

FY 2025/2026 BUDGET WORKSHOP

CHANGES FROM 1ST READING/PUBLIC HEARING AND 2ND READING BUDGET DOCUMENT:

The total Revenues and Expenses have changed from \$20,691,372.00 to \$20,713,494.00 for the Second Reading. This change reflects some minor adjustments to Department 14, Department 42 related to motor grader financing, Hotel/Motel revenues and expenses; and correcting the cellphone expense that was inadvertently omitted from Department 91, Animal Control

Kristen Cudnohufsky addressed the Board, expressing questions and concerns regarding significant variances between prior year actuals, departmental requests, and proposed figures for the FY 2025–2026 budget, including but not limited to:

- Department 10 —Contingency: Increase from \$50,000.00 in the prior year's budget, requested to \$100,000.00 in this year's proposed budget; purpose unclear.

Per our financial policies, 35.09 (i), we are to strive to include a contingency line item in our general fund budget up to 3% of the total budget, which would be approximately \$621,400.00. This amount is intended to cover unanticipated expenses including deductibles, repairs, and replacement/repairs of equipment and facilities.

- Department 13 – Commissioners: Revenue increase of \$2.4 million.

This is a revenue line item anticipating the sale of the residual of the county owned property that is connected to the proposed governmental facilities.

- Department 17 – Tax Assessors: Budget increase to \$279,015.00; concern over employee salary increases given historical performance and reliance on third-party services. Total increase for Tax Assessors Department is \$186,434.00, purpose for increase is unclear.

This amount includes allocations for the open personal property assessor position, and the reallocation of contract services that were previously identified for ARPA funds but were not encumbered by the 12/31/2024 deadline.

- Department 33 – Sheriff: Increase of \$407,261.00.

This increase is related to the hiring of 3 new employees and the related expenses for salaries and benefits, uniforms and related equipment. The increased contract services include allocations for the bodycam contract, which is a multiyear contract with the provider. In addition, there are allocations for 3 vehicles plus 1 that was an agreed upon reduction from the 6 vehicles requested per previous agreements.

- Department 42 – Public Works: Decrease of \$462,198.00.

This decrease reflects the restructuring of the Public Works department after the removal of the paving employees and related expenses. In addition, approximately

\$350,000 was removed from this department line, which reflected the completion of purchases of 2 tractors.

- Department 61 – Recreation: Increase of \$174,502.00.

This increase reflects adding back the debt service obligation that was removed from the previous budget to be paid by ARPA, which was not authorized.

- Department 71 – Water Authority: Increase of \$207,645.00.

This increase reflects adding back the debt service obligation that was removed from the previous budget to be paid by ARPA, which was not authorized.

- Department 76 Agribusiness: Decrease of \$42,450.00.

Chestnut Oak Facility has been completed, which reduced funding needs.

- Fire Department and EMA: Decrease in funding noted as alarming due to already minimal staffing.

The proposed budget reflects actual expenditures rather than previous allocations. Also, we did not include the request for additional personnel for the 24-hour shifts (which would need to be 3 additional) and an additional employee for a 12-hour shift. Chief Wilkerson is asking for the additional 12-hour shift. If the Board considers the Chief's request, that will require an additional \$62,400.

- Overall budget change: \$3.2 million increase in expenditures.

The increase in expenditures in the proposed budget reflect the following: the 2.3 Million Dollar Debt Obligation due in November, 2025, the 10% that was included for the anticipated health insurance premium increases, and the proposed 2.5% COLA increases included for all the departments.

- The proposed budget is lacking a 3, 5, or 10-year financial trend data for public review and analysis.

The budget process includes a review of trends. The financial data for Pike County (and all local governments) going back to 2012 is available through the GA Data website for Local Government Financial Documents through the Carl Vinson Institute. (<http://ted.cviog.uga.edu>)

- Line Item #100-03-1545-311200-000 – Property Tax – Prior Year: Noted inconsistency between budgeted and actual figures; FY 2024–2025 actual through date is \$204,775.00 when \$100,000.00 was budgeted compared to the FY 2025-2026 budget \$150,000.00 budgeted and recommended.

When analyzing the revenue side of the budget, Pike County trends on the conservative side of anticipated revenues in order to avoid revenue shortfalls.

- Questioned valuation of \$2 million land purchase; requested clarity on location and appraisal basis.

The purchase of the 238+/- was approved and finalized approximately two years ago. The location of the property is west of Adams Street, north of Highway 18 and south of County Farm Road. The price was negotiated with the seller and the Board considered the value of the property based on commercial use.

- Urged the Board to review all departmental budgets thoroughly and justify major percentage changes.

David Paulson addressed the Board stating though unprepared, commented on a 13.5% budget increase for real property revenues from \$8.6 million to \$10.6 million, compared to a CPI increase of 2.4%–2.9%. He expressed concern that the increase appears excessive.

Becky Watts presented the following comments and inquiries:

- **Employee Insurance:** Encouraged continuation of a two-plan system for employees; suggested adjusting the county's 85% contribution, especially for dependents if changes needed to be made. Encouraged the Board to do the best they can for the employees.

- **Dept. 10 – Transfer Station Lease:** Questioned \$10,000.00 allocation.

This is the revenue item that should be Dept 3. This revenue is received from Amwaste related to the transfer station.

- **Dept. 13 – Board of Commissioners:** Requested explanations for line items: Uniforms (\$250.00) and Contract Services (\$65,000.00). Mrs. Watts also would like to know what the Penalties/Late Charges (\$8,114.00) was for in FY 2024-2025 budget.

Uniforms as shirts, badges, and related items for Commissioners and County Manager; Contract Services (\$65,000) include the following: \$1,600 for phones; \$8,000 for WiRed.; \$2,000 for Office Suite; \$600.00 for internet; \$3,200 for copier; \$22,000 for the Harris Financial Software; \$600.00 for Adobe; \$12,000 for Website and Agenda services; \$10,000 for financial consultant services; and \$5,000 for Falcon Design related to the County Masterplan for the governmental facilities.

- **Dept. 14 – Elections and Registration:** Asked about increases in Board Compensation (\$7,500.00) and Contract Services.

We made adjustments decreasing an allocation to \$4,000.00 for the Second Reading. David Neyhart had requested the inclusion of several more meetings than have been conducted in the past. David also requested to move the funds to another line item.

- **Dept. 17 – Tax Assessors:** Referenced open records showing use of Traylor and Norman Appraisals in lieu of two employees; requested clarity.

The notes referenced were my handwritten notes in connection with the department budget meetings where the concept of looking at contract services versus in-house employees was mentioned by this Department.

- **Dept. 18 – Building and Grounds:** Uniform expenses remain at \$750.00 despite low actuals.

The open position for the Department has been filled and we wanted to ensure we have sufficient allocations.

- **Dept. 20 – Court Services:** New line items for Professional Services, Food, Small Equipment, and Contract Services (\$4,000.00); purpose unclear.

As previously mentioned, we have removed certain expenses from other departments, combined certain department (Department 20 and 25), in an attempt to consolidate and clarify expenses related to Court Services and the use of the courtrooms versus housing these expenses in either the Superior Court Clerk, the Magistrate Court, or the Probate Court budget departments.

- Dept. 25 – Court – Trial/Appeals: New entries for Professional Services and Food, purpose unclear.

We have removed certain expenses from other departments, combined certain department (Department 20 and 25), in an attempt to consolidate and clarify expenses related to Court Services and the use of the courtrooms versus housing these expenses in either the Superior Court Clerk, the Magistrate Court, or the Probate Court budget departments.

- Dept. 34 – Jail: Variance in uniform expenses.

We adjusted downward based on the 5 new hires in the current budget year since the personnel needs have already been met.

- Dept. 55 – McIntosh Trail Public Transport: \$10,500.00 added; not present in prior year.

This reflects what is in the contract with the provider, whether or not we are invoiced in the particular fiscal year.

- Dept. 65 – Libraries (Communications – Phone): Discrepancies in budgeted and actual figures.

This adjustment was based on actual costs to date.

- Dept. 71 – Water Resources: \$208,545.00 total budget; questioned if it funds water lines.

This increase reflects adding back the debt service obligation that was removed from the previous budget to be paid by ARPA, which was not authorized.

- Dept. 72 – County Agent: Expressed concern about absence of agent-related funding.

This position was moved from the County to UGA (approved last year), which is reflected in the increased payment from the County to UGA.

- Dept. 74 – Planning & Development: Questioned \$27,000.00 for Contract Services.

\$13,500 for iWorks; \$8,800.00 for WiRed; \$3,000.00 for copier; and an allocation of \$1,500.00 for unanticipated increases (as well as potential cost related to GIS services).

- Dept. 77 – Development Authority: Asked if \$116,968.00 is approximately a quarter mill.

\$961,969.00 is the estimated value of 1 Mill and \$240,500 is the estimated value of .25 Mill. The \$116,968 is the costs associated with the Executive Director that we

have to reflect in our budget since we administrate this position on behalf of the DAPC. This is a net zero transaction as we are reimbursed these expenses.

- Dept. 80 – Fire Department: Concerns over employee salaries, uniform budget (\$15,000.00 requested; \$7,500.00 recommended).

The proposed budget includes a proposed 2.5% COLA for all employees, which differs from some of the amounts requested by various departments. I have discussed above the request from Chief Wilkerson for additional personnel (3-24-hour shifts and 1-12-hour shift), which will be up to the Board of Commissioners. Chief Wilkerson would like at the least to get the additional 12-hours shift coverage.

- Dept. 91 – Animal Control: Missing cell phone allocation; unclear \$5,500 Contract Services.

We corrected the inadvertent omission of the cellphone for the Second Reading. The contract services include \$2,275 for WiRed, \$1,008 for internet, and \$1,767 for the copier.

- Dept. 98 – Transfers In: Questioned \$600.00 from Hotel/Motel tax; asked about FY 2024–2025 budget Line-item Other Fin Sources-Sale of Land (\$1,584) and nothing budgeted for FY 2025-2026 budget.

The Hotel/Motel Tax revenue and expenses are a result of revenues received by the county for the tax that had not been previously addressed in the budget. The sale of land for \$1,584 was the sale of .08 acre at the northwest corner of the Concord Fire Station property that was approved and completed this current budget year.

- Dept. 38 – E-911 (Expenditures): Noted changes in equipment; requested clarification.

This item is related to E911 and clarifying line items. Specifically, we have split out expenses for clarity related to phone bills and leases. The change is a net zero change.

- Dept. 17 – Tax Assessors (Expenditures): Contract Services recommended at \$16,982.00; purpose requested.

We were able to encumber a portion of the Eagleview Contract with ARPA funds and the \$16,982 reflects the annual payment that has been covered by ARPA.

- Dept. 71 – Water Resources (Expenditures): \$1,955,000.00 for Water Authority Improvements; clarification requested.

This is the total amount that we were able to encumber for use with ARPA funds.

- Fund 275 – Hotel/Motel Tax: \$1,000.00 requested and recommended; questioned purpose.

As mentioned above, the previous budgets did not include revenues and expenditures related to the county's Hotel/Motel Tax. The anticipated revenues have been increased to \$4,000.00 for the Second Reading.

- Dept. 93 – Special Local Option Tax – Principal Debt Payments: \$1,975,000.00 requested and recommended; purpose questioned.

This is the annual debt service for the upfront funding for the 2022 SPLOST that was approved with the referendum.

- Dept. 74 – Public Works (Expenditures) – Unpaved Repairs/Surface Treatments: \$201,647.00 requested; asked for details.

This is Fund 325 related to Department 42, which reflects the county's match related to LMIG funding.

Commissioner Pullin's Comments:

Increased funding for Tax Assessors and Sheriff's Office.

Regarding the Tax Assessors, these amounts reflect the inclusion of contract services in the general fund budget that were previously identified for payment with ARPA funds. Since these expenses were not encumbered by the 12/31/2024 deadline, we have reallocated the expenses from ARPA funds to the General Fund budget for Department 27.

Regarding the Sheriff's Office, the increases reflect new employees (3) and related payroll and benefits as well as the vehicles that have been included (3 plus 1 versus the 6 requested

- Decreased funding for Public Works.

Some of the decreases are related to the reduction in force for paving employees and because there are several funding sources for road maintenance and improvements including SPLOST, LMIG, GTIB, LRA, and Impact Fees.

- Significant variance between requested and recommended Parks & Recreation allocations.

The request from PCPRA included a 5% increase for the employees. As noted previously, we have included a 2.5% percent across the board increase not a 5% increase. In addition, we had to account for the reallocation of debt service from ARPA to General Fund, as discussed above. The following were requested by the PCPRA that we did not include in the proposed budget: \$352,000.00 for Capital Outlay Projects including additional outdoor facilities including Basketball Courts, playgrounds, gym, and bathrooms; \$184,000.00 for a Landscape Architect; \$76,600.00 for field maintenance; and \$40,000 for additional equipment (mowers, weed eaters). Based on the revenues and requested expenses, it appeared that the request was \$1,500,000.00 more than what had been budgeted previously. This increase would need to be discussed and approved by the Board of Commissioners.