

FRANKLIN COUNTY
BOARD OF COMMISSIONERS
BUDGET HEARING MINUTES
June 16, 2016
6:00 P.M.

Present: Commission Chairman Thomas Bridges
District 1 Commissioner Robert Franklin
District 2 Commissioner David Strickland
District 3 Commissioner Jeff Jacques
District 4 Commissioner Eddie Wester

Media: Shane Scoggins, *Franklin County Citizen Leader*
Buddy Hardigree, *WLHR*

Staff: County Manager, Beth Thomas
County Clerk, Elaine Evans

Chairman Bridges called the budget hearing to order. He said that the purpose of the meeting is the FY17 budget. This budget is not final; it will be worked on until the 28th of this month, when it will be voted on. Chairman Bridges then asked County Manager Beth Thomas to give a brief overview of the FY17 budget.

Mrs. Thomas said that the budget from FY16 was used as the baseline for the FY17 budget with adjustments from that point. The general fund revenue had a decrease of over \$900,000. The LMIG money was pulled out of the \$900,000 and held in a special revenue fund. The total reduction for the LMIG funds was \$393,000. Expenses were also reduced by the same amount. Decreases in the revenue were also attributed to \$253,000 in LOST and \$120,000 in non-recurring grants. Mrs. Thomas also stated that court fines were reduced by \$65,000 based on current year trends.

The number one rule in the budget was for no property tax increase Mrs. Thomas stated. She said that for the FY17 budget there is no change in the millage rate and no change in property value. She said that one mil is calculated at \$545,000 which is good to keep in mind as budget requests are determined. Mrs. Thomas said that she put an estimated tax collection rate of 99.8% in total and 98.1% for current year based on the last five year trend. She said that an increase for business license tax was built in because the fee will go from \$35 to \$50. This is the first increase for business license tax in over five years. Mrs. Thomas said that the revenue for recreation was reduced based on the loss of Little League and sponsorships.

Mrs. Thomas said that transfers out are reduced in the FY17 budget because the budgeted water fund has an increase of \$100,000 in water usage fees. She said that the water usage fees will be presented at the next work session. Mrs. Thomas said that there is no employee COLA's other than the mandated ones for the elected officials. She said that new FLSA regulations have also caused some changes in the budget. Some savings have been realized because the self-insured rollout estimate was lower

than projected. In each departments budget the insurance has been adjusted based on their census as of May and the new rate.

The fixed rates that Mrs. Thomas globally adjusted were for gasoline and diesel. She said one of the reasons that LOST is down is because the gasoline prices are down. Mrs. Thomas said that she adjusted each department to their run rate plus 25% for a buffer. She said that after the elections in the fall she anticipates that gasoline will go back up. Property insurance increased by \$35,000 and workers comp insurance increased by \$105,000. The work comp is based on the last three years trends. Mrs. Thomas said that a good year dropped off and was replaced by a bad year. With this trend an \$85,000 year will drop off and be replaced by a \$300,000 year in claims data.

Gravel was reduced by 35% in last year's budget and this is the same for FY17. Commissioner Jacques asked Mrs. Thomas if she knew how much HB 170 added to the County expenses. He said that if he is reading the law correctly that the exemptions for cities; counties; and schools for sales tax was replaced with an excise tax of which the County now is required to pay. Mrs. Thomas said that she does not have an estimate as this was hidden in the reduced gas prices. She said that the County now is paying that 26 cents but the gasoline prices have reduced so much that she does not know. Commissioner Jacques said that were it not for this, there would be a significant savings and that amount could go toward some of the County's needs. Mrs. Thomas said that she could not say how much this would be. Commissioner Jacques said that the County is a service driven industry which includes ambulances; road; water; and sheriff's vehicles. He said that the unfunded mandates that have been imposed on the County have had an adverse impact on the budget. Mrs. Thomas said that the tax on the larger vehicles was also paid recently.

Commissioner Strickland asked Mrs. Thomas if the property insurance had been shopped out. Mrs. Thomas said that she has not shopped the property insurance out but she did shop workers comp insurance out. She said that the property insurance can be shopped out but she does not think anyone will take us. Mrs. Thomas said that no workers comp company would touch the County. Commissioner Strickland asked if this insurance is with ACCG. Mrs. Thomas said yes. Commissioner Strickland said that the property insurance could still be looked at. She said that the County received a dividend from ACCG which was about \$22,000 and this dividend would not be given with another company but the price differential may be there. Commissioner Strickland said that we can always look because if we don't look, we don't know.

Mrs. Thomas said that the public defender items have been moved from all courts into one public defender entity. She said that she did this to keep the money from moving through the particular court. Mrs. Thomas said that the probate solicitor and contract expenses have also been moved to the district attorney's budget. This was done as a tracking mechanism so that it doesn't look like the court is paying for people who are prosecuting and people who are public defenders.

Commissioner Strickland asked Mrs. Thomas about her statement of the sponsorships being down in Recreation. He said that all anyone would have to do was to call and see if anyone wanted to renew. Mrs. Thomas said that this is a good question for the Recreation Board and it is worth asking. She said that it looked like the sponsorships were down by around \$10,000. It was also known that some of the

sponsors would be lost due to losing Little League. Commissioner Strickland asked if the \$6,000 for using the Lavonia fields was taken out of this budget. Mrs. Thomas said that all fees and expenses associated with Little League have been removed. She also said that there was a layoff in the Recreation Department because of not servicing three facilities anymore, only servicing one.

Tax Commissioner Bobby Martin addressed Commissioner Strickland and said that the person who got laid off in the Recreation Department was the person who collected the donations. Commissioner Strickland said that was Joe (Crocker). He said that Joe called him in January and said that he was laid off in November. Commissioner Strickland said that he thought Joe was doing a good job because he got \$15,000 to \$25,000 in sponsorships. He said that Joe was able to get two thirds of his salary from the sponsors. Chairman Bridges said that was a joint decision between the Recreation Director and the management team to try to save money in the long run. Commissioner Strickland said that it didn't make any sense if someone was getting almost two thirds of their salary to lay them off. Mrs. Thomas said that you would think somebody would step up and continue the phone calls. She said that there are less duties at the Rec Department as three locations are no longer serviced, just one.

Mrs. Thomas said that in the Elections budget contract labor was reduced because there will not be any runoffs. She then said that all budget modifications and any requests received were included for review so that the Commission Board can see any and all requests. She then went over where the current revenue comes from and the current expenses. Mrs. Thomas said that she would go over the budget with the Commission Board individually if requested. She said that this is the one required hearing for the budget. The budget that gets approved does not have to be the budget that was proposed but the budget needs to be approved by June 28.

Chairman Bridges asked for comments on the proposed budget. Sheriff Steve Thomas came forward to comment. He said that for 12 years he has asked that any money that comes back to the Sheriff's Department be given a column so that he can track it in the budget. He told the Commission Board that they have asked Mrs. Thomas to do that but it has not been done. Sheriff Thomas stated to the Commission Board that Mrs. Thomas told him that placing a column for this is not in the County policy. He said that he does not care about the County policy; he wants the public to be able to see monies that the Sheriff's Department gets back. He said that the grants received and the fuel that goes to other agencies needs to be seen. He said that this needs to be done so that it can be properly tracked.

Sheriff Thomas said that the amount in the FY17 budget of 3.721 million is not correct. He said that 4.1 million was the request sent in by Chief Deputy Jimmy LeCroy. Mrs. Thomas said the conversation was about increased fines and they were not included as revenue. She also said that it was agreed upon that anything on shortfall would come out of the Jail Fund for jail operations. Sheriff Thomas said that the budget request for FY17 was 4.1 million. Mrs. Thomas stated that she has not received anything from him. She said that she put the request in but was notified verbally. She said that the two things that were asked for were put in the budget. She said again that she has not received any budget from Mr. Thomas.

Sheriff Thomas referenced the event in Florida of the night club shooting. He said

that the same thing or something similar could happen here. Law enforcement and public safety is something that you have got to have. Sheriff Thomas said that his supervisors are training new folks every day because they cannot keep the people that they have trained. He said that this breaks down the system. He also said that law enforcement, EMS and the jail are the same way; they cannot keep who they have trained. His point was that the trained people know how to react to keep the community safe. He also referenced paying competitive salaries so that the people trained will not go to another county. He said that he does not blame anyone for leaving for more money but something needs to change to be able to retain folks. He said that this needs to be looked at. Chairman Bridges asked Sheriff Thomas if he was asking for 4.1 million. Sheriff Thomas said that is correct. He said that Jimmy LeCroy has talked with Mrs. Thomas several times concerning the budget.

Commissioner Strickland asked why the gas couldn't be credited back to Sheriff Thomas' budget. Mrs. Thomas said that this is done. She said that the main bill does hit the Sheriff's budget but for every month any department that pulls gas out of those gasoline tanks, there is an entry done to reduce the expense. Mrs. Thomas said that Sheriff Thomas is correct on the revenue. She said that by accounting rules the revenue has to go into revenue. She said that the Sheriff has a \$7,800 computer grant and a \$17,000 grant was received earlier in the year. Mrs. Thomas said that a budget adjustment can be made on June 28 to give Sheriff Thomas's budget this amount back. Or this can amount can be placed into a special revenue fund so that it is completely pulled out of the general fund. This will also work for next year so that the grant funds are pulled out of the Sheriff's budget.

Commissioner Jacques said that he agrees and concurs with everything that Sheriff Thomas has stated as far as retention of employees. He said that one of his top priorities in the budget is employees. Commissioner Jacques said that his question to Sheriff Thomas is with the state that the County is in with a tax digest that is yielding that same or less revenue; reduced gas prices producing less sales tax; mandated raises for elected officials; additional mandated excise tax; removal of 3% tax on large energy users; SPLOST, LOST and ESPLOST; TSPLOST penalty – reduction in LMIG; TAVT; truck tax reduction; how do you suggest that the County pay for what you are proposing. Sheriff Thomas said that one way or the other it would be paid for. He said that they need to keep trained people. Commissioner Jacques said that he was not disagreeing but what did Sheriff Thomas propose to bridge the gap. This is not just common to Franklin County because the same counties that we are losing people to are losing people to larger counties further south which have a much higher pay structure. Commissioner Jacques asked what can be done collectively. Sheriff Thomas said that all he can do is give a budget to the Commission Board; he cannot tell them what they have got to do. He said that if he had all the answers he would have written it all down and talked about it. Fire; law enforcement; and EMS have to be at the top because they are ones that take of everyone.

Commissioner Strickland asked if there was any way that it could be placed on the referendum to get a one cent tax for law enforcement and EMS. Mrs. Thomas said that the law only allows for LOST; cities can do a MOST; HOST if no SPLOST; ESPLOST; and SPLOST. She said that these are the only taxes that can be enacted outside of the new TSPLOST. Commissioner Strickland said that the County could ask the State legislators to create a new tax. He said that all counties are having the same

problems with finances and keeping employees. Sheriff Thomas said several years; he thought DeKalb County did a special tax for Fire/EMS and Law Enforcement. Mrs. Thomas said that she thought they did a HOST because they do not have SPLOST. She also told Sheriff Thomas that she only shorted his FY17 budget by \$5,300. She has not seen anything that came in at 4.1; it was 3.782.

Commissioner Jacques said that collectively as a County everyone needs to sit down and have a full understanding of the finances in the County. The first thing needed is to seek legislative relief from so many of the unfunded mandates. The County can only play with the cards that are dealt. Commissioner Jacques stated that the only revenue stream that the County has any control over is property taxes. He said that he is not interested in another property increase. He said that there is a huge imbalance from the proposed; priorities; and revenue and that as a County some services may not be provided because of the confines of the budget. Chairman Bridges thanked Sheriff Thomas for coming before the Board.

Missy Holbrook, Clerk of Superior Court came forward to speak. She said that with the exception of last year, she has done a budget each year. Mrs. Holbrook said that she does a true budget for her office and never, ever is it considered. She said that she has asked for what she needs and she is going to have to have what she needs. Mrs. Holbrook said that if this causes a shortfall then she is sorry. She said that the figures that she proposed are the figures that she needs to run her office. She said that she did not want to hear next year that she went over budget because she gave the figures that she needs.

Commissioner Strickland asked Mrs. Holbrook if the \$48,771 was for one full time employee. Mrs. Holbrook said one full time employee at \$12 an hour is what she asking for. Commissioner Strickland said that the \$48,771 was the total cost and not just the salary. Mrs. Holbrook said that it is. Chairman Bridges asked Mrs. Holbrook how many employees work under her. Mrs. Holbrook stated five. Chairman Bridges asked when Mrs. Holbrook turned her request in. Mrs. Holbrook said that she thought it was over a week ago. Commissioner Strickland asked what the new employee would be doing. Mrs. Holbrook said that they would be working in the court side. Commissioner Strickland asked if this is because of juvenile court. Mrs. Holbrook said that the juvenile court has increased and the criminal court has increased. They have two special weeks in August for court. The cases have increased along with the caseloads. Mrs. Holbrook said that her staff cannot keep up. She said that she could pay overtime but she did not want to. Commissioner Strickland said that would cost more. Commissioner Jacques said that it is time to collectively make tough choices because it is not going to get any better, it's just not. He said that there is no reserve to address the overruns. Mrs. Thomas confirmed that there is no reserve.

Mrs. Thomas asked Mrs. Holbrook if she had case counts. She said that the only case count she has is from the public defender. The public defender budget did not go up; it is based on a rolling average. Mrs. Thomas said that she can look at the window and see the cars increasing so she knows that the cases are increasing. She said that the public defender case count is not corresponding with that. She asked Mrs. Holbrook if she had that count. Mrs. Holbrook told Mrs. Thomas that she needed to talk with the public defender. Mrs. Thomas asked Mrs. Holbrook if she had court case numbers. Mrs. Holbrook said yes, they do a case count, sure do. Chairman Bridges told Mrs. Holbrook

that he appreciated her coming.

Tax Commissioner Bobby Martin came forward to speak. Mr. Martin said that the first thing he wanted to address really did not concern his office but this will address the question from Commissioner Jacques to Sheriff Thomas about what can be done. He said that the Tax Assessors have asked for a reevaluation of commercial property. This is something that desperately needs to be done. If no is the answer for the reevaluation then the County will have less money for the future. Commissioner Strickland asked if this is the reevaluation that is done every third year. Mr. Martin said that his understanding is that it is only the commercial property. He said that the Tax Assessors office does not have the staff or expertise to perform the commercial property reevaluation and outside help is needed. Mrs. Thomas said that this is one of the top priorities. She said that she has talked with Chief Appraiser Rick Cothran on how the number can be adjusted down. This is something that needs to be looked at now, for next year and the next year. Mr. Martin clarified to the Commission Board that this reevaluation would include site visits and placing a value on the property. Mrs. Thomas said that it would also allow the Tax Assessors to look at sales across the State rather than just Franklin County. Mr. Martin asserted that the County needs to find a way to fund this reevaluation.

Mr. Martin stated that the second item that he is bringing to the attention of the Commission Board is education and training. He said that he had requested it in his budget and it was taken out. He said that he is required to have education and training in order to continuing holding the office of Tax Commissioner. Failure to get the required education and training hours could cause Mr. Martin to be removed as Tax Commissioner by the Governor of Georgia. Mr. Martin said that education and training has been done in his office for the last 15 years and it will continue. He said that travel is something that is necessary in his office. He said that he is very successful in collecting when he has to make site visits. Mr. Martin said that if he cannot have travel he will not be able to make site visits for collections. He said that the Commission Board can say no if they want to but there are certain things that have to be done. Mr. Martin said by law the Commission Board is required to fund the offices. He plans to keep doing what the law requires him to do. Mr. Martin said that he will continue to do his job. He said that his collection rate for prior years is 99.8%. He said that he wants to keep the collection rate there. To keep the rate there his office has to be funded.

Commissioner Strickland asked Mr. Martin if the County could keep any of the fees or overages from the collection company. Mr. Martin said that there are no overages. He said that a collection fee is added to delinquent bills and it is paid by the delinquent tax payer. Commissioner Strickland asked if the County could get this fee instead of the collection company. Mr. Martin said that the only way would be if additional staff was added to his office. He also said that the purpose would be defeated because the collection company has expertise that his staff does not. Mr. Martin said that these people have to spend days researching properties so that all the lien holders or anyone who has ownership in a property are notified before a tax sale. Certified letters are sent out by the company. Mr. Martin said that if the County took this over, the expense of the additional employees along with certified mailings would be added. He said that the process that is used is effective and does pass the charge to the delinquent tax payers who choose not to pay rather than the tax payers who did pay. Chairman Bridges said that was wise. Mrs. Thomas said that this request from Mr.

Martin was received on June 13 and she did not want to change the numbers from June 6. She did not want to change the numbers from the advertisement. This is the first chance that the Commission Board has seen this request.

Chairman Bridges said that the priority is to fund what the County is obligated to fund. Between now and June 28, the Commission Board will have to make adjustments. This budget needs to be looked at very seriously. Mr. Martin stated that earlier Commissioner Jacques asked how things could be funded. The answer for funding, Mr. Martin said could come from an increased tax base. He said that the burden has fallen on the people. The County needs to increase the tax base with additional retail and industry. This is what means to be concentrated on. The tax digest needs to increase instead of just going to the people who are paying now. Commissioner Jacques said that they are working diligently toward that end.

Mrs. Thomas said that she has placed EMS in a high risk area. She said that call volume for Franklin County is staying around 4,500. In the budget for FY17, Mrs. Thomas stated that she kept the revenue the same as the prior year. She said that the County has two options. One is to allow another company to do the transfers and decrease revenue. The other is to add a supervisor shift instead of a whole new unit. Mrs. Thomas said that she thought she could add the supervisor shift within \$30,000 and increase the revenue to offset the increase in salaries. She said that the County will either lose revenue or will pay it out in overtime. Commissioner Strickland asked if there was a way to increase revenue. Mrs. Thomas said no because EMS works like insurance with the allowable charge. Commissioner Strickland asked if the transfers were slowing down. Mrs. Thomas said for a little while but there is still a high volume of transfers. The transfers are the biggest risk area. The supervisor shift is the middle ground and first responders could be used to help with the calls.

Commissioner Jacques said that it is possible that the budget be amended if there is a significant increase in fuel prices or other revenue. Mrs. Thomas said right. She stated to the Commission Board if she had to prioritize, the first is the property reevaluation because of what it means for the next year. She said things have to be done now before it becomes an emergency. This is the same with the EMS because it has been pushed off and pushed off. The call volume for EMS is 500 over the recommended limit. Commissioner Jacques said that five years ago one mil equated to \$670,000. Now one mil equates to \$545,000. This is a significant decrease. Chairman Bridges said that he agrees with Mr. Martin to grow the tax base and fund what is obligated. Each dollar needs to be spent wisely. He asked everyone to give Mrs. Thomas input before the meeting on June 28.

There was no further comments or concerns. Chairman Bridges adjourned the meeting at 6:45 p.m.

Signed on the _____ day of _____, 2016

Chairman J. Thomas Bridges

Robert L. Franklin, District 1 Commissioner

David R. Strickland, District 2 Commissioner

Jeff Jacques, District 3 Commissioner

Eddie Wester, District 4 Commissioner

Elaine H. Evans, County Clerk