

BUDGET COMMITTEE

July 2, 2013

5:15 PM

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

The meeting was called back to order by Harry Sisk.

Quorum present.

Finance Director Ingrid Deloach showed the percentage of cuts each office has made. She also presented the estimated yearend balance for each account. Mrs. Deloach went over each department's budget in detail; most budgets were reduced by 5%. She cautioned the Committee on cutting the budget for legal services. County Trustee Randal Lewis said to cut his budget 5% he will not be sending out tax notices. Mr. Lewis said tax notices are not required to be sent out but rather they are sent as a courtesy. Randal Lewis also stated he feels sending out tax notices results in a much higher property tax collection rate. Lawrence Hodge asked how many employees there are in the Trustee's Office. Randal Lewis said he has four full-time employees and one part-time. Tom Bowers said the requested 5% cut is less than the estimated yearend balance for the Trustee's budget. If the Circuit Court Clerk's budget is reduced by 5% they will be forced to discontinue passport services. General Sessions Court's budget was not reduced by 5%. Judge Walton said the only place he could cut his budget would be to make his one employee part-time. The 5% cut to Judicial Commissioners' budget will prohibit them from going to a mandatory conference.

Sheriff Mathes stated he does not know where to cut his budget without cutting services. Chief Ron Street discussed the impact of potential cuts. Sheriff Mathes said 2012-2013 funding is the least he can operate on. Nancy Brown asked how the jail garden is doing this year. Sheriff Mathes said the garden is doing very well and has saved the County a lot of money. Chief Ron Street discussed the legal obligations of maintaining a jail. Steve Chambers asked how much more money the Sheriff's Department needs to operate on for fiscal year 2013-2014. Sheriff Mathes stated he needs an additional \$7,074.95 for Patrol and \$67,367.44 for the Jail budget. Juvenile Services cut their budget by reducing the line item for housing of detained juveniles. Ingrid Deloach told the committee housing of juveniles is required and will have to come out of fund balance if the line item cannot cover the costs.

Health Department Director Caroline Hurt discussed the Health Department's budget. Ms. Hurt stated the State reimburses many of her expenses however she has to have enough cash on hand to cover those costs prior to reimbursement. Caroline Hurt said her budget has not increased in ten years. Ms. Hurt is requesting that the Health Department's budget not be reduced. Finance Director Ingrid Deloach told the Committee if they cut all budgets by 5% they will not be giving the additional \$20,000 transfer to Solid Waste but will also be reducing the transfer by 5%. Mrs. Deloach said with the budgets as presented it would take 15¢ to balance the General Fund. She

reminded the committee the 15¢ to balance includes cuts to the juvenile detention contract, not sending out tax notices and several offices reducing salary line items.

Steve Chambers said he appreciates the officeholders who told the committee what a 5% cut would do to their operations. Mr. Chambers said he can see that some offices cannot cut and maintain the same level of services. Harry Sisk said it is the responsibility of the Budget Committee to present a budget that has the potential to be approved by the full Commission. Nancy Brown said she thinks the Highway Department and the School Department could cut their budgets. Harry Sisk said he feels cutting the School Department's budget would cause issues with maintenance of effort. Director of Schools Dr. Kevin Ward discussed the cuts made to present a balanced budget. Dr. Ward stated he does not know where else the School Department could cut to further reduce their budget. He also stated Cater County Schools is the lowest paying school system in the area.

Tom Bowers asked how much is in fund balance. Ingrid Deloach said there was \$2.4 million at the beginning of 2012-2013; the county has taken out \$116,000 for various expenditures. The County reserves \$1 million for cash flow purposes and \$370,000 for emergencies. Mrs. Deloach added approximately 1.1 million dollars will have to come out of fund balance to cover the gap in expenditures and revenue for fiscal year 2012-2013. Mrs. Deloach added there would not be enough left in fund balance to reserve \$1 million for cash flow purposes and \$370,000 for emergencies. Lawrence Hodge asked if the County could get by without putting anything into Debt Service. Ingrid Deloach said Debt Service can get by without an increase. However, it will be at a critical level next year.

Motion was made by Steve Chambers with a second from Lawrence Hodge to add 15¢ to the General Fund and 5¢ to Debt Service for a total tax rate of \$2.35. Finance Director Ingrid Deloach reminded the Committee that this motion will fund budgets as presented with no tax notices being sent out. Tom Bowers said the decision to not send out tax notices was made by the officeholder. Ingrid Deloach went over purposed allocations to outside agencies. A voice roll call was as follows:

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

Four ayes, four no. Motion failed.

Motion was made by William Armstrong with a second from Steve Chambers to add 15¢ to the General Fund and 15¢ to Debt Service for a total tax rate of \$2.45.

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

Three ayes, five no. Motion failed.

Motion was made by Tom Bowers with a second from Steve Chambers to add 15¢ to the General Fund and 10¢ to Debt Service for a total tax rate of \$2.40.

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

Five ayes, two no and one pass. Motion carried.

A public hearing was set for July 15, 2013 at 8:00 AM immediately before the July Commission Meeting.

Motion was made by Scott Sams with a second from Lawrence Hodge to cancel the regularly scheduled Budget Committee meeting in July. Motion carried.

Adjourn.

Respectfully submitted,

Christa Byrd

Harry Sisk, Approved for File