

CHEROKEE COUNTY
BOARD OF COMMISSIONERS
Pre-meeting Work Session

July 5, 2011

3:00 p.m.

Cherokee Hall

MINUTES

Chairman Ahrens began the Work Session with a short reading from the Jack Welch book and the chapter on instilling confidence.

Employee Service Recognition – Steve McClure

Mr. McClure mentioned that 27 employees had reached service milestones during the period between 1/1/2011-6/30/2011; he asked that when their name was called to please stand and after everyone was recognized, then the audience could applaud. Out of 18 employees who had been with the County for 10 years, only 8 were able to be here, this included Jerry Cooper, the County Manager. For the 15 year awards, four out of the 5 were able to be present. Neither of the 20 year award winners were present; but both of the 30 year award winners, County Marshal Ray Waters and Fire Captain William Hamby, were present.

1. Update & photos of airport runway extension

Chairman Ahrens next asked for the slides of the airport runway extension to be put up on the screen; when this was done, he commented that the FAA has approved the new 5,002 foot runway and had designated "CNI" as an identifier for the Airport.

2. Discussion of Regular Agenda items

After mentioning the announcement for Recreation and Parks, the Chairman moved on to discuss one of the topics under his portion, which was re-districting. He stated that he had spoken to Senator Chip Rogers and the legislators are looking for the board's unanimous position. After several minutes of discussion, Chairman said let's go ahead with the next topic which is the first Millage Rate Public Hearing.

Mr. Cooper gave a PowerPoint presentation showing property taxes in Cherokee County which are currently at a 4.720 millage rate; in past 3 years, property values have declined by \$1.4 billion dollars or 17%, other revenue sources declined by 29.5%. Property tax revenue funds 66% of general operations and 92% of fire operations. He showed a graph of property tax rates beginning in 1996 and ending in 2010 showing a millage rate at a high of 6.990 in 1996 and at 4.720 in 2010. Mr. Cooper explained where the fiscal challenges are and gave an estimated General Fund shortfall of \$3,414,047 in 2012.

Next a slide was shown giving the proposed millage rates and the dollar impact of the change on property owners' tax bills, that would result in a General Fund millage rate of 5.491 and approximately \$35.+ change in property taxes for a total \$ impact of \$68.46.

Mr. Cooper then showed a slide presenting Cherokee County with the second lowest governmental per capita spending at \$653.81 in the 10-County ARC-Metro Atlanta Region and the lowest number of employees.

Mr. Cooper stated that it is estimated there will be a \$5 million dollar shortfall for 2012; however, this may be reduced with adjustments and cuts to \$3.4 +/- million dollars. Commissioner Bosch asked if any thought had been given to a possible HOST (Homestead Option Sales Tax); stating this could eliminate property taxes for homeowners with the drawback being that businesses would not qualify for this. Commissioner Johnston said it would eliminate our General Fund property tax tools, Commissioner Bosch agreed and said it would end up being a sales tax based additional revenue and any extra would go to capitol.

Discussion continued for some time with the topics going from whether to count on the sale of the old Admin Building against possible furlough days and how much money would have to be borrowed if the sale was counted and didn't go through this year just to make up the already known shortfall expected in November. Mr. Cooper said he would rather not show the possible sale going through as part of the potential relief, he would prefer to put the sum back into reserves if the sale went through. There was also comments regarding how lean County operations are already from the previous year's cutbacks; some talk was about the essential functions for the safety of the public, that includes law enforcement and judicial operations which represent 71% of all general fund spending, however, there has been a decline on spending for Law Enforcement and Judicial of 7.1% since 2008. Spending for other general operations has declined 26.3% since 2008.

Finally, when Mr. Cooper asked if furloughs can be avoided if the shortfall could be captured by eliminating certain positions by those who choose to retire; Chairman Ahrens said why don't we go into that next. Before moving on, Mr. Cooper gave the dates of the other public hearings that had been advertised; he said he understood that Commissioner Johnston might not be here for the July 28 hearing, which had been advertised as a possible adoption date.

And the State Revenue Commissioner's deadline was August 1, but you could apply for a waiver, advertise and hold a fourth public hearing on August 2, where the millage rate could be adopted. There would be no answer for about a week from the DOR. Mr. Cooper also said the School Board will adopt their millage rate on July 27. Commissioner Johnston said if necessary, he would cancel or postpone his trip on the 28th in order to be here.

Chairman Ahrens began the discussion of a possible one time incentivized voluntary retirement plan saying a fair amount of communication had gone around about the subject. He continued saying that while the numbers are obviously important with the numbers of positions remaining open, timing of replacements, etc.; looking at it a certain way there is real psychic income value for someone who has the ability, time and service, and just using the bookend, an opportunity if they are so inclined to retire and have up to 60% of their pay.

Commissioner Johnston added if the board is going to do this, it should be done as soon as possible this year. The Chairman agreed saying it would be offsetting this year's shortfall, not totally, but you don't know until the cards are on the table. Janelle Funk asked to say that if you get more people to take the option than you expect and it would cost more money and there would be no other option but to have a hiring freeze and those who are left have to shoulder the burden.

Commissioner Johnston brought up that in the shifts situation, where the biggest groups of County employees are (specifically Fire and Sheriff's Office), it's a matter of one guy on a truck is not as good as two, two's not as good as three at a station and so it is at the service level that we have to accept declining levels and he is not sure that is acceptable. On the Sheriff's side, they have to have so many guys on shift at the jail and that is most of the SO's employees, so what suffers is the patrol and investigation functions, which can be cut and they are pretty low already, so his sense is there is not a lot of room to absorb staff reductions. He has come to believe that the County cannot absorb what might be seen out of an early retirement program.

Commissioner Nelms said he had been looking at the demographics of the full potential to the SO, if this is offered, the potential is there to lose the Oak Grove precinct and he can only imagine the pressure of having to explain to citizens in that area why it had to be done at the possible sacrifice of their safety. He said he thought he could see where Commissioner Johnston was going with his thoughts and he is afraid it is going to be hard to explain to their constituents why when they pick up the phone and call 911, it's 8 minutes to respond versus 4 or my house is on fire and it burned to the ground before Fire could get there.

Commissioner Hubbard made the comment that he had received 2 emails today saying don't discuss any increase, you have to cut, cut, cut; they don't mean cut, fire and law enforcement and stuff that they use, they mean cut stuff that other people use. He said we are already a very efficient organization and we're going to start cutting into daily or hourly positions that people don't want cut.

Chairman Ahrens asked if there had been any perspective from Chief Gunnin or Sheriff Garrison, since we are talking about them. Commissioner Bosch said we have those two areas and we always seem to leave judicial out of that while granted as the population increases, the more law enforcement does so they see an increase as well. Mr. Cooper said there is not many, there are a couple in the DA's office who are investigators; there a couple in the Clerk of Courts office. The Sheriff, many of his people are in critical roles, there are two out of four in intelligence, you would have to fill those 2 positions. As to Fire, there is some opportunity and Mr. Cooper wants to sit down with Chief Gunnin to make sure that they are both on the same page and make sure there is no adverse impact on operations.

Commissioner Johnston said his feeling is they would go into it and offer a broad based ERIP, they would have to have some reassurance that not necessarily 100% of the positions would have to be eliminated, or kept vacant for a long period of time, but some portion, such as two-thirds as a rule. If you can't eliminate for at least a few years about two-thirds of them, then it is not financially advantageous to pay everybody a bonus to get them to go ahead and retire now, better to just let everybody stay.

Commissioner Johnston said he does think that there is an opportunity where we know someone is willing to take it and we know that a position, either that position or an approximately equal salaried position within the same organization can be reduced, then he thinks that should be looked hard at that. In fact, he would say that should be done.

Chairman Ahrens said that is a totally different approach than an open ended offer, it is a defined one that is position specific. Commissioner Johnston said he was sure there is legalities in Human Resource law as well. Mr. Cooper said we don't qualify under this temporary offer, as a formal ERIP, it would have to be formalized and documented, etc.

Commissioner Nelms asked if any analysis had been done of how many people we could let go under X as far as how much it could cost; Commissioner Hubbard said he had seen 2 different analysis' on that but he thinks this is something that really needs to be talked about upstairs.

Chairman Ahrens asked if this was something that should be proposed about what was talked about and push it back to Jerry and the Agency Directors and Department Heads with some guidelines. Or do we want to have Jerry and Janelle come back at the next meeting and tell us what they're looking for or do we want to try and cobble something together, so they can move on?

Commissioner Johnston said do you mean put out what the terms might be, or what the dollar figure would be, is that what you are saying, Commissioner Bosch asked. The Chairman said no, not the dollar figure, but maybe so many weeks for so many years service and maybe we would include this but not include that. Commissioner Bosch said she would like to see that.

Commissioner Johnston said he could probably put something together as long as it doesn't violate any HR laws or anything, he would be happy to do that. He said for the most part he thought they had agreed that it's one week pay per year of service, possibly two weeks above 10 years, with an agreement of no more than 6 months pay or half a year's pay. Or maybe 60% of a year's pay but on the upper end, that's kind of an area there might be debate. Then he thinks that as soon as the position can be eliminated, we can continue to pay the employer share of the medical insurance for the employee only, up until they become Medicare eligible.

Commissioner Bosch said well that is kind of where there is a problem, obviously you are going to have a lot of people who just can't take that one. I think you'll kill the whole thing like that she said, if you're just paying the employer portion or what we pay now and not 100%. And I think that could be looked at according to years of service she continued. Commissioner Hubbard asked if there wouldn't have to be an offset to the amount offered; Commissioner Johnston said yes, 60% would be out the door, maybe go down to 50% and the 2 weeks pay over 10 years might have to go away.

The Chairman said or you could just do 2% a year period up to a cap. That includes the medical up to a certain level, there are a lot of alliterations. Commissioner Bosch said that would be spread out a little further than this big time one lump sum we're paying out. Commissioner Johnston said it does make a difference, not necessarily on points but on age. He said whatever it is, it needs to be something that in year 1 doesn't kill us and in years 2 and 3 produces large savings.

The Chairman asked if there was time in the calendaring to put this off until the next meeting. Commissioner Johnston said he thought the target would be to try to make it effective by the end of August. Mr. Cooper said 45 days was needed at least. He said he thought it would be fine until a few days into September, if you want to wait until July 19. He said he would discuss in generalities with department heads what is being thought about, so there would be some much better ideas by the 19th.

After some further discussion regarding the medical insurance and what to pay, how to base the amount, etc., the Chairman said he thought we could close the gap within the next couple of weeks. He said thank you all, it is an important discussion.

Then he said on the other public hearing tonight, this is the one where they want to make the elevators an option, Commissioner Bosch said she was fine with it. Then he asked Mr. Cooper if there was anything on his portion he wanted to mention and while he is coming up, on the County Attorney's portion, is there anything that needs to be discussed now, he asked Angie Davis. She said no, it could wait until the meeting, when the Deputy Marshal would be available to state the cases.

Mr. Cooper said he would go quickly over his portion and some questions came on the Prepaid cell phone item, with the fees that are generated going to E911. There were also questions on the CCYB agreement, which Bryan Reynolds answered to their satisfaction.

When Mr. Cooper finished, the Chairman asked if there was anything else, hearing none, Commissioner Hubbard made the motion to adjourn to Executive Session at 5:02 p.m. to discuss personnel issues, pending litigation and property acquisition. Commissioner Bosch seconded and the motion was unanimously approved.

These Minutes were approved at the regular meeting on July 19, 2011.