

Workshop Meeting of the Lamar County Board of Commissioners
July 24th, 2019
10:00 A.M.

The meeting was called to order at 10:00 a.m. on July 24th, 2019. Present for the meeting were Chairman Glass, Commissioner Horton, Commissioner Heiney, Commissioner Thrash, County Administrator Townsend, and County Clerk Davidson. Vice-Chairman Traylor attended the meeting remotely.

Millage Rate Discussion

Chairman Glass stated that he had spoken to the Lamar County School Superintendent Jute Wilson and he told him that he was recommending that they go up by a mill and all of it would go towards salaries and benefits. They are also having issues with bus drivers because they are paying them around \$11.50 per hour and Monroe County is paying around \$21.00 an hour. They have lost about six bus drivers in the last year. The new Lamar County High School will open August 1st but the Gym will not be ready until September. Chairman Glass said that they don't have a Certificate of Occupancy at this time. They are training student ambassadors for tours. It will be open to the general public once they have their Ribbon Cutting ceremony.

Chairman Glass and the board reviewed the PT32 with a 12.407 rollback millage rate based on the 2019 digest of \$459,919,764. The percentage increase indicates that they would generate \$98,000.00 more in revenue. County Administrator Townsend reported that there is a 16 percent increase on current revenues, from last year, and said that most of this comes from an increase in sales taxes. Chairman Glass stated that if they go with the 12.407 rollback millage rate, they will still have a Tax Anticipation Note (TAN) next year. Commissioner Horton stated that as long as they have a TAN then they need to bite the bullet somewhere. Commissioner Thrash said that she learned and had heard at a recent NACO conference that lots of counties have a TAN note. There was also discussion about paying for property taxes on your birthday. Commissioner Thrash stated that they are not dependent on the TAN note to operate the County but they are dependent on the TAN note to keep the County operating. Commissioner Thrash stated that they are very careful with how it is used and at the end of year they have a zero balanced budget. She said that focusing on whether the County has a TAN should not be their main priority. Commissioner Heiney stated that his concern with having the TAN is with the interest rate and said that this money could be used to service the taxpayers. Commissioner Horton inquired about the consequences if the County wasn't able to pay off the TAN. Commissioner Thrash responded that this is the reason they are careful with how the TAN is used. Commissioner Thrash stated that if they were borrowing more than the revenues that were collected then there would be a recognizable issue where cuts would be necessary. Vice-Chairman Traylor stated that he had heard that having a TAN note is never a good idea. He said if you need them you need them but it would be better to not have them. He said that they need to figure out a way to reduce the TAN. Commissioner Thrash said they need to figure out a way how to have a "rainy day" fund and having enough money for a complete year's millage revenue. Vice-Chairman Traylor said that he recognized that the County wouldn't have that. Commissioner Thrash said that until Lamar County grows substantially, or unless they increase the millage rate, she doesn't see that happening during their tenure. Vice-Chairman Traylor stated the he would like to know how many counties in the State of Georgia have a TAN.

He suggested that they survey other counties and retrieve information on how to reduce the TAN. Commissioner Heiney stated that this is legislative problem because they are forced to collect the tax revenues at the end of the year. Commissioner Thrash stated that NACO and ACCG are both working on this issue. Chairman Glass stated that the TAN started around the year 2006. He said that the County was over a half million dollars over spent. He said that they were delaying paying vendors. Commissioner Thrash stated that when she came into the office as a Commissioner, Lamar County was \$800,000.00 in the negative. She said that the board cut the budget almost a million dollars. Commissioner Thrash said that for years the County was operating in a deficit. Commissioner Thrash stated that this board doesn't operate in a deficit because of the TAN and the County has a zero-based budget. Chairman Glass stated that in the year 2014 and 2015 there was a deficit. He said that in 2013 they had an excess in SPLOST funds that were rolled over. He said that from 2011 to 2015 there was a deficit except for the SPLOST funds. He said that in the years 2016, 2017, and 2018 they ended up with a net positive. Commissioner Thrash stated that at the end of year it is important to balance the budget and not roll over a negative deficit. She said if they have a negative deficit then they are not watching the budget. Chairman Glass said that if they were to balance it without any excess, they are still struggling with the cumulative deficit built up since the year 2006. He said that after the 2018 audit, they are one and a quarter million in cumulative deficit. County Administrator Townsend stated that around \$30,000.00 in interest was paid on the TAN. The interest rate has increase from 2.147 in 2017 to 3.145 in 2019. Commissioner Horton stated that he feels that they should be chipping away at the TAN. Vice-Chairman Traylor stated that there is a contingency fund but requested a line item be designated for the purpose of paying off the TAN. Commissioner Thrash stated that this was done two years ago, and they had to use the money. County Administrator Townsend stated that this is what the contingency line item is designated for but one disaster could take all those contingency funds and the TAN note. He said that they could only borrow up to 85 percent on the TAN note because it's based on the tax digest and currently, they are already in the 70 percent range for this year. Chairman Glass stated that it doesn't have to be a natural disaster, it could be something like needing to replace air conditioner units. He said that 10 units at a time could cost around \$50,000.00. Chairman Glass mentioned that the State may not fund anymore money for the S.R. Park at Hwy 36. This is a significant capital increase if they receive no more help from State. The \$21,000 increase for Constitutional Officer's pay raise in 2021 will be an issue. The Towaliga Circuit budget will increase from 23% to 25% and a part of this will be for the Assistant District Attorney. There are also health insurance concerns with expectations for an increase next year. There are also new voting machines expenses. There will need to be some money for expendables such as paper ballots. The property insurance is going up with new vehicles. The County audit will realistically cost \$20,000.00 more. Chairman Glass said that the total of all of this is around \$100,000.00. County Administrator Townsend pointed out that he and Maintenance Director Beverly is working on a 5-year maintenance plan for all of the buildings. He said that the metal on the Administration building is coming off. There is painting to be done in the other buildings and there is a need for more air conditioners and plumbing at the jail. Commissioner Thrash stated that it was clear from the last election that the citizens do not want the new jail and they want money to be spent to fix up the current buildings. Commissioner Horton stated that there was no way around this, there has to be some type of increase in the millage rate. County Administrator Townsend provided the board with various millage rate increases. The current millage rate for 2018 is 12.621. The rollback millage rate is 12.407. A $\frac{1}{4}$ mill increase would be 12.657; a $\frac{1}{2}$ mill increase would be 12.907; a $\frac{3}{4}$ mill increase would be 13.157 and a 1 mill increase would be

13.407. The board heard from Chairman Glass that the millage rate for Pike County is 14.2; Monroe County's is 13.8; Butts County is 13.209. He said if they went up to $\frac{3}{4}$ of a mill at 13.157 it would still be lower than 13.209. This would be about a \$37.50 increase on a \$125,000.00 home. Vice-Chairman Traylor stated that since they need the extra funds for the buildings and air conditioners, they can justify going up on the millage rate as long as they don't go out and make additional large purchases. The board discussed employee raises for the employees, such as jailers, dispatchers, public works employees and even the schools losing bus drivers. Commissioner Thrash stated that there are County employees that are on food stamps because they don't have enough money to support their families. Commissioner Thrash stated that there was discussion in the past regarding increasing the millage rate a little bit at a time and then adjusting that accordingly. Chairman Glass stated that the PT32 is based on the tax base. He said that if you look at the actual millage increase, then it is a 4.3 percent. He said that it gets muddled when you include the assessed values and how much money that is going to be generated. Commissioner Thrash said it is their responsibility to take care of the employees. Commissioner Heiney stated that you have to offer a competitive wage, or you will lose all of your workers. Chairman Glass stated that the State of Georgia is giving a 2 percent increase to State employees. Commissioner Thrash stated that in the year 2008 there were no jobs and people were stuck but they aren't now, and they may lose really good employees. Commissioner Horton said that in 2008 they didn't lay off a single person. Commissioner Horton said that they want to do what is right and they want to compensate the employees. He said that if you go back to the year 2008, they didn't lay off single person and they continued everything including their insurance. He said this should have value for the employees. He said that sometimes if you get stuck in a job and if you can do better somewhere else then you have to pickup and go to that other job. Commissioner Thrash said that this is a good point and said that during this time the employees didn't leave or complain, and they may have requested a raise, but they stayed. Chairman Glass stated that as employees leave it is hard to replace them because of the starting salaries but if you raise starting salaries rates then you have salary compression. County Administrator Townsend stated he did a wage study and Lamar County was behind in salaries by six percent compared to other counties with the same population. County Administrator Townsend stated that the Sheriff's Office is losing employees due to insurance and family coverage. A lot of the employees are young and once they are trained, they leave for better salaries and better insurance benefits. Commissioner Heiney inquired about the millage rate that is needed to cover all the necessary issues in the County. County Administrator Townsend stated that if you went up 6 mills it still wouldn't touch it. Commissioner Thrash stated that 6 mills isn't realistic. Vice-Chairman Traylor stated that Sheriff White did raise the starting salary rate to help out with keeping employees. Vice-Chairman Traylor stated that he worked at a place where they didn't get a bonus, but they got a raise in salary. Commissioner Thrash threw the idea on the table of not providing insurance to the employees but instead giving the full-time employees a per diem amount of money so that they could find their own insurance. She said that there are issues with the high ratios because of those employees that get cancer, or get really sick and these costs boost the premium rates. She said that she heard that an employee in another entity found insurance for \$380.00 a month. County Administrator Townsend asked about the amount of money that would be given to each employee. Commissioner Thrash replied that research would have to be done with the numbers and that employees may be scared, but it would benefit everyone all around. The board discussed about those that have cancer and not being able to obtain a policy. Chairman Glass stated that this sounds like an extreme case. He said that the County is committed for the next 11 months and more discussion will have to take place by next April. Vice-Chairman

Traylor stated that they would have to determine the threshold for each employee and then determine the cost of what the County could save. He said that he worked for a company where they did a cost sharing for the employees where some employees saved money and others spent more money and they ended up breaking even. He said by changing their traditional insurance policy they didn't save a lot of money. Chairman Glass stated that if they take what they are spending now on insurance and put it towards a per diem, this would give the County a zero-budget impact and it would be neutral on the budget going forward. They could have a fixed amount and the County wouldn't be at the mercy of the insurance company claims. However, he said that this does put the employees at risk by doing this. Chairman Glass stated that budget wise it would save them the increase that they will see in insurance premium but it will not save them all the health care cost. County Administrator Townsend stated that the break down is around \$725.00 a month for each employee. Commissioner Horton stated that he heard that there are counties that have already implemented this change. The board continued discussing giving employees an amount of money to find their own insurance because insurance premiums are becoming unsustainable for the County.

Chairman Glass requested that the board look at the rollback rate of 12.407 and stated that sales tax revenues are up by 16 percent and if it is related to the new school construction they will drop drastically in the near future. Commissioner Thrash and the board reviewed the drastic decrease in the motor vehicles tax due to fewer people paying the birth tax as opposed to the Tax Ad Valorem Tax (TAVT). Chairman Glass stated that the Motor Vehicle Tax will drop year after year, and it will go to zero at some point and it will all be collected in the TAVT. County Administrator Townsend stated that the advertisement would need to go to the legal organ this Friday to run in the paper on July 30th; if they have three Public Hearings. Chairman Glass stated that last year they advertised a mill and ended up going up a ½ mill.

Commissioner Thrash made a motion to increase the millage rate by ½ mill Commissioner Horton seconded the motion. Chairman Glass explained that the rollback millage rate of 12.407 would allow them to collect enough money by the end of this year to get through the 2019 budget expenses and back to borrowing again from the TAN next year with business as usual. The forecast for 2020 could be a substantial increase. Chairman Glass said that there are issues with tractors at the Public Works Department and the Fire Department would like to increase salaries, in steps, and the Sheriff's Office needs salary increases. The rollback millage rate of 12.497 would provide enough to pay off the TAN with around \$98,000.00 left over. The rollback millage rate of 12.047 based on the staff analysis will take them through the current year. The ½ a millage increase would be potentially around \$230,000.00. The board discussed the fact that they are setting the millage rate for 2019 rather than 2020 because it is affecting the budget for 2019. There must be enough in property tax collections to pay off the TAN. Vice-Chairman Traylor stated that he wished that they would have increased the millage rate ½ mill each year, but hindsight is 20/20. He said an increase will help them cover the necessary expenses with the buildings and the jail. County Administrator Townsend stated that to update the information technology (IT) for the County would cost close to \$100,000.00. He said that more and more counties are being held ransom. Currently the contracted IT person is charging hourly rates and other companies charge around \$3,000.00 a month. County Administrator Townsend said that to cover the expenses for the buildings and the jail would have to come out of contingency if they don't increase the millage rate. Chairman Glass stated that the digest will probably go up next year, when they predict

revenues, but they should only project around a ten percent increase for sales taxes. This will probably not offset the increases in expenses. Chairman Glass stated that he made a list of expenses and he expects that \$200,00.00 will be necessary to cover the expenses. From that standpoint, a ½ mill will help offset what they need for expenses next year unless they cut salaries. Chairman Glass stated that there are risky expenses such as a big capital expense, and a high insurance premium increase are things that will have to be covered. Chairman Glass said if you paid 12.621 last year and this year you pay 12.907 for a ½ mill increase, this is a 2.2 percent increase. If your house didn't increase in value, and your land didn't get assessed higher then you are only going to have a 2.2 percent increase in taxes. County Administrator Townsend explained that for a ½ mill increase he will have to advertise an 8.55 percent increase because you must advertise the rollback rate. Chairman Glass explained that the millage rate for 13.157 will be an increase of .750 mills. This will be about a \$37.50 increase on a \$125,000.00 home or an average parcel of \$28.50 on a \$100,000.00 home. This is coupled with the school increase as well. If the school increases a mill this will be about \$40.00 per \$100,000.00 or \$50.00 for an average parcel. So, this will be an \$87.50 average increase. The board agreed to advertise the millage rate with a ¾ of a mill rate increase because they can't go up but they can go back down and approve ½ millage increase. This increase will bring in around \$300,000.00 worth of property revenue.

Commissioner Thrash withdrew her motion for ½ mill increase. Commissioner Heiney made a motion to advertise the millage rate of 13.157 which is ¾ mills. Commissioner Thrash seconded the motion. The motion passed unanimously.

The board set the three Public Hearings dates. The first one will be held for August 13th, 2019 at 6:00 p.m. The second one will be held on August 20th, 2019 at 9:00 a.m. and the third on August 20th, at 6:00 p.m. The board further agreed to hold their regular scheduled Workshop meeting on August 13th, 2019 around 4:30 to 5:30 p.m. with times to be determined. All of these meetings will be held at the Lamar County Courthouse.

Adjournment

Commissioner Thrash made a motion to go into executive session at approximately 11:15 a.m. to discuss personnel. Commissioner Heiney seconded the motion. The board came out of executive session and Commissioner Heiney made a motion to adjourn the workshop meeting at approximately 11:34 p.m. Commissioner Thrash seconded the motion. The motion passed unanimously.

THE LAMAR COUNTY BOARD OF COMMISSIONERS

Charles Glass, Chairman

Ryran Traylor, Vice-Chairman

Bennie Horton, Commissioner

Robert Heiney, Commissioner

Nancy Thrash, Commissioner

Attest: _____ Carlette Davidson, County Clerk