



**After Agenda
Board of Commissioners - Work Session
October 2, 2023
9:00 AM
Room 108, Spalding County Annex Building**

The Spalding County Board of Commissioners held a Work Session on Monday, October 2, 2023, in Room 108 of the Spalding County Annex Building located at 119 E. Solomon Street, Griffin, Georgia beginning at 9:00 a.m. with Chairman Clay Davis presiding. Commissioners Ryan Bowlden, Rita Johnson, Gwen Flowers-Taylor, and James Dutton were present for the meeting. Also present were County Manager, Dr. Steve Ledbetter, County Attorney, Stephanie Windham and County Clerk, Kathy Gibson to record the minutes.

I. OPENING (CALL TO ORDER)

Chairman Clay W. Davis called the meeting to order.

PLEASE SILENCE YOUR CELL PHONES AND ALL OTHER ELECTRONIC DEVICES.

Motion/Second by Bowlden/Johnson to amend the agenda to include an Executive Session to review potential litigation regarding employment and to move Agenda Item #4, the discussion of the FY 2024 Mileage rate, to the Agenda Item #1 position and renumber the remaining items sequentially. Motion carried by a unanimous vote.

II. AGENDA ITEMS

1. Discuss FY 2023 millage rate.

Dr. Ledbetter gave an updated presentation to the Board on the millage rate and clarified the following questions from the workshop on Thursday, September 28th:

The budget amendments presented by Jinna Garrison on Thursday afternoon asked the Board to move the \$5.2 million from a "booked liability". The purpose for this move is as follows:

- In June 2022, Spalding County moved from a fully insured carrier (Anthem) to a partially self-insured carrier (Cigna).
- Cigna and MSI recommended Spalding County create a contingency fund to be placed in General Appropriations at that time because Anthem refused to provide claims data so the County could determine exposed liability.

- Under the current self-insured status, the County is liable for a \$125,000 stop gap for each incident. That is, should a covered employee or family member suffer a life changing event (motor vehicle accident while off duty, cancer, heart issue, etc.) the county would be liable for the first \$125,000.
- Cigna's actuaries made a request that of the ~2,000 insured individuals covered by the county's plan (employees + family members) we should account for 2% of the insured members to have a life impacting event that would cost the County \$125,000 each or ~\$5,000,000. (\$125,000 x 40 covered members = \$5 MM)
- According to GASB rules, the County was required to book the liability for the contingency funds as listed in Line Item 579150. This also required us to have a revenue source for the expenditure liability. So, the FY2023 budget increased \$5,000,000 at that time.

We now have one (1) year of claims data. The great news is we did not use any of the \$5,000,000 in contingency funds and we are now able to remove these funds from the restricted fund balance. Restricted fund balance means the county is not allowed to use these funds for anything other than what the money was designated to pay.

On Thursday, when Ms. Garrison presented the budget amendments "decreasing" restricted fund balance requirements and aligning our budget to accurately show our financial position in and through our audit.

Dr. Ledbetter then stated that there are NO HIDDEN MONIES in the budget. There are NO MONIES MISSING in the budget and he would welcome any and all audits for the monies the county controls and would immediately support hiring an auditor or outside firm to examine the books in complete detail.

Dr. Ledbetter added that he had analyzed the month-over-month drawdowns for each department on their department level group insurance budgets. His analysis indicated the actuaries did a great job of defining our estimated costs. And Ms. Garrison did a great job of using the Cobra charges in assessing the fees for each employee to ensure the County had the monies required to pay the healthcare and pharmacy bills.

Dr. Ledbetter advised that insurance is a gamble. We never know when a life-changing event will occur. Over the last few years, we've managed through COVID. We've also managed through an aging level employee

workforce and the potential for higher expenses for healthcare. We've transitioned from 25% of our employees eligible for retirement to now 17% eligible (we've seen many of our teammates retire).

The policy of the County is to allow retirees who are under 65 years of age to participate in our healthcare plan until Medicare is available to these individuals. These employees continue to be a part of our insured pool and the county continues to be responsible for the \$125,000 gap should these retirees suffer a life-changing event. These retirees are NOT within our departmental budget, yet the county is still responsible for the bills incurred. As highlighted by our insurance carrier, with an aging workforce, we can expect a higher statistical probability of significant health issues (single cases of \$125,000 such as cancer, heart issues, etc.).

Dr. Ledbetter then stated that after analyzing the odds we should remove the \$5,000,000 booked liability from the budget. Which will reduce the revenue and the expenditure side of the budget. We will have funds in unrestricted Fund Balance that we can pull from should we have an emergency requirement, and we will bring each incident to the Board for consideration and approval.

Also, the County made a reduction of 100 beds in the Correctional Institute (CI) both on the revenue side and the expenditure side. We've added the revenue for the contracts signed with other jurisdictions, such as Henry County and the Griffin+Spalding School System for their payment in offsetting our actual costs for housing inmates at the CI.

Dr. Ledbetter advised this proposal includes the ½ year costs for a pay study and pay increases for our employees and ½ year costs for opening the Aquatic Center. Please note, these funds are only for HALF of FY24. What we have not included is the cost for restoration of the Heritage Park Gym.

Additionally, the BOC voted last year to use \$6MM of ARPA funding to construct the Aquatic Center which was not used as SPLOST collections exceeded expectations and the county had the funds to complete the construction of the Aquatic Center without utilizing any of the ARPA funding.

The County issued an RFP for the work to be done on the Heritage Park Gym. The recommended low bidder's cost to restore the Heritage Park Gym is \$4.1MM. However, Mr. Imberger and Dr. Ledbetter believe that an additional \$1MM should be added to the bid as the architect is telling us

there are too many unknowns to make an accurate estimate on restoration of the building. Therefore, restoration cost to the county should be estimated at \$5.1MM with an additional \$250,000 for FFE. Please keep in mind that as a rule a rule of thumb a cost of 10% to service the gym for ongoing annual M&O. This would include the cost of electricity, water, sewer, stormwater, building maintenance, landscaping, and personnel and benefits.

Should the BOC make the decision to reduce the budget by ~\$5,000,000 to remove the contingency funds for insurance, and to use ARPA funds to restore the gym and not include the funds to complete this project in the budget, our proposed millage rate is: 16.088. Last year, our millage rate was 16.138 and if you agree to a reduction in the millage rate to 16.088, this would be a rollback of 0.05 mills.

The proposed millage rate would provide you with the funds to complete a pay study, give much needed pay increases to alleviate compression, and open the Aquatic Center. It would also give you the opportunity to roll back our millage rate and give some tax relief to our community. As an aside, the City of Griffin rolled their millage rate back and the Griffin+Spalding School System voted to adopt last year's millage rate, this would afford you the opportunity to provide a small rollback.

Commissioner Flowers-Taylor expressed her concern regarding moving the \$5 MM in restricted fund balance as she feels that being self-insured the County needs to have that money should we have a number of individuals who require implementation of the \$125,000 gap coverage.

Chairman Davis then asked that the members of the Board go home and think about all that Dr. Ledbetter has presented and be ready to vote on a millage rate at this evening's meeting.

2. Lindsay Engineering and Consulting would like to present a review of the Sewer Feasibility Study.

Joseph Johnson, Director of the Spalding County Water and Sewer Facilities Authority introduced Rebecca Lindsay with Lindsay Engineering and Consulting to update the Board on the Sewer Feasibility Study.

Ms. Lindsay gave an overview of the Sewer Feasibility Study her company was asked to perform with recommendations on how to address the sewer issues on a phased basis.

Mr. Johnson then requested a letter of support from the Board of Commissioners for the Water and Sewer Facilities Authority to go forward with the proposed plans for the first phase of the Arthur K. Bolton Corridor for industrial/commercial development for sewer to this area.

3. Approve Budget Amendments for prior year Encumbrances.

Chairman Davis asked if the Board members had any questions regarding the amendments for prior year Encumbrances. No one had any questions.

4. Final Budget Amendments for FY23

Chairman Davis asked if the Board members had any additional questions regarding the Budget Amendments for FY23. No one had any questions.

Motion/Second by Flowers-Taylor/Dutton to enter into Executive Session for consultation with the county attorney, or other legal counsel, to discuss pending or potential litigation, settlement, claims, administrative proceedings, or other judicial actions brought or to be brought by or against the county or any officer or employee or in which the county or any officer or employee may be directly involved as provided in O.C.G.A. §50-14-2(1) and to discuss or deliberate on the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a county officer or employee as provided in O.C.G.A. §50-14-3(6) at 10:53 a.m. Motion carried by a unanimous vote.

Motion/Second by Dutton/Flowers-Taylor to close the Executive Session at 11:12 a.m. Motion carried by a unanimous vote.

III. ADJOURNMENT

Motion/Second by Johnson/Dutton to adjourn the meeting at 11:13 a.m. Motion carried by a unanimous vote.