Coweta County Board of Commissioners

Called Meeting/Work Session

Minutes

22 East Broad Street
Newnan, GA 30263
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Shannon Zerangue
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August 29, 2024 **9:00 AM** **Commission Chambers**
37 Perry Street
Newnan, GA 30263

Coweta County Board of Commissioners

Roll Call

Attendee Name	Title	Status
John Reidelbach	District 4 - Chairman	Present
Bill McKenzie	District 2 - Vice Chairman	Present
Paul Poole	District 1	Present
Bob Blackburn	District 3	Present
Al Smith	District 5	Present
Michael Fouts	County Administrator	Present
Kelly Mickle	Assistant County Administrator	Present
Sandy Wisenbaker	Assistant County Administrator	Present
Tod Handley	Public Works Administrator	Present
Nathan Lee	County Attorney	Absent
Shannon Zerangue	County Clerk	Present
Fran Collins	Deputy County Clerk	Present

The Honorable Board of Commissioners of Coweta County, Georgia met in Called Meeting/Work Session on Thursday, August 29, 2024 at 9:00 a.m.

Meeting Called to Order

Chairman Reidelbach called the meeting to order at 9:00 a.m.

Pledge of Allegiance

Chairman Reidelbach led the Pledge of Allegiance.

Invocation

Invocation was given by Commissioner Smith.

Regular Session

1. Discussion Regarding the Fiscal Year 2025 Budget

Administrator Fouts explained that staff has prepared a summary of proposed changes to the Fiscal Year 2025 budget following adoption of the millage rate by the Board on August 20, 2024. The millage rate adopted by the Board will not support the proposed $122 million FY 2025 budget originally prepared by staff. The millage rate adopted by the Board will generate approximately $3.7 million in property tax revenue over Fiscal Year 2024. He noted that the FY 2024 budget included the use of $1.9 million of the General Fund fund balance, and a number of positions were supported by the Board related to changes in the organization (jail expansion and addition of a third State Court judge). In order to balance the FY 2024 budget, these positions were funded for half a fiscal year. Therefore, the full value of salary and benefits for those positions will have to be realized in FY 2025. Subsequently, the majority of the $3.7 million property tax revenue anticipated to be generated in FY 2025 will be necessary to fund the FY 2024 personnel and the $1.9 million expenses previously funded by reserves. He explained that the millage rate adopted by the Board will support a $112 million budget; therefore, reductions are being proposed by staff in order to present a balanced budget to the Board for consideration at the Public Hearing scheduled on September 5, 2024, and final adoption on September 17, 2024. He further explained that a number of staff members, department directors, and elected officials were present to field any questions from the Board.

Administrator Fouts highlighted the following as some of the reductions from the originally proposed FY 2025 operating budget of $122,329,006 based upon feedback from department directors and elected officials when asked to identify cuts to their budgets. These reductions include items such as a 6% market adjustment, asphalt, personnel requests, capital projects (vehicles, mowers, flooring, radios and batteries, cleaning equipment, cameras, card readers/access controls, transport van, courtroom technology, etc.), appropriations to the District Attorney and Public Defender, contracted services, software, office supplies, janitorial supplies, uniforms, vacant positions, training/schools, maintenance contracts, dues/memberships, building repair/maintenance, special events, program services, part-time payroll, small office equipment, seminars/conferences, yards/grounds maintenance, one senior luncheon, service awards, food/groceries (jail and Commissioners), utilities (water service for the jail), subscriptions (professional manuals, educational books/journals), printing, postage, etc.). Staff is also proposing to use EMS Fund fund balance to reduce the required appropriations from the General Fund in FY 2025.

Proposed Budget Changes:	
Remove 6% Market Adjustment	($3,600,000)
Remove Asphalt	($2,000,000)
Remove FY25 Personnel Requests	($1,200,000)
Capital Appropriation Reduction	($887,329)
Remove Additional Judicial Supplement	($691,000)
EMS Fund Appropriation Reduction	($750,000)
Remove Vacant Positions	($436,759)
Pension Requirement Reduction	($227,856)
Road Department	($200,000)
Sheriff's Office - Jail	($124,867)
Juvenile	($101,300)
Community Development	($86,550)
E-911 Fund Appropriation Reduction	($77,995)
Ineligible Merit Savings	($75,000)
Finance	($55,000)
Courts	($52,500)
Community and Human Resources	($50,772)
Commissioners Office	($28,888)
Recreation	($29,850)
EMA	($25,860)
Tax Assessor	($22,395)
Tax Commissioner	($15,000)
Senior Services - Recreation	($7,000)
Administration	($6,800)
Development Authority Appropriation Reduction	($5,760)
Recreation	($5,000)
EMS Reductions	($5,000)
Adult Probation	($5,000)
Extension Office	($3,500)
Event Services	($2,500)
GIS	($2,350)

Administrator Fouts further explained that staff is also proposing reductions in the Fire Fund, EMS Fund, Solid Waste Fund, Airport Capital Fund, Development Authority appropriation, and SPLOST. Even with all the proposed reductions, approximately $75,000 is needed to balance the FY 2025 budget. Staff is seeking direction from the Board regarding additional budget cuts or changes in service.

During his presentation, Administrator Fouts fielded questions from Chairman Reidelbach regarding elimination of currently vacant budgeted positions from the proposed FY 2025 budget, explained the budget process regarding requests received from the various departments and what the budget team thinks can be financially supported, discussed reduced or eliminated capital requests, and the number of retirees and active employees in the Group Pension Plan. He also explained that the Sheriff has proposed funding his capital needs with 2019 SPLOST proceeds, and the District Attorney is considering moving some of his employees to County employees, which could result in savings based upon the cost of County versus State benefits.

Administrator Fouts noted that the Group Pension Plan includes a provision for an automatic Cost of Living Adjustment (COLA) for retirees. The minimum increase is 2.5% or a percentage that matches the Social Security Administration's increase. During the pandemic, SSA's COLA was 8-9%, and this year it is 3.2%. He suggested that the Board take this into consideration. If the County cannot afford to give active employees a salary adjustment, he's not sure that it is equitable to give the retirees an increase.

Assistant Administrator Mickle also explained that overtime and vacancies are budgeted together for public safety departments. Therefore, if budgeted vacancies are eliminated, the budget for overtime will have to be increased.

Magistrate Court Clerk Serena Coogler addressed the Board regarding the proposed removal of two (2) vacant budgeted positions from the Magistrate Court budget for FY 2025. She implored the Board to keep these two positions, explaining that since 1999, Magistrate Court has been functioning with five (5) Clerks. During COVID, the caseload decreased, so she did not see a need to fill these positions. However, with the increase in population, the caseload has also increased, and she has been actively trying to fill these positions which require specialty training that can be time-consuming and overwhelming. In 2023, their caseload was 11,000 cases, which includes warrants and civil cases. The Magistrate Court office is open five (5) days per week and there are times when the constables or judges have to help man the office (lunch breaks, vacations, sicknesses, etc.). She is confident that Magistrate Court has been doing "more with less", but now they are in a position where these employees are needed to continue their workload. She also noted that State Court and Superior Court have considerably more Clerks than the Magistrate Court. In closing, she explained that these positions are desperately needed to serve the public and process cases in a timely manner.

In response to a question from Commissioner Smith, Administrator Fouts explained that the proposed reduction associated with "water" in the Sheriff's Office budget is for utility service to the Sheriff's Office complex, including the new jail. This reduction is based upon the current usage trend for water service for the Sheriff's Office, but this is only an estimate because the new jail is not ready for use yet.

Sheriff's Office Accounting Associate Anthony Cox and Administrator Fouts fielded questions from Commissioner Smith and Commissioner Blackburn regarding training, explaining that the proposed reductions to their budget are based upon 2024 trends, and mandatory training has not been removed from the proposed FY 2025 budget.

In addition, Mr. Cox explained that food and groceries (offender meals) have been reduced based upon better pricing from the current vendor. However, the jail expansion has not opened yet, so the exact population (and needs) cannot be determined at this time.

Assistant Finance Director Amy Henson and Administrator Fouts fielded questions from Commissioner McKenzie and Commissioner Smith regarding elimination of an existing budgeting software platform and reduction of jury scripts (method of payment for jurors).

Administrator Fouts also explained that the Chief Judge of Superior Court recently indicated that the court is eligible for American Recovery Plan Act (ARPA) funds, and staff plans to include the jury fees as a part of the grant request.

Administrator Fouts fielded questions from Commissioner Smith and Commissioner McKenzie regarding the proposed reductions to the Commissioners' office budget.

In response to a question from Commissioner Blackburn, Administrator Fouts explained that the annual membership fee for the Association of County Commissioners of Georgia (ACCG) is approximately $20,000.

In response to questions from Commissioner Smith and Commissioner McKenzie, Parks and Recreation Director Jim Gay explained that a reduction for building repairs and maintenance at ten (10) of the County's parks/centers is being proposed. Further, staff will find creative ways to repair and maintain the facilities with the funds that have been budgeted for these items. The senior programs at the Welcome Community Center were previously reallocated to the Tommy Thompson Center and other centers that historically have more participation. In conclusion, he explained that the entire budget for Parks and Recreation is approximately $3.8 million.

In response to a question from Chairman Reidelbach, Administrator Fouts explained that the Welcome Community Center opened approximately ten (10) years ago. The adjacent park was redeveloped a couple of years ago and bathroom facilities were added.

Administrator Fouts explained that some items were added back to the proposed budget, including a software contract (CogAbility) for State Court that was approved in exchange for elimination of two (2) part-time State Court positions. The associated costs for these items offset each other, but are shown for transparency in the proposed budget.

In response to a question from Commissioner McKenize, Assistant Finance Director Henson explained that she had removed the vacant positions from State Court when preparing the workforce numbers, but during review of the line items, realized that the CogAbility contract had not been included in the proposed budget.

Administrator Fouts explained that the Drug Alcohol Treatment Education (DATE) fund is comprised of a fee that is charged for DUIs and is used to assist with funding for DUI Court, Drug Court, and items like the Sheriff's Office SAFE (Students Are For Education) program and ankle monitoring for Adult Probation. Annual DATE fund collections have been decreasing and can no longer assist in funding DUI Court as much as previously.

In response to a question from Commissioner McKenzie, Administrator Fouts explained that staff can update the summary previously provided to the Board regarding the costs associated with the operation of the Accountability Courts.

In response to a question from Commissioner Blackburn, Parks and Recreation Director Gay explained that beginning last year, three (3) senior luncheons were hosted by the County. Staff is proposing to eliminate one (1) luncheon in Fiscal Year 2025 to realize a savings of $5,000. Parks and Recreation is already committed to holding the winter luncheon, and will probably keep the spring luncheon but eliminate the one planned for the summer. He further explained that $5,000 covers the food, entertainment, decorations, etc.

Administrator Fouts explained that several years ago the Board adopted a policy for fitness reimbursements for employees. When an employee meets certain requirements, they are eligible for reimbursement of gym memberships and other fitness type expenses.

Administrator Fouts and Community and Human Resources (CHR) Director Patricia Palmer fielded a question from Commissioner Smith and Commissioner McKenzie regarding the eligibility requirements for employees to receive reimbursement.

Administrator Fouts continued his presentation, explaining that the County has an existing Intergovernmental Agreement (IGA) with the School System regarding School Resource Officers (SROs). The School System requested two (2) additional officers for Fiscal Year 2025 and those positions have not been eliminated from the proposed budget. He further explained that 65% of the associated salaries and benefits for the SROs is paid by the School System with the County funding the remaining 35%. In addition, the School System pays for the automobile and splits the cost for equipment with the County. When school is not in session, the SROs participate in training, pick up shifts in court services, warrants, and other areas, and provide support for the patrol division.

Administrator Fouts briefly reviewed additional staff that will be needed for State Court Probation, Solicitor General, and the Clerk of Superior Court. He also noted that the County contracted Juvenile Prosecutor will be transitioned to a County employee in the District Attorney's office, and highlighted state-mandated increases for certain elected officials.

Assistant Administrator Wisenbaker explained that Solicitor General Amy Godfrey was unable to attend the meeting for personal reasons. Ms. Godfrey is asking that the Board not eliminate the position that will be needed in her office because she will not have enough staff to man the courtroom that will be in operation when the third State Court Judge takes the bench. She further explained that State Court Probation will also need the positions being requested because of the addition of the third State Court Judge.

Administrator Fouts and Assistant Administrator Wisenbaker fielded a question from Commissioner McKenzie regarding how cases from Juvenile Court are processed.

Administrator Fouts also noted that the trend for FY 2025 is a reduction in Local Option Sales Tax (LOST) revenue and staff has taken this into consideration.

In response to a question from Commissioner Smith, Administrator Fouts explained that the total proposed FY 2025 budget presented for consideration by the Board during the millage rate discussions was $122.3 million. However, the millage rate adopted by the Board (4.688 mills) will only generate $3.7 million in revenue over FY 2024, thus supporting a budget of $112 million, so additional cuts had to be made to the budget. The proposed budget being presented includes additional cuts to date as provided by department directors and elected officials. Staff will continue to examine the budget for further cuts, but a balanced budget must be presented to the Board at the Public Hearing scheduled on Thursday, September 5, 2024.

Facilities Management Director Mike Johnson fielded a question from Commissioner Blackburn regarding energy-saving measures in the County's facilities.

In response to a question from Commissioner Smith, Administrator Fouts explained that even with the proposed budget cuts, $75,000 is still needed to balance the budget.

In response to questions from Chairman Reidelbach, Administrator Fouts explained that Assistant Finance Director Henson works with Community and Human Resources staff to export current payroll from the County's payroll system (ADP). This data is then compared to vacancies to ensure that funding is not lost for those positions. Deputy Chief Beck is working on possibly reclassifying some positions at the Sheriff's Office in FY 2025 depending on funding. Currently, there are 75 out of approximately 950 employees that will not receive the full value of their merit increase based upon the current pay scale. In addition to merit increases (in the original $122.3 million budget), staff proposed a 6% market adjustment and a revision to the pay scale to ensure there is room for those employees that have reached the top of their pay scale to receive an increase.

In response to a question from Commissioner Poole, Administrator Fouts explained that based on the staff's proposal, a full year market adjustment at 6% would cost $3.6 million.

Commissioner Poole explained that to retain good employees, pay raises are necessary and employees are the County's most valuable asset.

In response to a question from Commissioner McKenzie, Administrator Fouts explained that the $3.6 million market adjustment includes all employees. He also explained that the reclassification of positions at Fire Rescue has just been implemented. He suggested that the Board might consider a Cost-of-Living Adjustment (COLA) in lieu of a market adjustment and revising/increasing some of the existing fee schedules.

Deputy Chief Beck explained that it is easier to retain employees than to recruit them. In January 2025, there will be a mandated 20 weeks of training for a new law enforcement officer in the State of Georgia. Following that, additional training is required for patrol officers (12 weeks), detention officers (6 weeks), and investigators (4 weeks). Until a patrol officer has separated from that 32-week training period, that position is still considered a vacancy. It is important to public safety and the county to retain the staff they have. Since he last spoke to the Board, the Sheriff's Office has lost a Sergeant, a Deputy Sheriff, and a Detention Officer to other agencies for higher salaries. Employees are also very concerned about whether they will receive merit increases and COLAs. Entry level pay at a nearby city for a certified peace officer is approximately $1,000-$1,500 more than what the County offers, which is another concern.

Commissioner McKenzie noted that the 20 weeks of mandated training is funded by the State except for travel and salaries. Some employees leave because they wish to advance or are looking for higher pay.

In response to questions from Chairman Reidelbach, Finance Director Hans Wilson explained that at the end of last year, the General Fund fund balance was approximately $33 million and this year it will be reduced based upon planned uses.

Administrator Fouts explained that the Georgia Finance Officers Association (GFOA) recommends maintaining a General Fund fund balance of 15%-50% of the operating budget, depending on services provided by the local government.

Assistant Administrator Mickle explained that based on the schedule staff has compiled, along with anticipation of things such as transferring funds for the jail expansion, it is possible that the General Fund fund balance will drop to $26-$27 million, which will be around 25% of the operating budget.

Administrator Fouts noted that this also includes the sale of the Administration property.

Finance Director Hans Wilson explained that the General Fund fund balance is an area of concern related to rating agencies. Staff has worked very hard to earn an Aa1 credit rating from Moody’s. As the General Fund fund balance decreases, this rating is in jeopardy. Moody's is currently conducting their annual review with staff and will publish their report in the future. He does not expect a rating hit this year because it was based on last year's information. However, if the General Fund fund balance decreases to $27 million or less in the coming year, Moody's will likely lower the County's rating. This rating is very important because it affects the interest rates on borrowed money. Should the County need to borrow money in the future, the result may be higher interest rates resulting in higher costs. Although Aa3 and Aaa are still high-quality credit ratings, he is concerned about the perception of a lower credit rating.

Chairman Reidelbach explained that a 6% market adjustment is not feasible. However, a 3% COLA, combined with more budget cuts, and utilizing additional funds from the General Fund fund balance this year can be done.

Assistant Administrator Mickle reminded the Board that staff was planning to utilize between $1.3 to $1.5 million of health insurance reserves this year and following a recent meeting with the health insurance broker, staff discovered that the increase in health care is going to be more significant than expected. Because of this, approximately $2.1 million will need to be utilized from the health insurance reserves. Approximately $2 million was used from the General Fund fund balance last year with the anticipation that this would not be necessary in FY 2025. These are recurring costs and the more taken from the General Fund reserves creates a growing concern.

Commissioner Poole reiterated his feelings that employees should not be forced to take a cut, which is what the Board is doing. He also wants employees that have reached the top of their pay scale to be able to receive an increase. He believes that any employee that has stayed with the County and reached the top of their pay scale should not be punished for their loyalty.

EMA/911 Director Michael Terrell explained that last year he received an annual evaluation rating that merited a 4% salary increase. However, he only received a 2% increase because he is at the top of his pay scale. No matter what his annual evaluation rating is this year, he will not receive a pay increase unless the top of the pay scale is increased. He further explained that he is fortunate and is okay with not receiving a pay increase, but there are approximately seventy-five (75) or more employees who may not be as fortunate. There are currently several employees in his department that have 25–30 years of service with the County that are not ready to retire. A COLA or market adjustment will be a benefit for all County employees. He also expressed his belief that retention is important and that part-time employees should also be recognized with pay increases. He currently has one (1) budgeted vacancy and five (5) staff in training, which takes eight (8) months to complete and costs approximately $65,000 per employee. Unfortunately, the County is no longer attracting employees that are already certified because of the pay scale. In closing, he requested that any salary increases the Board considers apply to all County employees.

Administrator Fouts explained that staff has identified some additional capital savings and reductions across multiple departments, including roofing, vehicle replacements, HVAC units, etc. However, continued cuts to capital funding are concerning because of maintenance issues. In closing, he noted that based on the presentation from Environmental Management Director Matt Lovett at the July Work Session, staff is proposing a reduction to the Solid Waste compactor site program by closing the Selt Road site and reducing hours at the Hood Road and Welcome Road sites.

Assistant Administrator Mickle fielded questions from Chairman Reidelbach regarding the number of seasonal employees and/or poll workers that are necessary for elections annually and how they are compensated.

In response to a question from Commissioner Poole, Administrator Fouts explained that a Cost of Living Adjustment (in lieu of the proposed market adjustment) would cost approximately $1.4 million for a portion of the year beginning in January, but the challenge is finding the revenue to fund it at this point.

Administrator Mickle explained that staff proposed a 6% market adjustment in the original budget and were attempting to give both a merit and a market adjustment to County employees.

Administrator Fouts fielded a question from Commissioner Blackburn regarding whether the economy, consumer confidence, and overall market could have a positive effect on the the County's revenues.

Finance Director Wilson explained that for the last five (5) years, the County has experienced double-digit increases year-over-year in LOST revenue; however, this year it is on track for a 1% increase. In addition, the County does not receive the insurance premium tax for the current fiscal year until the middle of October. Each year, the insurance premium tax has to be budgeted based upon trends, and the trend over the past ten (10) years has been approximately 7% year-over-year. A flat insurance premium tax means the County would not realize an approximately $500,000 increase for FY 2025. Title Ad Valorem Tax (TAVT) is collected on vehicles and this trend has also decreased compared to the past few years. Lastly, interest rates are affecting mortgages, new homes, refinancing, etc., and the associated County revenues. Collections on these taxes and fees have decreased for a combined total of approximately $2 million over the last couple of years. Staff is trying to be as conservative as possible considering the weakening economy. Relying upon past trends, staff overestimated the collection of sales tax in 2024.

Administrator Fouts explained that the County has collected $700,000 to $800,000 less than anticipated this year. When added to the $1.9 million already planned to be utilized from the General Fund fund balance, that becomes $2.5 million needed from the Fund balance in FY 2024.

In response to a comment from Commissioner McKenzie, Mr. Wilson explained that any COLA would have to be funded from the Fund Balance, and Ms. Mickle explained that this information was provided by staff during the millage rate presentations.

Administrator Fouts explained that there is a good possibility that the statewide referendum regarding HB 581 will pass, which means the County will have to manage the impacts to the digest in addition to trying to balance the budget.

Commissioner McKenzie agreed with Commissioner Poole that the employees are the County's most valuable asset, and he wants to do whatever is necessary to ensure that all employees receive salary increases.

Both Commissioner McKenzie and Chairman Reidelbach stated that they have some ideas regarding the budget and reductions to be discussed outside the Work Session.

Chairman Reidelbach stated that he does not disagree that the County employees deserve a salary increase, but the Board has to be cognizant of others in the community that are facing the same inflationary issues.

Administrator Fouts explained that the cost for the services that the County provides has increased over time, just as all other costs have increased (food, fuel, vehicles, etc.). The County has absorbed as much as possible. Subsequently, the County will continue to lose good employees and struggle to attract quality employees if a solution is not reached.

Commissioner Poole stated that the County employees will be getting a double "cut" if they do not receive pay increases but still have to face inflation and the rising costs for their families.

Assistant Administrator Mickle noted that the reductions that have been proposed by the various Department Directors, in order to fund a merit increase, will make work harder for them as well.

Administrator Fouts explained that he appreciates the comments from Chairman Reidelbach and Commissioner McKenzie; however, staff is requesting direction from the Board regarding what areas of revenue they are willing to increase in order to prepare and present a balanced budget.

Chairman Reidelbach explained that he believes that salary increases could only be given to employees that earn less than $100,000 versus proving increases "across the board."

Administrator Fouts explained that it would be hard to draw that line and Commissioner Poole agreed. Administrator Fouts continued by explaining that arbitrary salary increases create issues with compression. In 2016, staff worked diligently to implement a classification and compensation study performed by an outside consultant (approved by the Board) to create a new pay scale, job descriptions, and a multi-year plan to address compression. It is not very encouraging to ask someone who has worked their way up from a line level employee to a supervisor to not expect any compensation for the promotion.

Commissioner McKenzie explained that the Board has received comments and emails from the public accusing them of being poor fiscal managers and suggesting that only law enforcement and firefighters should receive salary increases. He feels that every employee is important, and the Board has now got to work out a solution on how to take care of the employees based upon the millage rate that was adopted.

Fire Chief Robby Flanagan explained that he attended two of the millage rate hearings and heard many citizens say that the County needs to do more with less. He has worked with the County for 29 years and has been the Chief for the last three (3) years. Similar to comments from Deputy Chief Beck and EMA/911 Director Terrell, staff has always done more with less, been behind the curve, and competed to get employees. The relationship with all of his colleagues has been such that they all come together to help one another and the community. The relationship Coweta County has with the community is good too, although very negative things have been said. The community has expressed support for 911/EMA, Fire Rescue, and the Sheriff's Office, but what people do not understand is the involvement it takes from other departments. For example, Public Works staff is who his department contacts when a piece of equipment, barricades, or cones are needed. He works with CHR to recruit and onboard new employees, and payroll has to be involved. Finance staff assists with paying invoices, budgeting, and the department's financial operations. In his position as Fire Chief over the last three years, he has seen a severe increase in the cost of operations. He managed to keep his budget flat and lowered it for Fiscal Year 2025 by 3% (non-personnel budget). Fire Rescue tries to be competitive, but higher salaries are available from nearby municipalities/agencies. The COLA and the merit increase for all the employees is important because the County needs to show that they are appreciated. He does not believe that it is being shown when he is asked to make reductions in his budget at a time when he has twenty-six (26) open positions and his staff has to work mandatory overtime to keep stations open. The citizens that yelled and screamed at the millage rate hearings and said negative things about the employees are wrong. County employees work very hard, and it is time to do something right for them. In closing, he apologized for not saying something sooner at one of the millage rate hearings.

Chairman Reidelbach explained that the Board has to find a solution regarding the employees. Staff deals with these issues every day, and now they are asking the Board what they should do. He thinks that staff and the Board should work together as a team to figure it out.

In response to a question from Commissioner Smith, Finance Director Wilson explained that he does not know for a fact the County will take a hit to the credit rating if funds are taken from the General Fund fund balance. However, credit agencies will see a trend in its decline, begin to ask questions, and staff will have to provide a response. He addressed comments made by the public accusing the County of fiscal mismanagement and explained over the sixteen (16) years he has worked for the County, the entire County staff has worked together to go from an Aa3 to Aa1 credit rating with Moody's, which is not fiscal mismanagement. In addition, the County has had a clean audit every year which is also not indicative of fiscal mismanagement. Lastly, over the past twenty years, the millage rate has either been rolled back, held the same, or only been slightly increased.

Chairman Smith expressed his desire to prioritize the market adjustment for employees.

In response to a question from Commissioner Poole, Finance Director Wilson explained that the County is service based, and its biggest expenditure is for salary and benefits. In addition, the County is not only competing with nearby municipalities and counties, but also with Metro Atlanta. Coweta County is not immune to any of the economic woes experienced by all counties. The GFOA guidelines recommend maintaining a General Fund fund balance of 15%-50% of the operating budget, but it is the credit agencies the County has to please and when taking on debt it affects the basis points.

Assistant Administrator Mickle explained that it is not just a rating agency issue, it is a cash flow issue. The County has over a $100 million operating budget and those reserves are important to maintain operations throughout the year.

Commissioner Poole explained that the Board made a mistake by setting the millage rate too low, and everyone on the Board knew the funding that was needed before the angry citizens showed up and spoke.

Administrator Fouts explained that in regard to the market adjustment and COLA, staff needs clear direction in order to present a balanced budget to the Board within the next week.

Commissioner Smith explained that he supports the market adjustment at the expense of the General Fund fund balance in order to keep employee morale high.

In response to a question from Chairman Reidelbach, Administrator Fouts explained that staff presented several millage rate options for consideration by the Board during the Called Meeting/Work Session held on July 17, 2024.

Assistant Administrator Mickle explained that the proposed market adjustment was reduced from the original 6% to 5% and for only 9 months of FY 2025 in order to reduce the millage rate to 5.35 mills based upon discussions with the Commissioners.

In response to a request from Chairman Reidelbach, Administrator Fouts explained that it is somewhat difficult for Finance staff to run multiple scenarios and illustrate the impact throughout the entire budget.

In response to a question from Chairman Reidelbach, Administrator Fouts explained that a 5% market adjustment for nine (9) months would cost approximately $2.25 million.

Administrator Fouts explained that in addition to the market adjustment, staff will present a change to the pay scale to accommodate those employees that may reach the maximum on the current pay scale.

In response to a question from Administrator Fouts regarding all the changes presented by staff for consideration by the Board to reduce the Fiscal Year budget (other than elimination of salary increases), the Board members responded that they have no objections or changes to the information presented at this meeting.

It was the consensus of the Board to instruct staff to provide a 5% market adjustment for all employees beginning in January 2025, including an update to the pay scale for all employees to be funded from the General Fund fund balance for Fiscal Year 2025.

Chairman Reidelbach explained that he wanted to express publicly that County staff is topnotch and has always been good stewards of the taxpayers' money and the County's budget.

Administrator Fouts explained that all the changes as discussed today will be implemented to present a balanced budget for consideration by the Board, including utilizing General Fund fund balance to cover any shortfall/difference, as directed by the Board.

Adjournment

Motion to: **Adjourn**

The Board voted to adjourn the meeting.

RESULT: Passed (UNANIMOUS)
MOVER: Alphonso Smith
SECONDER: Bob Blackburn
AYES: John Reidelbach, Bill McKenzie, Paul Poole, Bob Blackburn, Alphonso Smith