

July 29, 2008

**CALLED MEETING  
FLOYD COUNTY BOARD OF COMMISSIONERS  
July 29, 2008                      12:00 P.M.**

**PRESENT:**                      Chairman Jerry Jennings, Commissioners Eddie Lumsden, John Mayes, and Chad Whitefield.

**OTHERS**

**PRESENT:**                      County Attorney Virginia Harman, Deputy Clerk Jaime Foster, County Manager Kevin Poe, and Assistant Manager Blaine Williams.

**ABSENT:**                      Commissioner Garry Fricks.

**CALL TO ORDER:** Chairman Jennings called the meeting to order.

**INVOCATION:**                      Commissioner Lumsden led the Invocation.

**PLEDGE OF**

**ALLEGIANCE:**                      The Pledge of Allegiance was led by Chairman Jennings.

**PUBLIC HEARING TO RECEIVE COMMENTS  
REGARDING 2008 MILLAGE RATE:**

Chairman Jennings called for a motion to open the Public Hearing to receive comments regarding the 2008 Millage Rate. Commissioner Lumsden made a MOTION to open the Public Hearing. SECOND by Commissioner Mayes. VOTING:

YES

NO

Commissioner Lumsden

"                      Mayes

"                      Whitefield

Chairman Jennings

Motion Carried

Chairman Jennings asked County Manager Poe to review the proposed 2008 Millage Rate. County Manager Poe stated the current M&O Millage Rate is 8.100, and the proposed advertised Millage Rate is 8.95. He stated Fire and Solid Waste rates are advertised to remain the same. He presented a history of the Millage Rate going back to 1996, showing a peak at the highest in 1998, and has steadily gone down since.

Chairman Jennings asked if there is anyone wishing to speak regarding the Millage Rate.

**Roger Wade, 210 Broad Street**, stated for the last 5, 6, or 7 months he has experienced his business revenue on a downward trend. He stated that is where we are as a nation, as a county, and as a community. To abate that problem he has taken steps to reduce his costs of operation. He stated he has put off purchases that they might have made in better times. He stated he knows that the Commission has a tough job to do here, but he feels they are taking a step in the wrong direction by increasing the Millage Rate, or directly increasing the taxes. It is going to solve a short-term problem, but it is not going to resolve the next two or three years of continuing declining of our general economy. He stated he would like for them to reconsider that increase, and try to come up with those funds from cutting other places. He thanked the Board.

**John Massey, 24 Devonshire Drive**, stated he was kind of dismayed the other morning when he read the paper and thought that they were going to have a Millage increase to cover a shortfall of income for the county budget. He stated he understands the shortfall, and he understands probably why it is there, for lack of tax revenue. He stated but in a business as is Mr. Wade and himself, Commissioner Whitefield and Commissioner Mayes, we know if there is a downfall in income, you do not increase your staff or raise your prices to compensate. He stated basically what he sees us doing as a county is we have a shortfall of income so we are simply going to charge more to the people that are paying to make up for that shortfall. He stated he knows we have a reserve fund, which he understands is for a rainy day occasion, and to him this is a rainy day occasion. He stated he thinks we need to look at what we have on hand, use those funds as necessary, and also tighten our belt to the county to quit spending quite so much money. To cut back where we can until the economy and the revenue picks up. He stated then we can afford to move on with the things that we want to do and the things that need to be done. He thinks they made a good choice through the city and the county to increase the wages of the public servants recently. He stated he thinks that is very important to have the proper people protecting us, maintaining our fire departments, that sort of thing and those people certainly deserve it. He stated on the other hand there are areas in the government that can be cut back to make up for the shortfall in income rather than raising the prices to what is left. He stated to him it is an upside down way of doing business and he would like to see us take another approach. He thanked the Board for their time.

**Jerry Grissom, 4460 Blacks Bluff Road**, stated he would like to ask them all first why can we not have these hearings in the afternoon when the working people might be here to see what is going on. He stated he is retired so he is taking an interest in what is happening and that is the reason he is here, but so many working people who are working hard to pay taxes cannot be here if they are working. He stated he knows that does not have anything to do with this, but he is asking why they cannot have the meetings when their constituents can be here to view what is going on and voice their opinions. He stated he agrees with Mr. Wade and Mr. Massey. He stated when he runs out of money at home he has to cut back. He cannot just keep spending money. He stated he cannot go to the well to get more money because it is not there. He stated there is a cost that is involved with

people on fixed incomes like him, and it is going to be very difficult. He asked them as representatives of the taxpayers he hopes they vote that way. He thanked the Board.

Chairman Jennings noted that this is the third Public Hearing in regards to the Millage Rate. He stated one of those was held at 6:00 p.m. a week ago. He stated if they are contemplating raising the Millage Rate they are required to hold three Public Hearings, and they did hold one at 6:00 p.m. He stated they have advertised to make sure people had a chance to speak. Mr. Grissom stated that is his fault. He did not know that it was available and this was the first time he read it in the paper. He thanked the Board again.

Chairman Jennings asked if there is anyone else wishing to speak in regards to the Millage Rate. Seeing none, Commissioner Mayes made a MOTION to close the Public Hearing. SECOND by Commissioner Lumsden. VOTING:

YES

NO

Commissioner Lumsden

" Mayes

" Whitefield

Chairman Jennings

Motion Carried

Chairman Jennings stated the Public Hearing is closed. County Manager Poe stated that we are looking at an overall reduction of revenue of about \$900,000.00, compared to the original approved budget. He stated we are looking at revising the budget to cut at least \$650,000.00 of expenditures. He stated if they went the full .895 increase, their total revenue reduction would probably be around half a million dollars. He stated they have gone back into the budget and are making expenditure cuts. He stated currently they are at a net of \$658,000.00 in cuts. He stated they have included all of the salary adjustments that were approved at the last meeting. He stated they have had to make adjustments for gas, oil, and utility costs, which have gone up. He stated when you take all of the increases to the expenditures, as well as the decreases, they have come out with a net reduction of \$658,000.00. Chairman Jennings so he has sharpened that pencil and attempted to find places that they could cut. County Manager Poe stated right, and they will continue to look at the budget to see if there is anywhere else to cut going forward, and then they will present them a revised budget. He stated so far they feel comfortable with the \$658,000.00.

Chairman Jennings asked have we had to dip into our reserves in order to cover our costs until property taxes come in November. County Manager Poe stated we have used all of it. He stated now what they do is take fund balance from other funds. He stated this time of year is when we really have a cash flow crunch, because they will not get property taxes coming in for a couple more months. He stated right now we are probably dipping into funds other than the General Funds fund balance. Chairman Jennings stated by doing that it keeps us from borrowing money through tax anticipation notes where there is an interest rate and other costs associated with it in order to maintain our services

until taxes come in. County Manager Poe stated our goal has been to continue to try to make sure we cash flow the whole operation so we do not have to borrow any money.

Commissioner Whitefield stated he serves on the Administrative & Finance Committee and we look at the county's budget and financial condition on a monthly basis and evaluate it. He stated times have been getting lean for quite some time. They have been working hard to try to save money wherever possible. He stated all department heads have chipped in and done a good job. We came in substantially under budget last year, and are doing good controlling expenses this year. He stated we have a Public Safety Plan now that is going to guarantee that we have the best and finest Public Safety folks out there, and they are not going to leave us for other counties. He stated we have also made sure that Floyd County associates are fairly compensated, and do not leave for other private sector jobs. This will have a long-term economic benefit by savings in experience and training. He stated at the same time that they have dealt with some of those issues they have dealt with cost increases that they cannot do anything about. They have gone back and evaluated the situation to cut as much as they could without limiting services. He stated we are trimming back on capital, on paving, and asking each department manager to find anything that they can cut from their budget. He stated based on that, we still find ourselves in a difficult situation. He stated the County Manager recommended an increase of .895 on the Millage Rate, which would cover all of our increased costs, and at the same time, it would allow us refurbish our reserve fund. We do have a fund, but we do not have a fund balance any longer. He stated we have enough money to pay our operations through the majority of the year, and then we have to juggle money just like our households do. He stated if we run out of money in our checking account, we go get money from savings account, and different accounts to make ends meet. He stated we have done that, and we are at a point where we do not have a whole lot of choice. Being in private business, he has looked at this hard, struggled many hours over this, and does not see any other avenue than an increase. He stated he does however have an alternate recommendation versus the .895, as he believes there are additional cuts that they can evaluate and monies that we can save.

Commissioner Whitefield made a MOTION to increase the Millage Rate on the County M&O from 8.10 to 8.767, which would be a .67 overall Millage increase. SECOND by Commissioner Mayes.

County Manager Poe stated he would also like to mention that on the revenue side they are seeing a lot of different line items that they do not have any control over. He stated Local Option Sales Tax is looking to be \$250,000 less than we projected. He stated things like Clerk of Court recording fees are \$100,000.00 less than projected. Boarding inmates is \$200,000.00 less, and Magistrate Court fees are \$85,000.00 less, so it is not all on the expenditure side. He stated it is a lot of our sources of revenue are not there now, that have been there in the past that they are having to take into consideration.  
VOTING:

YES

NO

Commissioner Lumsden

" Mayes  
" Whitefield  
Chairman Jennings

Motion Carried

**ADOPT RESOLUTION SETTING 2008 MILLAGE RATE  
FOR FLOYD COUNTY BOARD OF EDUCATION M&O  
AND FLOYD COUNTY GOVERNMENT M&O, FIRE  
PROTECTION AND SOLID WASTE:**

County Manager Poe stated the Resolution sets the 2008 tax levy for the Floyd County Schools at 18.588 mills, as set by the Floyd County Board of Education, Floyd County Maintenance and Operations at 8.767 mills, Floyd County Fire Protection at 1.669 mills, and Solid Waste at .664 mills.

Commissioner Whitefield made a MOTION to adopt the Resolution setting the 2008 Millage Rate for Floyd County Board of Education M&O and Floyd County Government M&O, Fire Protection and Solid Waste as presented. SECOND by Commissioner Lumsden. VOTING:

	YES	NO
Commissioner Lumsden		
" Mayes		
" Whitefield		
Chairman Jennings		

Motion Carried

**RECOMMEND STREET LIGHTING ASSESSMENT  
FOR 2008 TAX YEAR:**

Chairman Jennings called for a motion to regarding the Street Lighting Assessment. Commissioner Lumsden made a MOTION to approve the Street Lighting Assessment at \$.42 per foot. SECOND by Commissioner Mayes. VOTING:

	YES	NO
Commissioner Lumsden		
" Mayes		
" Whitefield		
Chairman Jennings		

Motion Carried

ADJOURNMENT:

There being no further business to come before the Board, MOTION was made by Commissioner Mayes, SECOND by Commissioner Lumsden, that the meeting be adjourned. VOTING:

YES

NO

Commissioner Lumsden

" Mayes

" Whitefield

Chairman Jennings

Motion Carried

**FLOYD COUNTY BOARD OF  
COMMISSIONERS**

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**JERRY JENNINGS, CHAIRMAN**