

July 31, 2007
Statesboro, GA

PUBLIC HEARING

The Board met at 6:00 p.m. in the Community Room of the North Main Annex. Chairman Nevil, Commissioner Simmons, Commissioner Tankersley, Commissioner Gibson, Commissioner Thompson and Commissioner Rushing were present. Commissioner Jackson was absent. Staff present: County Manager Tom Couch, Staff Attorney Jeff Akins, Tax Commissioner James Deal, Tax Assessor John Scott, Public Safety Director Ted Wynn, Deputy Tax Assessor Ronnie Newton and County Clerk Evelyn Wilson. Six citizens were present.

Chairman Nevil called the meeting to order and announced the purpose of this meeting was to conduct a public hearing for the proposed property tax increase. He gave the invocation and the pledge of allegiance.

Chairman Nevil opened the meeting for any public comments or questions. Mr. Larry Futch requested information on the reasons for a tax increase. Mr. Couch explained that since 2001 the county has had a structural budget deficit where expenses exceeded revenues. In the past three years the county has attempted to restrain spending but there were costs over which the county had no control such as gas prices, insurance cost and more services required by a growing population. Budgets have been frozen, budgets have been cut, raises have been restricted, however attempts to cut expenses cannot keep up with all the increased cost. Counties do not have the revenue sources enjoyed by municipalities and have to rely more on property taxes because counties are restricted on the types of revenue that they can generate. He explained that a millage rollback for the increase in the assessment values would create a \$6 million deficit and using the current millage rate (8.63 mils) would create a \$3 million deficit. The budget deficit over the past six years has been funded by the county's fund balance which is now very low. It is recommended that counties maintain a fund balance of twenty-five percent (25%) of budget for emergencies, cash flow purposes and for credit worthiness which means Bulloch County would need a fund balance of approximately \$7 million. The current fund balance is \$2.6 million. Mr. Couch said considering cash flow the

county will probably have to borrow money before tax revenues are received beginning in November.

Chairman Nevil said that for six of the last seven years the county has operated at a deficit. The last three years the county has tried to hold expenses and money has been saved for taxpayers but costs continue to rise. The county's fund balance was sufficient to cover the deficit for the last six years but it is now too low.

Mr. Futch commented that everything was increasing but his wages and he had to make cuts. He suggested the county also make cuts. Chairman Nevil responded the county has made cuts for three years and there was no more room for any further cuts. Commissioner Thompson asked what services could be eliminated. Mr. Futch said to cut back on Recreation at Mill Creek Park. Commissioner Thompson stated that Mill Creek Park was one of the main attractions for Bulloch County. The primary purpose for recreation is to keep kids out of trouble but Mill Creek Park has attracted industry to Bulloch County. Commissioner Thompson added that Splash n' the Boro is the only enterprise that makes any money and if the county closed every service with a deficit, all services (E911, EMS, recycle centers, animal shelter, building inspections, etc.) would be closed. Commissioner Tankersley commented that taxes have not been increased since 2002. The Board has searched for ways to cut spending and it is never the Board's intention to raise taxes without a reason. She said that forty-eight percent (48%) of the county's budget is mandated by the State and reevaluation of property every three years is also mandated by the State. She stated that even though the Board saw the trend coming it did not feel it could propose a tax increase until the time was spent looking at every department and every expense. Cuts have been made in virtually every department but the Board still can't find the additional funds to operate the county. Mr. Futch said it was not fair that property owners have to bear the burden for everything. Commissioner Tankersley said she agreed and said even the State wants to find a new fairer tax system. She commented on how exemptions granted by the State erode the county tax base and said these exemptions have to be picked up by someone. She asked Mr. Scott to explain the effects exemptions have on the county tax base. Mr. Scott said one of problems has been efforts by interest groups at the State level to seek property tax relief and now the State is beginning to realize that for every action there is a reaction.

He discussed the freeport exemption, the conservation use exemption and the homestead exemption and said approximately \$4 million for operations for the county and the schools are exempted.

Mr. William Emley commented on the newspaper article showing a county maintenance and operational cost increase of 36.5 % and fire district cost increase of 15.4% which equates to a fifty-one percent (51%) increase. He asked how would the average taxpayer be able to pay this fifty-one percent (51%) increase, especially those on fixed incomes. He said he understands that operational costs go up but why have a tax increase the same year as an increase in property assessment without giving enough time for taxpayers to save money for the increased amount. He commented on the county having to borrow money and asked if taxpayers could have the ability to pay taxes in June. Mr. Couch said that would depend on the Tax Commissioner's office ability to facilitate split tax collections. He added that there were also timing issues involved with tax collections because of submission of the tax digest to the State. Mr. Emley said that fifty percent (50%) of property taxes go to education and that is not fair for people who do not have children in the education system to pay school taxes. Mr. Couch commented that some counties do have some exemptions for certain age groups.

Mr. Scott explained the calculation of the fifty-one percent (51%) increase advertised. He said the taxpayers' bill of right dictates the language in the ad that a levying authority is required put in the newspaper. The thirty-six percent (36%) and fifteen percent (15%) are simply the amount of additional money being raised by that particular taxation jurisdiction over last year. The percentage does not equate to a fifty-one percent (51%) increase in an individual tax bill because there are more components to the tax bill than just the county governing authority or the school board or the fire district. He said some taxpayers could see a fifty percent (50%) increase but the average homeowner won't see a fifty percent (50%) tax increase. Commissioner Thompson asked if the millage rate increase is approved, where Bulloch County would rank in the region. Mr. Scott was he wasn't sure because he didn't know the 2007 tax rates for other counties. He said in 2006 Bulloch County's rate was eighth or ninth lowest in the State and even with the increase he thought the county would still be in the lowest twenty-five percent (25%). Chairman Nevil stated that the average millage rate of the nine counties

in the region is 27.39 mils with Bulloch County being the lowest at about 20 mils and Long County being the highest at about 34 mils. Commissioner Gibson commented on tax rates and costs being more in other parts of the state and the country.

Commissioner Simmons said the Board can't refuse to fund state mandates which are about one-half of the county's budget. He said this wasn't an easy decision because the Board has slaved over this budget and tax increase. He commented that he shares the concerns about paying higher taxes and he has parents who are on a fixed income.

Chairman Nevil asked for other questions or comments. Commissioner Gibson offered a motion to close the Public Hearing. Commissioner Simmons seconded the motion and it carried, unanimously. The meeting was closed at 7:30 p.m.