

BUDGET COMMITTEE

June 27, 2013

5:15 PM

PRESENT: William Armstrong, Charlie Bayless, Tom Bowers, Nancy Brown, Steve Chambers, Lawrence Hodge, and Harry Sisk.

The meeting was called back to order by Harry Sisk.

Quorum present.

Harry Sisk said the Committee will continue to work toward completing a budget. William Armstrong asked what the tax rate would be to fund the budget as presented. Finance Director Ingrid Deloach said it would take approximately 17¢ to balance the General Fund. Mrs. Deloach gave the committee a projection of the ending balances for each account in the General Fund. Charlie Bayless asked if it would be better to borrow money instead of increasing taxes. Ingrid Deloach said she is totally against borrowing money to operate on. William Armstrong said he does not see any place to cut the budget. Motion was made by William Armstrong to adopt a 17¢ property tax increase to the General Fund. Motion failed to get a second.

Harry Sisk asked the committee what they want to do with the 15¢ put into Debt Service. William Armstrong said that has already been voted on. Ingrid Deloach stated with the additional 15¢ in Debt Service the fund will still not be balanced for the 2013-2014 year. However with the notes for the Animal Shelter and Cloudland coming off, Debt Service will be balanced the following year. Charlie Bayless stated the total assessed property value has increased. Ingrid Deloach said that is where the \$628 increase on a penny came from.

Finance Director Ingrid Deloach stated General Fund Balance cannot take a hit again next fiscal year. She said Fund Balance is getting critically low and General Fund must be balanced. John Lewis asked if there was six million dollars in Debt Service. Mrs. Deloach said over two million dollars each year is coming out of fund balance in Debt Service which currently has approximately 4.8 million. Tom Bowers asked how much comes out of Debt Service each year. Ingrid Deloach said 3.254 million dollars is estimated to come out of Debt Service. William Armstrong stated any way you look at it taxes are going to have to be raised.

Lawrence Hodge asked how much a 32¢ tax increase would be on a \$100,000 house. Ingrid Deloach said that would be an \$80 annual increase. Harry Sisk said the Committee could consider increasing property taxes by 17¢ now and look at balancing Debt Service next year. Ingrid Deloach said if there is a disaster like a flood the County does not have a fund balance to cover those expenses.

Tom Bowers asked if every office cut the equivalent of all of other charges and half of travel. Ingrid Deloach said there have been no changes since the Budget Committee last met, some office holders cut as requested while a few did not. Mrs. Deloach said it was her opinion that cutting out all of other charges and half of travel was not fair. The cut resulted in some offices having to absorb a much larger decrease than others. Tom Bowers asked what the average percentage cut was. Ingrid Deloach said the average over all cut was 1.53%. Tom Bowers asked if the Election

Office made any cuts other than the standard reduction due to it not being an election year. Mrs. Deloach said no they did not cut the equivalent of half of travel and all of other charges.

Motion was made by Tom Bowers with a second from Lawrence Hodge to reduce the requested budget of the Elections Office by 1.5% for a reduction of \$4,300. William Armstrong asked if the other officeholders are reducing their budgets by the same amount. Ingrid Deloach said some offices have made larger cuts while others have not cut at all. William Armstrong asked why the Committee is reducing the Election Office's budget. Tom Bowers stated it was the first office he thought of that has not made cuts. Harry Sisk said some offices have made cuts well above 1.5%. A voice roll call on the motion was as follows:

William Armstrong	No	Steve Chambers	Aye
Charlie Bayless	No	Lawrence Hodge	No
Tom Bowers	Aye	Scott Sams	Absent
Nancy Brown	Aye	Harry Sisk	No

Three ayes, four no and one absent. Motion failed.

Steve Chambers asked how much a 27¢ increase would be on a \$100,000 home. Ingrid Deloach said it would be a \$67.50 per year increase.

Motion was made by Steve Chambers with a second from Tom Bowers to add 10¢ to Debt Service and 17¢ to the General Fund for a total 27¢ increase on the property tax rate. William Armstrong said it has already been approved to add 15¢ to Debt Service. A voice roll call was as follows:

William Armstrong	No	Steve Chambers	Aye
Charlie Bayless	No	Lawrence Hodge	Aye
Tom Bowers	Aye	Scott Sams	Absent
Nancy Brown	No	Harry Sisk	Aye

Four ayes, three no, one absent. Motion failed.

Finance Director Ingrid Deloach said the Committee is to the point to where something has to be decided if a budget is going to be approved in the July Commission Meeting. Mrs. Deloach reminded the Committee she has to give 10 days notice for a public hearing on the tax rate. She also told the Committee the Financial Management Act of 1981 says a budget shall be approved in the July Commission Meeting. Charlie Bayless asked what will happen if a budget is not approved during the July meeting. Ingrid Deloach said the State can withhold funding. Mrs. Deloach asked the Committee if they do not finalize a budget tonight that they give her some direction as to where to go from here. Harry Sisk said nobody likes to think about raising taxes but the County is facing a crisis. Mr. Sisk stated the Committee needs to come together to develop a budget and tax rate that will pass Commission. John Lewis said there are people in his district who cannot afford a tax increase.

Motion was made by Tom Bowers with a second from Steve Chambers to add 10¢ to Debt Service and 16¢ to the General Fund for a total 26¢ increase on the property tax rate. A voice roll call was as follows:

William Armstrong	No	Steve Chambers	Aye
Charlie Bayless	No	Lawrence Hodge	Aye
Tom Bowers	Aye	Scott Sams	Absent
Nancy Brown	No	Harry Sisk	Aye

Four ayes, three no, one absent. Motion failed.

Motion was made by William Armstrong with a second from Lawrence Hodge to add 17¢ to the General Fund for a total 32¢ increase on the property tax rate. A voice roll call was as follows:

William Armstrong	Aye	Steve Chambers	Aye
Charlie Bayless	No	Lawrence Hodge	Aye
Tom Bowers	Aye	Scott Sams	Absent
Nancy Brown	No	Harry Sisk	Aye

Five ayes, two no, one absent. Motion carried.

Harry Sisk discussed revisiting the amount put into Debt Service to minimize the tax increase. Finance Director Ingrid Deloach asked the Committee to vote on a tax rate.

Motion was made by William Armstrong with a second from Tom Bowers to approve a property tax rate of \$2.47. A voice roll call was as follows:

William Armstrong	Aye	Steve Chambers	No
Charlie Bayless	No	Lawrence Hodge	Aye
Tom Bowers	Aye	Scott Sams	Absent
Nancy Brown	No	Harry Sisk	Aye

Four ayes, three no, one absent. Motion failed.

Nancy Brown said she wondered if the officeholders would help the Committee by making more cuts to their budgets. Ingrid Deloach said she feels some officeholders would be glad to while others are already at bare bones and some will not change their stance. Nancy Brown said she thinks many people would rather have fewer services than a tax increase. Tom Bowers said he is at a loss because the Committee cannot get a majority vote to increase taxes or a majority vote to cut services.

Motion was made by Lawrence Hodge with a second from Steve Chambers to cut 5% off 2012-2013 funding from all budgets. Harry Sisk said this motion would result in approximately 8.5¢ needed to balance the General Fund.

A voice roll call was as follows:

William Armstrong	Aye	Steve Chambers	Aye
Charlie Bayless	Aye	Lawrence Hodge	Aye
Tom Bowers	Aye	Scott Sams	Absent
Nancy Brown	No	Harry Sisk	Aye

Six ayes, one no, one absent. Motion carried.

Finance Director Ingrid DeLoach said all budgets will need to be re-worked. She asked the Committee to schedule a meeting for the following week to allow time to come up with exact figures. Mrs. DeLoach said the public hearing can be before the July Commission Meeting.

Harry Sisk said the Budget Committee will recess until Tuesday July 2, 2013 at 5:15 PM.

Respectfully submitted,

Christa Byrd

Harry Sisk, Approved for File