

**MINUTES
MERIWETHER COUNTY BOARD OF COMMISSIONERS
SPECIAL CALLED MEETING**

JUNE 21, 2022

This meeting was also held by Zoom 9:00 A.M.

Commissioners Present: Vice Chairman Bryan Threadgill, Commissioner Rosla Plant, and Commissioner Alfred McCoy.

Commissioners Absent: Chairman Beth Neely-Hadley and Commissioner Shirley Hines

Staff Present: County Administrator Michelle Irizarry, Finance Director Bill Gregory, Director of Special Projects Theron Gay, and Deputy Clerk, Allyson Stephens

Staff Absent: County Clerk Beverly Thomas and County Attorney Nathan Lee

I. CALL TO ORDER – Vice Chairman Threadgill at 9:00 A.M.

**INVOCATION –
PLEDGE OF ALLEGIANCE**

II. ADOPT AGENDA

A motion was made by Commissioner McCoy and seconded by Commissioner Plant to adopt the agenda. All were in favor.

III. NEW BUSINESS

Discussion of Local Option Sales Tax Redistribution –

Special Projects Director, Theron Gay started the meeting off by explaining that the Local Option Sales Tax (LOST) must be renegotiated every 10 years after the Census is performed. Mr. Gay explained the timetables and that the Georgia Department of Revenue requires each county government and its municipalities to start the renegotiation process before July 1st, 2022. He then stated that if a renegotiation is not reached within 60 days, it would go through mediation/arbitration. Mr. Gay explained that if there is still no decision reached by December 30th, 2022, then it would result in the loss of the local option sales tax. Mr. Gay stated he doesn't expect that to happen here, and they want to move forward and get everything taken care of and he believes it can be done. Mr. Gay explained that the reality is that the agreement only has to be between the County and the Municipality or City that accounts for 50% of the municipal population which in Meriwether County would be Manchester. He explained that while that is the way the law reads, Meriwether County has been working and has met with all the cities with the exception of Woodbury and Pine Mountain. He explained that Pine Mountain was very small and Woodbury he could not get scheduled. *Michelle Irizarry, County Administrator advised that she had spoken with the City of Woodbury by phone.* Mr. Gay stated that they did this because all the cities are an important part of our community and there was importance to meet with them to discuss their needs and concerns. One of the goals was to develop a formula that would treat all the cities fair, according to Mr. Gay, and looking at the 2012 calculations the process was pretty fair in comparison to other jurisdictions. Mr. Gay stated that in order to remain fair, the starting point for the formula calculations was looking at the population percentage as a methodology to begin informal and now formal discussion. Mr. Gay stated that there had been a lot of change since 2010, in that some cities had grown and some cities had lost population, and overall, the county lost some. The unincorporated county population went up 1.8 percent overall, some of the smaller towns such as Gay and Lone Oak went up, but then according to Mr. Gay there were some losses such as Manchester, which went down from 19.61% to 17.39%, based on the census population. Mr. Gay continued to go over the spreadsheet that he had formulated with the Cities. Deputy Clerk, Allyson Stephens passed out the calculation's spreadsheet to all cities. The

spreadsheet according to Mr. Gay is based on population. The calculations strictly based on population show that its LOST revenues would go up to 66.82% for the county, Gay 0.47% to 0.54%, Greenville to 3.85%, which lost a little in population, Lone Oak from 0.43% to 0.56%, Luthersville from 4.05% to 3.77%, Manchester from 19.61% to 17.39%, Pine Mountain would stay basically the same, Warm Springs would go from 1.97% to 2.25% because it did show a growth, and Woodbury would almost remain the same at 4.46% versus 4.4%. Mr. Gay reiterated that these calculations are just using straight population, and this is not what Meriwether County has historically done. Mr. Gay explained that in 2012 the increases to the cities really went anywhere from 1.12% up to a max of 1.157%. He stated that all the cities were in the 12% to 15% rate over population. Mr. Gay stated that staff calculated some what-if scenarios of adding 10% to the population and adding 15% to the population, understanding the cities needs. Mr. Gay explained there were 8 criteria that you have to go through, and staff looked at all of those and they were last considered in the past in what the percentages need to be. Mr. Gay stated he met with one of the cities who received bad information and was told that the County would cut off money to the cities and force them to raise taxes and that had never been our objective and that our objective is to try to divide the local option sales tax fairly. Mr. Gay stated staff feels as if they have several scenarios to put on the table today and hope the cities will find those agreeable. Mr. Gay stated we were here to discuss it and will be happy to take any feedback that the cities have. Mr. Gay stated that often times he feels that everyone thinks the county is bigger and has money and more workers. Mr. Gay stated that while that is true, we also have more liabilities as well. Mr. Gay stated that the other day, while examining our road liability, the road liability cost is phenomenal. Mr. Gay stated he failed to mention that local option sales tax is a program where we collect the sales tax and unlike the SPLOST and the TSPLOST, this is to be used to roll back the property taxes and saves the taxpayers' dollars in terms of rolling back taxes and reducing the millage rate. Mr. Gay stated that the gross millage rate is developed, and you subtract the local option sales tax to get your net millage rate. He explained if this goes away, whatever it is producing millage rate wise, would have to be added to the millage rate, including the cities the county, to make up for LOST revenue. Mr. Gay stated he went back the previous evening as he had heard discussion of keeping things like it was. Mr. Gay explained that the County gave up 5% last time of its share, which equates to about 15% for the cities. Mr. Gay stated that we would be really close to what our 1.15% scenario is, if we use the percentage from 2012. Mr. Gay stated this would reduce the County down to again a little over 5 percentage points. Mr. Gay stated staff felt that was fair to help with our cities, but don't feel the county should take any lower than that. The percentage we took back in 2012 was 60% and he had heard some suggestions that maybe the County should stay with that. Mr. Gay explained that the County has continued to have expenses, we have actually grown in overall percentage of population, and he doesn't feel it is fair for us to continuously make that cut and continue to reduce the percentage the County gets. Mr. Gay stated this is a tax that is for the taxpayers as it goes back and reduces the property taxes. Mr. Gay explained that he lives outside of the city limits of any city, but he shops in the cities. Mr. Gay explained he shops in Luthersville and Greenville a lot. Mr. Gay explained when he and his neighbors' shop in the cities, they feel it is advantageous because they are getting advantage of the local option sales tax too. Vice Chairman Threadgill asked Mr. Gay if the 1.15% would be his recommendation. Mr. Gay stated that would be his recommendation, but that would be his max recommendation, as that would give the cities what they had before as well as a little bit more and would leave the County with 61.59% which is basically 1.5% over what we got last time, but still means we are cutting from 66% and giving up over 5% back to the cities. Vice Chairman Threadgill asked if there was a projection of what it may be? Vice Chairman Threadgill asked that everyone please keep the conversations down, as there will be time allowed for the cities to have conversation in a minute, but we need to make sure this is for the record. Mr. Gay stated that the sales taxes continue to grow, despite downturns in the economy. Finance Director, Bill Gregory was asked by Mr. Gay what the County was collecting per month on the SPLOST.

Mr. Gregory stated that this was about \$120,000 per month. Mr. Gay explained that unlike SPLOST, where the distribution comes to the county and is dispersed to the cities, the LOST distribution goes directly to the Cities and over time we will continue to grow in LOST funds as there are several new businesses coming into the County and the County is poised for growth in LOST funds. Mr. Gay explained that he and Commissioner McCoy were down at the Flint River last week and there are things going on there that will enhance tourism and create a lot of activities. Mr. Gay explained that if you are getting the same percentage today, while you're getting the same percentage two years from now, he hopes that based on history that that number is going to grow, and cities will get more money. Mr. Gay stated that in another jurisdiction he worked in, they ended up with basically the same percentages they did 10 years prior, but their revenues were up substantially over that period of time and has gone up every year. Mr. Gay explained that our revenue had gone up each year more than anticipated. Mr. Gay explained that this will go up every year as the County and Cities continue to grow and more and more sales tax come into the community. Commissioner McCoy asked Mr. Gay about inflation and with what is going on now, people are not going to be able to buy anything. Mr. Gay explained that he wished we could do something regarding inflation on the local level, because he feels that on the local level, we could come up with better solutions than what's being proposed now. Mr. Gay stated when we talk about interest rates and raising the interest rates to cut down on spending, one of the key factors that no one wants to talk about is fuel prices. Mr. Gay explained that he spent \$20 in Luthersville over the weekend in fuel to fill up his lawn mower to cut his grass. Mr. Gay explained that while he was there, he decided to fill up his truck and get diesel and ended up with \$110 worth of fuel sales. He explained that raising interest rates is not going to do a lot for that as people still have to have it and prices get passed along to the consumers. Mr. Gay explained to Commissioner McCoy that he was right, but he hoped that in the days to come the nation will reverse the free fall that it is in, and things will become better. Vice Chairman Threadgill asked if the cities had a copy of the calculations. Mr. Gay established that everyone had a copy and he discussed where we go from here. He explained that staff had prepared several documents, an intergovernmental agreement that would need to be executed by all the cities, and a resolution that all cities will need to pass. Mr. Gay stated that staff had also notified the Georgia Dept. or Revenue of the meeting today and the 60-day clock is underway. Vice Chairman Threadgill then opened up the floor to feedback from the cities. Mayor Charlene Glover of Greenville asked Mr. Gay and the Board what the problem was with the 60% - 40% ration. Mr. Gay explained that the problem with the 60% and 40% is back in 2012 the County was using 60% and giving up 5%/. Since then the County grew and gained another 1.81% in overall population. He explained that the more citizens in the County the more money we have to spend on services. If we still keep the 5% reduction that we did years ago, the County would be at the proposed 61.59% and still giving away of over 5% of the unincorporated County funds. Mr. Gay explained that this would help the cities whether or not the cities grew or whether or not the cities lost population. It is a better percentage than what the cities got in 2012. Mr. Gay explained that in 2012 as an example, Manchester got 1.11% and the proposal is to put it at 1.15% for every city. Mayor Glover asked if Mr. Gay was saying that as the population grows the revenue grows as well. Mr. Gay stated that that is correct as you have more people spending, but he stated that you also have more people to take care of. Mr. Gay stated that the way this was looked at was that we went back and looked at 2010. He stated in 2010, 21,992 was the population and we dropped to 20,613 in 2020. Mr. Gay stated that we went back and determined what percentage of those 20,000 citizens live in each city and what percentage lived in unincorporated county and the percentage of those that lived in unincorporated county was 66.82% and the percentage that lived in unincorporated county in 2010 was 65%, so the unincorporated county went up 1.81%. The issue with 60% is that the County has more people to take care of now, and if we keep dropping back to the 60%, we will continue to decline. Mr. Gay stated that his point is to give up about what was given up last time which was is 5% or so and give all the cities the 15% over their population. Mr. Gay explained

that the County is the only one giving up money, and every City is getting their population plus the 15% and the County will be getting its population minus 5.33%. Mayor Glover then stated that she was fighting for Greenville now, because the County owns a lot of prime property in Greenville which prevents Greenville's population growth. Mayor Glover stated that the City of Greenville can't grow too much in population. Mayor Glover stated that they could possibly building more housing if the County didn't own so much of the cities' land. Mr. Gay explained that this was not a matter of the digest, but a matter of the sales tax. Mayor Glover stated she understood that. Mr. Gay stated that while looking at strictly the City of Greenville's population, while they should be getting 3.85%, the proposal is that the City of Greenville would be getting 4.43%. Mr. Gay explained to Mayor Glover that City of Greenville would be getting more under the current calculation than they would have strictly off population. Mr. Gay explained that Mayor Glover would see in time some of the properties return to the tax base as they have sold some properties on McLaughlin Road and there's some other options to put the lands back on the tax base. Commissioner McCoy stated that it is important to remember that the LOST is to help the taxpayers and the closest thing to come up with that is population. Commissioner McCoy stated it may not be the most equitable but is the closest way to it. Mayor Glover stated that she understood using the population but didn't actually understand how using the County population would give the City more revenue. Mayor Glover explained that she understood as people who live in the County actually do shop in the Municipalities. City Manager, Mark Pulliam stated that if you look at the overall population that went from 21,992 down to 20,000 and some odd the decrease of population is 6.2% and he would consider this that all the cities in the county took a 6.2% decrease and in the overall budget just as with the City of Manchester and other cities, we all have a decrease in population. Mr. Pulliam stated that we did not need to lose sight of the fact that if you just look at the County it appears that the population went up when in reality the population decreased. Mr. Pulliam stated that increasing the revenue to the county just to provide services to the unincorporated areas is a little disparaging. Vice Chairman Threadgill stated that if we were actually going by the population part, the County would get 66.82% and doing it the way we are proposing to do it, the County is getting 61.49% giving back 5.33%. Mr. Gay stated that even if you look at the population, the County population lost too, but did not lose as much of a percentage as some of the other locations, which is why the County ended up when you redistribute it based on those population numbers with 66.82% of the population overall where there was only 65% of that 10 years ago. Mr. Gay stated that we understand and appreciate the cities as they are part of the County. Mr. Gay explained that the County is taking a cut and trying to treat everyone across the board fairly. Mr. Gay explained that he understood there were things coming up in the Cities and in the County and in the interim, we should use the most accurate information we have available. Mr. Gay explained that other areas that could be worked on would be in the area of the service delivery. Mr. Gay used the example of the cities getting ready to set up to have their roads evaluated and need contracting, the County could help with that, saving the engineering costs of having to have them put together a bid package as the County could put the bid package together with the County and bid the package overall, giving the Cities a bigger number to play on and a lot of times getting a better price. Mr. Gay stated doing this also prevents mobilization, which is while they do one project, they can get other projects in the area done as well. Mr. Gay stated this is one way the County can help as we already have the templates and formulas, and we can do that for free, so the Cities don't have to spend the money to hire an engineer. Mr. Gay explained that all of the cities like the County are facing economic issues. Mr. Gay stated there are ways to help and asked the City of Manchester if they started working with the County to handle the tax bills. Mayor Mike Brening answered Mr. Gay stating that the County was helping with the tax bills, but not for free. Mr. Gay stated, not for free, but it was cheaper than what you were doing it for before, as it is not free for the County or anyone but was saving the city money. Mayor Brening agreed. Mayor Brening then stated that this was the first time he had been through this process but would like to know in terms of percentage, what were the

dollars or percentage generated from taxpayers in the city limits. Mayor Brening stated that it must be by in large that the amount of tax dollars is coming from the 7 cities by a landslide he would think. Mayor Brening then stated to Mr. Gay that by him living in the unincorporated area he doesn't have somewhere he can just go buy the things he needs in unincorporated areas. Mr. Gay stated that may be correct, or he could just go to another city. Mayor Brening stated that a lot of people, particularly up this area do bypass Meriwether County and go into other cities. Mr. Gay agreed and stated absolutely, but he doesn't. Mayor Brening stated that neither does he as he and Mr. Gay understand the importance of taking care of our own. Mayor Brening then asked how much of this 40% that he wants to give the cities is actually generated where we live, work, stress over, keep business in business by infrastructure, fire protection, and recreation, whatever you want to call it? Mr. Gay stated that the Georgia Department of Revenue will not give those numbers, but he will agree that most of the commercial is in the cities. Mr. Gay also agrees that if you drew a circle around your city and say, okay we are going to generate our revenue. Remembering that this is for the taxpayers. Mr. Gay went on to state that using this example, we would just take the revenue that the people inside our city spend, and we are going to forget the citizens outside of it, the city wouldn't generate anything like it does because other people come in and this is why when the unincorporated people come from outside the city and buy products. It is designed to be able to help them as well. Mayor Brening stated that he is not saying it just on that, he is stating that the cities inside this County have an attractiveness to their city because let's say if we didn't have a grocery store in Manchester, then people coming into the city would be going to Thomaston all the time or say if Woodbury didn't have an Ingles. Mr. Gay agreed and stated that that would hurt all of us. Mayor Brening stated that the cities had the property, leadership, and whatever you want to call it to attract the businesses and make these businesses where you know you are not going to survive on like you have us down for 3800 and he feels that that it is absolute terrible time if you go based on the population because he feels we all know the Census left a lot to be desired. Mayor Brening stated there are probably 7 or 8 homes empty inside the city limits of Manchester and he can say that at any given time, there has never been less homes available inside the city limits as there are today, meaning there might not be four or five children in those homes, but the homes are occupied, and you can't find one. Mayor Brening stated they haven't torn down any homes and have the same number of homes. Mayor Brening believes that the number of 3800 is because of not being able to go out and knock-on doors for example, which is a huge part of the last Census. Mr. Gay stated that that was a problem all over the County. Mayor Brening stated that the County is wanting more money to operate our County, as like in Manchester, they need more sales tax money as it is costing more to operate their City and the only other option we have as well as the 5 people sitting behind the podium up there is if we have to go up on our property taxes and that's not fair to anybody. Mayor Brening stated that nobody should have to pay more in property taxes to supply a service to our citizens if you don't own the property. Mr. Gay stated he agreed with Mr. Brening as the Board didn't want to raise property taxes either and if they don't get a fair share of this, they will have to raise property taxes just like the cities would. Mr. Gay stated this tax is designed to help to be able to relieve the taxpayer and he agrees that most is generated inside the cities and doesn't disagree with that but if you took away the revenue, and the Revenue department can't tell us that this amount is generated inside the cities, the next question I would ask is, how much of that comes from city residents. Mr. Gay explained that what happens with real estate and the reason grocery stores come into cities is generally population. What happens when you have a concentration of population density, a commercial establishment will come. Mr. Gay gave the example of the city of Sharpsburg. He stated that there are pockets of population in areas where stores and commercial businesses will come to where the people are. Vice Chairman Threadgill stated that just because there is a decrease in the population, no matter whether it is in the City or the County, the property still remains and there are taxes due on that property no matter what. Vice Chairman Threadgill stated if somebody leaves or the bank forecloses on the property, someone

has to pay for it. Vice Chairman Threadgill explained that what LOST does is decreases or stops from an increase of property tax, so we all suffer, when we lose as the amount of property doesn't change. Mayor Brening stated he understood that but feels we are missing a big point and understands that but every time they have a drug problem out by the cemetery the front page of the paper states Manchester man arrested for this, however he lives 3-4 miles from the city limits. Mayor Brening stated if it is going to cost the County more to operate the County, it will cost the Cities more to operate the Cities because they provide more services such as the Fire Department. Mayor Brening stated that he signed an Intergovernmental Agreement to go outside the city limits with a class three fire department to help citizens outside the city limits. Mayor Brening stated when the bell rings they have someone there ready to go, however if it happened in Chalybeate Springs someone would have to come in and not be as quick on the scene. He stated that his Fire Department budget is somewhere between \$550,000 to \$600,000 per year, and someone is footing the bill and they are able to help the county know and thinks it is a huge advantage to the surrounding area. Mayor Brening stated there are a lot of cities in the State that cannot collect sales taxes as they have dried up and no longer exist. Mayor Brening stated that the cities have to be run right and services provided to attract businesses, because if it is not then none of the cities can collect sales taxes. Vice Chairman Threadgill asked if this was to decrease the property taxes for county and cities for citizens. Vice Chairman Threadgill stated that the Local Option Sales Tax is used so the cities and the counties do not have to increase. Vice Chairman Threadgill stated the amount collected cannot exceed the amount that would be collected on those property taxes. He stated if you have 2% then the amount you get cannot be more than those 2% or 2 mills. If it was 2 mills and this decreases your city by 2 mills, then you cannot collect anymore in your city than what it decreases your millage rate by. Vice Chairman Threadgill stated it doesn't matter about your population really, you just cannot collect. Vice Chairman Threadgill stated that if the cities or county collected 100 million dollars in property tax over this period, we don't get it, we only get the percentage that is decreased in the millage rate to save the taxpayers. He stated we could collect 100 million in taxes, but we will only get that percentage decreased by millage rate. Mr. Gay stated in order to utilize LOST, you have to levy a tax and he knows there are some, not in this county, but in other locations that don't levy a tax. Mr. Gay stated that what the County is trying to do is come up with a fair way to do this. He stated we have SPLOST and split it based on population, TSPLOST is split on population. Mayor Brening stated that they have larger events. Vice Chairman Threadgill stated that the State sees that as irrelevant. He stated 500 carnivals could be set up in the city and produce a lot of money, but it is irrelevant because it's based on the percentage of millage rate you can decrease on the tax bill for the current citizens, not for anyone coming in. Mayor Brening stated that a 10-year period is a long time for renegotiation and if the population changes, which it's going to according to Mayor Brening. Mr. Gay stated population will also change in the county as we have a tremendous number of subdivisions coming in. Mr. Gay used the example of the city of Newnan in Coweta County. He stated that if you used where a particular product is sold, the city of Newnan could come in and probably request 50-60% of the sales tax, but that is not the way it is designed to be calculated and is to help all the citizens. Mr. Gay explained that while the grocery stores are located in the city, they serve all county residents as well. Mr. Gay stated that these citizens travel on county roads that have to be maintained, they come in on state routes and we all have a lot of expenses to do that. Mr. Gay stated that Mr. Brening had mentioned the Fire Department, and he feels that the County has also come in and helped the city with mutual aid. Mr. Gay feels that it is fair to give the cities a little bit more, but they don't feel like it would be fair for the County to give away their representation of the unincorporated citizens too because we make up a lot of the success of grocery stores and other things. Mr. Gay explained that just the past weekend he spent money in Luthersville, Greenville, and Woodbury and lives up on the northern end of the County and could have driven up to Coweta County just as easy. Mr. Brening stated that is because Mr. Gay knows it is his duty as a responsible citizen. Mr. Gay stated that he believes more do that than Mr.

Brening thinks. Mr. Brening stated that it was just the quick stuff, shopping and the big stuff, people are going other places. Mr. Gay explained that probably a lot of people in the room do the same thing as there are some things you can't obtain. Vice Chairman Threadgill stated that people inside the cities and counties, himself for one travel outside the County to work. There are not a huge number of jobs for certain professions in our county. Mr. Threadgill stated he is guilty of it; however, he does try to buy in Manchester as much as he can, but as much as he travels, he is putting \$300 per week of gas in his car. Vice Chairman Threadgill states sometimes he has to stop elsewhere but believes if there were more jobs that fit a wider variety of professions, they would never have to go anywhere. Commissioner McCoy stated he believed the Achilles' heel no one has mention is how well are these sales tax being apportioned back to the County. Commissioner McCoy stated that quite a few of our citizens have zip codes that they share with an adjoining county. Lone Oak shares a zip code with Hogansville, as well as the Senoia zip code. Commissioner McCoy would like to know how well the state is really apportioning that money back to us. Commissioner Plant stated she recently took an ACCG class in Pine Mountain and it was brought out that especially with Amazon, that when the sales tax started being instituted with online sales, the monies that are being collected are going to the zip code and not the home address. In Meriwether County you have Senoia, Hogansville, Grantville, and Pine Mountain, at least four that will go to your surrounding counties. Commissioner Plant stated it was proposed that we push legislation through the stated that it be addressed based. This way you would get your sales tax. Commissioner Plant stated that when she asked Mr. Bill Gregory, regarding the sales tax increase, there was an increase in the last two years. Commissioner Plant stated if we are losing based on that it needs to be addressed but would have to be legislation changed at the state level. Commissioner Plant stated it was also brought out that there is no way that the Georgia Department of Revenue is going to release the tax dollar information that's collected from cities within the counties and feels this may be another area that needs to be addressed. Commissioner Plant stated that this would be hard to do as you cannot go back to the data as the Department of Revenue will not release it at this time. Commissioner Plant felt if we jointly went to our legislatures, the House as well as the Senate, let's do something about it, because we have at least 4 zip codes in this county, and looking at the coverage the growth is taking place in the North and the revenue is going to Troup or Coweta Counties. Mayor Brening stated maybe Mr. Gay feels population is the fairest thing, but he doesn't believe the population is accurate and thinks it is a horrible time to try to renegotiate. Mr. Gay asked Mayor Brening what other options he would pursue. Mayor Brening suggested leaving everything as it was as nothing is going to cost the cities less today such as nothing is going to cost the county less. Mayor Brening stated that he would be going down 2% over 10 years. Mr. Gay stated that you will not be talking about today's dollars 10 years from now. Vice Chairman Threadgill asked if the County is in the Cities or are the Cities in the County? Vice Chairman Threadgill stated the cities are in the County. He stated because the County encompasses everything, they could take 100%. Vice Chairman Threadgill stated that County is giving up percentage as well and if they could give every city what they wanted they would, but the County is taking at 5.33% loss. Mayor Brening stated that is because it is based on population. County Administrator, Michelle Irizarry stated that is not based on population. Mr. Gay stated if we based it on population, the County would be gaining dollars, but we are taking the population and giving 15% away. Mr. Gay used the scenario that if Luthersville grew to be the biggest city in the county, how would they feel if we said, let's just keep it the same, we can't use population. Mr. Gay states they would probably feel they deserved a larger portion. Mr. Gay stated the cities can't just keep taking that back from the County as the unincorporated citizens deserve that cutback as well. Mr. Gay stated you have to have some measurable device or measurable numbers to start with. Mr. Gay stated that he doesn't know if the Census numbers are right and has serious doubts, but he has serious doubts about all the Censuses. He stated this is the number we have to go by. Mr. Gay stated that we didn't just use that and stated that going into this he realized that the cities generate some revenue and realize

there's traffic and other things. Mr. Gay stated we were willing to add to that and give back 15%, so each city will get their population plus 15% and the people that are losing in the overall are the County by taking a 5% cut to provide that to the cities and out of recognition of that not just leaving as population. Mr. Gay stated that the unfortunate thing, whether or not the Census is right is that Manchester took a pretty big hit in terms of population, and he doesn't know why. Mr. Gay stated the only cities that showed any increase in population was Gay, Lone Oak, and Warm Springs. He stated everyone else loss including the County. Vice Chairman Threadgill stated with the amount of growth the County has had over the last 2-3 years and based on the reports that Cathy Johnson uses to provide us on all the houses being built, we lost 900 or better people and there is no way this happened. Administrator Irizarry stated that the unfortunate thing with the Census is it not only impacts here, but it has also impacted from the federal and state level and any kind of grants and funding the County receives are based on these numbers, whether or not they are factual. Administrator Irizarry stated this is the record and this is what so many funding sources rely on. Mayor Cuttie of Luthersville stated that he wanted to make it known that the City of Luthersville would like to leave things like they are with 60% to 40% with the explanation being every \$1000 spent in the County, 8% of that goes to the state and 40 of that comes back to the County. Mayor Cuttie states that right now for every \$1000 spent, the City of Luthersville gets \$0.45. and they would not like to see that decrease. He also stated keep in mind too that much of what they are doing is being done in the City not requiring any additional roadways or any additional discussion from the County. Mayor Cuttie stated we have a ready-mix plant that is about to open and will generate about 90% from outside the County. Mayor Cuttie stated his City Council has met and would like to see it remain at 60% and 40%. Mr. Gay stated that you can't just use dollars as the County just spent 2 million dollars on improvements to a county road that the city of Luthersville partnered with the County as well to get residents into the City of Luthersville coming from the County's share split from the TSPLOST. Mr. Gay stated that we all work together, and the County can't be successful without the Cities, but the Cities can't be successful without the County either. Mr. Gay stated the cities require the unincorporated citizens to buy in their city. He stated that if you leave it just like it was and we don't do anything and sign it off, there will be three cities that won't like that and will get less. Mr. Gay explained that some cities grew, such as Warm Springs. Mayor Brening asked how much they grew. Administrator Irizarry stated they went from 425 to 465. Mayor Cuttie stated that if you leave it the same the cities wouldn't lose anything. Administrator Irizarry stated if you don't change the formula Warm Springs would stay at 2.22 instead of going up to 2.25. Mayor Cuttie felt that you should take the 40% and divide it up based on the 8 cities population. Mr. Gay asked what is to say you couldn't do that with the 31.58%. Mayor Cuttie stated you can do that with any number but right now we are advocating leaving it at 60-40. Mr. Gay stated his point is there is a bigger percent of population in the County, and they deserve their fair share of the LOST as well. Vice Chairman Threadgill stated to understand that all the individuals living inside the cities will benefit as well as far as the County tax on the millage rate. Mayor Cuttie stated if you leave it where it is, no one will see an increase or decrease with the property tax. Vice Chairman Threadgill stated if you take the entire amount of the county and you put in what we could collect for property tax on every parcel, this cannot be exceeded no matter what, so we are giving the citizens inside the city a break on their County taxes as the Cities are giving a break on the City taxes. Vice Chairman Threadgill stated we are still giving the same rate discount on the millage rate no matter what. Vice Chairman Threadgill stated that no matter the percentage, the citizens are who we have to look at, not the cities benefiting from use of it but the taxpayers themselves getting the break. Mr. Gay stated he understood the Cities did not want to lose, but this was not to pay for a project this is to reduce the taxes that all property owners have to pay and unincorporated need that reduction as well. Mr. Gay explained that right now if we go back to the 60%, the cities would be taking away more from the unincorporated citizens. Mayor Moody of Woodbury stated that in Woodbury there is a need for housing and based on her population she

would like to increase housing over the next 5 years, looking to add more apartments or townhouses. Mayor Moody wanted to know if they would continue to lose if the population grows? Vice Chairman Threadgill stated the purpose of the LOST is to allow the cities and county to decrease or maintain a lower tax amount by millage rate to this. It is not to increase population or housing. This provides the cities and county that taxes their citizens to keep a lower millage rate and is across the Board. Vice Chairman Threadgill stated if we keep 50% and the Cities took 50% this could cause the millage rate to increase which would increase the county taxes for the citizens in the cities. Vice Chairman Threadgill stated we are all together and what this will do is keep our citizens taxes lower, no matter what. Mayor Brening stated that if the City falls short and has to raise its taxes it doesn't affect the County residents. Vice Chairman Threadgill stated that if the County doesn't get enough of a percentage to maintain a certain millage rate for county taxes, it affects everyone in the County and City. Mr. Gay stated that if the cities get a larger increase and don't have to go up on taxes, it may be because the unincorporated citizens are subsidizing the City, and that's not fair to the unincorporated person. Vice Chairman Threadgill stated again that he feels we are missing the point, it is not the City, it is not the County, it is the taxpayer which is the purpose behind this whole thing. Vice Chairman Threadgill feels we are going around in a circle and need to think about the citizens who pay the taxes. Mayor Brening reiterated that he feels this is a decision for 10 years and is looking out for the City of Manchester. Mayor Cuttie stated "let me ask this question, Bryan Threadgill, how are we gaining or losing if we leave things the way they are. Mayor Cuttie stated it is a sales tax. Vice Chairman Threadgill stated it is a sales tax which affects your property tax. Vice Chairman Threadgill stated if we stay at the 60-40 and the County loses 1 million dollars in sales tax that we would receive, the million dollars would have to be divided by how much a mill is, if it were 5 mills we lose, we will have to increase the County taxpayer millage by 5 mills which would increase every single property owner by 5 mills. Mayor Cuttie then asked that how we were losing sales tax? Vice Chairman Threadgill stated he did not say we were losing sales tax. Vice Chairman Threadgill stated we can't collect any more if the city cut 2.5 mills or the County cut 2.5 mills, we cannot collect anymore than what 2.5 mills would be for the County. If we decrease any county parcel by 2.5 mills the stated says you can't collect any more than that percentage. Mayor Cuttie stated it is a sales tax. Vice Chairman Threadgill asked Mayor Cuttie if he read it because that is what it says. Mr. Gay tried to explain to Mayor Cuttie that our overall percentage increased and that is more. Administrator Irizarry stated that she lives in a city for a higher level of service and on her tax bill she has city taxes and county taxes, and her question is to the City, you offer a higher level of service, being a city, correct? Is it fair to take more from the unincorporated county because there is still an unincorporated county tax on the city bill and by doing that you will increase the city portion and decrease the county portion, that citizen is still going to feel it because in the end LOST is to help with property tax? Mayor Cuttie stated that Administrator Irizarry is saying increase and decrease, but isn't it staying the same? Mr. Gay stated that the population went down in the City of Luthersville, so they serve a lesser population and get more money? Administrator Irizarry asked if anyone remembered 2008 or COVID as right now things may be going smooth, but things and change and we could be looking at an entirely different scenario 6 months from now. Mayor Brening gave a list of services that and items that the City of Manchester has spent money on such as the Fire Department and Police Department, as well as the Utilities and wanted to know what service the County provides for the City residents that is more important than those. Administrator Irizarry stated that the cities offer a higher level of service and that she chooses to live in a city and pay those taxes for faster response times and higher level of service. Mayor Brening stated that we are talking a 2% cut over 10 years and no one knows how much money that is. Mayor Nash asked if LOST could be renegotiated. A gentleman with Mayor Nash then stated that we keep going back and forth with population, but he believes we need extra data. Mr. Gay asked what extra data do you need? The gentleman explained that the revenues of what the cities are bringing in. Mr. Gay stated that is not

relevant to what we are discussing. The gentleman stated that there is arguing back and forth without the data. Administrator Irizarry stated that this is just what the state does, as they do not break down the sales tax division of revenue between the county and the cities. Vice Chairman Threadgill gavelled and asked that we stay on track. Mr. Gay stated that we must remain fair and doesn't believe that Cities who lost population should say give me what I had years ago and take it from the County. At 10:20 a.m. Vice Chairman Threadgill stopped the meeting as Commissioner McCoy had to leave the room and there was no quorum. Commissioner McCoy returned at 10:22 a.m. Vice Chairman Threadgill asked if we had 60 days to negotiate. Mr. Gay advised we did. Mr. Gay stated that he doesn't know that we will reach an agreement today and feels that we may all need to go back and look over and feels if the cities want to renegotiate, we go back and take the 15% off the table and let's go back and start out renegotiation based on percentage population. Mr. Gay stated we were trying to reach out and help and if we need to renegotiate, we should go back to percentage population. Vice Chairman Threadgill wanted numbers on the maximum amount we can collect across the board and be able to see if this will change the millage. Mr. Gay will put some more numbers together and had used the exact same percentages from the last time and the cities did better with the 15%. Maybe the cities can come up with some more ideas and LOST numbers behind that for justification. Vice Chairman Threadgill stated that no matter what percentage we get he will never vote to increase taxes. Vice Chairman Threadgill addressed Mayor Brening and stated he was looking at as a county as a whole including all the cities because as he said, if we have to increase our millage rate on the county level it affects every property tax person in the county. Vice Chairman Threadgill is not wanting the cities to have the property tax increase for their citizens and doesn't want the County to have to increase the property tax for all citizens. Vice Chairman Threadgill stated that we provide EMS for the entire County as well as E-911. Vice Chairman Threadgill stated that some cities receive service from the Sheriff's Office as they don't have a police department. Mayor Glover stated that even though the population is increasing services demanded are increasing and that cost is not going down. Mr. Gay will get some examples of the sales tax for the next meeting and based on history. Vice Chairman Threadgill stated he is more of a numbers person and needs to see it and may be so minute and not make a difference. There was a suggestion made to hold the next meeting on Thursday, June 30th at 9:00 a.m. A motion was made by Commissioner McCoy to set the next meeting for June 30th at 9:00 a.m. This was seconded by Commissioner Plant. All were in favor.

IV. ADJOURNMENT

A motion was made by Commissioner McCoy and seconded by Commissioner Plant to adjourn at 10:34 a.m. All were in favor.

Approved by: Majority vote of the Board of Commissioners
Attest: Allison S. Stephens, Deputy Clerk
Date: June 28, 2022