

**FRANKLIN COUNTY
BOARD OF COMMISSIONERS
BUDGET PUBLIC HEARING
June 23, 2015
10:00 A.M.**

Present: Commission Chairman Thomas Bridges

Media: Shane Scoggins, Franklin County Citizen Leader
MJ Kneiser, WLHR

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

Chairman Bridges called the meeting to order. He welcomed everyone and thanked them for their attendance. Chairman Bridges said that he is the only commissioner present today but he will listen and answer questions.

Chairman Bridges asked County Manager Beth Thomas to state the purpose of the meeting. Mrs. Thomas said that this is a public hearing for the budget for the fiscal year 2016, which starts on July 1, 2015. She provided a signup sheet for anyone who wished to speak about the budget. There were two people who signed up to speak about the budget. Mrs. Thomas then recognized Charles W. Johnson and asked him to make his comments.

Mr. Johnson stated that he had read the articles in the newspaper about how the tax increase is being promoted. He said that he does not think that the unincorporated areas of the County are being treated fairly, that this is an injustice. He said that all the people in the County should be treated the same. He said that the council is wrong in proposing a tax increase to the property owners. Mr. Johnson said that this would be a bigger burden on the land owners. He said that there is a third of the County who does not pay anything on property taxes as they are only renters and not owners. The renters should be charged an impact tax of \$10 per month or \$120 per year.

Mr. Johnson said that based on his calculations the population of Franklin County is approximately 21,000 people. He said that one third of this amount is 7,000 and they are renters. If an impact fee is charged to them, this would generate additional income of 2.7 million dollars. His formula was $(7,000 \times 120 \times 7,000)$. He said that this would be a feasible way to increase revenue for the County. He said that he is sure that the amounts needed by the County are there – they have just been rearranged. Mr. Johnson said that he would like for the council to consider his recommendation.

Chairman Bridges thanked Mr. Johnson for his comments. He said that he appreciated the information. Nothing on the budget has been finalized yet, this is the time for comments and concerns.

Mrs. Thomas said that the second person to speak is Mr. Jim Ganey. Mr. Ganey said that he did have one question. He questioned how the County plans to repay the hospital bond. He asked if the County is obligated for the 8.5 million dollars or for the 39 million dollars. Mr. Ganey also mentioned the payment of \$625,000 per year through the year 2040. Chairman Bridges said that Mr. Ganey is correct in that the County is responsible in paying off the debt of the 8.5 million dollar bond which was committed to in 2010. He said that this is a separate issue from the budget as this is planned to go on the next SPLOST.

Chairman Bridges said that the public will be asked in November to renew the SPLOST with one of the items being to repay the hospital bond. He said that the County plans to use this one cent sales tax to help with the repayment of the bond. Mr. Ganey then asked if the County is responsible for any of the repayment of the 39 million dollar bond. Chairman Bridges said that when the hospital was sold that the bond holders lost a considerable amount of money. The County is not responsible for the 39 million dollar bond, only the 8.5 million dollar bond. Mr. Ganey said that this takes a little bit of relief off his mind that the County is not responsible for the 39 million dollar bond.

Mr. Ganey referred to an article from the *Franklin County Citizen Leader* written by Kandace Eberhardt about the 8.5 million dollar bond. He said that 8.5 million dollars is a lot of money. He said that there seemed to be a conflict of interest between public and private and he does not understand how the County came to be involved. He asked if the payments would be made for the next 25 years. Chairman Bridges said that this would be only if the County made the payments twice a year. He said that his preference would be to see how much faster the County could pay this amount off through the SPLOST. He said that everyone would contribute to help pay this off if the next SPLOST goes through. Mr. Ganey said that if the payments are made over the next 25 years at \$625,000 per year, the total amount comes to over 15 million dollars. He said that this is County money that could be used for something more beneficial. This is a lot of money. He then said that you cannot borrow yourself out of debt. He is against the County borrowing to make the bond payments. Chairman Bridges responded that in November the voters of the County will be asked to approve SPLOST V. If the SPLOST, which would start in January 2017 is approved then the County can borrow against this amount. The future payments would not be coming out of property tax; it would be coming out of the one cent sales tax.

Mr. Ganey said that his last question and issue is the amount that is being asked to be raised in the millage and with the calculations. He said that he does not think that the calculations from the Commission Board, County Manager and Tax Commissioner are the same. Mr. Ganey said that he talked with Tax Commissioner Bobby Martin and that Mr. Martin seems to think that some of the calculations are not his perspective on what the millage rate could and should be. He then asked Mr. Martin to give his

perspective on the differences. Chairman Bridges told Mr. Ganey that this is a starting point for the budget process. He said that the County has a very bright manager who does understand budgets and finances. Mrs. Thomas has looked at the projected revenues and expenses for the County and has presented a budget proposal. Chairman Bridges told Mr. Ganey that he and Mrs. Thomas met with Mr. Martin last night. Mr. Ganey said that he talked with Mr. Martin before last night. Chairman Bridges said that Mr. Martin has injected into the budget process. He said that Mr. Martin has a lot of knowledge and expertise. Mr. Ganey asked if Mr. Martin has been part of the process all along. Chairman Bridges said that he came onboard after the proposal was made by Mrs. Thomas. After the budget proposal, input was taken from the public and from those employed by the County. Mrs. Thomas also talked with each department head to calculate the County budget.

Mr. Martin said that his previous conversation with Mr. Ganey was basically looking at the trends in the tax digest. He said over the past several years that the digest has fallen off in value because of the economic situation. He said that there was real growth in the digest this year but the overall bottom line number is down. The bottom line being down stems from the transitioning of motor vehicles to TAVT. Vehicles are no longer taxed on the value of the car on an annual basis, but on the value of the car at the initial purchase. Mr. Ganey asked could there be some projection downward in the millage rate. Mr. Martin said that he met with Chairman Bridges and Mrs. Thomas last night looking for other options. He said that up to this time the collection on motor vehicle tax has been a positive cash flow for the County because of the TAVT collections. He stated that all along he has thought that at some point the County collections on TAVT will fall off. He said that as motor vehicles continue to transition off the ad valorem tax digest that a negative cash flow is a possibility. He said that the County lost collections on heavy trucks. Mr. Martin said that he, Mr. Bridges and the legislators worked on this issue for the past year. Senator Wilkinson introduced Senate Bill 82 that was passed in this last session which will return the funds to Franklin County. This is a tremendous asset for the County as well as for the Board of Education. Mr. Martin said that he has full confidence in the calculations from Mrs. Thomas. He said that he met with Mrs. Thomas last night and his numbers and her numbers matched. There is not a problem with the budget figured by Mrs. Thomas.

Mr. Ganey said that there is a system that is bigger than the County. He said that the gold domed building down I-85 is the system bigger than the County. He also said that if you headed north up I-85 through North Carolina and Virginia, there is another domed building that leads the way. This whole country has gotten out of balance and it trickles down to our local governments. Mr. Ganey said that the tax issue in the whole country has gotten out of balance. He said that the tax system has gotten beyond our means. He said that you can purchase something and you are taxed on it. Then next year you are taxed on it again and on and on for owning something. Mr. Ganey said that the tax system is compounding. He concluded his comments by stating that you cannot borrow yourself out of debt. You cannot tax yourself unless you live within your means. You cannot tax yourself into prosperity because you cannot spend more than you take in. Mr. Ganey then thanked Chairman Bridges for allowing him to speak. Chairman

Bridges thanked him for coming out to the meeting. Chairman Bridges also agreed that you cannot borrow yourself out of debt and to live within your means.

Chairman Bridges asked if there was anyone else who wanted to comment on the budget public hearing. There were no other comments or concerns. Chairman Bridges thanked everyone for coming out. He also thanked Shane Scoggins with the *Franklin County Citizen Leader* and MJ Kneiser of *WHLR* for keeping the citizens informed. The meeting adjourned at 10:35 a.m.

Signed on the _____ day of _____, 2015

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