

Meeting Summary
Special Called
Meeting Minutes
Lamar County Board of Commissioners
9/14/2023
12:30 p.m.

The meeting was called to order at approximately 12:30 p.m. on September 14th, 2023. Present for the meeting were Chairman Traylor, Vice-Chair Thrash, Commissioner Fletcher, Commissioner Lovett, Commissioner Gilles, County Administrator Townsend, and County Clerk Davidson.

Report from Mauldin and Jenkins

The board heard an audit report from Mauldin and Jenkins regarding the FY 2022 Audit. Justin Elliott, CPA addressed the board with the Auditor's Discussion & Analysis (AD&A). Mr. Elliott stated that Lamar County had a clean opinion for both the Single and Yellow Book audit. The Single Audit was due to the American Rescue Plan Act (ARPA) that was a part of the State and Local Fiscal Recovery Fund and has to be done if you have expenditures over \$750,000.00. The General Fund balance sheet showed assets of \$8,274,517.00 and liabilities and deferred inflows of revenues of \$1,000,000.00 resulting in a fund balance of \$7,282,412.00. Mr. Elliott stated that 86 percent of this was liquid and is available in cash. The ARPA fund balance was \$2,303,400.00 at the end of the FY 2022. The General Fund income statement reflects \$14,093,129 in revenues and \$13,109,863 in expenditures. After transfers, there was a \$1,696,403.00 increase to the fund balance. The majority of the revenues is property taxes. The bulk of the expenditures is in Public Safety; Sheriff's Office, Jail, Emergency Medical Services (EMS). Comparing the expenditures of to the fund balance, there is seven months of fund balance but they would like to see nine months that can be funded. There was \$8,500,000.00 spent in the Special Local Options Sales Tax (SPLOST) and the Transportation (TSPLOST). The overall General Fund budget was favorable and there was \$1,000,000.00 dollars more than was budgeted. Mr. Elliott also explained the ARPA budget and the Fiduciary Fund budgets.

Mr. Elliott continued with the audit findings. There were several findings that were the same as last year; segregation of duties, and general accounting matters. There was a general close out finding but this was attributed to a new Finance Director. The single audit finding was with the CSFLRF annual reporting because they were 4 days late on submitting that report. The recommendations for approval with the County and Elected Officials; Constitutional Officers, was segregation of duties such as one person writing checks and then the same person is making the deposits because there is only one employee in the office. There were also some ongoing findings with Accounts Payable, Capital Assets and Accounts Receivable. However, there is nothing that they need to be alarmed out and overall, the audit was smooth process. The County is working on the segregation of duties. County Administrator Townsend is working with the Constitutional Officers on improving the segregation of duties. There was discussion about the Law Library and the County being responsible for their audit. Mr. Elliott suggested that the Law Library give their general ledger activity to the county so it can be reported as a fund. This should help with the Law Library being late on reporting their information to the auditor.

Vice-Chair Thrash made a motion to approve the FY2022 Audit for Lamar County. Commissioner Gilles seconded the motion. The motion passed unanimously.

Tax Anticipation Note (TAN)

County Administrator Townsend explained that everything is a timing issue. In October, there will be close to a million dollars coming in from the Insurance Premium however, if something does come into the County, he wants to be sure that they have a Tax Anticipation Note (TAN) note in place. He stated the Tax Commissioner has submitted the PT553C; Homeowner Tax Relief Credit. According to the Tax Commissioner this will be \$701,435.92 that is supposed to be coming back to the County and they should

receive this within the next few weeks. Commissioner Gilles asked if they had other options. County Administrator Townsend said that they could not pay payroll in October. Vice-Chair Thrash asked how much they had in the discretionary fund? County Administrator Townsend reported that there was \$193,000.00 in a Reserve Fund that draws interest. The General Fund has around \$600,000.00 not including outstanding checks. Vice-Chair Thrash said that she had heartburn about this because they have worked for five years eliminating the TAN and would like to see what expenditures can be cut to reduce spending. County Administrator Townsend said that they are already on a spending freeze and payroll will need to be covered. They are doing a spreadsheet on the revenues and they are reviewing the trends when things come in. Currently, for this month, they have received revenues from the Tax Commissioner, Probate and the Magistrate Court plus odd and in revenues. He reported that alcohol sales are down this year. The revenue from the Clerk of Superior Court will come in on September 15th, 2023. He said that when he first came here checks were put in the vault in November until they acquired a TAN in January. He said that he and County Clerk Davidson had put a lot a sweat and tears into eliminating the TAN. County Administrator Townsend said they are paying Accounts Payable every three weeks and the two upcoming payrolls are the biggest issue. Chairman Traylor stated that in the future they need to have a larger reserve. County Administrator Townsend said that every year they have been trying to increase the reserve but there have been increases in the Liability and the Health Insurance. The ambulance contract service fee was eliminated in 2013 and the payments to them were resumed in 2021 which has contributed to an increase in expenditures.

Commissioner Lovett said he has had multiple conversations with County Administrator Townsend about trending data and every month he presents data to the Board of Commissioners with the trendlines showing that the revenues are dropping. He said he knew that this TAN was coming and said the data County Administrator Townsend presented needed to be done in a more forceable manner. He requested that County Administrator Townsend slow down and show people that these are trend lines. Commissioner Lovett said with the insurance being cancelled, they have a great opportunity to look at some other insurance plans. County Administrator Townsend asked for direction from the Board of Commissioner to send a 90 notice to the Association of County Commissioners of Georgia (ACCG) regarding the Worker's Compensation and Liability Insurance in order to start the process for looking at other insurance companies. He stated that they need to look at all the benefits ACCG provides because those will go away if they change insurance companies.

County Administrator Townsend explained that all of the County's revenue comes in at the end of the year. Commissioner Lovett said that for over a month County Administrator Townsend has been showing that the trend line for revenues was under and they need to look at how they affect the economics of the County. Commissioner Lovett requested that going forward there be no more double increases in the budget. Commissioner Lovett said that the backstop is the TAN and he would like it to be the last resort. Vice-Chair Thrash requested that the Board of Commissioners are notified before the TAN is tapped into. County Administrator Townsend reported that there is a \$150.00 administration fee and they did not know the interest rate. County Clerk Davidson is working on getting the interest rate for the Regular Business meeting on Tuesday night.

Commissioner Lovett made a motion to start the initiation process of having a TAN. Commissioner Fletcher seconded the motion. Vice-Chair Thrash stated that she would like to know the interest rate. County Administrator Townsend pointed out that the Resolution was to start the process of the TAN and he could send them the interest rate before they sign off on it. Commissioner Lovett amended his motion to table the process of the TAN until they receive the interest rate and vote on this at the Regular Business meeting. Commissioner Fletcher seconded the motion. The motion passed unanimously.

Public Comments

Kent Kingsley addressed the board and suggested that they get another pair of eyes to review the audit since Mauldin and Jenkins has been doing the audit for the last three years. Mr. Kingsley suggested that they do this rotation on a two year basis. County Administrator Townsend stated that the Georgia Finance Officers Association recommends every three to five years.

Adjournment

Commissioner Gilles made a motion to adjourn the Special Called meeting at approximately 1:14 p.m. Commissioner Lovett seconded the motion. The motion passed unanimously.

THE LAMAR COUNTY BOARD OF COMMISSIONERS

Ryran Traylor, Chairman

Nancy Thrash, Vice-Chair

Jarrod Fletcher, Commissioner

Jason Lovett, Commissioner

Ashley Gilles, Commissioner

Attest: _____ Carlette Davidson, County Clerk