



Cherokee County Board of Commissioners MINUTES

Special Called Meeting: July 24, 2014 11:00 a.m. | Cherokee Hall

Chairman Ahrens called the meeting to order at 11:02 a.m. Those present included Commissioner Harry B. Johnston; Commissioner Raymond Gunnin; Commissioner Poole; Commissioner Nelms, County Manager Jerry Cooper; County Attorney Larry Ramsey; County Clerk Christy Black. Also present were Agency Directors/Department Heads; the media; and the public.

Chairman Ahrens explained that this was the second of three Public Hearings and that the rate advertised at 5.890 was not necessarily what would be set, but was a cap.

1. Consider adoption of the millage rates for Cherokee County and the Board of Education.

Commissioner Nelms made a motion to open the Public Hearing at 11:03 a.m.; Commissioner Poole seconded and there was unanimous approval.

Ms. Janelle Funk began by providing an overview of the process for setting the millage rate. Next, she provided a revenue forecast for FY2015. Finally, Ms. Funk reviewed the calculations for the 2014 millage rate using the latest tax digest including various options for Public Safety salary increases. The complete process was repeated for the Fire Fund and the Parks Bond Debt Service Fund. Ms. Funk explained the impact to the average homeowner. The presentation is included as part of these minutes.

Chairman Ahrens asked about the impact due to the change in law in Judicial Services regarding Juvenile Court. Ms. Funk replied that \$60,000 extra was built into the Juvenile Court budget last year and again in 2015.

She pointed out that since the last presentation the numbers were up regarding the tax digest as appeals compared to last year at this point has decreased. She said we had estimated a decrease based on what we incurred last year at the same point, but we have not suffered the same decrease this year, so that's why the expected end for the M&O Digest is up

from previous presentations. She then went over the various scenarios outlining the incremental salary adjustments for Public Safety ranging from 6% to 10% and the 2% COLA for non-Public Safety.

Chairman Ahrens asked if we were charging a fee for use of the Fire Training Center. Chief Eddie Robinson replied that we were not. Commissioner Johnston asked Chief Robinson if we used other Counties' training facilities, and if so, were we charged a fee. Chief Robinson replied that we have used several Counties' training facilities including Cobb, Gwinnett and Forsyth and we had not been charged a fee. He added that with Georgia Mutual Aid and Automatic Aid there is generally not a fee assessed for using other facilities.

Ms. Funk gave an example of average impact to a homeowner. Commissioner Johnston clarified that the example Ms. Funk used was based on the assumption that the homeowner's tax assessment had not changed.

Two people had signed up to speak at the Public Hearing:

1. Bob Rugg signed up to comment. He said that he agreed with needing competitive pay for recruiting/retaining personnel. He suggested a Committee/Citizens panel to evaluate surrounding area pay and also a comprehensive pay study.
2. Larry Smith signed up to comment. He said that he agreed with needing a more competitive wage to make up for the years without a pay increase, adding that he thought up to 15% would be appropriate.

Commissioner Nelms made a motion to close the Public Hearing at 11:32 a.m.; Commissioner Poole seconded and there was unanimous approval.

Chairman Ahrens said to pick up where Mr. Smith left off; we have not set the budget, that will be coming up in the fall. This one revenue source, which is an important one, provides a certain parameter to that and a certain level of expectation but not the end of where we'll be looking for opportunities both from the stand point of efficiency and technology and you name it. He added that another dimension to that is really it only matters what you get in your tax bill whether you have an increase or not. The complexity of how these are calculated from the stand point of state

regulations; if you have an increase in the rate and dollar revenue is down, is that an increase and vice versa?

The Chairman stated that he'd like to introduce another aspect which is not a budget, but in the Boards' packets is a handwritten sheet called 'Growth Plan Outline, Choose Cherokee'. The attempt is to put on a single piece of paper, a kind of look out scope-wise in a time base, short-term, mid-term and longer, a representation of what our plan might be. He read from the handout what he considered to be the four pillars of Cherokee County: Economic Development, Quality Growth, Fiscal Integrity and Environmental Steward. He then spoke about scope which included: Great Schools-a driver for relocation, Outstanding Public Safety, Service Excellence, Professional Organization/Leadership, "Fair" Tax Burden, Zero-based Budget (Grow Revenue, Reduce Cost-efficiency, technology, prioritize). He asked, within that scope, what do you do? We will be adopting the budget and certain things will be included and some not included. We've chosen to invest in economic development to help market the county. They just hired a new person as part of that. We have been and will continue to look at selling property. He said that they will review and update financial policies and procedures and that we have our fingers crossed regarding the Ball Ground Recycling, to lower debt service by 30%, recouping 40 to 50% principal balance. If we look at another category of being competitive, what do we need to do to get there? Mr. Konop has an interesting concept, involving the school district, the chamber, the technical college, and the universities to develop skills sooner in a structured environment. He said it really takes someone outside to do that and he has two people in mind. Other medium-term growth plan topics included ramping up competitiveness, and addressing legal costs. He noted that Mr. John Marinko with the Airport Authority is here, though not in that capacity, but they are looking at how to market that facility regarding having people put their plans here and other commercial uses that the facility could accommodate like a UPS or FedEx hub. He said there are some pretty clear Development Corridors (Sixes/575 near Aquatic Center, there is a lot of property there, Northside Hwy. 20/140, Riverstone, SW/Hwy 92 to 575). Another example, totally unrelated, has to do with the aging of our population. He referenced the ARC program called Lifelong Communities, aging in place. What that's saying is that there are real commercial opportunities as our population ages and a lot of that will happen in city jurisdictions, not necessarily just in the unincorporated county. He said these examples and thoughts are kind of what we're doing

here and what we may be incurring in the future as far as expectation level and how you mitigate that with real opportunities which may not be dollars flowing into our revenue base, but it will be growth within the County.

Chairman Ahrens asked for discussion among the Board regarding the millage rate presentation. Commission Nelms stated that we need a solution to the current problem, which is Public Safety. He added that reduced services in Public Safety would have a negative impact on the County. He said what we have to do now is the easy part, the challenge comes next year and year after and so forth. He said that opportunities like using reserves to offset a slight rollback to provide the 10% Public Safety salary increase and 2% for others is an easy decision.

Commission Johnston commented that we have rolled back the millage virtually every year to offset inflation and change in tax digest. He added that every single year of the last 14 years, except 2004/2005 in the Fire Fund, we did a complete rollback. In 2009 we set the tax below the rollback and in 2011 went back up.

He added that maybe we can't continue to absorb all the inflation like we have for the past 14 years. He said that we would probably all like to absorb the inflation forever, but he is resigned to the fact we need to increase salaries, particularly in Public Safety which is facing increased competition. He said I think we are all resigned that we can't fully rollback, but the question is what to do. Do we go 10% increase for Public Safety or come off some; he said his hope would be to go with the 8% level and then look for other opportunities. He explained is as going in with the expectation of 8% and hoping for better. Commissioner Nelms commented that we already know there is a gap if we have to lower our benchmark for recruitment. He added again that the challenge is next year with the 100 plus civilians in Public Safety and the 600 plus other personnel to avoid morale issues.

Commissioner Gunnin referenced what Mr. Larry Smith had commented earlier, that we need to try to catch up salaries after 4 or 5 years without an increase. To raise taxes in one fell swoop after 14 years of no tax increase is one big hit, but the years to follow won't have as big a hit. Commissioner Nelms added that the difference the average homeowner will pay is very negligible compared to the importance of Public Safety.

Commissioner Poole said that at a meeting a couple of months ago where we donated guns from the Sheriff's Office to the Georgia State Patrol because we don't have enough deputies to issue them to really got him thinking about a solution to the problem. He added that he had met with Chief West and Mr. Cooper a couple of times regarding a way to fix the issue without a tax increase. He said that the Board appreciates all employees but that the issue of Public Safety needs to be addressed first. He said the Board intends to look at land and buildings the County has to sell that can hopefully repay some of the reserves and other funds used for the 10% increase. He said he has also gotten a copy of the budget and is looking at it line by line for ways to cut costs.

Chairman Ahrens said that he did not know where he was at this time, but he knows he will get there by the 6:00 vote tonight.

ADJOURN

The Chairman asked if there was any further business. Hearing none, Commissioner Johnston made a motion to adjourn at 12:08 p.m.; Commissioner Nelms seconded and the motion received unanimous approval.