

**HABERSHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION MINUTES
5:00 P.M., MONDAY, JUNE 16, 2025
HABERSHAM COUNTY COURTHOUSE
JURY ASSEMBLY ROOM
295 LLEWELLYN ST, CLARKESVILLE, GA 30523**

The Habersham County Board of Commissioners held a work session on Monday, June 16, 2025 at 5:00 p.m. in the Jury Assembly Room of the Habersham County Courthouse located at 295 Llewellyn St, Clarkesville, GA 30523.

Present was Chairman Jimmy Tench, Vice Chairman Bruce Harkness, Commissioner Dustin Mealor, Commissioner Ty Akins, Commissioner Kelly Woodall, County Manager Tim Sims, County Attorney Donnie Hunt, County Clerk Brandalin Carnes, staff, members of the media and the public.

Chairman Tench called the meeting to order at 5:07

Commissioner Woodall led the Invocation.

Commissioner Akin lead the Pledge of Allegiance.

TOPICS OF DISCUSSION

a. Discussion on FY 2026 Budget

County Manager Sims addressed the Commission. He informed them that he and the Finance Department have really dived into the budget over the past several months to try to identify cuts that could be made to stay within their estimated revenue for the upcoming fiscal year. They have still not received the tax digest, as the Tax Assessors Office has ran into issues with the conversion of their data into the new WinGap software. Additionally, the state has had issues on their end with getting the changes that went into effect with House Bill 581 programmed into their systems as well. Counties across the state are going to be late with their tax digests this year, however a budget still needs to be passed by June 30th regardless. They have tried to keep expenditures as flat as possible, however there were three major expenses that they had to figure out incorporating into the budget by making cuts elsewhere. At this time, they have experienced about a 4% increase in the general fund, however the overall total county budget is down by \$4 million when all funds are considered. The goal of this work session is to give an overall review of the FY 2026 budget and get the Commissions direction on some remaining budget items that are at their discretion. Finance will need to receive their input back by Wednesday next week to have time to incorporate any changes in time for the budget hearing next Monday, June 23rd.

Financial Administrator Kiani Holden reviewed the proposed FY 2026 budget with the Commission. She started by giving them a review of this year's budget process. Finance contacted individual Department Heads and Elected Officials in January to send them necessary forms for budget requests. They were asked to review their expenses line by line and provide justification, as well as to submit forms for any new personnel or capital projects that they were requesting for FY 2026. These forms were to be completed and returned in February. In March both Finance and the Board of Commissioners reviewed these budgets with all the Department Heads and Elected Officials during three days of budget meetings. In April, the Finance Department reviewed the budgets and made the first round of budget cuts. They then met with the Commissioners individually to review the budget and made a 2nd round of cuts based on the collective feedback. They have met again individually with the Commissioners this month go over budget in its current proposed state. This week they plan to get the Commissioners' directions on some final discretionary items in time for the special-called

meeting for the FY 2026 budget hearing on June 23rd and the special called meeting for the adoption of the budget on June 30th.

Ms. Holden informed the Commission that the FY 2025 budget was \$39.1 million. The requests that were submitted to Finance for FY 2026 totaled \$44.1 million, which was an 11.27% increase. Finance has worked with the Commission to cut these requests to \$40.8 million, which reduced the increase to only 4.04% over FY 2025. Ms. Holden stated that they had three major increases to the budget that were a challenge to incorporate, which included an increase of \$600,000 to the employee health insurance premium, an increase of \$505,819 for the retirement payment, and an increase in the base salary budget in select Elected Officials departments of \$830,868. These three expenses alone represented an increase of over \$1.9 million to the base budget for FY 2026. Ms. Holden reminded the Commission that the increase to the retirement payment was expected, as they had used built up credits to decrease the cost of the retirement payment for the FY 2025 budget, however that they no longer have these credits to use moving forward into FY 2026. An additional challenge is that they do not have a tax digest at this point, so there are no solid numbers regarding the revenue that can be expected going into FY 2026. Ms. Holden reviewed a five-year comparison (FY 22-FY 26) of the department budgets in the general fund with the Commission. She informed the Commission that Finance has changed the way that they budget for health insurance by doing a flat rate per employee and dividing it amongst each Department based on the number of employees. Prior to this, they were budgeting health insurance for each department based on a census of what each employee currently had selected for their insurance, which doesn't consider any changes that may occur during the fiscal year or at open enrollment. This would cause some Departments to be over budget at the end of the year.

Commissioner Woodall asked Ms. Holden if she could explain the E911 Transfer to everyone. Ms. Holden informed the Commission that the E911 Department is a special revenue department that receives their own revenue from fees on phone services. Back when everyone used landlines, this fee was much higher. This fee has decreased significantly over time with the increase in cellphone usage. This is because the fees go to where the phone was registered, not where it is being used. A phone that was purchased and registered by an individual in Atlanta who moves up to Habersham County would still have the fees going to Atlanta. The phones registration information can only be updated by the cell phone provider. County Manager Sims has been speaking Habersham County's State Representatives about this, as it is an issue that is being experienced by Counties across the State. This means that the County has had to offset the E911 Departments expenses by supplementing it from the general fund, the funds for which are listed as the line item "E911 Transfer". Commissioner Woodall wanted to clarify for everyone present that this is an increase that is beyond the County's control. Commissioner Akins wanted to know why there was a sudden increase to the E911 Transfer fund this year as opposed to previous years? Mr. Sims informed him that they had some fund balance in previous years they were able to utilize to reduce the amount that needed to be supplements from the general fund, however this has now been depleted and is no longer an option. Mr. Sims informed the Commission that in addition to the operational expenses of the E911 Department, there are lease payments coming out of E911's Special Revenue Fund for the locations of the radio towers on the new system. Once this new radio system is online, they will be able to recoup some costs from the user fees from the municipalities.

Ms. Holden informed the Commission that there was a decrease in the budget for both the Capital Improvement Fund and the Enterprise Funds, so the overall budget has decreased from \$84.6 million in FY 2025 to \$80.3 million in FY 2026. Commissioner Harkness inquired about the decrease in SPLOST VII Funds. Ms. Holden informed him that the County was at the end of SPLOST VII's

lifecycle. Commissioner Harkness asked if they still plan to put SPLOST VIII on the ballot for this Fall 2025? Mr. Sims informed him that is the intent at this time. Commissioner Woodall asked if renovation of the firehouses would be included on SPLOST VIII? Mr. Sims informed him that this is something they could certainly talk about, however it has not yet been something that the Commission has voted on. The estimated costs for construction of the Fire/EMA/E911 Headquarters have come out as being well over what was budgeted, and discussions up until this point by the Commission have included using the \$4 million that was budgeted for this project for a "Phase I" while including "Phase II" on future SPLOST VIII. Mr. Sims informed him if they wish to redirect these funds for renovation of the fire stations, they will just need to make sure to include a higher amount for the Fire/EMA/E911 project in SPLOST VIII for "Phase II". He reminded the Commission that they are waiting on ABM to finish their energy savings audit, and that once they get the results back there may be funds identified from these savings that could be used towards these renovations.

Ms. Holden informed the Commission that the FY 2026 budget has been budgeted with a full rollback. This was done with the assumption of at least a 4% in property taxes from new growth, an increase to select revenues (based on historical factors), and the one-time use of fund balance in the amount of \$1.04 Million. She informed the Commission that CIP is always paid out of fund balance, and that this amount is around \$600,000 less than what is normally used in recent years. Commissioner Mealor wanted to clarify for those in attendance that the fund balance is not reducing overall, that they are just expecting to utilize the money coming in this year that would have added to the fund balance. Commissioner Woodall wanted to reiterate to those present that there is no millage rate increase associated with the FY 2026 budget, and he commended Ms. Holden, Mr. Sims and the Department Heads, for figuring out a way to make this happen given the unexpected expenses that came in.

Ms. Holden reviewed the Commission Directive List with the Commissioners. This list contains requested items that are at the discretion of the Commissioners as to whether they would like them to be included in the FY 2026 budget. This is the list that was previously referred to as the Commissioner's "Shopping List". At this time, the budget is balanced with a 3.5% salary increase for employees starting mid fiscal year in January 2026 per previous conversations that have been had with the Commission. This is salary increase. Not a COLA or merit increase. Though new positions have been requested by some elected officials and Departments, Finance is not recommending this and has not included any new positions in the proposed FY 2026 budget. There were \$3.1 million in general fund capital requests, however they are only recommending moving forward with \$1.06 million. Those recommended requests are already included in the proposed FY 2026 budget. Ms. Holden reviewed the list of recommended capital requests with the Commission. Ms. Holden informed the Commission that there were \$1.67 million in capital improvement requests from other funds, however Finance is only recommending moving forward with \$963,882. She reviewed the list of these recommended requests as well and informed the Commission that these recommendations were also included in the proposed FY 2026 budget already. Mr. Sims stated that a couple of Commissioners had informed him that they wished for the repair and remodel of the baseball/softball dugouts to be put back into the budget. He informed them that if there was a consensus to do so, that he could do so by using a little more fund balance or making appropriate cuts elsewhere. Commissioner Harkness felt that opportunities to partner with business and community members should be explored to fund the improvements to the dugouts. Commissioner Woodall asked if Commissioner Harkness would be willing to move forward with including the repairs to the dugouts into the budget to make sure they are completed, as he feels they are necessary, but ask staff to make a concerted effort to raise the money to fund this project if possible? Commissioner Harkness felt that the quotes for this repair and the repairs to the AVITA roof were a bit high and asked if further quotes could be requested? Ms. Holden informed him that Finance is currently in the process of securing more quotes for both and that she

would let them know the results. Commissioner Akins voiced that he has seen the dugouts and that they are in major disrepair, and that the families of the children who use them are taxpayers as well. He feels that it would be irresponsible of the Commission not to maintain the facilities that taxpayers have purchased as it often leads to major costly repairs down the road or a facility being completely unusable. Commissioner Harkness stated that he didn't disagree with maintaining the facilities, only that he would like to see if lower quotes could be secured. Also, he wants to see more partnerships with Commercial and Industrial partners to see if they can alleviate some of the burden on taxpayers. Commissioner Meador reminded everyone that the cost of employee health insurance went up significantly, and that the Commission shielded the employees from this by absorbing the cost. He suggested bringing the employee raises down to 2% to recoup the funds needed for making the repairs to the dugouts. Commissioner Woodall and Commissioner Harkness both felt that the employees needed to receive at least a 3% increase. Commissioner Harkness wanted to reiterate to the employees that the County is absorbing a \$600,000 increase to health insurance premiums, or approximately \$120/month per full-time employee, on their behalf in addition to this 3% increase. Commissioner Woodall felt that the dugout repairs were a one-time expense that would last at least a decade, and that they would be worth including back into the budget. Also, he felt that it was a safety concern for the children. Commissioner Akins stated that part of the reason the cost for their dugout roofs was higher is because they were looking into using metal roofs to avoid some of the issues they have had. He went over a list of major repairs to County facilities that the Commission has either had to make recently or will be needing to act on in the near future, informing them he felt that continued maintenance of these facilities should be a top priority.

Ms. Holden went over the next steps of the budget process with the Commission. She informed everyone present that the first budget hearing will be held next Monday, June 23rd, with a second hearing and vote on adoption of the budget being held the subsequent Monday, June 30th. Commissioner Meador informed everyone that he would be out of town next Monday, June 23rd, however he would be present for the vote on June 30th but would be back in town for the final vote. Mr. Sims informed Commissioner Meador that his staff would make sure that he receives a copy of any documents or presentations.

ADDITIONAL COMMENTS

Commissioner Meador stated that he felt that the Finance Department had done an excellent job with their work on the budget for this year.

Commissioner Woodall echoed this sentiment, saying that he felt that during the conversations he had with Finance staff regarding the budget that he felt they kept in mind the impact of the current economy on the citizens and did a great job trying to soften the impact on taxes much as possible.

Commissioner Meador wanted to know if there was a general idea of how much the non-organic residential growth to the digest was this year versus the commercial growth? Ms. Holden informed him that they had not been given any solid numbers yet from the Tax Assessors, only a preliminary estimate of around 4% increase to the digest from new growth overall. Mr. Sims stated that he had been told that the Commercial and Industrial growth was anywhere from 18% to 22%. He informed the Commission that they are flying blind until they get the final numbers, and that their consultant is working with the Tax Assessors to try to get this completed as quickly as possible, however they are delayed from issues that have occurred with both HB 581 and with the software conversion. Currently, they are having to go file by file to make sure that everything is in the system correctly. Commissioner Harkness asked if Mr. Sims could provide clarification regarding the 4% being mentioned, as he was under the impression that taxes would not be increased? Mr. Sims informed him that this 4% increase is from new growth, such as new homes being built/renovated or properties being subdivided. Ms. Holden informed Commissioner Harkness that 80% of residential property owners have the

homestead property value freeze exemption, which means that even though their residential homes may increase in value they are not taxed on the increase so long as they have not made improvements to the home. The other 20% will only ever see a maximum 3% increase from year to year due to HB 581.

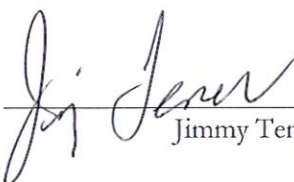
Commissioner Harkness asked about the Commercial/Industrial growth from the revaluations, to which Ms. Holden informed him that in order to receive the full benefit of the increase from the Commercial/Industrial, the Commission couldn't roll the millage rate back. Even though everyone who has a homestead exemption wouldn't be affected, it would still have to be advertised by law as a "tax increase" if they don't do a full rollback. Commissioner Akins stated that essentially, because almost everyone with a residential property has either the homestead value freeze exemption or the exemption under HB 581, this roll back he felt that the rollback being proposed was not benefitting Habersham County residents as much as commercial/industrial property owners, people with second homes and Airbnb's. Commissioner Woodall stated that this just means that they can't keep continuing to grow services, that must focus on doing the essentials that are mandated by the state constitution and then the "wants" that they can afford. Commissioner Akins stated that he doesn't feel that anyone on the Commission he has served with has advocated for adding new services, that they have been focused on keeping the ones that they currently have going. Commissioner Harkness said that a challenge that they have had in the past few years is staying competitive with employee wages, and that part of the budget increase has been taking care of the employees. Commissioner Woodall wanted to express the importance of taking care of the employees, as they are both citizens and neighbors. Commissioner Harkness wanted the public to know that the Commission is doing everything possible to keep their county taxes from going up, however everyone needs to realize that they have no control over school boards taxes. He wants them to realize that 60% of the tax bill is for the schools, and that if their taxes go up it isn't because of the Commission. Commissioner Mealor echoed this for the city taxes as well, stating that it is surprising how many people don't realize that the municipalities taxes are set by different elected officials.

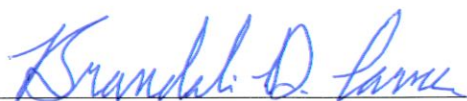
Mr. Sims asked the Commission to get their directive lists back to him by Wednesday, June 18th for inclusion into the proposed FY 2026 budget in preparation for the hearing next Monday, June 23rd.

ADJOURN

Motion by Commissioner Akins, seconded by Commissioner Harkness, and voted unanimously (5-0) to adjourn the work session at 5:53 p.m.

Respectfully Submitted,

By: 
Jimmy Tench, Commission Chairman

Attest: 
Brandalin Carnes, County Clerk

