

COUNTY COUNCIL AND COUNTY COMMISSIONERS SPECIAL JOINT MEETING, MARCH 21, 2005

The meeting was called to order by Council President, Ron West, with the following Council members present: Charles Canary, John Price, Josh McCarty, Paul Reed, Steve Hollenbeck, and Richard Mason. The following Board of Commissioners members were present: R. J. McConnell, Mitch Ripley, and James Rhoades.

Presentation of Services for a County Fiscal Plan

Michael Reuter appeared to give a presentation to the two boards for services to provide a fiscal plan for Johnson County. He distributed a sample copy of a plan to each member to review during the presentation. He noted that he has done financial plans for various government entities for several years, with Hamilton County being one that he has prepared for ten years. The City of Franklin is one of his most recent clients. He currently works full time for Hamilton Southeastern Schools as their business manager.

Mr. Reuter reviewed the following sample plan to the boards.

- Revenue and Expenditures through 2008
 - Using major funds, the plan details revenue sources and expenditures for a year showing either an excess or deficit of revenue over expenditures and an ending cash balance. He noted the plan would show if debt were issued for a project by using property taxes how the debt would effect the amount of County Adjusted Gross Income Tax (CAGIT) the county would receive. The plan would show the effect if the Council proposed a certain percent for salary increases.

- Property Tax Detail
 - Rates
 - Assessed Values
 - Non-Farm Personal Income
 - Maximum Levy
 - Levy Excess

- County Option Income Tax Detail
 - Allocation to Units within the County
 - Collections and Distributions by the State

- Economic and Policy Assumptions

Discussion was held concerning when other units within Johnson County assume debt how it has a direct effect on the amount of CAGIT distributions the other units receive. The distributions are based upon each units levy divided by the total amount of CAGIT collections for that particular year. Excise tax distributions are also effected when debt is assumed.

Discussion of the pros and cons was held on Tax Increment Finance (TIF) Districts.

Mr. Reed asked how often would Mr. Reuter meet with the Council.

Mr. Reuter responded it all depends on the need of the County. He noted that there are three key times of the year the plan should be updated. The first of the year, after certified CAGIT distributions, and then after all departments have submitted their budgets for the following year. He could also assist during the actual budget process.

The initial plan, which normally takes approximate 100 hours, would be approximately \$7,000.00; then after that a retainer amount would be established based upon the needs of the county. Mr. Reuter noted this is something he would have to do in the spring or fall because of other obligations. The retainer fee amount is based upon the amount of work in a particular month. An average monthly fee amount would be approximately \$1,300.

Mr. McConnell commented the Board of Commissioners would like to recommend hiring Mr. Reuter and pay for the initial plan from their professional services line item. He noted even though they can contract him and pay him from their line item for the services, this is clearly a partnership between the two bodies.

Mr. West asked Brenda Jones-Matthews, County Auditor, her opinion of hiring Mr. Reuter.

Mrs. Jones-Matthews responded her office would continue doing the required budget forms; however she felt having a projected fiscal plan would be an asset to the county. She would like to communicate with one of his current clients, Hamilton County.

Mr. Canary asked if other individuals or firms have been contacted that do the same type of work.

Mr. Ripley responded he and Mr. McConnell have talked to several individuals. They have also spoke with other taxing entities and Mr. Reuter came highly recommended.

Mr. Mason noted the Council has a resolution stating they will hear three proposals if the fee was over \$5,000.00. Mr. West noted the resolution does not apply to the Board of Commissioners contracting for professional services.

After further discussion, and the consensus of the Council, Mr. Ripley moved to hire Mr. Reuter to prepare a county fiscal plan. Mr. Rhoades seconded the motion that carried unanimously.

Mr. McConnell commented in order to balance the budget for 2006 there is more than likely going to be cuts, at least in some respect. The bridge fund will need to be reestablished at least to some level for 2006. The Board of Commissioners had another request just today on a bridge that needs repairs. He suggested having another joint special meeting to discuss a hiring freeze and the possibility of establishing an employee pool to share between offices during busy times. He noted the Commissioners are reviewing the current phone system and cellular services. They would like to implement

an automated phone system for the county offices. Their telephone receptionist has accepted another county job.

A joint special meeting between the Council and Commissioners was set for April 11, 2005 from 5:30 to 7:00pm, prior to the regular scheduled Council meeting to discuss a hiring freeze and an employee pool.

There being no further business, Mr. Canary moved to adjourn the meeting. Mr. Mason seconded the motion that carried unanimously.

Special Joint Meeting – Commissioners and Council – March 14,2005

County Commissioner

County Commissioner

County Commissioner

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Attest:

Johnson County Auditor