



# DeKalb County Government

Manuel J. Maloof Center  
1300 Commerce Drive  
Decatur, Georgia 30030

## Minutes - Draft

### FAB-Finance, Audit & Budget Committee

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Tuesday, June 28, 2022

3:30 PM

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*This meeting will be conducted via teleconference (Zoom). Simultaneous public access to the meeting will be available*

*(1) via live stream on DCTV's webpage,*

*(2) on DCTVChannel23.TV*

Meeting Started At: 3:46PM

Attendees: Commissioners Rader, Cochran-Johnson, Johnson, Terry

**Present**      3 - Commissioner Jeff Rader, Commissioner Lorraine Cochran-Johnson, and Commissioner Larry Johnson

#### I. MINUTES

**2022-1817**      Commission District(s): ALL  
Minutes for the June 14, 2022 Finance, Audit, and Budget Committee

**MOTION was made by Lorraine Cochran-Johnson, seconded by Jeff Rader, that this agenda item be approved. The motion carried by the following vote:**

**Yes:** 2 - Commissioner Rader, and Commissioner Cochran-Johnson

**Not Present:** 1 - Commissioner Johnson

#### II. AGENDA ITEM

*New Agenda Items:*

[2022-1801](#) Commission District(s): All Commission Districts  
Request to accept Subgrant Award from the Criminal Justice Coordinating Council (CJCC) for Fiscal Year 2023 for the benefit of the Magistrate Court of DeKalb County's Misdemeanor Mental Health Court (MMHC) in the sum of \$42,990 with a county match of \$5,862.  
**This agenda item was no official recommendation**

-not heard in committee due to passage during the June 28, 2022 BOC meeting

[2022-1752](#) Commission District(s): All Districts  
Criminal Justice Coordinating Council Grant to the DeKalb County Adult Felony Drug Court-\$148,988.00  
**This agenda item was no official recommendation**

-not heard in committee due to passage during the June 28, 2022 BOC meeting

[2022-1753](#) Commission District(s): All Districts  
Criminal Justice Coordinating Council Grant to the DeKalb County Felony Mental Health Court-\$106,467.00  
**This agenda item was no official recommendation**

-not heard in committee due to passage during the June 28, 2022 BOC meeting

[2022-1754](#) Commission District(s): All Districts  
FY2023 Georgia Department of Behavioral Health and Developmental Disabilities (DBHDD) Grant By Way Of The Criminal Justice Coordinating Council (CJCC) to the DeKalb County Felony Drug Court - \$197,500.00  
**This agenda item was no official recommendation**

-not heard in committee due to passage during the June 28, 2022 BOC meeting

[2022-1837](#) Commission District(s): All Commission Districts  
A Resolution by the Governing Authority of DeKalb County, Georgia, to make Amendments to the County's Debt Management Policy  
**MOTION was made by Larry Johnson, seconded by Lorraine Cochran-Johnson, that this agenda item be recommended for deferral to the Board of Commissioners, due back on 7/12/2022. The motion carried by the following vote:**

**Yes: 3 - Commissioner Rader, Commissioner Cochran-Johnson, and Commissioner Johnson**

*-presentation provided by Central Staff*

*-Question LJ: are there stipulations for minority participation in this document?*

*-JR: that will be part of the normal course; in other words, here you are dealing with banks and firms delivering services. We will see the opportunity to address minority participation when it comes to selection of financial advisor. What this does is allow us to use a low cost means of replacing existing debt with a lower interest rate within a financial institution. It does not yield an opportunity for LSBE participation; even if minority owned they would not be scaled to fit the services needed here specifically.*

*-Question LJ: can we put something in here for the bonding company?*

*-JR: perhaps we could add a clause saying 'where respondents would meet the requirements of our LSBE program, that shall apply regarding LSBE's in the bonding industry.'*

*-LJ: It would be good to have 30-35% minority participation regarding those type of bond deals*

*-LCJ: I support the inclusion of underserved or marginalized communities in government contracting as it relates to minority participation. In theory it sounds good, but in practice many LSBE's are not receiving their fair share of contracts.*

*-LCJ: I think it's time we have the conversation in PECS - we use the term 'minority' but we are not truly committed; we are just using the term. If we have a minority participation clause or provision, it should be across the board. We should have a comprehensive policy that applies to all of our opportunities in DeKalb. With the LSBE program we have, even members of the LSBE program I've spoken with have given suggestion on ways to improve the program. We should determine whether we will use the term minority participation or whether we are a LSBE program.*

*-Question LCJ: to our Law department, are we allowed to have stipulations for minority participation in the County?*

*-V Ernestes: Commissioners, as you all know your LSBE ordinance is gender and race neutral; it applies to local and small businesses. In order to have a goal of some level of minority participation, the US Supreme Court years ago issued several rulings requiring a certain foundational basis and factional basis. So at this time, the County does not have such a policy; in order to have it, would require a study to be done, and it would have to conform with current legal precedence regarding those kinds of goals and minority participation. Commissioner Cochran-Johnson you are correct there is not a definition because there's not one in place. You could not put one in place without doing a requisite study. In other jurisdictions the studies took between 1-3 years to complete.*

*-V Ernestes: we have sent some changes and questions back to staff and the finance department yesterday. Expect another draft in the future; we are in the midst of reviewing as requested.*

### **III. STATUS UPDATE**

American Rescue Plan Report

-discussion not heard in committee

### **IV. DISCUSSION**

Millage Rate Resolution

-JR: with the EHOST reserves expected to rise substantially, that opens up the opportunity to more fully deploy those EHOST revenues to tax relief. What that would do is go beyond the relief on the countywide (general and hospital) millages, and would extend property tax relief to unincorporated taxes, whether the unincorporated fund, the special service district fund, fire fund, and police fund. Then on the other hand, the municipalities might see a credit against their municipal taxes. In that way we might realize a real reduction in the tax balance.

Z Williams: we can explore that with the Law department and such. I see where you're going Commissioner

-JR: we're going to need to decide whether we will commit more of these EHOST reserves to tax reduction and give our stakeholders a break. Given that time is short (prior to July 12th), I would be glad for you all to present on that and we convene a special called meeting and have you work with our Central Staff to accomplish that

Z Williams: we will reach out to them and see when is most appropriate next week

-LCJ: I want to caution us - it's not enough to say you're going to make an investment. People want to know how the investment will be articulated. As it relates to EHOST, everyone is discussing a rise in tax liability - if there is a way to use EHOST to mitigate. Also the education factor is very important here because there are also rising property values. Purchases in communities, revitalization are also causing people to wonder what are we doing regarding these changes in the housing market.

-Z Williams: tonight one of the key things that needs to be articulated is how the tax bill has been affected by the EHOST; we probably do have to do a better job of explaining what happens when they receive the general fund tax bill, and how it relates to the overall tax bill.

-JR: that's the first distinction that will need to be drawn. When they receive their overall tax bill, a sizable portion is coming from the School Board and is an unprotected levy. That knowledge has largely been lost on our stakeholders, so I hope that is something we can talk more about.

-TT: If Mr. Sigler could explain the senior tax exemption that we put in place, but it might be different than the school's exemption

-JR: please remember that all of these exemptions and assessment freeze are all acts of the legislature. These are not things that the Board of Commissioners can unilaterally accomplish. Mr. Sigler you may want to discuss the authority in which those credits against the tax bill are derived.

-TT: we need to take a hard look at the assessment system

-JR: the assessment system is state run and we have an assessment board. It would behoove us to garner a stronger relationship with that board to address some of the issues stated regarding that. In the next 2 weeks we will need to focus on the setting of millage rates and other budgetary concerns

-Question TT: are we still ants or are we grasshoppers? Are we still saving up that reserve for a major economic emergency? I would like more information on that philosophy. It's important to acknowledge that if we did the rollback rate, what would that actually mean? Does the reserve decrease or programs get cut?

-Z Williams: to your question of are we still ants - I would say most definitely. Costs of materials, labor, we are faced with, so we are trying our best to design this budget and see the same forecast that others are seeing regarding a potential economic recession. We're not looking at adding a lot of programs. I would say we are still budgeting conservatively.

-Z Williams: we will be showing how the tax dollar is allocated between the municipalities, school board, and the County. And we will show what the EHOST has done regarding tax relief for homesteaded tax payers.

-JR: my primary question is our ability to use the EHOST reserve to further increase the credit and let it go against the taxes that we are now paying. The state statute provides that should we fully offset the countywide levies, the EHOST can be applied to the sub-county levies. That would provide substantive relief to homesteaded owners. I'm going to advance an amendment to accomplish this.

-LCJ: motion to separate the amendments to the budget from the establishment of the millage rates, and the Commission continue to work on this issue of application of the EHOST reserve to potentially decrease the tax bill

Second JR

Vote: yes unanimous

-JR: the committee suggests that the Administration focus solely on millage rates going between now and the adoption, and then we also have to get to that EHOST reserve issue. We won't take action on the budget amendments on July 12th. I would anticipate that we have a special called meeting from this committee since we won't be able to make a recommendation on the millage prior to July 12th

## Midyear Budget Amendments

*-Question JR: why did budgetary reserve decrease in the general fund?*

*TJ Sigler: partially that is a function of the EHOST reserve. It gets shifted as that gap increases between what we're collecting and what's being billed regarding property taxes for general and hospital.*

*-Question JR: why would applying more of the EHOST reserve would affect the budgetary reserve going down?*

*TJ Sigler: it needs to be viewed across all the tax funds. Our goal is working to get to the 2 months reserve across all tax funds. It's around trying to get the fund balance balanced across other funds.*

*-Question JR: Basically you're reducing the general fund millage rate generating less money and bringing down that reserve, but then you're using that millage capacity in other unincorporated funds correct?*

*-TJ Sigler: that's correct. What that will allow us to do going forward, is to stabilize the millage rates more as the fund balances are stabilized.*

*-Question JR: so you're reducing the general fund reserve because it is in excess of 2 months and you're bringing it down to 2.6 months. Is that intended to be calculated on the line titled 'budgetary reserves' or 'total reserves'?*

*TJ Sigler: it does include the total reserves there.*

*-Question JR: isn't it true that EHOST reserves can only be used for tax relief and not used to offset operating costs?*

*TJ Sigler: that's correct, but in the event there was a severe downturn, the way that mechanism would function is there would be an increase in the millage rates that would be offset by the EHOST reserve. I believe that was the intent when first began to include the EHOST reserve, to guard against downturn*

*-JR: I would suggest you do a sensitivity analysis and tell us how far the digest would have to fall in order to require a full \$61M of the EHOST reserve to somehow offset that. Currently you're only offsetting general and hospital fund taxes. I would like to understand that thinking*

*-TJ Sigler: we'll get you that analysis of that*

*-JR: we'll work with Staff to put that idea in executable form*

*-Question TT: regarding projections for EHOST, is there an expectation that sales tax could decline so much that the reserve would be eaten up? Would it sustain us for a period of time? Do we have a 5 year financial forecast?*

*TJ Sigler: we're working to develop that longer term financial plan. Additional information provided by Director Sigler*

*-Question TT: what is the philosophy behind keeping reserves in the police fund?*

*TJ Sigler: it's mainly for the same purpose of keeping reserves across all funds, in case there were an economic downturn*

*-additional information provided by Director Sigler*

*-JR: tonight at the public hearing we will pick up on these topics*

Meeting Ended At: 5:02PM

**MOTION was made by Lorraine Cochran-Johnson, seconded by Jeff Rader, that this agenda item be adjourned meeting. The motion carried by the following vote:**

**Yes: 2 - Commissioner Rader, and Commissioner Cochran-Johnson**

**Not Present: 1 - Commissioner Johnson**

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Barbara H. Sanders-Norwood CCC, CMC