position to be able to make a decision. I'm not about to --, I'm all for saving money. You know, God knows, this County needs to save money wherever it can. We've got some serious problems, but not on the backs of our employees, and I don't think that there's any Commissioner here that's trying to do that. I think that every Commissioner here has got their heart in the right place. It's just a matter of if we can save money, we need to do it. And that would be my recommendation.

Chairman Hair said, Commissioner McMasters and then me and then Commissioner Kicklighter, and then the Youth Commissioners. Chairman Hair recognized Commissioner McMasters.

Commissioner McMasters said, thank you, Mr. Chairman. Christmas cards aside, I am just curious from the Sheriff, on May 21st this letter was rushed around and delivered to all the Commissioners. Not routed in the normal packet. Sheriff St. Lawrence said, that was three days ago, Commissioner, and the only reason I gave it to the people that ride those zones was because if I put it in the mail I didn't know if you would get it and be able to digest it before this meeting this morning. Commissioner McMasters said, right. Well, I'm not so bent about the potential inefficiency. I accept the fact that you had people in these zones. The thing that troubles me, Mr. St. Lawrence, is the fact that three days ago you were evidently very much against it. Today what you just told us is that you like the plan. Now, while you were circulating this, staff had not completed all their analysis and due diligence. So I think it was premature for your department, given its size and its influence, to interject itself without the benefit of staff's entire analysis. I think that sort of was pushing the process unnecessarily. I would have appreciated your standing back until all the analysis was done and then formulating your opinion. If you want to comment on that, please do and then we'll move on to some other subjects. Sheriff St. Lawrence said, I will because we don't generally in Chatham County do business that way. When we had a change in the insurance last year, we had people come out and talk to the employees and so forth. This thing was passed, I haven't to any department heads that know what's going on, whether it's a better plan, not a better plan or whatever. The person that gave me the most information was Frank Hardeman, and the last information I got was at eight o'clock last night. Commissioner McMasters said, okay. Sheriff St. Lawrence said, so all I'm saying is, as I've already said up here, I mean, do it like we've done it in the past. If you want to use an independent person, that's even better, but if you don't, at least let the representatives come out and talk to these employees and answer whatever questions they may have. Commissioner McMasters said, well, that's essentially on a smaller scale what we're doing here today. Now the second issue that I have is I've got a folder here from staff first killing the concept then endorsing the concept and moving all across the board, everywhere inbetween. So I'm of the opinion from what I've read and what I've seen that the benefits, by what we've heard today, remain the same. As a matter of fact, some of the benefits are

actually enhanced for employees. It saves the taxpayers potentially \$1.6 million, so I'm a bit perplexed at what I perceive to be some obstructionist tactics from staff on the handling of this, Russ [Abolt], and I don't know if they're misrepresentations or mathematical errors, or whatever they are, but this thing has swung across the pendulum so wildly, I'm uncomfortable with those wild undulations.

County Manager Abolt asked, may I be allowed to comment? Commissioner McMasters said, yes, go ahead. County Manager Abolt said, first of all, it's a function of the calendar, and that's not an excuse, it's a function of the calendar. It's also a desire to give you the very best advise we have and to protect. Because it has not been uncommon in the past, not with this Commission but with other Commissions, and in effect some might call it precipitous acts, assuming money will be there and it's not, has contributed in large part to the budget problems we have. Staff was surprised when on the 10th of May you acted. That was just two weeks after we had received it. Yes, we had had overtures indirectly after Commissioner Rivers's contacts and the Chairman that something was about. But, gentlemen, I want to mention this, and this is not meant to be in defense, but just explanation. It was not until a meeting a few weeks –, well, a few weeks ago at budget time when we had the workshops afterwards, Commissioner Murray was sitting there and said, well, he was going to meet after that meeting with some insurance folks. That's the first indication I had that they were out and about talking to you.

Commissioner McMasters said, Russ [Abolt] –. County Manager Abolt said, let me –. Commissioner McMasters said, Joe [Rivers] just told you that this has been over a year in the works. So why is it –. County Manager Abolt said, no, sir. I can explain the works from my side of it. No one ever contacted me directly or my staff. It was indirectly because there was an initial request just for information. The first contact came, I believe, through Commissioner Rivers and then a comment from Jerry Griffin saying that they had asked for some information from Mr. Kaigler he had not gotten. We brought in Mr. –, I believe it was Mr. Mahoney, I think, at the time. We sat down with him, we gave him everything. My recollection of that conversation, which is never perfect, was at that time we thought he had everything he wanted and he'd get back with us. There was never closing that loop, and then weeks go by and then the Chairman asked me because he said something about Mr. Hardeman wanted some information, and I very frankly, and this is no reflection on Mr. Mahoney or Mr. Hardeman for I have a great deal of respect for them, that's the first time I knew Mr. Hardeman was involved in it. So we attempted to respond to them. But let me go back to this variation on information. This is critical. And I want to make a point of it today only because the gentleman to my left is not going to be here after next Friday. And in all of this we attempted the main objectivity in realizing our responsibility to due diligence is a very onerous responsibility, and we always try to err on the side of the most extreme, if you will. When I sent you that information last Friday, which again was less than a full month from the time that we had received it, we acknowledged it was a work in process. The problem we have with this is the way in which we must advise you in advance of a meeting. I did not want you when you received your agenda packet, for example, on Tuesday to get nothing. So we gave you our best shot. In fact, we gave it to you a couple of days early, and on the bottom of that we said we were going to meet with those two gentlemen, and we did it. We spent, I think, all total probably about a day together. The results of that are this most recent bit of information, which was faxed and mailed to you last night. But it's important to realize now for Mr. Persaud to explain. We are trying to understand what they are proposing, and we certainly understand more about it than we did a month ago, but we're also trying to give you the full costs. They propose, and because there were no specs, one of the faults with this is that the County, the customer never issued a series of specifications saying what we want. They were trying to react to what they thought we want, and what it got down to, the very thing you're talking about is, they weren't –, we weren't communicating on what we wanted and what they needed to tell us what we wanted. So permit me, only because the calendar is so important, I want Mr. Persaud again, who signed both staff reports –, both memos I should say –, it's critical for you to understand how we look at total cost.

Commissioner McMasters said, with all due respect to Mr. Persaud, I'd like to talk about was Mr. Kaigler involved in this analysis? He's –. County Manager Abolt said, yes. Commissioner McMasters said, – fundamental to it. County Manager Abolt said, yes. Commissioner McMasters asked, did Mr. Kaigler –, did you initiate the Savannah Business Group contract on behalf of the County originally? Mr. Kaigler said, no, sir. Commissioner McMasters asked, is that correct? Mr. Kaigler said, no, I did not. Commissioner McMasters said, you did not. What is your relationship with the Savannah Business Group? Mr. Kaigler said, each company that's a member of the Business Group is on the board of directors. Commissioner McMasters said, okay. Mr. Kaigler said, and that board of directors has a executive board. A couple of years ago I was a member of the executive board. I'm not now. Commissioner McMasters said, okay. When did you –, are you still involved at some level with the Savannah Business Group? Mr. Kaigler said, I'm just a member of the board of trustees, just like ever other –. Every company who's a member has two members on the board of trustees. I'm a member of the board of trustees and Mr. Abolt. Commissioner McMasters said, okay. County Manager Abolt said, I don't attend meetings. Commissioner McMasters asked, and when was our policy initiated with SBG? How long have we had it? Mr. Kaigler said, oh, we've been a member of SBG for about 10 to 15 years, something like that, 14 years, and the current plan that we have in place now, I guess back in '89, I mean '98 –, 1998 this Board approved the contract with Savannah Business Group, USI and St. Joe/Candler. Commissioner McMasters asked, were you president of that group in 1998? Mr. Kaigler said, no, sir, I was in a different department at that time. Commissioner McMasters said, no, relative to the Savannah Business Group. Mr. Kaigler said, no, sir. That was –, that predates me. Chairman Hair said, he was the Public Works Director at that time. Commissioner McMasters said, okay. Thank you, Mr. Kaigler.

Mr. Kaigler said, I'd like to make just a couple of other general comments if you would allow me. Chairman Hair said, I think that would be appropriate. Mr. Kaigler said, a couple of issues have been raised that I'd like to just give some clarification on it and really apologize to Mr. Mahoney. If it was the case that we did not get them the information in a timely manner, we definitely apologize for that. Myself and Mr. Abolt met with them, and he had indicated at that time

that he had all the information he needed. We heard nothing else from them. Chairman Hair said, thank you, Mr. Kaigler. I'm sorry, Commissioner McMasters still has the floor.

Commissioner McMasters said, I want to wrap this up. We've been skewered in the newspaper on the way this was handled, Russ [Abolt], and a lot of it was based on information that from my perspective seemed to be one-sided. How is it that the newspaper in doing their fundamental job of reporting the facts only seem to get one side of the facts? County Manager Abolt asked, you're asking me that? Commissioner McMasters said, yeah, well -. County Manager Abolt said, I mean, I've been in this business 30-some years and I've never been able to answer that question. I'm not trying to be flip with you. I think again -, let me explain the process of public meetings and your agenda. The press gets this when they receive your agenda material. In your agenda material we gave this to them because it's part of the agenda. We also promised that we would get back after meeting with these two gentlemen, and we did it as -, most currently as last night. Commissioner McMasters asked, well, Russ [Abolt], was it agenda material that said that this would cost the County money, which we've now established is not the case? How did that get out? County Manager Abolt said, sir, that is in that same due diligence report that was signed by Mr. Persaud, and I would ask you please to give me the opportunity to have Mr. Persaud to respond to that. Commissioner McMasters said, okay, and then I'll button it up. County Manager Abolt asked, it's okay? Chairman Hair said, I mean, if you don't object, I think it's appropriate. Commissioner McMasters said, I don't mind.

Mr. Persaud said, I'll make this very quick. When the proposal was first submitted to Finance, we had no background information. We presumed that those claims were underestimated. Keep in mind, it's all a matter of fiscal discipline. We used the County's current experience based on the self-insurance program. There was no issue on the transition cost, which is the IB&R. We also added back the IB&R to either apply at the front end of the program when it starts or the back end. When we applied the \$1.6 million and we adjusted the proposal based on our actual experience claims, it was basically a wash, plus or minus \$700,000. We chose not to underestimate expenditures because you have no reserve in that fund. [Inaudible] a million dollar in a \$10 million budget, you have no reserve in the general fund. If we underestimate expenditures and you come in red, who's going to pay for it? It's a matter of fiscal discipline and that's the staff position and that's the position I took independently [inaudible] my profession, and [inaudible] consideration, and that's the guidance we gave the County Manager.

Commissioner McMasters said, okay, thank you. While the question is very good, Mr. Persaud, who's going to pay for it, and not to be clever here, but my colleague Mr. Odell pointed out that Jeff [Rayno] wants to charge people to use the pier, Dean [Kicklighter] wants to sell it, and Mr. Odell would like the taxpayers to continue funding it. This County has been -. Commissioner Odell said, that's true. Commissioner McMasters said, that's great. I'm glad you agree with what -. Chairman Hair said, but he wants to give free beer while it's open. Commissioner McMasters said, this County's on a bit of a -, it's a bit of a runaway financial train, and the fact that this policy, this change produces the same benefits with actually some improvements saves the taxpayers \$1.6 million is, I think, a very good thing, and the fact that several Commissioners here, initiated by Commissioner Murray [sic] originally, have put as much energy and focus on, I guess working with staff is the right word, to achieve this position I think has been a very good thing. I'm done, Billy [Hair].

Chairman Hair said, okay, thank you. I have a question and then I have a comment. My question arose, I guess, from the Sheriff's comments. How much do we pay, Chuck [Voelker] or David [Persaud] or whoever can answer this, how much does a retiree pay now for health insurance? Mr. Persaud said, it's a variable rate. Chairman Hair said, well, give me the variables. Okay, give me the parameters. Give me the plus and minus. I mean, high/low, whatever. Mr. Kaigler said, single coverage for retirees under 65 is \$15, and when they get over 65, it's 30 -, \$38 -, \$98. A month. Chairman Hair said, okay, so it's 65 now or 25? Mr. Kaigler said, under 65 years of age -. Chairman Hair said, it's \$25 a month? Mr. Kaigler said, it's \$15 a month. Chairman Hair said, \$15 a month. Okay. Mr. Kaigler said, over 65 it's \$96 a month -, \$98 a month. Chairman Hair said, okay. Now, did I not hear someone say under the Blue Cross plan it goes to \$375 a month? Mr. Kaigler said, no, sir. That's not correct. Chairman Hair asked, what is it under the Blue Cross plan? Mr. Kaigler said, well, I think -. Chairman Hair said, let them answer. What's your retiree cost under -? Mr. Kaigler said, the retiree cost is set by this body. They don't set the cost. You set the cost. Chairman Hair said, yeah, but that's a play on words. Yeah, we set it, but if we set it at a lower rate, then our savings go down. It's the same number of dollars. Mr. Kaigler said, that's correct, that's correct. Chairman Hair said, I mean, so we're still subsidizing it. It's still real dollars. Mr. Kaigler said, yes, sir. And I'd like to add that -. Chairman Hair said, so the point is, Michael [Kaigler], is if we keep the same retiree rate at \$15, then that savings of \$1.3 goes way down, doesn't it? Mr. Kaigler said, well, in our opinion -. Chairman Hair said, I mean, this is -. Mr. Kaigler said, yes, sir. Chairman Hair said, let's just say it's \$50,000, then the savings are \$50,000 less. Right? Mr. Kaigler said, yes, sir. Chairman Hair said, okay. If we keep the same rate for retirees? Mr. Kaigler said, if we keep the same rate, yes, sir. Chairman Hair said, that would be a number I'd like to have actually. Mr. Kaigler said, well -, and, sir, just to go back and re-emphasize a fact, your health plan -, I think we have not done a very good and we've confused everybody. Your health plan essentially is you've got your fixed costs and you've got your claims. Fixed costs you can determine what they are, we know what they. Claims, we do not, and claims tend to fluctuate from year to year. As we indicated earlier, we don't know what their claims -, their fees for certain charges are, certain procedures, and in order to verify that there will be any savings, you have to lay their fees down and our fees down and really have somebody -, a third party look at it and make a determination of whether you're going to have any savings. Chairman Hair said, okay. Thank you, Michael [Kaigler]. My comment is this. I voted for this plan last time and I still think it's a good plan, and I could vote for it today. However, I do think -, you know, my company does a lot of work in change navigation, and you've all heard the saying forever that people resist change. In our work we have found that people don't resist change near as much as they resist the process of change. It's how the change is implemented is what causes all the negativity. What I would like to see us do, and I'm going to offer a compromise position for my fellow Commissioners to consider. It is important that we get this done by

July 1st, okay, and the provider has said it takes them 30 days to do the implementation. If we table this today until the 14th of June, that would not give us adequate time to implement the plan July 1. However, if we table this today till –, we just set a meeting next Friday, May 31st. If we add –, if we table this to the special meeting on the 31st, that would give one week –, I know we have a holiday next week, that would give four days next week for the proponents to meet with County employees, answer all the questions. It would give a chance for anybody, Memorial or South Coast or anybody else, that would give them ample time to raise all the questions that we could get raised. We could come in here next Friday, we could make a decision. We will have given employee opportunities to answer every question, and I think we will correct the process of change, but I don't think it will change the vote. I think it will pass next Friday without a problem, but I do think that it would be prudent for us to delay it for a week and allow for the employees to be fully briefed on it, get all their questions answered, and then take a vote on it on the 31st of next week. I just think –, I offer that. Commissioner Kicklighter is next.

Commissioner Kicklighter said, first I want to say I do not blame the employees for being scare absolutely to death. This thing was rushed through, quite honestly, to be –, as far as what you actually saw. It was done like that [snapped fingers] because we had time restraints for this upcoming budget. This group was working well ahead of time, but it was thrown out there. We didn't do a good job of public relations with you. We didn't sit down and tell you everything going on. We knew what we were sold and we knew when we passed this thing at the last meeting that we could back out of it and stick with the current provider because I have no problems with them. They've done a great job. So it was done in a manner that was a little fast, and I don't blame you for being upset. I'm glad we had this discussion today to answer the questions because if you're an employee out there, I mean, normally if you ever find any way to save money, you lose benefits. But we, by the luck –, I've joked with people and they say, "What are you going to do with your upcoming budget?" I've said, "Well, I think we've got a few that wants a miracle to happen." This is one that was kind of like a miracle. We're not losing benefits here, but we're saving up to \$1.5 million. I agree with the Chairman. I have no problem if it will still allow the time to get it implemented to get that savings in next year's budget. Chairman Hair said, 30 days it will. Commissioner Kicklighter said, and that's fine with me because if this group can go sit down and talk with people, I've had people call me with specific concerns, and they should be concerned, and I've told them to call. I gave them Frank Hardeman's number, and to my knowledge every person that spoke with him of their individual concerns, they were happy when they hung up that phone because this is a great plan that actually saves money. I mean, and again what I just heard there, this is what we thought in the beginning because we were sold this great plan. It was rushed in on all you employees, but we knew when it was passed that if it did not pan out to be as sold to us, that we would back out and stay where we –, stay with the current provider. I have no problem, and I'll –, at this time I'll even make a motion to add this agenda –. Chairman Hair said, well, the motion would be to table to May 31st. Commissioner Kicklighter said, okay, table it to May 31st.

Chairman Hair asked, do I have a second. Commissioner Odell said, second. Chairman Hair said, that motion is not debatable. All those in favor of tabling to May 31st vote yes, opposed vote no. Chairman Hair and Commissioners Rivers, Odell, Gellatly and Kicklighter voted in favor of the motion. Commissioners Rayno and McMasters voted in opposition. The motion to table carried by a vote of five to two. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes.

Mr. Mark Silvers said, Mr. Chairman. Chairman Hair said, Mr. Silvers, we have tabled it. We really will take debate next Friday. Is there something that you need? Mr. Silvers said, well, there's a couple of things I'd like to say because they haven't been said here. Chairman Hair said, well, we can do it next week, Mr. Silvers, because we've tabled the motion and we can't take debate on the motion after it's already been passed. Okay, we'll take –, now, if you have any comments that you'd like to make or request information, get that to us immediately, but we really –, after we table a motion, it's a dead motion until next week. Mr. Silvers said, I'm concerned that the County doesn't have accurate information. I know the statements made here today –. Chairman Hair said, well, if you'll provide that to us, we will get all –, we've got a whole week to get that settled, Mr. Silvers. That's all I'm saying. Please make sure you give us all the information or any questions you have and we'll take care of that, but the debate will take place next Friday.

ACTION OF THE BOARD:

1. Commissioner Rivers requested reconsideration at the meeting of May 10, 2002. No second was required. Chairman Hair called for a vote on the reconsideration. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]
2. Commissioner Kicklighter moved to table the issue of the medical insurance to a special-called meeting on Friday, May 31, 2002. Commissioner Odell seconded the motion. Chairman Hair and Commissioners Rivers, Odell, Gellatly and Kicklighter voted in favor of the motion. Commissioners Rayno and McMasters voted in opposition. The motion to table carried by a vote of five to two. [NOTE: Commissioners Murray and Thomas were not present.]

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- * 3. **REQUEST FOR APPROVAL BY SOUTHSIDE FIRE DEPARTMENT FOR AN ALLOWED USE IN R-A ZONE (I.E., PUBLIC USE) FIRE/EMS STATION, 531 LITTLE NECK ROAD. Tabled at meeting of May 10, 2002.**

Chairman Hair said, the next item we need to take off the table is request for approval by Southside Fire Department for an allowed use in a R-A Zone. I'll entertain a motion to take it off the table. Commissioner Kicklighter said, I so move. Chairman Hair asked, second? Commissioner Odell said, second. Chairman Hair said, all those in favor vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

Chairman Hair said, I don't think this is controversial anymore, is it? Do you want to make a motion to --. Is it --, somebody had pulled it off because the neighborhood objected or whatever. Is the neighbor --. Commissioner Odell said, this is Frank's [Murray] district. Commissioner Kicklighter said, this --, I believe the neighbor and --. Chairman Hair said, okay, the neighbor is here. We've got the neighbor and the Southside here. Is there any problem with y'all --, y'all both agree it's --, is there any --? Y'all want to ask any questions or --? Mr. Scott Pinholster said, I've got some comments. Chairman Hair said, okay, certainly. Come forward, sir, and state your name for the record.

Mr. Pinholster said, good morning. Thank you for allowing me to speak. My name is Scott Pinholster. I am the western adjacent property owner to the property in question. My main concern is property devaluation and lack of resale. I don't believe Southside Fire will be a bad neighbor, but I do believe it's going to affect my property. My first wish is that this is allowed to not happen. I do not want Southside Fire as a neighbor. I would request that they find some place in a different zoned area that is not in a residential neighborhood.

Chairman Hair said, okay. Chief Meadows, would you like to add anything.

Chief Meadows said, yes. Mr. Chairman and Commission, I appreciate the opportunity to be here. We are guided for location due to density of population and future growth and the hardest thing you'll ever do is try to put a fire station in a residential neighborhood. The second hardest thing is to try to take one out of the neighborhood. I would like to go ahead and get this. This meets the mileage chart according to ISO for future growth. We have to be within so many miles according to the density of population, and this does meet our goals and objectives.

Chairman Hair said, I'm going to ask a question and then I'll recognize Commissioner Odell. Does this meet the current zoning? Maybe this is Clyde [Wester]. Does this meet the current zoning as it is? I mean, there's no zoning changes necessary, is that correct? Go ahead. Mr. Wester said, there's no zoning change necessary, but it doesn't meet the current zoning requirements until this Board finds that is the case.

Chairman Hair recognized Commissioner Odell. Commissioner Kicklighter asked, what did he say, sir? Chairman Hair said, he said it currently meets --. Go ahead. County Attorney Hart said, this Board --, under the zoning act, fire stations and public buildings can be located in any location if it's for public convenience --. Chairman Hair said, it doesn't require rezoning --. County Attorney Hart said, but it does require this Commission to say --. Chairman Hair said, that it's okay to put it there. County Attorney Hart said, this is where we would like to have one. Chairman Hair said, yeah. Commissioner Odell and then Commissioner Kicklighter.

Commissioner Odell said, [inaudible] noted that the Chief --, have you discussed this with Commissioner Murray, who's not here? Chief Meadows said, no, sir, not with Commissioner Murray. I did discuss it with Commissioner Kicklighter and Commissioner Gellatly. Commissioner Odell asked, Dean [Kicklighter], is this in your district? Commissioner Kicklighter said, yes. Chairman Hair said, yes, it's not in --. Commissioner Odell asked, you don't have a problem with it? Or do you?

Commissioner Kicklighter said, well, I have a question. Chief Meadows said, yes. Commissioner Kicklighter asked, is there any land anywhere around that's not right next door to someone? Chief Meadows said, the land that is available --, well, the land across the street's not available at all. That's --, I think that's owned by one individual or one family. The other land puts us too far out of the coverage area for Gateway Savannah and other areas. We're governed by three-mile diameter in density population, five-mile in sparsely populated. Now we do have some other sites that we're going to have to relocate and move around that I'd rather not go into because it does involve the purchase of real estate. But this is for future. This is an 18 to 24-month project. You will not see a fire station there at minimum for 18 months, and at that time, and I've talked with Mr. Pinholster and all, and we have come to terms. I will be more than happy for him to look at our designs, to have some input into it to where it will meet the aesthetics of the current property and all like that. There is a house there. We will be tying onto that house and putting it as a station in that neighborhood. But there are other locations on the Westside that we are actively seeking at this time.

Chairman Hair said, okay. Chairman Hair recognized Mr. Pinholster.

Mr. Pinholster said, yes. The --, before Southside Fire and Seventh District Fire Department combined, there was a station right up on 17 within a mile from the location they are now. So that --, it is owned by someone else now. Excuse me, it's being utilized in another form or fashion, but there was a facility right there. And I have spoken with Chief Meadows, and I know that if the County votes that way as far as coming across the no zoning, I don't have a choice in the matter. It can be used as a public use, and I have some items of discussion that I have would like to have attached to the general development plan or be incurred in to go along with this.

Chairman Hair said, okay. Commissioner Kicklighter, do you have anything else? Commissioner Kicklighter said, yes, sir. This --, this is one of those things that I don't know. I mean, I just don't have a clue on what --. Commissioner Rayno said, I'll table it for more investigation for yourself, so you --. Commissioner Kicklighter said, I would like to just --, I would

like to see it tabled where –. Chairman Hair said, well, make a motion. Commissioner Kicklighter said, he can look for a little more land somewhere else and, if not, then it has to go there.

Chief Meadows said, Commissioner Kicklighter, I think you can table it, but I do extensive studies in the neighborhood looking at growth and demographics and all as to where it goes, and it is very –, it is a very ideal location. If for somewhere down the road the demographics change over the two years or the density and the populations change, yes, maybe I could –, I may have to relocate from that location. Commissioner Kicklighter asked, is it such an ideal place that you can buy this gentleman's house from him? Chief Meadows said, well, I think that's –, we could probably discuss it with him, but I don't know if that would be the cost-efficient way to do it from this point. But I do –, I mean, if you table it, fine. We can keep looking at it, but I would like to move on with it.

Chairman Hair said, I think we have to realize that this is one of those decisions that no matter where the Chief puts it, he's going to put it next to somebody else, and Mr. Pinholster's going to be happy, but then you're going to have somebody else up here saying I don't want it next to me. I mean, this is –, I promise you, this is a no win. We could be up here for 15 years trying to find a place to put it. Some neighbor is going to object no matter where you put it, and if we move it from his property, it's going to go somewhere else and then you're going to have three other people up here. So, it's up to y'all, whatever you want to do. I just think that, you know, we have to realize it is a public safety issue, and –.

Commissioner Kicklighter said, well, I won't table it. Somebody make a motion and I'll –. Commissioner Odell said, I make a motion to approve. Chairman Hair asked, second? Commissioner Odell asked, is there a second? Commissioner Kicklighter said, second. Chairman Hair said, all those in favor of approval vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes. Thank you.

ACTION OF THE BOARD:

1. Commissioner Kicklighter moved to untable this issue and place it before the Commissioners for consideration. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]
2. Commissioner Odell moved to approve the request by Southside Fire Department for an allowed use in R-A zone (i.e., public use) for a fire/EMS station at 531 Little Neck Road. Commissioner Kicklighter seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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4. **AN AMENDMENT TO THE CHATHAM COUNTY TAXATION AND REVENUES ORDINANCE, ARTICLE II, SECTION 7-208, "SCHOOL TAXES," TO ASSESS A FEE OF 2½% FOR COLLECTION OF SCHOOL TAXES. Tabled at meeting of May 10, 2002, to meeting of June 14, 2002.**

ACTION OF THE BOARD:

This item was not placed before the Commissioners for consideration.

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IX. ITEMS FOR INDIVIDUAL ACTION

(Unless the Board directs otherwise, adoption of an Action Item will mean approval of the respective County staff report and its recommended action.)

- 1. PRESENTATION BY MR. TIMOTHY WARREN ON WHY MEDICAL HARDSHIP GRANTED TO MS. HELEN WARREN, WHO RESIDES IN A SEPARATE STRUCTURE ON HIS PROPERTY, SHOULD BE CONTINUED. Letter was received on May 6, 2002, from Mark A. Bradley, attorney for the Warrens, requesting item be removed from agenda of May 10 and rescheduled for a later meeting.**

Chairman Hair said, we've had a letter from the attorney to the County Attorney requesting a delay because he's out of town, Atlanta I believe. As I understand it, the current hardship goes until August anyway that we can't change anything. Is that correct? County Attorney Hart said, yeah. Chairman Hair said, you couldn't change it until August anyway. Commissioner Kicklighter said, we had --. County Attorney Hart said, you could attempt to revoke the hardship at a hearing. We received that letter when I was out of town this week. We notified the --, there's a neighbor that's very interested and has another point of view about the matter. We notified them that the attorney had requested the continuance. Chairman Hair said, Commissioner Rayno, this is in your district.

Commissioner Rayno said, yes, we had already voted to get them out of there in March, 90-days notice, they've got to go. And they said, well, to be fair, we've had Mr. Warren come in. Mr. Warren has not shown up one time because you had family problems and you didn't get the letter out to me and now this time they're saying they didn't get the letter in time. Again, their attorney is saying --. This is just a stalling mechanism on their part. They're in this little shack next to this man's house, he's got his mom in there. He's got a 3,000 square foot home, which he alone is in. Now my home is 1,600 square feet and we have four people living in that home. He can't pull his mother into his 3,000 square foot house, he has to have her in a shack next to house in which she lives with no certificate of occupancy, which is against the regulations of this County. Also, there's been no inspection by the Health Department. We don't know, under Section 2213 whether or not the septic tank that handles the additional load, we don't know if there is ground fall interrupts next to her sink so if she drops her hair dryer in there and grabs it, then she won't die, and we're going to allow this to continue on and on against our own codes. This is wrong.

Chairman Hair said, Commissioner Rayno, I would say your comments would lead toward tabling. I mean, we need to table to get answers to all those questions. We don't have answers to those questions. We need to table it until we get answers. Commissioner Rayno said, well, I want to today demand an inspection of that property. I want Inspections to go on that property and make a proper inspection. Commissioner Kicklighter said, second. Chairman Hair said, the --, can we legally do that? County Attorney Hart said, well, you can go and inspect the property. The man can deny you the right of access --. Commissioner Kicklighter said, and if they do --. County Attorney Hart said, and then you take whatever action you wish to take.

Commissioner Rayno said, this woman has been there --. Commissioner Kicklighter said, and if they do, then we can get them out of there. Commissioner Rayno said, -- without a certificate of occupancy, and another problem I have is there's no record of this home on the tax digest on the Internet. I've looked at every single site on Shipyard Road, no listing whatsoever. We don't even know if they're paying taxes on this particular property. County Attorney Hart said, I don't run the Tax Assessor's office. Commissioner Rayno said, well, these are all --. Chairman Hair said, they're all questions that need to be answered. I'm agreeing with you, Commissioner Rayno. I'm just saying that --. Commissioner Rayno said, well, we have a first and a second --. Chairman Hair said, why don't we table it until we get the answers. Commissioner Rayno said, we have a first and a second demand for an inspection. Chairman Hair said, that's fine. All those in favor of inspection vote yes, opposed voted no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

Chairman Hair said, all right. That still doesn't deal with the basic issue. The basic issue, we've still got to decide to table or not to table.

Commissioner Rayno said, we decided in March that they had to vacate those premises in 90 days, which they've not done. Chairman Hair said, well, make a motion. Commissioner Rayno said, I don't have to. We had already made a motion. It was passed in March. Why aren't they out of the house? Chairman Hair said, my understanding --, Mr. Hart, correct me if I'm wrong, I understand that the hardship went until August of this year. Is that not true? County Attorney Hart said, my understanding is that y'all granted a hardship through August of this year. Chairman Hair said, that's correct. County Attorney Hart said, every year that person has to come before you and ask for a medical hardship. You have discretion to either grant that medical hardship or deny that medical hardship. Chairman Hair said, but we can withdraw it within the year unless --. County Attorney Hart said, there is an issue of whether we can or cannot withdraw it. If this Commission chooses to withdraw that, we will attempt to withdraw it. The clarity of whether we can in the middle of the year withdraw a hardship I think certainly somebody might have an issue with that, but if it takes a court order to do that, we will do that, but we need to be instructed about what to do. Commissioner Rayno said, I'll ask you the same question I asked you in March. Can someone legally occupy a residence if they do not have a certificate of occupancy? County Attorney Hart said, and I think I answered that question at that time that we have had people in that residence off and on over a number of years and there is an issue here about whether there is a certificate of occupancy on that building. Commissioner Rayno asked, can somebody legally --. County Attorney Hart said, purportedly the owner --. Commissioner Rayno asked, -- reside in a residence in this County without a certificate of occupancy? County

Attorney Hart said, no. Commissioner Rayno said, then they are violating the code and they need to be removed. We've already made this vote in March. I want them out of that house.

Chairman Hair asked, do we know for a fact that there is no C/O? Do we know that? County Attorney Hart said, we do not know that. Chairman Hair said, we do not know that. Commissioner Rayno said, we've already voted in March to have them removed in 90 days. Commissioner Rivers asked, can we find out though? Chairman Hair said, that's my whole point. I mean, that's the whole point of wanting -. Commissioner Rivers said, let's find out. Chairman Hair said, why don't we table this. County Manager Abolt said, there's no record. Commissioner Rayno said, there's no record. So we're not going to correct -. Commissioner McMasters asked, do you know [inaudible]? Commissioner Rayno said, oh, there's no record so we're not going to correct it. Are we going to correct it?

County Manager Abolt said, you just asked a factual question. This has some history. If you recall, when this came before you way back, staff's recognized this is not -, this is only a factual. Staff's recommendation before you allowed it to happen we would go in and inspect it. The Board then seated said, no on a split vote. So the man was allowed to go back in the house. Commissioner Rayno said, the fact is that we have someone illegally living in a house right now. We've asked them to leave in March. They've not left the house. We have a lawyer who is stalling. We have a woman who says she's got a hardship yet she drives a car. We have a woman that says she has a hardship, she's out moving sprinklers around every day saying she has a hardship. Why does the State of Georgia allow her to drive a car?

Chairman Hair asked, Mr. Hart, I don't recall, does anyone else recall the vote? I don't recall this being out by March. I don't understand. Was that a vote we took here? County Attorney Hart said, I don't recall that. I know we had a discussion back in March and it was -. Chairman Hair said, I don't recall -. County Attorney Hart said, it was going to be set for a hearing because everybody wanted to hear on the other side what Mr. Warren's name was [sic]. I got a request from Mr. Bradley, who represents Mr. Warren, asking that it be continued. It was continued and then I got a letter this week, like Tuesday or Wednesday, asking that it be set down for the 14th and that he was in Atlanta on business and could not be present. In fairness to the folks that were on the other side that had issue with this, someone in my office notified them that there was a request for tabling, primarily out of the situation that we did not want them to come down here and then not be -, the matter not be heard. If the -, you know, we're just trying to set a date where we can get everybody in front of you so you can hear what they have to say.

Commissioner Rayno said, I'm directing staff to find out whether or not a certificate of occupancy on this house. We've already voted to have an inspection done on it, and I'll table it until the next meeting. Chairman Hair said, okay, we table it -, is there a second? Chairman Hair said, I just want to ask -. Chairman Hair said, well, we've got to withdraw the motion. We can't debate a table motion. You want to withdraw the motion until he gives his questions? Commissioner Rayno said, I'll withdraw.

Commissioner Odell said, just one question, Jeff [Rayno]. Would it -, should we -, your recollection is that we voted on this. Is a simple matter. We've got minutes. Can we have someone from staff pull those minutes and provide that information and -. Chairman Hair said, yes, I wish you would. I don't recall voting on it. I'm not saying -, you may have. Commissioner Rayno said, you weren't here at that meeting. Chairman Hair said, okay, well, maybe that's why -, the reason I don't recall. Commissioner Odell asked, you don't watch the tapes? Chairman Hair said, a very good reason. I have to live through it, I sure don't want to see it twice. I can tell you. Commissioner McMasters has a question.

Commissioner McMasters asked, do we know definitively if this house is not on the tax records? County Attorney Hart said, that's news to me. I don't know. Commissioner McMasters said, well, typically -. County Attorney Hart said, I mean, I just don't know. Commissioner McMasters asked, but isn't it typical that when the certificate of occupancy is finalized and submitted, the house then is theoretically picked up and put on the digest? County Attorney Hart said, if there's a certificate of occupancy on that, but it has occurred in the past that we have accessory buildings that are not picked up. Commissioner McMasters said, that's a whole different problem, Mr. Hart, but in this particular situation -. County Attorney Hart said, it very well could be, I just don't know the answer to that.

Chairman Hair said, but he's already -, he wants to make a motion to table to get answers to these questions. I think it's a good motion, Jeff [Rayno], I really do. I think it's -, let's get -, and now I tell you, I think it's also appropriate, Commissioner Rayno, if you want to, to authorize Mr. Hart to write Mr. Bradley a letter and state that it will be dealt with on the 14th of June, regardless of whether you show up or not. I think that would be appropriate, and then that way we put him under no certainty. He can't be questioning whether we're going to do anything after the 14th because it will be dealt with on the 14th whether you're here or not. Commissioner Rayno said, the problem has been that Mr. Blackston has been asking for time off from work time and time again, and this high-priced lawyer just says, oh, I can't make it. Chairman Hair said, well, that's even more reason why I think we need to -, would y'all authorize, without objection, the attorney to write a letter to Mr. Bradley saying that it will be dealt with on the 14th of June regardless of whether you show up or not? County Attorney Hart said, that's fine. Chairman Hair said, I think that would -, and that would -. Commissioner Odell asked, should he review the minutes first? Chairman Hair said, oh, certainly. We need to find the answer to that question. We need to see your question answered too. Okay, so now we'll entertain a motion to table until the 14th. Commissioner Odell asked, Jeff [Rayno]? Chairman Hair said, yeah, make a motion.

Commissioner Rayno said, yes, sir. Commissioner Odell asked, are you making the motion to table? Commissioner Rayno said, yes, sir. Commissioner Odell said, and I'm seconding it. Chairman Hair said, all those in favor of tabling vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes. Commissioner Rayno said, you're a good man.

ACTION OF THE BOARD:

1. Commissioner Rayno moved that we demand an inspection of the property of Mr. Timothy Warren on Shipyard Road. Commissioner Kicklighter seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]
2. Commissioner Rayno moved to table until June 14, 2002, the presentation of Mr. Timothy Warren on why a medical hardship granted to Ms. Helen Warren, who resides in a separate structure on his property, should be continued. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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2. **REQUEST BY PETITIONER, SAVANNAH LAND COMPANY, ERNIE FRIEDMAN, FOR A REVISED GENERAL DEVELOPMENT PLAN FOR THE VILLAGE AT BULL RIVER DEVELOPMENT LOCATED ON EAST U.S. HIGHWAY 80 BETWEEN QUARTERMAN DRIVE AND JOHNNY MERCER BOULEVARD WITHIN A PUD-MXU (PLANNED UNIT DEVELOPMENT - MIXED USE) ZONING DISTRICT. *See attached e-mail of 5/22/02 from Commissioner Murray and fax received 5/22/02 from the petitioner requesting item be removed from current agenda.***

Chairman Hair said, we've had a request from the petitioner to withdraw that until Commissioner Murray gets back because it's in his district. We've always honored that in the past.

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3. **REQUEST BOARD APPROVAL TO PROCEED WITH A "REQUEST FOR INTEREST" IN SELECTING A PRIVATE DEVELOPER TO CONSTRUCT AND OPERATE A YACHT BASIN WITHIN SLIP 1 ON HUTCHINSON ISLAND AND UPDATE THE BOARD ON THE STATUS OF ARCHAEOLOGICAL FINDINGS THAT COULD POSSIBLY DELAY THE PROJECT.**

Chairman Hair recognized County Manager Abolt.

County Manager Abolt said, Mr. Chairman, you're probably the closest to any member of the Board that has the specifics. I would like to, because of the nature of this and the criticality of the timing, to have Mr. Monahan explain the archeological challenge we have. Chairman Hair recognized Mr. Monahan. Chairman Hair said, well, it's more like an archeological we might have. County Manager Abolt said, challenge. It's [inaudible] we don't have, okay. Let's don't -. County Manager Abolt said, I said challenge. Chairman Hair said, okay. Let's don't be so definitive at this point.

Mr. Pat Monahan said, as the Commissioners are aware, the Board approved a project in March of 2002, a local government project agreement with the Georgia Department of Transportation to partner on the extension of the riverwalk on Hutchinson Island approximately a 2,000 linear foot extension around the perimeter of Slip 1, and just to acquaint you, Slip 1 is the five-acre body of water immediately east of the Westin Resort. Chatham County owns that property, the perimeter of the property as well as within the slip for the development of this riverwalk, and we are now proceeding with the design. This issue -, two issues. The first issue relates to the development of the improvements for a yachting basin. Because of the public investment of this area, the hardening of the edge from the sheet pile system, it does allow a floating dock system similar to what the Westin did in front of the Westin and similar to what the County did in front of the Trade Center for the water ferry docking area and the 150 feet of public docks. The usual procedure for determining who Chatham County's private sector partner will be a request for interest, meaning we advertise in the paper, Chatham County advertises in the paper, receives just general interest background, companies that have done this type of work before, financial -, their financial records, and then based on that Chatham County would enter into negotiations for a private sector partner that would be solely responsible and assume all liability, all risk for the development of the improvements and to operate those improvements. Chairman Hair said, and all costs. Mr. Monahan said, and all costs. Chatham County, once we enter into a ground lease that will set apart what Chatham County's responsibilities will be, and that's as the owner of the property, versus what the private developer's responsibilities would be. Any questions there?

Commissioner McMasters asked, is the all costs, the costs of this archeological -? Mr. Monahan said, okay, now under the local project agreement with the Georgia Department of Transportation, Chatham County pays for all -, it's typical of a road project. In fact, the contract reads just like a road project. You can't even tell that it's in reading the contract that it involves a riverwalk. It's treated just like a road project in that the County's responsible for all right-of-way acquisition. In this case, the County already owns the land. It's responsible for all engineering and design, which the County has entered into a contract with Hussey, Gay, Bell and DeYoung for that design, and is responsible for all environmental permitting. So, yes, the archeological reconnaissance will be at the expense of the County. Chairman Hair said, but it's part of the -. Mr. Monahan said, but that is part -, what we will -, if you note in the agenda item, I suggested that that will become an add to the engineering contract. I don't know how much that will be yet. We're -,

we've been –, the engineering firm is negotiating with some archeological firms to do the work that are experienced already on Hutchinson Island. Well, is –, Mr. Monahan, is the riverwalk being built for the benefit of taxpayers or is it being built for the benefit of this future partnership? Mr. Monahan said, both. Commissioner McMasters asked, which more so? Mr. Monahan said, it is primarily a riverwalk, and that is why it's –, that is why the federal government is participating in it. It serves primarily as a pedestrian walkway for those visiting Hutchinson Island and for the future residents of Hutchinson Island, but equally it is accessible to those from wherever in the community who want to go to Hutchinson Island as they stroll along the riverwalk. Commissioner McMasters said, that's my point is Hutchinson Island not exactly heavily populated. Chairman Hair said, but it will be. Mr. Monahan said, but it will be. Chairman Hair said, 10 years from now there's going to be condos and everything else over there. Mr. Monahan said, under the master plan at some point there will be a full time resident population of 2,500 on Hutchinson Island, approximately. In addition to as many as 8,000 to 10,000 visitors a day at the Trade Center for certain events.

Chairman Hair said, I will also add that we've already approved the funding for this anyway. This was the –, remember, this was the DOT, our partners and they've been great to work with us. DOT and the FHA is putting about \$8.3 million in this project. That's –, a close amount is a \$100,000, something like that. Pat [Monahan], is that close. \$8.3 or \$8.1 or something. Mr. Monahan said, the total project's about \$8 million. The County will probably participate somewhere in the neighborhood of 20% of that. Chairman Hair said, right. And this is a –, we –, typical in Savannah when you run into these kind of projects, there is not even an indication that there's a problem. It's just that the Corps has raised the issue we want to know there's a [inaudible] for sure. So the Corps of Engineers, because this goes down toward their property –, am I correct? The Corps of Engineers is the one that raised this issue? Mr. Monahan said, well, the County would need to get a Corps permit because of improvements on the –. Chairman Hair said, so it's a part of the permitting process. Mr. Monahan said, right. Chairman Hair said, so I –, I mean, this is a very good project. I just –, go ahead, Commissioner Kicklighter.

Commissioner Kicklighter asked, this is funded with SPLOST revenues? Mr. Monahan said, the County's portion is funded through SPLOST revenues, correct. Commissioner Kicklighter said, and it will help develop the island to bring in more tax revenues. Mr. Monahan said, yes. Chairman Hair said, yes. Mr. Monahan said, if you note, the improvements, now the County has no direct way of taxing those improvements, but a yacht basin of this type does attract a very high end of the tourism market. The floating docks will generate approximately facilities for as many –, for as much as \$450 million worth of yachts at one time. That would be the equivalent of –, what's that, a 4,500-home subdivision of 100,000 homes apiece. It shows you that –, now the County does not tax that, has no mechanism for taxing that, but it shows you that the income level of those people and their spending habits within the community, so it is a very high end of the tourism market.

Chairman Hair recognized Commissioner McMasters.

Commissioner McMasters asked, well, isn't this –, I mean, we spend a lot of –, well, this morning talking about SPLOST and what should go in and what shouldn't go in, what should go in, and here is a hypothetical slip for high end boat usage, and there's no tax benefit to Chatham County from it? Mr. Monahan said, through its –, no direct ad valorem tax benefit to the County, and –. Commissioner McMasters asked, are we going to wind up maintaining these? Mr. Monahan said, no, sir. Commissioner McMasters said, well, you know, the history of SPLOST though shows differently. In many SPLOST projects we wind up coming back to the taxpayers and saying you've got to now maintain and operate this. Commissioner Rayno said, race track. Commissioner McMasters said, race tract sitting over there, wasting money. Commissioner Rivers said, that's not a race track.

Chairman Hair said, Commissioner Rayno, Commissioner McMasters, I can answer that question, I think. This is totally different, and you're raising a good point. I mean, I've always been one that's complained about having to maintain SPLOST projects. This is different in the sense that whoever is selected will enter into a ground lease with Chatham County, some kind of long term, 50-year land lease. Okay, their agreement, and we can put whatever –, we will be getting revenue from the lease, and we can put whatever we want to in the lease in terms of maintenance to ensure that the County would not incur any costs in the future. So we will be able to control that 100%.

Commissioner McMasters asked, Billy [Hair], what if they default on the lease? Doesn't it roll back to the County and become our obligation? Theoretically? Chairman Hair said, well, if you'll assume an asset that has no value except to one person, but I can assure you that when you're talking about a yacht basin of this type, there will be people standing in line to do this. I mean, so if you had one company that was financially –, I mean, a good example is Hutchinson Island. The first developer over there went bankrupt, the Australian company, and yet you still that other people came in and developed the island. So, I mean, yeah, I guess theoretically you could assume that it only has a –, you know, one company in the whole United States wants to run this marina, but I don't think that would be the case. I think that's the –. Commissioner McMasters said, well, maybe, Mr. Monahan, when we negotiate the lease with the second party private investor that there ought to be adequate set asides banked on the advent of a default on the lease so that the County would not have to go into M&O to support the slip and maintain it. Is that possible? Mr. Monahan said, yes, sir. Well, you will approve that lease. Chairman Hair said, yeah, and you can put –, we can put whatever caveats we want. Mr. Monahan said, we may negotiate it, but it comes back to the board of directors –, the Commissioners to approve it. Commissioner McMasters said, okay. Is this marina based on a SEDA project? Mr. Monahan asked, excuse me? Commissioner McMasters asked, is it involved with SEDA? County Attorney Hart said, not at this time it's not. What's happened is, it's an extension of the riverwalk around Hutchinson Island and the County was able to leverage their money through a DOT grant, four to one, something like that. Commissioner McMasters said, okay. And what's contemplated there is primarily, from the County's standpoint, is putting the –, extending the –, they don't call it sea walls anymore,

they've got a fancier name than that. Commissioner McMasters said, bulkheads. County Attorney Hart said, extending the bulkhead on around and the walking area on top of that. It would be contemplated that that would create the rudiments of the marina basin and then what you would do is go out into the market and find somebody that would come in for as servicing situation and they would put the docks in and pay for the infrastructure of those docks. There are two boat builders here in Savannah, both of which have expressed an interest in it just because there appears to be a shortage of what they call large slip spaces. So you would end up having a lessee that's probably got a capital improvement in the project, probably in the range of 3½ to \$4 million by the time they put their own cabling and floating dock system in there. Commissioner McMasters said, okay. County Attorney Hart said, at that point, they would probably go to somebody like SEDA or the Downtown Development Authority and arrange some type of financing or sponsoring through them. I don't think we're that far along in the project. Commissioner McMasters said, okay. Last question to both of you. Given the ramp that lack the uniformity in property values on Hutchinson Island, is this project in any way going to impact that lack of uniformity? Chairman Hair said, well, it belongs to us, it's not on the tax rolls. County Attorney Hart said, yeah, it would be at -. Commissioner McMasters asked, no, but wouldn't it -, none of it's going to transfer over to a -? Chairman Hair said, it wouldn't -, if we just let it sit there right now, it's not on the tax rolls and we're not generating any revenue, like sales tax revenues or whatever. It's -, it belongs to us now, so there's zero tax being paid on it right now. Commissioner McMasters said, okay. Mr. Monahan said, let me answer another question because we may come -, staff may have to return back to the Board. The negotiating agreement, I am sure the private developer will want a long term agreement. The County may face difficulty entering into a 20 or 25-year agreement. The private investor wants to recover that initial investment. In that instance, the County may have to involve SEDA as a third party in order to lease the property to SEDA and then allow SEDA to sublease the property to a private developer because SEDA does not face the same restrictions in long term agreements that the County does. Commissioner McMasters said, but regardless, my concern is that in a worst case scenario this thing comes back to haunt the County in the M&O for operation and maintenance. So whether it's a SEDA developed project or non-SEDA developed project, I would just -, when the time comes let's remember this conversation and be certain that the County has adequate safeguards in place, whether it's set asides or insurance or whatnot so that this does not come back to haunt us in a M&O fashion.

Chairman Hair said, Commissioner McMasters, also we could, and I would think we would want to do this, we could also as part of that lease negotiation agreement, we could put in there payment in lieu of taxes, which, you know, we could figure out what the property taxes would be and we could put a payment in the lease agreement that they would be paying payment in lieu of taxes. It could be some kind of sliding scale. They usually are where they start low and go high, and then at some point, 10 years, 15 years out, our payment in lieu of taxes could be equal to the property taxes were it were taxed. So, we could -, and we've done a number of those payment in lieu of tax issues, and it would solve your concern, I think, and you raised a very legitimate concern. Commissioner Rayno, Commissioner Rivers, and then Commissioner Kicklighter. Chairman Hair recognized Commissioner Rayno.

Commissioner Rayno asked, what's a ballpark figure on what a land lease would generate in terms of interest? Mr. Monahan said, I couldn't tell you that right now, but it will calculate on the fair market value of the property plus any maintenance costs that the County would assume. Commissioner Rayno asked, no ballpark idea? Mr. Monahan said, I'm not in that business, but I could not tell you that. I couldn't even begin to guess.

Chairman Hair recognized Commissioner Rivers.

Commissioner Rivers said, I move for approval, Mr. Chairman. Chairman Hair asked, do I have a second? Commissioner Odell said, second. Chairman Hair said, all those in favor -. Commissioner Kicklighter asked, can I -? Chairman Hair recognized Commissioner Kicklighter.

Commissioner Kicklighter asked, how much is the property valued at? Mr. Monahan said, I couldn't tell you that either. You've got to understand that it is five acres of water and somewhere in the neighborhood of an average width of about 15 feet around the -, around the slip itself. Commissioner Kicklighter asked, what would prevent us from selling that to a private developer right now rather than us developing it? County Attorney Hart said, you might have -, the problem is you're dealing with river bottoms, okay, and the State's position on the river bottoms is that they own it, okay. In this particular unique set of circumstances Chatham County owns the river bottoms. Therefore, Chatham County, because of the way that the history of the slip evolved, we take the position that the State does not own the river bottom. However, the State might take the position that if we attempted to sell the facility outright to a private developer, they might attempt at that point to discuss whether that sale from a public entity into a private entity would give them the right to come in and make a claim against the river bottom. It gets to be kind of complicated. Commissioner Kicklighter asked, what if we sold them the property with the understanding that we had the right-of-way under the bottom and that gave us access to do whatever with it? County Attorney Hart said, I would have to spend a -, I'd be glad to look at that. That would require some detailed analysis. Commissioner Kicklighter said, I was just thinking it's feasible to spend taxpayers' money to do this, then a private developer should think this is a wonderful thing and we can make a little bit of money to offset a little bit of our surplus.

Chairman Hair said, all this motion does today is to send out a request for interest. You know, we're not -, we're not doing anything, we're not spending any money today, we're not committing anything today, we don't have a lease, we don't even know who's interested in doing it. I mean, all we're doing is say -, to authorize the staff to send -. It might be after we get requests for interest there is no interest, okay, and then we could discuss all these other options, but all we're doing here with this motion is to allow staff to go out and request for interest to see who wants to develop it.

I mean, I don't see any problem with that. Then you would know what kind –, and then Commissioner Rayno's question, we'd have some feel for numbers at that point of what people value it and what they think it's worth.

Commissioner Rayno said, motion to table. Chairman Hair said, motion to table. Do I have a second? Commissioner Kicklighter said, second. Chairman Hair said, all those in favor of tabling vote yes, opposed vote no. Commissioners Rayno, McMasters, Gellatly and Kicklighter voted in favor of the motion. Chairman Hair and Commissioners Rivers and Odell voted in opposition. The motion to table carried by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion to table passes.

ACTION OF THE BOARD:

1. Commissioner Rivers moved to authorize staff to proceed with a "Request for Interest" in selecting a private developer to construct and operate a yacht basin within Slip 1 on Hutchinson Island. Commissioner Odell seconded the motion.
2. Commissioner Rayno moved to table this item. Commissioner Kicklighter seconded the motion. Commissioners Rayno, McMasters, Gellatly and Kicklighter voted in favor of the motion. Chairman Hair and Commissioners Rivers and Odell voted in opposition. The motion to table carried by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.]

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4. BOARD CONSIDERATION ON STAFF DISCRETION, EMERGENCY PURCHASE AUTHORITY.

Chairman Hair recognized County Manager Abolt.

County Manager Abolt said, Mr. Chairman, gentlemen, at your last meeting you had asked that we come back at this point and give you some options when you look at a possible modification to the Purchasing Ordinance. Some members of the Board were concerned with the staff exercising what is now currently permitted relative to authorizing emergency purchases. We've arrayed those options in front of you if you wish to make a change or whatever might be the outcome of your discussion, should it result in a change, would have to appear on both first and second readings. I know Commissioner Kicklighter had asked a question last time and I wanted to phrase or explain the discussion in the context of this is emergency purchase. It applies to all purchases of \$10,000 or more. On every agenda, based on past changes in the Purchasing Ordinance, staff does have the authority up to \$10,000 to, in effect, purchase things. So you're looking at a floor of \$10,000 and whether or not you want to limit the discretion of staff, my discretion, when it comes to awarding contracts for goods and services inbetween your regular commission days.

Chairman Hair asked, any discussion? Chairman Hair recognized Commissioner Rayno.

Commissioner Rayno said, the only thing I want to say, it's not an attempt to micro-manage what you're doing, but the fact is the policy there \$10,000 is the ceiling. If you polled and said, "Jeff, the library needs an emergency roof repair," would I have said no? No. But the fact remains we're held responsible for how the money is spent. Our names go in the paper. I think that simply little policy of you calling around, we're all accessible. You know Frank's [Murray] 800 number, you know me, you can call me any time, you can call any of us any time. County Manager Abolt said, it's not a policy, it's an ordinance so if you –, I'm not objecting to any of this, but you have to amend your ordinance to allow that.

Chairman Hair said, also, Commissioner Rayno, you're talking something we'd have to get authority from the State to do. We're not currently allowed to take telephonic votes. There is a bill that was passed by the previous Legislature that –, and I just had the lawyer research it last week was some question about the scope of that –, the law that passed in March allows telephonic votes only if the Commissioner is on ordered military leave, okay, and under the current Constitution of Georgia and the laws of Georgia there is no allowance in the law for telephonic votes of Commissioners. So if that's the way –, I'm not suggesting –, if you want to go that route, that's fine, but we can't do that on our own. That's something we would have to go to our legislators for and ask them to give us permission, and it would be statewide legislation, but currently the law does not allow telephonic votes.

Commissioner Rayno said, to make things simple then, just as a courtesy, if you would let us know prior to it happening. We won't take a vote. Commissioner Rivers said, you can get –. Commissioner Kicklighter asked, how about –, how about just seeking approval from the Chairman? County Manager Abolt said, well, gentlemen, this is an ordinance. I do not want any strained relations. If you wish to do anything, I would ask you make the ordinance say that, and that is only because, and I must –, an example. If there is some specter that you might reconsider or whatever, I want to be able to know whether the authority that you give me is final from the standpoint of staff. If you reverse yourself, if there are some reasons why you choose not to confirm, that could create great difficulty.

Chairman Hair said, I would suggest, Commissioner Rayno, if you have concern about it, that you suggest changes to the ordinance and have them draft up changes –. County Manager Abolt said, please, change the ordinance. Chairman Hair said, – to the ordinance and put it on a first reading and second reading and if it passes, it gets five votes, fine.

If it doesn't –. County Manager Abolt said, I don't want –, I mean, I don't want anybody to feel as if we're abusing it. I'm like the Chairman, and I don't mean to be self-serving, but in the time that I've been doing this I don't remember any problems, but if you wish to pull back on it, please do so, but you have to amend the ordinance. Chairman Hair said, if you want to suggest amendments to the attorney, what you want to do is amend the ordinance, let him draft it up, bring it back as first reading and second reading and then if it gets five votes, it's a done deal. County Manager Abolt said, and we've got a bunch of alternatives there on pages one and two. Chairman Hair said, so –.

Commissioner Rayno said, Joe [Rivers], why don't you say what you said, that would be fine. I would be happy with that. Commissioner Rivers asked, why don't you –, why don't we just let the Chairman and Vice Chairman and Pro Tem handle any issues that go above \$10,000? Commissioner Rayno said, yeah, I'd be happy with that. Commissioner Kicklighter said, yeah, he could just seek approval from the Chairman. If the Chairman's not in, then he could contact the Vice Chair, you know. Chairman Hair said, if that's –. County Manager Abolt said, it has to be [inaudible] in the law. I mean, whatever you want to do, but we need to amend the ordinance.

Chairman Hair said, right now that's not allowed under the current. Commissioner Rayno said, well, that's the direction to make the change for the first three –. Chairman Hair said, and I think they're saying –, you're saying in sequence, not as a majority. You're saying in sequence, me first and then if I'm not available –, is that what you –, I'm just asking. Is that what you're going to do? Commissioner Rayno asked, is that what you thought? Chairman Hair said, that's what you said, wasn't it? Commissioner Rivers said, my thought was to, you know –. Chairman Hair asked, all three. Commissioner Rivers said, the three concur, but we could –. Chairman Hair said, of course, there again, you're going to have to have a meeting for that. Commissioner Rivers said, we can do it –, we can do it –. Chairman Hair said, I don't care. It doesn't make any difference to me. If you do all three or two out of three, we're going to have to physically be present. Commissioner Rivers said, to authorize and to authorize it doesn't have to necessarily be in person. Chairman Hair said, yeah, that's true. County Manager Abolt said, what the Chairman is saying now, Commissioner Rayno, will this be all three or do we just start calling the Chairman –. Commissioner McMasters said, descending order. You call the first guy and if he's not available, you go to number two. County Manager Abolt said, and whoever –, so as long as one of the three says yes –. Commissioner McMasters said, right. County Manager Abolt said, but I would do it –. Commissioner McMasters said, but if can't call, you can't do it. County Manager Abolt said, I would do it in that order. Commissioner McMasters said, right.

Chairman Hair recognized Commissioner Kicklighter.

Commissioner Kicklighter said, Mr. Chairman, I just want to let the County Manager know that my thoughts there's no reflection on you whatsoever on that. I was Mayor in Garden City. I believe the City Administrator had like a \$1,500 cap, and so it's nothing personal, it's just that –. County Manager Abolt said, I understand. It is not a policy –. Chairman Hair said, he's just asking for direction. Commissioner Kicklighter said, I know it. I just want him to know that it's not a reflection on him on the way he's spending. County Manager Abolt said, I don't feel that way at all.

ACTION OF THE BOARD:

County staff was directed to draft a proposed amendment to the Purchasing Ordinance as it pertains to emergency purchases to require the County Manager to contact the Chairman, Vice Chairman or Chairman Pro Tem, in descending order, to obtain the approval of one of them to authorize an emergency purchase.

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X. ACTION CALENDAR

(The Board can entertain one motion to adopt the below-listed calendar. Such motion would mean adoption of staff's recommendation. Any Board Member may choose to pull an item from the calendar and it would be considered separately.)

Chairman Hair said, that takes us to the Action Calendar. Commissioner Rayno, what do you want to pull off? Commissioner Rayno said, 3, 7, 8. Chairman Hair said, 3, 7, okay. What else? Commissioner Rayno said, 3, 6, 7 and 8. Chairman Hair said, 6 and 8. Commissioner Rayno said, 7 and 8. Chairman Hair said, I've got 7. Commissioner McMasters said, well, see, they're alphabetical over here and numbered over here. Chairman Hair said, all right, what do you –? Commissioner McMasters said, C. Chairman Hair said, C, okay. Commissioner McMasters said, F. Chairman Hair said, F. Commissioner McMasters said, and I. Chairman Hair said, and I. Okay, I'll entertain a motion to approve the balance of the Action Calendar. Commissioner Rivers said, so moved. Chairman Hair asked, second? Commissioner Odell said, second. Chairman Hair said, all those in favor vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes.

ACTION OF THE BOARD:

Commissioner Rivers moved that the Action Calendar be approved in its entirety with the exception of Items 3, 6, 7, 8, 9-C, 9-F and 9-I. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

[NOTE: ACTION OF THE BOARD IS SHOWN ON EACH ITEM AS THOUGH AN INDIVIDUAL MOTION WAS MADE THEREON.]

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1. APPROVAL OF THE MINUTES OF THE REGULAR MEETING ON MAY 10, 2002, AS MAILED.

ACTION OF THE BOARD:

Commissioner Rivers moved to approve the minutes of the regular meeting on May 10, 2002, as mailed. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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2. CLAIMS VS. CHATHAM COUNTY FOR THE PERIOD MAY 2 THROUGH MAY 15, 2002.**ACTION OF THE BOARD:**

Commissioner Rivers moved that the Finance Director is authorized to pay claims for the period May 2, 2002, through May 15, 2002, in the amount of \$2,729,348. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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3. REQUEST BOARD APPROVE THE SALE OF TWO SURPLUS CHATHAM COUNTY-OWNED PROPERTIES, 2115 BULL STREET AND 2203 ABERCORN STREET (FORMERLY USED BY THE HEALTH DEPARTMENT) TO THE CITY OF SAVANNAH. [DISTRICT 5.]

Chairman Hair recognized Commissioner Rayno. Commissioner Rayno said, I'm tossing this one over to Commissioner McMasters. Chairman Hair recognized Commissioner McMasters.

Commissioner McMasters said, the price per square foot –, well, first of all, this says in the Facts and Findings portion, it says County staff obtained appraisals on the property. Who provided the appraisals? Mr. Monahan said, in one instance, as per the Board approval, the Board authorized a contract with a realtor and the realtor provided that as part of the service. That was not a certified appraisal. Although that realtor happens to be a Level III Certified Appraiser, it was not an MAI appraisal. On the second one it was a full appraisal done on 2203 Abercorn. Commissioner McMasters said, okay. So when you're using the appraisals, you're referring you have one appraisal for each property. Mr. Monahan said, yes, sir. Commissioner McMasters said, you don't have multiple appraisals on each property. Mr. Monahan said, no, sir. Commissioner McMasters said, and on the one on Bull –, well, the one that has the listing, the listing agent actually did the appraisal. Mr. Monahan said, yes, sir. That was part of the service under the contract. Commissioner McMasters said, well, most agents –. Mr. Monahan said, see, you've got to understand though, this is –, selling public property is a little bit different than selling private property. Commissioner McMasters said, okay. Mr. Monahan said, the reason we did an appraisal is to establish a base line so we know a minimum asking value so when we advertise, we advertise that the minimum asking value will be this. Commissioner McMasters said, right, but it's tax –, taxpayer –, not to interrupt you, but it's paid for by taxpayer money and –. Mr. Monahan said, correct. Commissioner McMasters said, the best way to ensure that the taxpayer's interest in that asset I would think would come from somebody than the listing agent. Wouldn't it? Mr. Monahan said, yes, sir, but we set –, we set a minimum value and then the market depends –, for example, on 21 –, let's use 2115 Bull Street. The appraiser says it's worth \$200,000. By the way, the County bought it for \$130,000 five, six years ago. The appraiser says, also the real estate agent is part of the scope of service because we didn't need a full, you know, MAI appraisal on this particular piece of property, we just wanted to be able to establish a base line that the Commission then approved. I came back to the Commission, said the appraiser says it's worth \$200,000, let's start the advertising at \$200,000. Meanwhile, as the County is adver–, but we easily could have received bids for 230 or 240. It's –, there's a bit of a compromise. We don't want to set it so high that we don't get any interest, but we want to sell it low enough so that at least we're getting close to fair market value. Commissioner McMasters said, okay, well, I certainly think that's low because 2115 Bull Street is \$62.79 a square foot, and the land area there is huge. It's –. Mr. Monahan said, yes, it is. That's probably the appealing part of that building. Commissioner McMasters said, right, and it's actually within 100 yards of the Bull Street Library. Mr. Monahan said, yes, sir. Commissioner McMasters said, which we renovated at great taxpayer expense. Correct? So we've approve –, we've improved vicariously 100 yards down the street this property at great taxpayer expense. Why do we need to –, why do we need to sell these? Why are they not leased? Mr. Monahan said, because the Commission directed me to sell them. Commissioner McMasters said, I'm sorry. Who did? Mr. Monahan said, the Commission, this Commission did. The Commission directed me to sell all the surplus property that was no longer needed. Commissioner McMasters said, okay. Granted –, granted I wasn't here, but what was –, what was the –, just enlighten me –. Chairman Hair said, the idea was to raise money. The idea was to take all the surplus property and sell it and raise money. That's the whole idea. Commissioner McMasters said, yeah, I know. Chairman Hair said, we directed staff by vote to sell surplus property. Commissioner Rayno said, but the idea was to put it back on a taxable digest, not to sell it to the City of Savannah where it won't get taxed. Commissioner McMasters said, right. Commissioner Rayno said, that's crazy. Chairman Hair asked, so you're saying we shouldn't sell it to the City of Savannah if they're going to give us more money for it? Commissioner Rayno said, they're not going to –. Chairman Hair asked, we should sell it to a private person and get less money. Commissioner McMasters said, well, it's not revenue producing, Dr. Hair. As a –, in terms of tax revenue, if we –, first of all, we're bundling these together, we're paying the cost of appraisal, we're paying closing costs, we're putting them out at the lowest possible prices, and there's no –, there's no tax revenue coming back. Chairman Hair said, I don't disagree with anything you said, I'm just telling you that we've got to get better at giving directions to staff. We can't give –. Commissioner McMasters said, well, agreed. Chairman Hair said, – directions to staff and then come back and jump on them because they're doing what we told them to do. Commissioner McMasters said, okay. Chairman Hair said, if we didn't want them to sell them to public entities, we should have said put them out for sale but don't sell them to public entities. If that's what we wanted staff to do, we would have told them that. We didn't tell them that. We didn't give them that caveat. Commissioner McMasters said, fair enough. I think that's –. Chairman Hair said, I don't think we should be jumping on staff when we say they did what we told them to do. Commissioner McMasters said, I'm not trying to jump on staff. Forgive me if

that's your impression. I'm trying to do the best thing possible for the taxpayers of Chatham County. Is there any way that we can --, help me out here --, can we modify this instruction to staff so that this property can be sold to an entity that would pay tax on it? Chairman Hair said, I think we could do that in the future. It might be a problem doing it on these two pieces if we've already advertised it as such. I don't know. I mean, Mr. Hart would have to answer that question. We certainly could do that in the future, Commissioner McMasters. Commissioner McMasters asked, what's the answer to that? County Attorney Hart said, I don't know. I'd have to look at it. I haven't been involved in the bid procedure at all, so I don't [inaudible]. Mr. Monahan said, no, let me correct one thing. The City of Savannah did not bid on these, so we do not have a purchase agreement with the City of Savannah. If it's the Board's desire not to sell it to the City of Savannah, then the County doesn't have to sell it to the City of Savannah. We have no binding agreement with the City of Savannah. Commissioner McMasters said, well, could I request that --. Mr. Monahan said, it's just that the Georgia Constitution allows us to negotiate directly with another government as opposed to a private entity, and that was the purpose.

Chairman Hair said, you can make a motion to do whatever you want to do. Commissioner McMasters said, okay, I'd like to make a motion that this property not be sold to anyone other than an entity that would be a property taxpayer. Chairman Hair asked, do that have a second? Commissioner Rayno said, second. Chairman Hair said, all those in favor --. Commissioner Kicklighter said, Mr. Chairman, let me ask --. Commissioner Odell said, point of order. That's not a legal motion. Chairman Hair asked, why wouldn't it be. Commissioner Odell said, and the reason I think that it's not a legal motion is that --. Chairman Hair asked, because it's a negative motion? Commissioner Odell said, yeah, that's one, and two is that we're saying that we're going to offer property for sale but to exclude any municipality or governmental body. I don't think we can do that, can we? How can we --? Mr. Monahan said, let me help you out here. I think what --, I think what Commissioner McMasters is saying that he wants this to be put out in open, in public bid, and the City of Savannah --, if the City of Savannah wants to bid, then the City of Savannah bids. Chairman Hair said, no, I don't think that's what he's saying. He doesn't want the City of Savannah to bid. [Unintelligible comments when several Commissioners were speaking at one time.] Commissioner McMasters said, it's nothing against the City of Savannah. I want someone ideally, and I think I'm beginning to get Mr. Odell's point that we're probably constitutionally here getting into --. Chairman Hair said, I think his point is right. Commissioner McMasters said, so I'll --, I mean, I'll acquiesce to the next best thing and that is to modify the motion that it be put out --. Chairman Hair said, sell it to the highest bidder. Commissioner McMasters said, to the highest bidder. Chairman Hair said, okay. I think that's much more appropriate. Commissioner McMasters said, but before I make that motion, I'd --, can we. Can I make a motion to withdraw the instruction to staff and that this property be re-discussed with an eye towards other possibilities, whether it's improving it and leasing it because the appreciation factor in that corridor there is immense, so I think it was bad instruction originally, and may I make a motion that we re-instruct them. Chairman Hair said, let's just --, withdraw the current motion first. Commissioner McMasters said, okay, I'll withdraw the current motion. Commissioner Rayno said, I'll agree with that. Chairman Hair said, okay, second agrees with that. Okay, now make a new motion. Commissioner Rayno said, can I ask you though, is your intent that you want to perhaps keep the property, use it as some kind of a lien deal where we borrow money against it and then lease it out? Commissioner McMasters said, I presume that we own it free and clear. Is that --? Mr. Monahan said, yes, sir, we do. Commissioner McMasters said, okay, so we could borrow against it. Mr. Monahan said, we have title against both --, on both. Commissioner McMasters said, okay. Chairman Hair said, all right. So your motion is? Commissioner McMasters said, my motion is to withdraw the properties from any potential open market sale and to review the topic and give staff new instructions. County Attorney Hart said, take it out of surplus. Chairman Hair said, no, well, I don't think he said take it out of surplus, I think he's saying --. He's not --, I don't hear you say you're opposed to sale, you just don't want --, you want it back on the tax rolls. Is that what you want? Commissioner McMasters said, well, I think I want it reexamined for potential redirection to staff. So I want to withdraw it as it stands, with the instructions to staff, and have the subject re-reviewed for potential use of the property with new instructions to staff. Chairman Hair asked, but the new instructions can't preclude sale to --. Commissioner McMasters said, no, that's why I dropped that entirely. Chairman Hair said, okay. We've got to --, still we've got to give them --, all we're saying now is we're going to give them new instructions, but what are the new instructions? We've got to give them the new instructions. Commissioner McMasters said, oh, we have to give them to them today? Chairman Hair said, well, if you --. Commissioner McMasters asked, could we not ask staff to give us some other alternative uses of the property? Chairman Hair said, sure.

Commissioner Rivers said, Mr. Chairman, I think the gist of the whole thing or the whole idea of it is, is that to get possibly the best look at it, if we still hold it and we can lease it and we can still borrow money on that, that gives us a double whammy. Commissioner McMasters said, it's going to appreciate. Commissioner Rivers said, I think that's what he's saying, and the property will appreciate. If we just let it go and even if the City of Savannah is the highest bidder, then it's not on the tax --. Chairman Hair said, all right. Why don't we do this. Why don't we make a motion to withdraw it from sale, Commissioner McMasters, and to have staff come back with options of future sales and let us pick Option 1, Option 2, Option 3. Commissioner McMasters said, study it and advise. That would be fine. County Manager Abolt asked, on these parcels? Commissioner McMasters said, on both of these two parcels. Commissioner Kicklighter said, Mr. Chairman, Mr. --.

Commissioner Gellatly said, yeah, I beg to --, you know, I think leasing it might be a really good long-term thing or appreciation, what have you, but we need money right now. We can --. Commissioner McMasters asked, but where's the money going right now, David [Gellatly]? It's pretty short-sighted I think. Commissioner Kicklighter said, it's not when you're facing the deficits we're facing. That's why we originally instructed the --. Commissioner Gellatly said, [inaudible] be facing in a couple of months. Commissioner Rivers said, you can sell off everything you ain't still going to get to [inaudible]. Commissioner Kicklighter said, well, that's all right. Commissioner Rivers said, you aren't going to get half the way there.

Chairman Hair said, all right, we have a motion. Let's deal with the motion. We have a motion. Do we have a second to the motion, Commissioner Rayno? Commissioner Rivers said, I second it. Chairman Hair said, all right. All those in favor of the motion vote yes, opposed vote no. Commissioners Rayno, Rivers and McMasters voted in favor of the motion. Chairman Hair and Commissioners Odell, Gellatly and Kicklighter voted in opposition. The motion failed by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion fails.

Commissioner Rayno said, motion to table then until we can --. Chairman Hair said, all right, we have a motion to table. Who seconds that motion? Commissioner Rayno said, further explain. Commissioner Rivers said, I'll second that. Chairman Hair said, all right, we have a second. It's not debatable. All those in favor of tabling will vote yes, opposed will vote no. Commissioners Rayno, Rivers and McMasters voted in favor of the motion. Chairman Hair and Commissioners Odell, Gellatly and Kicklighter voted in opposition. The motion failed by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion to table fails.

Commissioner Kicklighter said, I make a motion to approve. Chairman Hair said, we have a motion to approve. Do I have a second to that motion. Commissioner Gellatly said, second. Chairman Hair said, all those in favor of approving vote yes, opposed vote no. Chairman Hair and Commissioners Odell, Gellatly and Kicklighter voted in favor of the motion. Commissioners Rayno, Rivers and McMasters voted in opposition. The motion carried by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes.

ACTION OF THE BOARD:

1. Commissioner McMasters moved to withdraw the properties from any potential open market sale, withdraw the instructions to staff as it presently stands regarding surplus property and direct staff to re-review surplus property for potential use of the property. Commissioner Rivers seconded the motion. Commissioners Rayno, Rivers and McMasters voted in favor of the motion. Chairman Hair and Commissioners Odell, Gellatly and Kicklighter voted in opposition. The motion **failed** by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.]
2. Commissioner Rayno moved to table this item. Commissioner Rivers seconded the motion. Commissioners Rayno, Rivers and McMasters voted in favor of the motion. Chairman Hair and Commissioners Odell, Gellatly and Kicklighter voted in opposition. The motion **failed** by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.]
3. Commissioner Kicklighter moved to approve the sale of two surplus Chatham County-owned properties, 2115 Bull Street and 2203 Abercorn Street (formerly used by the Health Department) to the City of Savannah. Commissioner Gellatly seconded the motion. Chairman Hair and Commissioners Odell, Gellatly and Kicklighter voted in favor of the motion. Commissioners Rayno, Rivers and McMasters voted in opposition. The motion carried by a vote of four to three. [NOTE: Commissioners Murray and Thomas were not present.]

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4. **REQUEST BOARD DECLARE AS SURPLUS AND OFFER FOR SALE PROPERTY HELD BY TAX DEED IN UNINCORPORATED WEST CHATHAM COUNTY, UNINCORPORATED EAST CHATHAM COUNTY AND IN THE CITY OF SAVANNAH.
[DISTRICTS 5, 4 AND 2, RESPECTIVELY.]**

ACTION OF THE BOARD:

Commissioner Rivers moved to declare surplus and offer for sale property held by tax deed in unincorporated West Chatham County, unincorporated East Chatham County and in the City of Savannah. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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5. **REQUEST FOR TRANSFER OF BEER RETAIL LICENSE FOR 2002. PETITIONER: HOPE C. HAGAN, JR., D/B/A H & H FOOD MART, LOCATED AT 3717 OGEECHEE ROAD.
[DISTRICT 5.]**

ACTION OF THE BOARD:

Commissioner Rivers moved to approve the petition of Hope C. Hagan, Jr., d/b/a H & H Food Mart, located at 3717 Ogeechee Road, for transfer of beer retail license for 2002. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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6. REQUEST FOR TRANSFER OF BEER, WINE AND LIQUOR RETAIL PACKAGE LICENSE FOR 2002. PETITIONER: RANDY ALAN WEST, D/B/A WILMINGTON ISLAND BEVERAGE CENTER, LOCATED AT 205 JOHNNY MERCER BOULEVARD. [DISTRICT 4.]

Chairman Hair recognized Commissioner Rayno.

Commissioner Rayno asked, could we combine 6 and 7 together and –? Chairman Hair said, yeah. Commissioner Rayno said, all I wanted to do was –. Chairman Hair said, let me read #7 into the record since it was pulled. Request for amending location of beer and wine pouring previously approved at Delegal Marina and adding liquor pouring at the new location for 2002. Petitioner: Robert G. Mahnke, d/b/a Delegal Marina–Captains Lounge, located at 1 Marina Drive. Chairman Hair recognized Commissioner Rayno. County Manager Abolt said, Mr. Chairman, that #7 I briefed you about just before. There's a factual change in that, so whatever Commissioner Rayno wanted –. Chairman Hair said, I think we –, yeah. The petitioner has asked that #7 be pulled for modification. So let's deal with #6 separately. Commissioner Rayno said, I was going to table both of them anyhow so Frank [Murray] can be here since it's in his district. Commissioner McMasters said, I agree.

Chairman Hair said, all right. Make the –, do I have a second to the table? Commissioner Kicklighter said, second. Chairman Hair said, all those in favor vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes.

ACTION OF THE BOARD:

Commissioner Rayno moved to table the petition of Randy Alan West, d/b/a Wilmington Island Beverage Center, located at 205 Johnny Mercer Boulevard, for transfer of beer, wine and liquor retail package license for 2002. Commissioner Kicklighter seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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7. REQUEST FOR AMENDING LOCATION OF BEER AND WINE POURING PREVIOUSLY APPROVED AT DELEGAL MARINA AND ADDING LIQUOR POURING AT THE NEW LOCATION FOR 2002. PETITIONER: ROBERT G. MAHNKE, D/B/A DELEGAL MARINA–CAPTAINS LOUNGE, LOCATED AT 1 MARINA DRIVE. [DISTRICT 4.]

[See discussion and motion made in combination with Item #6 above.]

ACTION OF THE BOARD:

Commissioner Rayno moved to table the petition Robert G. Mahnke, d/b/a Delegal Marina–Captains Lounge, located at 1 Marina Drive, to amend the location of beer and wine pouring previously approved at Delegal Marina and adding liquor pouring at the new location for 2002. Commissioner Kicklighter seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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8. REQUEST FOR NEW BEER AND WINE POURING LICENSE FOR 2002. PETITIONER: KATHERINE ANNE OWENS, D/B/A SANDFLY JO'S, LOCATED AT 7400 SKIDAWAY ROAD. [DISTRICT 1.]

Chairman Hair recognized Commissioner Rayno.

Commissioner Rayno asked, is the same location as that same little area of Jalapeno's and the Driftaway Café and Sandfly Jo's –, where's the 7400 Skidaway Road? Mr. Gregori Anderson said, quite frankly, Commissioner, I don't know exactly where it is located. Commissioner Rayno said, it's one-tenth of a mile away from a church. What's the law as far as the proximity to a church? Chairman Hair said, a thousand feet, isn't it? County Attorney Hart said, 1,500 feet. Chairman Hair said, 1,500 feet. Commissioner Kicklighter said, 300 feet to [inaudible]. County Attorney Hart said, yeah, three. Commissioner Odell said, yeah, but if a church moved to where you're selling beer –. County Manager Abolt said, if you look at the application, on the second page, you'll see that apparently there has been some sort of systematic way of measuring, six-tenths of a mile from a school, one-tenth of a mile from a church.

Chairman Hair asked, but it meets the requirements, Mr. Anderson? Mr. Anderson said, that is correct. Chairman Hair said, it's in the ordinance –, it's within the ordinance. Mr. Anderson said, that's correct. Chairman Hair said, okay. Commissioner Rayno said, just double checking. Mr. Anderson said, thank you, sir. Commissioner Rayno said, thanks. Motion to approve. Chairman Hair asked, second? Commissioner Odell said, second. Chairman Hair said, all those in favor vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes.

ACTION OF THE BOARD:

Commissioner Rayno moved to approve the petition of Katherine Anne Owens, d/b/a Sandfly Jo's, located at 7400 Skidaway road, for new beer and wine pouring license for 2002. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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9. REQUEST BOARD APPROVAL TO AWARD BIDS AS FOLLOWS: (Please note that new purchase thresholds of \$10,000 or more have been enacted; however, contracts and change orders of a lesser amount still will appear.)

| <u>ITEM</u> | <u>DEPT.</u> | <u>SOURCE</u> | <u>AMOUNT</u> | <u>FUNDING</u> |
|--|---------------------------------------|--|-------------------------------------|---|
| A. First renewal option to annual contract to provide a Pro Shop at the Aquatic Center | Aquatic Center | Friends Unlimited SWIMshop | N/A | Revenue Producing |
| B. Second renewal option to annual contract to provide bond counsel services | Finance | Oliver, Maner and Gray | N/A | Funding requirements will be defrayed from proceeds of each bond issue |
| C. Second renewal of annual lease of approximately 500 square feet of office space in Courthouse Annex to First Administrative Judicial District Administrative Office of the Courts at a rate of \$8.50 per square foot | Human Resources | Chatham County | \$4,250 paid to the County per year | Revenue Producing |
| D. Annual contract with automatic renewal options for two additional one-year terms to provide water treatment chemicals | Facilities Maintenance and Operations | Anderson Chemical Company | \$10,459 | •General Fund/M&O - Facilities Maintenance and Operations •General Fund/M&O - Detention Center |
| E. Annual contract with automatic renewal options for two additional one-year terms to provide rental uniforms | Various | Aramark Uniform Service | \$30,719 | •General Fund/M&O - Various •SSD - Various •Water and Sewer •Solid Waste Management |
| F. Annual revenue producing contract with automatic renewal options for two additional one-year terms to provide vending machine service for various parks and recreational facilities | Parks and Recreation | Savannah Coca-Cola Bottling Company | Varies by item | Revenue Producing |
| G. Annual contract with automatic renewal options for two additional one-year terms to provide for the purchase of gasoline and diesel fuel | Various | •Sommers Oil Company •Barrett Oil Company | Varies by item | •General Fund/M&O - Various •SSD - Various |
| H. Contract for exterior renovations and repairs of the Thunderbolt Branch Library | Library | SAMCO, Inc. | \$13,500 | •General Fund/M&O - Library (\$6,750) •Georgia Office of Public Library Services Grant (\$6,750) |
| I. Repairs to restrooms | Juvenile Court | Ardsley Carpet and Interiors | \$10,257 | SPLOST (1993-1998) - Juvenile Justice Center |

AS TO ITEMS 9-A THROUGH 9-H, EXCEPT ITEMS 9-C AND 9-F:

Commissioner Rivers moved to approve Items 9-A through 9-H, except Items 9-C and 9-F. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

AS TO ITEM 9-C:

Second renewal of annual lease of approximately 500 square feet of office space in Courthouse Annex to First Administrative Judicial District Administrative Office of the Courts at a rate of \$8.50 per square foot; Human Resources; Chatham County; \$4,250 paid to the County per year; Revenue Producing.

Chairman Hair recognized Commissioner McMasters.

Commissioner McMasters asked, is this the building we're in? County Manager Abolt said, no. Mr. Michael Kaigler said, no, sir. That's the Courthouse Annex next to the Montgomery Street Courthouse. County Manager Abolt said, first level of the parking structure. Commissioner McMasters said, okay. And how did we arrive at the \$8.50 per square foot rate? Mr. Kaigler said, we've taken its fair market value for a structure of that --, that type. Commissioner McMasters asked, what floor is on? Mr. Kaigler said, that's the ground floor under the parking garage. Commissioner McMasters said, okay. How certain are you that that's fair market rate? Mr. Kaigler said, well, I think staff has checked that. We can double check, sir. Commissioner McMasters said, yes, because I own a little bit of downtown stuff and office space in the Broughton Street corridor --, this is close to Broughton Street, is it not? Mr. Kaigler said, yes, sir. Commissioner McMasters said, okay. I find this terribly undervalued. I don't know if this is because this is an intergovernmental type lease you want to be preferential, but this County's got huge financial problems, so I don't personally see the wisdom of --, presuming that this is under market value --, of doing business at this rate. I think --, I think the rate's closer to \$12 to \$15 a square foot myself. County Manager Abolt said, we'll check it out.

Chairman Hair asked, is there a motion? County Manager Abolt said, sure. Table it. Table it until the next regular meeting please. Commissioner Odell said, I've got a question. Chairman Hair recognized Commissioner Odell.

Commissioner Odell said, my only question is that it's the Administrative Judicial District Administrative Office. Mr. Kaigler said, yes, sir. Commissioner Odell said, that's part of us. So basically we're taking it out of one hand and paying it into the other. That's basically what we're doing, John [McMasters]. Commissioner McMasters asked, is it us? Mr. Kaigler said, it's Child Support. We get reimbursed from the State for those offices. Child Support and other functions. Commissioner Kicklighter asked, so we get reimbursed though? Commissioner Odell said, yeah. And we've got the best Child Support office in the State, and if you --, you ought to see the check for what they bring in. They need to keep their costs as low as possible, and the reason they need to keep that cost as low as possible, ultimately even though we just say Chatham County, they collect for mothers and children and it's a non-profit situation, and I don't think that's outlandish.

Chairman Hair said, I don't either. I don't see --, I've also got --, I've got a general comment I'd like to make about this. I think it's one thing to question everything and I think we should question things. I've got no problem with that, but I think we need to be real careful about trying to pick fights with every government entity around. Right now we're the only one firing, okay. But a month from now, six months from now, a year from now we're going to get fired back at, okay. And then fired back at might be a whole lot worse than us having additional salvo. I just think we need to be careful and, you know, we've spent a lot of time and effort forming cooperative relationships with governments in this County and the State, and I just would caution us to be careful about always questioning things that relate to other governments. I think someday that's going to come back to haunt us. Commissioner McMasters, do you want to make a motion? Commissioner McMasters said, I've become --. Chairman Hair asked, have you still got a problem with it? Do you want to --? Commissioner McMasters said, no, not now that I --. Well, first of all, regardless of who's in there, I'll withdraw it simply because I --. Chairman Hair said, all right. I'll entertain a motion to approve.

Commissioner Odell said, move for approval. Chairman Hair asked, second? Second? Commissioner Gellatly said, second. Chairman Hair said, all those in favor vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes.

AS TO ITEM 9-F:

Annual revenue producing contract with automatic renewal options for two additional one-year terms to provide vending machine service for various parks and recreational facilities; Parks and Recreation; Savannah Coca-Cola Bottling Company; Varies by item; Revenue Producing.

Chairman Hair recognized Commissioner McMasters.

Commissioner McMasters asked, did we competitively bid with Pepsi? Mr. Kaigler said, yes, sir. We sent out a solicitation to Pepsi. They did not submit a bid. Commissioner McMasters asked, did not? Mr. Kaigler said, yes, sir. County Manager Abolt said, page seven. Mr. Kaigler said, on page seven is the report, sir. Commissioner McMasters said, okay. I'm satisfied as long as it was competitively done.

Commissioner Odell said, so moved. Chairman Hair said, motion to approve. Commissioner Kicklighter said, second. Chairman Hair said, second. All those in favor vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes.

AS TO ITEM 9-I:

Repairs to restrooms; Juvenile Court; Ardsley Carpet and Interiors; \$10,257; SPLOST (1993-1998) - Juvenile Justice Center.

Chairman Hair recognized Commissioner McMasters.

Commissioner McMasters said, you're going to probably tell me this is in here too. This was competitively bid and why is it so much for restroom repair? Mr. Kaigler said, it's several -, it's three restrooms, sir. Commissioner McMasters said, it's three. Okay. Mr. Kaigler said, yes, sir. I don't know if that was clearly stated in there, but it's three restrooms. That building's approximately five years old and the floor tiles in the bathrooms are coming up. It has to be taken up and completely re-did.

Commissioner Odell said, and these are not public restrooms. Mr. Kaigler said, they are -, one's public and I think two are staff restrooms. Yes, sir. Commissioner Odell said, right.

Commissioner Kicklighter said, motion to approve. Chairman Hair asked, second? Commissioner Odell said, second. Chairman Hair said, all those in favor vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes.

ACTION OF THE BOARD:

1. Commissioner Rivers moved to approve Items 9-A through 9-H, except Items 9-C and 9-F. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]
2. Commissioner Odell moved to approve Item 9-C. Commissioner Gellatly seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]
3. Commissioner Odell moved to approve Item 9-F. Commissioner Kicklighter seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]
4. Commissioner Kicklighter moved to approve Item 9-I. Commissioner Odell seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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XI. FIRST READINGS

Proposed changes to ordinances must be read or presented in written form at two meetings held not less than one week apart. A vote on the following listed matters will occur at the next regularly scheduled meeting.

Comments, discussion and debate from members of the public will be received only at the meeting at which a vote is to be taken on one of the following listed items.

1. **AMEND SECTION 3, GENERAL PROVISIONS, OF THE CHATHAM COUNTY ZONING ORDINANCE TO CREATE A NEW SECTION 3-12, VISUAL BUFFERS AND SCREENING. THE MPC RECOMMENDED APPROVAL.
MPC FILE NO. Z-000830-30934-1
[NO DISTRICT/TEXT AMENDMENT/UNINCORPORATED AREA.]**

Chairman Hair read this item into the record as the first reading.

Commissioner Rayno said, I have a question on #1. Chairman Hair said, okay. Question? Commissioner Rayno asked, are existing properties grandfathered in so they don't have to comply with this? Mr. Clyde Wester said, they are in the draft County ordinance, I believe. Commissioner Rayno said, thank you.

ACTION OF THE BOARD:

Chairman Hair read this item into the record as the first reading.

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2. **AMENDMENTS TO CHAPTER 1 OF THE COUNTY CODE ENTITLED "ORGANIZATION AND POWERS OF CHATHAM COUNTY, GOVERNMENT" TO REQUIRE THAT A VACANCY OCCURRING PRIOR TO THE EXPIRATION OF THREE-FOURTHS OF THE TERM TO WHICH THE CHAIRPERSON OR ANOTHER MEMBER OF THE COMMISSION IS ELECTED MUST BE FILLED BY APPOINTMENT BY THE MAJORITY VOTE OF THE REMAINING**

MEMBERS OF THE COMMISSION. THE APPOINTED PERSON SHALL SERVE UNTIL THE VACATED POSITION CAN BE FILLED BY SPECIAL ELECTION.

ACTION OF THE BOARD:

Chairman Hair read this item into the record as the first reading.

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XII. SECOND READINGS

- 1. AMEND SECTION 9-3.2, ISSUANCE OF BUILDING PERMIT, OF THE CHATHAM COUNTY ZONING ORDINANCE TO AUTHORIZE THE ZONING ADMINISTRATOR TO REQUIRE AN ENVIRONMENTAL SITE ASSESSMENT (ESA). THE MPC RECOMMENDED APPROVAL. MPC FILE NO. Z-020314-34739-1 [NO DISTRICT - TEXT AMENDMENT - UNINCORPORATED AREA.]**

Chairman Hair said, I'll entertain a motion to approve. Commissioner Kicklighter said, so moved approval. Chairman Hair asked, second? Commissioner Odell said, second. Commissioner Rayno said, I have a question. Chairman Hair said, question.

Commissioner Rayno said, yes. It says in here under the enactment clause, Section 9-3.2, Issuance of a Building Permit, down in the underlined section at the very bottom on page two, "This requirement may be waived in the event that the applicant submits to the Zoning Administrator evidence that the work described in the application for the permit does not contain a potential health, safety or environmental detriment. When a waiver is granted by the Zoning Administrator under this condition, the applicant shall hold Chatham County harmless for future damage that may result from issuance of a building permit..." We start off very strong in the beginning of this requiring that they do some kind of an environmental site assessment, but what kind of evidence? It's not very clear what they would offer that we would grant them some kind of a variance. County Attorney Hart said, this project, this amendment to the ordinance came about to try to give some legs to the staff in case there were questions about a piece of property developing as to whether we ought to require an environmental site assessment. Currently we require none, and so we tried to put it into the situation that the Zoning Administrator, when appropriate, could require a phase one environmental audit. At the same time we did not feel that we wanted to be overreaching and require everybody that's going to do a project to bring us a phase one environmental audit. If the -, you know, if the property's going to sit there for a hundred years with no activity -. Commissioner Rayno said, you're talking about a homeowner. You wouldn't want a -. County Attorney Hart said, yeah.

County Manager Abolt said, that's right on -. This is Weatherwood. This is a perfecting of Weatherwood. We realized -, in fact, it was along Ferguson Avenue -, that there was a situation, not a big subdivision, but it's kind of eked out off on the marsh and we stopped it in time, but the lesson from Weatherwood was on the big subdivision they do it and, of course, it's part of doing business. This can get down on the single lot, and like the attorney has said, there might be a situation where you've got a mature stand of trees, where you have other geological features that would cause us to be able to say that there's nothing in the mid to short term that might -, mid to long term that might be environmentally a problem.

Commissioner Rayno said, motion to approve. Chairman Hair asked, second? Commissioner Kicklighter said, second. Chairman Hair said, all those in favor vote yes, opposed vote no. The motion carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.] Chairman Hair said, the motion passes.

ACTION OF THE BOARD:

Commissioner Rayno moved to ament Section 9-3.2, Issuance of Building Permit, of the Chatham County Zoning Ordinance, to authorize the Zoning Administrator to require an Environmental Site Assessment (ESA). Commissioner Kicklighter seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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XIII. INFORMATION CALENDAR

- 1. **PROGRESS REPORT ON GENERAL FUND CONTINGENCY ACCOUNT - M&O AND THE SPECIAL SERVICE DISTRICT (SEE ATTACHED).**

ACTION OF THE BOARD:

Written report received as information.

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- 2. **LIST OF PURCHASING ITEMS BETWEEN \$2,500 AND \$9,999 (SEE ATTACHED).**

ACTION OF THE BOARD:

Written report received as information.

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- 3. **ROADS AND DRAINAGE REPORTS.**

ACTION OF THE BOARD:

Written reports received as information.

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EXECUTIVE SESSION

Upon motion being made by Commissioner Rivers, seconded by Commissioner Odell and unanimously approved, the Board recessed at 12:35 p.m., to go into Executive Session for the purpose of discussing personnel and potential litigation.

Following adjournment of the Executive Session, the meeting of the Board of Commissioners was reconvened at 12:55 p.m.

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ITEMS FROM EXECUTIVE SESSION

- 1. **REQUEST BOARD APPROVE A MOTION TO AUTHORIZE THE CHAIRMAN TO EXECUTE AN AFFIDAVIT THAT THE EXECUTIVE SESSION WAS HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT.**

ACTION OF THE BOARD:

Commissioner Gellatly moved to authorize the Chairman to execute an affidavit that the Executive Session was held in compliance with the Open Meetings Law. Commissioner Kicklighter seconded the motion and it carried unanimously. [NOTE: Commissioners Murray and Thomas were not present.]

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ADJOURNMENT

There being no further business to be brought before the Board, Chairman Hair declared the meeting adjourned at 12:56 p.m.

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APPROVED: THIS _____ DAY OF _____, 2002

DR. BILLY B. HAIR, CHAIRMAN, BOARD OF
COMMISSIONERS OF CHATHAM COUNTY, GEORGIA

SYBIL E. TILLMAN, COUNTY CLERK