

MINUTES
ADMINISTRATIVE
PUBLIC HEARING
IN-PERSON & ZOOM
THURSDAY, SEPTEMBER 24, 2020

Members Present:

Mayor Steve Lawrence-zoom

Staff:

Brandon Douglas
Beverly Ragland
Lindsey Williams
Tara Benson
Greg Lovell
Steve Roper
Rachael Childers-zoom
Jasper City Hall Lobby-zoom

Guests in Attendance:

Bear Paw – zoom
S. Coleman-zoom
Lorrie Waters - zoom

Members Absent:

Dr. Sonny Proctor
Kirk Raffield
John Foust
Anne Sneve
Jim Looney

Legal Counsel:

R. David Syfan-zoom

Press:

Mari Livsey - KnowPickens
Dan Pool - Pickens Progress

City Manager Brandon Douglas called the administrative public hearing to order at 9:02 AM. This is the first of three public hearings as required through the Official Code of Georgia regarding millage rate. The administrative hearing is held by administrative staff of the City of Jasper. Introductions were made of staff present, City Manager Brandon Douglas, Finance Director/City Clerk Beverly Ragland, Assistant Finance Director Lindsey Williams. In the audience were Police Chief Greg Lovell, Fire Chief Steve Roper and Dan Peel from the Pickens Progress. The meeting is a hybrid meeting with hyperlink provided on the agenda. After determining there were no viewers in the zoom waiting room and no viewers in the lobby, the hearing began.

Administrative hearings are required of local or municipal governments when the rollback rate is not used when taxes are calculated from the tax digest. This is an opportunity to hear staff points relative to the millage rate and why staff is not recommending using the rollback rate. There will be a 6:00 PM tonight as well at City Hall and on zoom with a different URL that is shown on the agenda for that hearing.

At the September 14, 2020 regular council meeting, council did approve the recommendation to advertise a millage rate of 6.780 mills. This indicates an increase in property taxes collected so it was advertised as a property tax increase as required. The rollback rate is 4.345 mills and the current city millage rate is 4.655. A comparison was provided of the millage rates of Pickens County and the City of Jasper from 1990 to 2019. The city millage rate had a rollback or stayed the same for the last 20 years. The last time the city millage was raised was from 2000 to 2001.

There may be some questions about why staff is asking to increase the millage rate from 4.655 to 6.78. When staff (Finance and City Manager) met with department leaders, the preliminary 2021 budget with the same level of service resulted in a deficit of \$550,000. When you have a consistent increase in revenues of 2-2 ½% per year and an increase in expenditures of 3-5 1/2% per year, over time that is not a sustainable financial model. This administration recognizes the need to make corrective actions so the general fund can be a sustainable fund without receiving augmentation from other enterprise funds.

In 2019, revenues received by the general fund were \$4,443,306. This did not include a use of fund balance or interfund loans. The 2020 amended budget has estimated revenues at \$4,448,689. The projected 2021 budget has revenues at \$4,561,172. This is around a 2 ½% increase from 2020. Looking at expenditures, the 2020 amended budget is \$4,932,325 versus the estimated 2021 expenditures of \$5,106,492. That is a 3 ½% increase. Staff is going to continue working with numbers and getting with elected over the next couple of weeks to see how we can reduce expenditures more. You can see that a difference in the 2 ½% increase in revenue versus the 3 ½% increase in expenditures, over time, compounds and causes the gap that we are now experiencing.

In the general fund budget of approximately \$5 million dollars, 29% of the revenue received is from property tax. The other 70% is from other revenue that come in to help fund general fund services.

While property taxes and the millage rate are vital to the general fund and the success of the local government, they are roughly 30% of the total needed. The elected body has control over the millage rate but not the percentage of total revenue. There are still many unknowns in the 70%, especially during this pandemic.

By and large, most people are concerned about how this tax increase impacts them as a city resident paying city taxes. This does not apply to taxes or properties in unincorporated Pickens County or the school board taxes. The school tax and county tax are separate from the City of Jasper tax. A chart was provided to show the impact of the millage increase from the current 4.655 to 6.78 in an annual amount and a monthly amount. The range of property values provided with the proposed increase is from \$50,000 of value as provided by the Pickens County Tax Assessor's office to \$500,000. As an example, a house value of \$140,000 would pay an additional \$9.92 monthly in taxes. If your appraised value is \$250,000 (as determined by the County Tax Assessor's Office, not what the house down the street sold for) your monthly increase would be \$17.71 per month. Per month is given so those that escrow their taxes with their mortgage would see the potential change.

It is staff's goal to work with the elected officials to recommend and adopt a millage rate to present a balanced budget. We will conduct another hearing tonight and on October 5 at 5:30 by which time staff will attempt to identify ways to reduce the preliminary department budgets and provide that to the elected and committees. The budget for the City of Jasper is on a calendar year, January through December. The 2021 budget will be adopted December 7, 2020. The millage has to be adopted before the budget. A proposed tax increase is not something that anyone enjoys. The examples provided are an attempt to ease concerns about how much the tax increase is for city property owners. We cannot approve a millage rate above 6.78. When the initial recommendation was given to the elected, we used a rate that would fund the preliminary budget. The final approved rate could go down but it cannot be more.

A graph was provided to display the categories of expenditures in the general fund budget. The police department accounts for 32% and the Fire Department accounts for 25%. These are both services that provide a quality of life desirable for residents. These percentages have historically been the same percentages since 2015. This community has consistently been provided these services at a cost that has not grown in percentages of the general fund services. Both the Police and Fire Departments have a budget that is 84% and 85% personnel costs respectively. Any reduction would impact workforce. This millage rate does not provide funding for any changes in rates or raises for employees in 2021. We are looking at the general fund budget and what is required to continue services. A graph was provided to display the categories of revenues in the general fund budget, illustrating the 29% coming from property tax and 70% from other revenue sources.

The presentation of information was concluded at which time City Manager Douglas asked the Finance Director and Assistant Finance Director if they had anything to add that he might have missed and they did not. He then asked for public comment by participants in the audience and on zoom for their comments. He explained that it was not a discussion, rather an opportunity for the public to be heard and concerns taken to the elected. He continued that tonight's hearing would be the same format, no debate back and forth but comments taken and considered. Nobody in the audience or lobby wished to make a public comment. The zoom participants were unmuted and allowed to make comment, at which time nobody did.

With respect to no public comment, the public hearing was adjourned.



Steve Lawrence
Mayor



Beverly Ragland
Finance Director/City Clerk