



Minutes

Retreat- Part 1

Board of Commissioners
February 1, 2012
5:00 P.M.

Notice: A complete audio recording of this meeting can be heard by accessing Fayette County's Website at www.fayettecountyga.gov. Click on "Board of Commissioners", then "County Commission Meetings", and follow the instructions. The entire meeting or a single topic can be heard.

The Board of Commissioners of Fayette County, Georgia, met in Official Session on February 1, 2012 at 5:00 p.m. in the Commissioners' Conference Room of the Fayette County Administrative Complex, 140 Stonewall Avenue, Fayetteville, Georgia.

Commissioners Present:

Herb Frady, Chairman
Robert Horgan, Vice Chairman
Steve Brown
Lee Hearn
Allen McCarty

Staff Present:

Jack Krakeel, County Administrator
Scott Bennett, County Attorney
Carol Chandler, Executive Assistant
Floyd Jones, Chief Deputy Clerk
Mary Holland, Chief Financial Officer
Toni Jo Howard, Assistant Chief Financial Officer

Call to Order

Chairman Herb Frady called the February 1, 2012 Retreat Meeting- Part 1 to order at 4:59 p.m.

County Administrator's Introductory Remarks

County Administrator Jack Krakeel gave introductory remarks concerning the purpose of the retreat and the challenges and critical issues presented to the County and the Board. He explained that this meeting was designed to give the Board a financial forecast based on the latest information available, and that other issues would be presented to the Board at a later date and later retreat meetings. He stated that the Board would be expected to provide staff with a budget policy and expectations at the end of the meeting.

Chief Financial Officer Mary Holland's Report

Chief Financial Officer Mary Holland, using a PowerPoint presentation, explained the general structure of the discussion at hand, and what areas concerning the County's finances would be addressed. (Those points are listed on the provided agenda.) A copy of the agenda and PowerPoint presentation, identified as "Attachment 1", follows these minutes and is made an official part hereof.

1) General Fund, Fire Fund, and EMS Fund

Chief Financial Officer Holland explained and discussed the County's General fund, Fire Fund, and the EMS Fund. Concerning the General fund, Ms. Holland informed the Board that at the end of its audited year, the County had a fund balance in the General fund of \$37 million. She said that was the fund was in pretty good shape considering what has occurred in the past several years, and then she explained the various components that make up the General Fund, the differences in those components, and how the monies could be applied. She added that the General Fund is very reliant on property taxes and sales taxes which, together, comprise 85% of the General Fund. Next, Ms. Holland told the Board that there is a minimum amount of money that is "non-spendable" in the Fire Fund. She added that any funds, except for the General Fund, cannot have unassigned funds in them. She stated that the problem with the Fire Fund was that 70% of it relies on property taxes, so when there is a negative impact on property taxes there is a negative impact to the Fire Fund. Ms. Holland then spoke about the EMS Fund and briefly discussed its various components. She reminded the Board that, in 2011, it lowered the EMS Millage Rate, so the amount of revenue monies in the EMS Fund will begin to reduce. She also explained that the EMS Fund is a little more diverse, that it received some revenue as charges for services, and that the amount received for services has steadily increased each year for the past three years. Additional discussion about the General Fund, Fire Fund, and EMS Fund took place.

2) Fayette County's Tax Digest History

Chief Financial Officer Mary Holland spoke about the county's Tax Digest History including: Impact of property reassessments on the tax digest, Cost-saving initiatives, and Strategies for a balanced budget. Ms. Holland explained that Fayette County has basically "topped out" at \$5.4 billion in the 2008-2009 Series. She explained that the Tax Digest is based on a calendar year, and that the County's financials are based on a Fiscal Year. She told the Board that each year, the County is seeing reassessments that result in a reduction of the Tax Digest, and that the 2012 figures at this point are just a "best estimate" of the latest information available, and that it represents an 8% decline from last year. Discussion followed concerning the impact of the financial downturn and initial impressions concerning upcoming years.

3) Fayette County's Tax Millage Rate History

Assistant Finance Director Toni Jo Howard and Chief Financial Officer Mary Holland discussed Fayette County's Tax Millage Rate History. They explained that the total millage rate was at its highest in 2006, and that it was decreased in 2008, and that from 2008 until 2010 the millage rate held constant. Mrs. Howard added that in 2011, the millage rates were increased to the 8.802 Millage Rate. She next spoke briefly about each of the components that make up the total millage rate, and how Fayette County compares to other similar counties in Georgia. Discussion occurred.

4) Five-Year Outlook

Assistant Financial Officer Toni Jo Howard explained that staff had conducted a five-year outlook based on what information is available at this point, recognizing that the County is only six months into the current fiscal year and recognizing that forecasting is tentative at best, and then she described the outlook to the Board. Discussion occurred.

5) Capital Improvement Plan

Chief Financial Officer Mary Holland explained the County's Capital Improvement Plan and told the Board that meetings have occurred with various departments in order to determine recommended changes. She provided details to the Board about the need to change the Capital Improvement Plan. Ms. Holland then addressed department by department detailing their Capital Improvement Plans. Discussion occurred concerning the specific departments and their associated recommendations.

- a. **Criminal Justice Center Project:** Ms. Holland recommended changing the project from a five-year funding period to a ten-year funding period since it will be quite some time before the third-floor will actually be needed; however, she acknowledged the possibility of using some of the space for the Public Defender's Office.
- b. **Fire Services / EMS / Emergency Management Project:** Ms. Holland informed the Board that Public Safety Director Allen McCullough will present more information regarding the Emergency Operations Center (EOC). She reminded the Board that it had been awarded the grant of \$950,000 for the building of the EOC; however, the issue to consider was the other funds that need to contribute to the EOC. She stated the Fire Fund would be a component, as well as the EMS Fund.
- c. **Information Systems Project:** Ms. Holland informed the Board there would be additional meetings Information Systems Director Russell Prince, that there have already been some meetings, and one of the recommendations was to update the computers on a seven-year replacement schedule instead of the previously approved five-year replacement schedule. Ms. Holland then spoke about the reasons for that recommendation.
- d. **Marshals' Department Project:** Ms. Holland stated there was no change with the Marshals' Department, and the only reason that the Marshals' project was slated for the future was because it is tied in with Fire and Emergency Services for radio replacement.
- e. **Recreation Department Projects:** Ms. Holland stated that the Recreation Departments' projects are other items that will need some Board direction. She recommended that the Board reduce some of the Kenwood Park funding, but she added that staff needed Board's direction on how it wanted to approach that issue. She continued that there are other cost heavy projects slated, and they would need the Board's direction on those as well.

The Board temporarily recessed at 6:03 p.m. and returned to the retreat meeting at 6:14 p.m.

- f. **Road Department Projects:** Ms. Holland stated that Public Works Director Phil Mallon needed priorities on how to address the issue of dirt roads, such as Trickum Creek Road, in Fayette County.

- g. **Sheriff's Office Project:** Ms. Holland that the Sheriff's projects were related to enhancements at the Justice Center, and that much of its momentum has been caused by the Judges. She stated that staff had met with some of the people from the Sheriff's Office earlier in the day and explained the process to them. She said the Sheriff's Office would provide additional information to be considered.
- h. **Stormwater Maintenance Projects:** Ms. Holland explained that some of the projects had been funded last year, but the information she provided contained remaining projects that could be funded in Fiscal Year 2013. She noted that a separate Utility Fund had been created, and would be tracked on a go-forward basis.
- i. **Water System Projects:** Ms. Holland explained that the big project for Water System is Lake McIntosh, and that future initiatives would include a water tower and a couple of changes at Quarter's Road. She told the Board that the timing for the projects may change depending on demand. County Administrator Jack Krakeel added that there was another major project, MIEEX, which is a \$10 million project. He explained how the projects would be funded.

Staff continued its discussion of proposed changes to the Capital Improvement Plan with the Board. Discussion occurred.

6) **Vehicle and Equipment Replacement**

Chief Financial Officer Mary Holland stated that staff would be recommending two vehicle replacements for the Marshals' Department, twenty vehicle replacements for the Sheriff's Office, and one vehicle replacement for Fire and Emergency Services. She added that the aggregate vehicle replacement was \$665,000; however, ancillary equipment would raise the cost. She explained that the Vehicle Replacement Fund has a current \$9.5 million, and that the County has been paying down the Certificates of Participation, and the County has a current debt of \$1.3 million of the original \$5 million. Concerning equipment, Ms. Holland stated that discussions are continuing with the Public Works Department, but there were no finalized recommendations at the time. Discussion occurred.

7) **Investment Earnings Update**

Chief Financial Officer Mary Holland noted that the County's Investment Earnings, since 2007, had experienced a downturn with a big hit in 2009 and 2010. She asked the Board to recall that staff came to it with an opportunity to engage in an investment advisor, and the Board approved the execution of a contract with Cutwater. She said, based on that approved recommendation, she was happy to announce that the County went from \$371,000 up to \$519,000, or a 37% increase. She continued that even though the amount is way below where the County wants to be, if the County had not entered into an agreement with Cutwater, it would have ended up with \$81,000.

8) **Fiscal Year 2013 Budget Calendar**

Chief Financial Officer Mary Holland presented the proposed budget calendar for Fiscal Year 2013 and explained its significance. She urged the Board to work with Executive Assistant Carol Chandler in order to finalize dates for the Commissioners' Budget Workshop meetings. Discussion followed.

9) Fiscal Year 2013 Budget Policy

Chief Financial Officer Mary Holland presented the proposed Fiscal Year 2012 Budget Policy to the Board. She reminded the Board that the budget process was starting a month earlier than it typically does, that additional time would be spent for analytical review, and she explained the recommendations to the Board.

The Board consented to place the Fiscal Year 2013 Budget Calendar and Budget Policy on an upcoming agenda for formal approval.

Employee Healthcare Discussion

County Administrator Jack Krakeel informed the Board that he had one additional item to discuss with the Board saying that within the next couple of weeks, at a Thursday night meeting, the Board would be asked to make a decision about county employees' healthcare. He explained that staff had conducted a "fairly exhaustive analysis" of its healthcare plan and there are recommendations forthcoming. He also explained the purposes for the upcoming request. Discussion followed.

The Board took no formal action at any of the topics under discussion.

Adjournment

Commissioner Brown moved to adjourn the February 1, 2012 Retreat Meeting. Commissioner McCarty seconded the motion. No discussion followed. The motion passed unanimously.

The Board of Commissioners adjourned from its February 1, 2012 Retreat Meeting at 6:58 p.m.

Floyd L. Jones, Chief Deputy Clerk

Herbert E. Frady, Chairman