

**FRANKLIN COUNTY
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
June 1, 2015
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
MJ Kneiser, WLHR

Staff: County Manager, Beth Thomas
County Clerk, Elaine Evans
County Engineer, John Phillips
County Attorney, Bubba Samuels

Item 1 & 2: Invocation and Pledge of Allegiance – Chairman Bridges opened the June regular board meeting. He expressed his appreciation to those in attendance for taking the time out of their schedules to attend. He then asked Commissioner Franklin to lead the invocation and pledge to the American flag.

Chairman Bridges said that a motion is needed to amend the agenda. Commissioner Jacques made the motion to add item C1, review of revised waiver and release document as related to the hospital purchase. Commissioner Wester seconded the motion. There was no discussion. Chairman Bridges asked for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Wester; Commissioner Jacques; Chairman Bridges; Commissioner Strickland; and Commissioner Franklin.

Item 3: Approval of Minutes:

May 4, 2015 Public Hearing
May 4, 2015 Regular Board Meeting
May 26, 2015 Work Session
May 30, 2015 Special Called Meeting

Chairman Bridges said that County Clerk Elaine Evans sent the minutes to the Commission Board for review. He asked for a motion to accept and approve the minutes. Commissioner Strickland made the motion to accept all four sets of minutes. Commissioner Jacques seconded the motion following review of the minutes. There was no discussion. Chairman Bridges asked

for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Franklin; Commissioner Strickland; Chairman Bridges; Commissioner Jacques; and Commissioner Wester.

Item 4: Items for discussion:

A. Public Comment – Chairman Bridges said that this is the opportunity to make a public comment. He asked if anyone wished to make a public comment. There was no one.

B. Public Hearing item – Conditional use permit for Brian Stovall – Chairman Bridges asked for a motion and a second to approve a conditional use permit for Brian Stovall for a poultry farm as recommended by the Planning Commission. Commissioner Strickland made the motion to accept Mr. Stovall's request with the stipulation from the Planning Commission with the setback to be 160 feet. Commissioner Jacques seconded the motion. There was no discussion. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Chairman Bridges; Commissioner Jacques; Commissioner Strickland; Commissioner Wester; and Commissioner Franklin.

C. Public Hearing item – Conditional use permit for Van Tran – Chairman Bridges asked for a motion to allow Van Tran a conditional use permit for poultry houses as recommended by the Planning Commission. Commissioner Franklin made the motion to accept and approve the conditional use permit for Van Tran as recommended by the Planning Commission. Chairman Bridges asked for a second. Commissioner Strickland seconded the motion. There was no discussion. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Franklin; Commissioner Wester; Commissioner Strickland; Commissioner Jacques; and Chairman Bridges.

C.1. Review of Revised waiver and release document – Chairman Bridges asked County Manager Beth Thomas to explain and make the recommendation for the revised waiver and release document. Mrs. Thomas said that all the closing documents came in late Friday, May 29th for the special called meeting on Saturday, May 30th. This document came from Assured Guaranty who requested slight modifications to the language of the document. County Attorney Bubba Samuels clarified that the purpose of the document from Assured Guaranty is to reinforce the intergovernmental agreement of the obligation of Franklin County to repay the bonds. Franklin County is aware of the obligation to repay the debt and is making the payments toward this. Mr. Samuels said that this document is not a material change from anything that has already been signed during the closing process. Chairman Bridges asked Mrs. Thomas for her recommendation. The recommendation from Mrs. Thomas is to execute this document so that the County's documents can be sent to the escrow agent. Commissioner Jacques clarified that the recommendation includes allowing the Chairman to sign the document. Mrs. Thomas stated that is the recommendation. Chairman Bridges asked for a motion. Commissioner Strickland made the motion to allow Chairman Bridges to sign the revised waiver and release document. Chairman Bridges asked for a second. Commissioner Jacques seconded the motion on the recommendation of the County Attorney. There was no discussion. Chairman Bridges asked for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Wester; Commissioner Jacques; Chairman Bridges; Commissioner

Strickland; and Commissioner Franklin.

D. Board of Health representative – Chairman Bridges asked County Manager Beth Thomas to explain the board of health item. Mrs. Thomas said that a letter was received from the Franklin County Health Department recommending Dr. James Bauerband be appointed to the Board of Health to fill the unexpired term of Dr. Michelle Patterson who resigned in December 2014. Mrs. Thomas recommended moving forward with the appointment of Dr. Bauerband to the Board of Health. Chairman Bridges asked for a motion to go with the recommendation from Mrs. Thomas. Commissioner Strickland made the motion to move forward with appointing Dr. Bauerband. Chairman Bridges asked for a second. Commissioner Wester seconded the motion. Chairman Bridges asked for discussion. Commissioner Jacques said that he was thankful that someone with Dr. Bauerband's qualifications is interested in serving on the Board of Health. Chairman Bridges and Commissioner Strickland agreed. Chairman Bridges then asked for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Chairman Bridges; Commissioner Strickland; Commissioner Franklin; Commissioner Jacques; and Commissioner Wester.

E. Planning Board appointment – Chairman Bridges asked County Manager Beth Thomas to comment on the planning board appointment item. Mrs. Thomas said that there is a vacancy on the Planning Commission due to the passing of Mr. Jack Hilley. This term is scheduled to expire in January 2016. The Planning Commission has requested that the appointment be for the unexpired portion of Mr. Hilley's term as well as a new term, which would allow the term to expire in 2021. Mrs. Thomas said that after advertisement only one application was received. The applicant is Ryan Swails of Carnesville, GA. The recommendation from Mrs. Thomas and the Planning Commission is to appoint Mr. Swails to the Planning Commission. Chairman Bridges asked for a motion. Commissioner Jacques made the motion to appoint Mr. Ryan Swails to the Planning Commission. Chairman Bridges asked for a second. Commissioner Franklin seconded the motion. Chairman Bridges asked for discussion. Commissioner Strickland asked for clarification if Mr. Swails was the only applicant. Mrs. Thomas said yes, and she was thankful for his response and interest in the County. Chairman Bridges and Commissioner Strickland agreed with Mrs. Thomas. There was no other discussion. Chairman Bridges asked for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Franklin; Commissioner Strickland; Chairman Bridges; Commissioner Jacques; and Commissioner Wester.

F. Health insurance renewal – Chairman Bridges asked County Manager Beth Thomas to go over the health insurance renewal item. Mrs. Thomas said that health insurance renewal was discussed at the May work session. Currently the County is under a self-funded health insurance plan and is experiencing high claims. This plan is also running above the expected actuarial amount of 80%. Health insurance quotes were requested from other carriers for fully insured plans. United Healthcare is the only company to come back with a quote for a fully insured plan. Mrs. Thomas introduced the County's broker, Brett Fowler of Turner, Wood and Smith. She said that after his presentation, she will give her recommendation to the Commission Board for the health insurance.

Mr. Fowler said that his firm is an independent agency and they were able to send the

quote out to every carrier in the market. This was done after a full review of the current plan and claims data. United Healthcare was the only company to come back with a competitive quote. A number of plans were looked at with the final recommendation being to offer two plan options. The first plan option matches the current plan offered by the County. The second plan option will have co-pays. When these plans were first presented United Healthcare stated that if dual plans or wellness was included that each one would be an additional one percent added to the premium cost. Mr. Fowler negotiated with United Healthcare and they have agreed to provide a dual option and wellness at no additional cost to the County. The wellness piece will be biometric screenings for covered plan members. There will be a health fair at a later date so that employees can come in and get the biometric screening. United Healthcare offers plan members a chance to earn up to \$200 in gift cards by completing a biometric screening and other incentives. This is done to promote a healthier work force which in turn can help with claims in future years.

Chairman Bridges asked Mr. Fowler if the deductible would carry over if anything had been met by the employees. Mr. Fowler said a deductible report will be given to United Healthcare and any employee who has met any portion of the deductible will be given credit. Commissioner Jacques asked for clarification in how the deductible ran – if it is a calendar year or a fiscal year. Mr. Fowler said the deductible is on a calendar year but the renewal is on a fiscal year. The deductible will reset January 1, 2016 which is why there will be a deductible carry over from carrier to carrier. Commissioner Strickland asked how long it will take to get everyone enrolled if the change is made to United Healthcare. Mr. Fowler said that there is employer paperwork to be completed and an employee census is needed. The enrollment meetings should be able to take place the middle of June. Everything should be completed and the plan ready to begin on July 1st.

Mrs. Thomas stated again as she stated at the May work session that there is not a clear cut option for Franklin County. There is risk involved going with the fully insured plan because the self-funded claims still have to be paid. On paper the fully insured plan seems to give the County a savings. The savings realized in the fully insured plan will be spent on the close out of the self-funded plan. Mrs. Thomas gave the recommendation to move to the fully insured plan with United Healthcare because of the high risk factors and claims and trend data. She also recommended two plan options. The first is a base plan with a \$1,500 individual deductible; a \$3,000 family deductible; total out of pocket \$4,000; coinsurance at 90%; and co-pays. The second plan is a richer plan with a buy-up option. This plan mirrors the current plan. It has a \$1,250 deductible and charges are covered at 100%. If an employee chooses the buy-up option the approximate cost will be \$35.30 per month. The proposed United Healthcare plan has four tiers of coverage versus the two levels of coverage currently offered. The employee plus spouse and employee plus children rate with United Healthcare is lower than the plan currently offered. The amount charged to the employee for family coverage by the County is not the full amount charged by the insurance company. This needs to be corrected with gradual annual increases – in the ten; fifteen; twenty percent range.

Mrs. Thomas cautioned again that at the beginning of converting to a fully insured plan it will not be a savings to the County as the self-funded claims still have to be paid. Commissioner Jacques stated that moving forward after the self-funded claims are exhausted that it will be a defined cost for the County. Mrs. Thomas said that this will give the County confirmation of

what is to be paid each month. United Healthcare is also willing to work with the County to allow months two and three to be paid in months four and five of the plan. The first month has to be paid timely to begin the coverage with United Healthcare. Commissioner Jacques stated that the presentation and information on the insurance change was excellent. He asked about availability of physicians, facilities and pharmacies in this area. Mrs. Thomas asked Mr. Fowler to answer Commissioner Jacques question. Mr. Fowler said that United Healthcare is a national carrier with a larger network than what is currently available for County employees. The network offered by United Healthcare is recognized nationally. Commissioner Jacques asked if local physicians and facilities were covered. Mr. Fowler said yes that local physicians and facilities should be covered. He also said that if a physician or facility is not in network with United Healthcare that they can request to be added. Commissioner Jacques asked if a physician asked to be added would the negotiated costs still be in force. Mr. Fowler said that yes they would be the recognized in network prices. Chairman Bridges said that he could vouch for United Healthcare as that is who his coverage is with. Commissioner Jacques asked if Turner, Wood and Smith will have an assigned representative for the Franklin County employees to contact if there are problems with their claims. Mr. Fowler said that the employees are welcome to call him or any of the five account managers who work in his office. Commissioner Jacques asked if there is coverage for emergency transportation. Mr. Fowler said that United Healthcare does not contract with any emergency providers so they are all paid at the in network price which is applied toward the employees' deductible.

The recommendation from Mrs. Thomas is go with United Healthcare and move forward with the two plan options – the base plan and the buy-up option. A motion is needed to begin the paperwork process to change to United Healthcare as well as for Turner, Wood and Smith to have employee open enrollment meetings. She said that she wanted all of the County employees to have a chance to ask questions and be educated about the plan options. Chairman Bridges asked for a motion to accept the recommendation of changing to United Healthcare with the two plan options. Commissioner Strickland made the motion to accept. Chairman Bridges asked for a second. Commissioner Jacques seconded the motion. Chairman Bridges asked for discussion. Commissioner Strickland said that this is good options with the co-pays and the buy-up. Commissioner Jacques said that he hopes that this will be a long term relationship between United Healthcare and Franklin County. Commissioner Strickland said United Healthcare was the only company to quote this year that ACCG/Blue Cross Blue Shield would not quote because of the high claims experienced. He then said that if the rate increases for next year was around ten percent it would still be less expense than what was quoted by the current carrier. Chairman Bridges asked for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Franklin; Commissioner Strickland; Chairman Bridges; Commissioner Jacques; and Commissioner Wester.

G. FY16 Budget presentation – Chairman Bridges asked County Manager Beth Thomas to present the FY16 budget. Mrs. Thomas said that she has spent many hours working on the budget information. She said that she cannot smile and say that everything is okay. The proposed budget is a start on getting back to where the County needs to be. A clip from the movie *UP* was shown to reemphasize the points of how unexpected circumstances can deplete a County financially just as they can in a family. Franklin County is on the verge of being something great, with the I-85 corridor; agriculture, in particular chicken houses; and the lake

with the potential for tourism. Franklin County has had to dip into savings because of the economic recession.

Mrs. Thomas stated that thus far it has been the mission of the Commission Board to keep the millage rate as low as possible. During this time period of keeping the millage rate static, the property tax revenue has had a steady decline. The millage rate has been kept low for the benefit of the citizens. The millage rate for 2014 is lower than the millage rate from 1999. The property tax revenue has only grown \$168,000 in a ten year period. The cost of everything is going up but the millage rate for the County has stayed low. Franklin County has the lowest millage rate in the adjacent counties except for Hart County who boasts the lowest millage rate in the State of Georgia. Franklin County and Madison County are the only two counties without a big box retailer to assist with sales tax funding.

The sales tax collections have also declined due in part to the decline in fuel costs. Lower fuel costs were good for the citizens but bad for the County finances. Seventeen percent of the County revenue comes from sales tax. Based on the current trend, the projection is for a \$140,000 reduction for sales for the next fiscal year. In the last three years, there has been an approximate six percent reduction in County revenues. This is a significant number when balancing a budget that depends on steady revenues. During this same time period the expenses for the County have increased because the cost of doing business has increased. The County has used cost containment; lost positions through attrition; cut backs and doubled duties. Because of these measures the revenue declined by six percent over this time period but the expenses only increased by one percent.

With decreasing revenues and increasing expenses during the last five years there has been a deficient each year. In the last five years there has not been enough revenue to cover the expenses of the County. The deficient amounts range from \$152,000 to 1.1 million dollars. The County has had to use savings to continue services during the economic downturn. At this point the County does not have any unrestricted funds to begin FY16. There is no safety net at this time due to keeping the millage rate low for the benefit of the citizens of the County.

Mrs. Thomas gave the meaning of a budget as a statement of a financial position of an administration of a definite period of time based on estimates of expenditures and proposal for financing. Any budget consists of three components - expenditures, revenues and a fund balance. The baseline budget that Mrs. Thomas presented was based on actual expenses and revenues from the previous year through March 2015. She adjusted for items that are one time only and for increases in expenses that cannot be controlled by the County. There is a one percent salary increase for elected officials as required by law but no cost of living adjustment or merit increases for County employees. The proposed FY16 budget is \$1,565,044. This is an increase from FY15 because it was based on actual run rates. The increases in the proposed FY16 budget are due to economic development which will be offset by increased revenue; health insurance; utilities and other fixed costs; salaries and benefits; inmate housing; and juvenile representation.

Commissioner Jacques asked Mrs. Thomas if there was an addition to the district attorney's budget because of the previous request from District Attorney Parks White. Mrs. Thomas said that she did not but that the budget presentation will show why there is not an

increase to the DA's budget. She said that additional funding from the State of Georgia was given to the DA's budget and the counties need to see how that affects them. She also said that the Commission Board would have to decide what positions or services to eliminate to give more to the DA's budget. Commissioner Jacques asked if there was anything in the budget to account for the change from sales tax to excise tax. Mrs. Thomas said that she called ACCG and at this point there does not seem to be. She said that as County usage of gasoline goes up there will have to be overcompensation in other areas. But as gasoline usage by the citizens goes up it is hoped that sales tax will begin to gain.

In the next fiscal year, Franklin County is facing serious challenges. There is building maintenance on older buildings; aging vehicles and equipment; technology failures and hospital debt. The long term financial plan to repay the hospital debt is to go before the voters in November 2015 to request general obligation debt. With the approval of the voters, the general obligation debt refinancing would save approximately 1.3 million dollars. Around \$625,000 will be due in the next fiscal year for hospital bond payments. Other unexpected expense for FY16 is a capital murder trial which will start in the fall. The estimate to fund this trial is \$300,000. There is no contingency in this budget or reserve balance due to the financial tightness of the County.

Mrs. Thomas stated that if the current millage rate is kept for the FY16 budget the shortfall will be approximately 1.3 million dollars. She is recommending a weighted increase of 2.67 mills between the incorporated and unincorporated parts of the County. Over 60% of the proposed increase is due to cost overruns. The savings of the County have been depleted because of having to cover cost overruns for the last five years.

After giving the budget presentation, Mrs. Thomas gave the proposed dates for the budget hearings which include three hearings because of the proposed millage increase. She also gave proposed dates for town hall meetings to inform and gather input from the citizens of the County. Mrs. Thomas also stated that this information will be published in the *Franklin County Citizen Leader* as well as the information given to *WLHR*. Mrs. Thomas then asked for a motion to move forward with advertising the budget meetings. Chairman Bridges asked for a motion to move forward with advertising. Commissioner Strickland made the motion to move forward. Chairman Bridges asked for a second. Commissioner Jacques seconded the motion. Commissioner Strickland asked about the town hall meetings. Mrs. Thomas clarified that if three or more of the Commission Board attends the meetings to please notify her so that the County Clerk will attend and notice given to the media. Commissioner Jacques thanked Mrs. Thomas for the information provided. He also stated that in looking over the numbers, the loss of revenue was primarily for things that the County did not have control over. Chairman Bridges asked for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Chairman Bridges; Commissioner Wester; Commissioner Jacques; Commissioner Strickland; and Commissioner Franklin. Commissioner Strickland asked with the 2.67 mills increase, how much the property tax bill would increase. Mrs. Thomas said that she would get the exact number and send to the Commission Board.

Chairman Bridges thanked Mrs. Thomas for the presentation on the County finances. He said that it is not a pretty picture but he has confidence that the County will overcome this and move forward. Chairman Bridges asked for a motion and a second to adjourn the meeting.

Commissioner Jacques made the motion to adjourn. Commissioner Strickland seconded the motion. Chairman Bridges asked for a show of hands. The motion passed by five (5) YES votes to zero (0) NO votes. The YES votes were Commissioner Franklin; Commissioner Strickland; Chairman Bridges; Commissioner Jacques; and Commissioner Wester. The regular board meeting adjourned at 7:10 p.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