

## Response to the 3-20-18 Citizens Questions to Clayton City Council

### **Question 1: How did SDS expire in 2015?**

As an initial point, the Service Delivery Agreement did not expire. Because there is no expiration date in the statute, and the SDS agreement contains no expiration date, and the resolutions of each affected government do not provide a termination date, the last agreement approved is still in effect. The legal issue and requirement within the statute is to “review and revise”. The failure of the governments to submit to the Georgia Department of Community Affairs a reviewed and revised agreement, after the occurrence of a single trigger listed in Georgia Code Section 36-70-28, has resulted in the loss of qualified local government status and subsequent sanctions by the State of Georgia.

The loss of qualified status is because a renewed and updated Agreement was not signed; however, how or why that occurred is a point of some disagreement. Representatives of the City and County met to reach an agreement and did agree to a one year “band-aid” to allow for further and deeper discussion without losing qualified status. The day before the City was to vote on this proposal, the County at the request of the Water Authority sought changes to that Agreement. Clayton voted to adopt the one year “band-aid.” The County did not vote to approve any Service Delivery Agreement (they voted to approve one but then rescinded the vote in the same meeting).

### **Question 2: When there was no agreement on SDS what was done by the County or cities to resolve the dispute?**

While Clayton cannot speak to what may have gone on internally with the County or other cities, no steps were taken publicly by any party to resolve the dispute. Clayton itself had some initial discussions regarding pursuing alternative dispute resolution or litigation on the matter but soon had its attention diverted to the lawsuit filed against it by the Water Authority.

### **Question 3: After sanctions were imposed by the State of GA., what was done by the County or cities to reinstate the SDS?**

The answer to this question is essentially the same as the answer to Question 2. As the litigation with the Water Authority was drawing to a conclusion, Clayton engaged SDS Consultants to begin the initial evaluation necessary to represent the City in negotiations, and if necessary, litigation. The public vote to engage SDS Consultants in December of 2017 was the first public action taken by any party with regards to SDS and prompted the discussions currently taking place.

**Question 4: What is the City willing to accept to gain a signed agreement?**

Clayton desires that the statute be followed – particularly the requirement of efficiency and non-competition in the provision of services and the examination and elimination of tax inequities. As an initial matter, the determination must be made and an agreement reached as to who is providing the services and where. To that end, Clayton provided its position on the provision of services to the County at the February 20, 2018 meeting (a copy is being made public along with these responses). Once the provision of services is agreed on, then Clayton desires they be funded in accordance with the statute.

**Question 5: Does the City know what the County will accept?**

Prior to the March 1, 2018 meeting, Clayton had not received anything from the County regarding what would be acceptable. At that meeting there was discussion regarding who provides the services, and those services where there was agreement or dispute were identified.

**Question 6: In December 2017, The City of Clayton hired a consulting firm to assist regarding SDS negotiations.**

**What progress has been made since the hiring of the Consulting firm?**

As mentioned above, after hiring SDS Consultants, multiple meetings have taken place with the intent of attempting to reach an agreement.

**If the outstanding issues are resolved, will the County share in the expense of the Consulting firm?**

SDS Consultants was retained by Clayton to represent its interests, but if a resolution is reached and the County would like to pay a portion of those expenses that proposition can certainly be explored.

**Prior to hiring consultants, did you seek assistance in resolving your differences from the Georgia Department of Community Affairs?**

Clayton and the County did use a representative from the Georgia Mountain Regional Commission acting in conjunction with the DCA when attempting to reach an agreement in 2015. Since that time, Clayton did not seek any further assistance and is not aware of any further assistance that could have been provided.

**If so, have you used the Intergovernmental Coordination service, which includes sections on “Arbitration of Annexation” and “Disputes and Alternative Dispute Resolution”?**

These services were not utilized but would perhaps be similar to the mandatory mediation that must occur if current negotiations are not fruitful.

**Can the citizens help?**

Yes, it is important that citizens remain interested and attentive to what is going on as losing Qualified Status and the contents of a Service Delivery Agreement affect us all.