

June 4, 2015  
Statesboro, GA

## Budget Workshop

The Board of Commissioners met at 4:30 pm in the Community Room of the North Main Annex. Chairman Nevil welcomed guests and called the meeting to order. Commissioner Thompson gave the invocation and Pledge of Allegiance.

Mrs. Olympia Gaines, Clerk of the Board, performed the roll call of the commissioners and staff. The following commissioners were present: Chairman Nevil, Commissioner Mosley, Commissioner Rushing, Commissioner Thompson, Commissioner Gibson, and Commissioner Ethridge. The following staff were present: County Manager Tom Couch, Assistant County Manager Andy Welch, Chief Financial Officer Whitney Richland, Management Analyst Cindy Steinmann, Public Safety Director Ted Wynn, and Chief Deputy Jared Akins.

Chairman Nevil called the workshop to order and asked that Mr. Couch proceed with the meeting. Mr. Couch began his presentation by reviewing the FY2016 budgeting process which consisted of developing a master budget calendar in which budget interviews were scheduled with the budget team for each department. Each department was asked to review operations, activities, service demands, revenue projections and priorities. Mr. Couch reviewed the County's current financial condition and stated the FY2015 budget was used as a baseline for the FY2016 budget. He reported that General Fund expenditures have grown 1.5% annually since 2009 and that General Fund revenues have fallen 4.0% annually since 2010. Mr. Couch reported the effects of the weakened financial condition included: (1) poor cash flow; (2) no funds for contingent emergencies; and (3) potential lowered credit rating. He stated the projected General Fund revenues for FY2016 are \$33,498,086 and the projected General Fund expenditures for FY2016 are \$35,169,310 with a projected deficit of \$1,671,223 and probable deficit of \$800,000.

Mr. Couch reviewed structural budget issues in operations and maintenance to include the following: (1) revenues not increasing fast enough to keep up with service demands; (2) stagnant tax base (property digest and sales tax); (3) volatile elastic revenues (fees, fines, charges for services, etc.) and volatile gasoline, insurance and utility rates; (4) state tax exemptions that lower revenues; (5) reduced state grants and budget cuts that shift costs to local communities; (6) tax incentives to lure new industry; (7) large reductions in federal inmate revenues; (8) accrued

maintenance demands of recently built facilities (recreation, jail, animal shelter, and annex), and deferred and emergent maintenance of current facilities. Mr. Couch reported traditionally the County has tried to leverage SPLOST to meet capital needs that in years past have been paid out of the General Fund, but as a result of irregular SPLOST collections the County would have to cut back on revenue forecasts and what can be bought. He stated future challenges include: (1) new facilities costs (new annex, Ag Arena); (2) labor demands (additional personnel, compensation adjustments, and benefits); (3) stagnant revenue growth; and (4) deferred building maintenance and equipment investments. Mr. Couch stated the issue is more of a revenue problem than an expenditure problem.

Mr. Couch stated he is recommending the Board consider an adjustment to the millage rate with a focus being on financial sustainability and public safety. Mr. Couch presented a few millage rate adjustment scenarios to support a five-year plan. He stated in order to maintain status quo with capital supplements, to make modest compensation adjustments, to maintain financial solvency and to fund most needed personnel, he is recommending a millage rate adjustment of 1.787. Mr. Couch called for questions and comments from the commissioners. After some discussion, Mr. Couch asked the Board to review the information and an additional budget workshop was scheduled for June 11, 2015 at 4:30 pm to address any additional questions and comments.

Chairman Nevil thanked Mr. Couch for his presentation and asked if there were any further comments from the commissioners or staff. Hearing no further comments from the commissioners or staff, Chairman Nevil asked for a motion to adjourn. Commissioner Rushing offered a motion to adjourn the meeting. Commissioner Gibson seconded the motion, and it carried unanimously with Commissioner Gibson, Commissioner Thompson, Commissioner Rushing, Commissioner Simmons, Commissioner Mosley and Commissioner Ethridge voting in favor of the motion.

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J. Garrett Nevil, Chairman

Attest: \_\_\_\_\_

Olympia Gaines, Clerk of the Board