

Truth Verses Fiction



ARE WE BEING SOLD A (TAX) BILL OF GOODS

*“Government does not tax to get the money it needs;
government always finds a need for the money it gets.”*

Ronald Reagan

The background features a collage of financial data visualizations, including a pie chart with segments labeled '10%', '20%', '30%', and '40%', a bar chart with vertical bars in shades of blue and red, and various spreadsheets and tables with columns of numbers and text. The overall theme is financial analysis and budgeting.

Cobb's Budget Journey: How we got here

**After All The Town Halls:
We Still Don't Know!**



“How We Got Here”



Did The “Cobb’s Budget Journey” Mention...

- Anything About Bad Budgeting Decisions?
 - Parks Bond Debt \$ 3.6M
 - Payroll Increase \$10.4M
 - Pension Fund Payment \$ 7.8M
 - \$21.8M**
- Or Alert you to Emergency Spending to Save AAA Rating?
- Why Y/Y Tax Revenue Showed Loss Despite 4.5% Growth Forecast
 - \$6,666 less than 2017
 - FY 2018 impact \$7.6 million
- Three Versions of FY 18 Budget for Fund Balance
 - Original: 2017-18 Biennial budget **\$ 0 Balanced**
 - Amended & ADOPTED: August 2017 **\$21.5M**
 - Current 2018 Adopted Budget **\$19.7M**
- How They Concluded We Had A \$30M Hole
 - Are We Being Purposely Mised or....
 - Are There Hidden Expenses We Don’t Know About?

How Can You Ask Us To Support Your TAX HIKE When...



- We Haven't Seen Your 2019 Budget With 1.7Mill Increase
- You Have NOT Explained What Caused Your Purported \$30M Deficit nor Where the Number Came From
 - Why Will Getting More Money Fix It if You Don't Know What "IT" is
- You Have NOT Produced a List of Cuts –
- Your Solution is Spend More Money and Threaten to Take Away Services
- You Continue to Blame Past BOC's for **YOUR BUDGET**
- **You Own IT!** You Knew There Was a Deficit But You Kept Spending Money You Did NOT Have!

Chairman Boyce Made Promises



He Can't Deliver Without a Tax HIKE!

- Salary Increase – For the Other 52% of Employees
- Money for Parks – “I Will Find Additional \$14M”
- I Will Reinstate 3% Merit Increase They Deserve It
- #1 Priority – 3rd Army Road Connector
- #1 Priority - Public Safety
- # 1 Priority - Build Affordable Housing
- Restore Library Hours Including Sundays (3 Part Plan)
- Sunday Bus Service and Add More Routes
- Bring Transit to Cobb
- Don't Fund Non- Profits - Fund Non-Profits ???

Debunking All the Myths



- Pay Scale Increase Mandated - **FALSE**
 - Flawed Study – Resolution - \$10.4 Not Budgeted & Not Vetted
- No Salary Increase for 6 Years – **FALSE**
 - 3% Merit Increases every year
- Required to Pay Braves Security \$1.1- **FALSE**
- We Owe the Braves \$11.8M – **FALSE**
 - DOT Staff Disagreed – BOC Funded Anyway – No Proof in Contract
- We Need 300 New Vehicles \$100M – **NO ONE KNOWS**
 - Police Study Showed – No Need for New Vehicles or Equipment
 - Discussion at Retreat – No Conclusive Evidence – No Vehicle List
 - Sam Heaton – We only Need 50 Cars Next Year

DEBUNKING - MILLAGE RATE MYTH



- **Millage Rate is NOT Money in the Bank**
- Millage is an INDEX Used to Calculate Revenue
- We've had Lowest Millage Rate for Years and it Wasn't a Problem Then and Isn't One Now
- Low Millage Rates Help Keep AAA Rating

Prior to Mike Boyce - Having The Lowest Millage Rate Was a Point of Pride - Not a Competition

Cobb Has the Lowest Millage in Metro?



County	2017 M&O Millage	M&O Digest	Est. M&O Tax Rev.	Rev. Per Capita	M&O Exemptions	Exempt Per Capita	2017 Population
Fayette	4.509	5,621,113,327	\$25,345,600	\$227	291,119,154	2,605	111,743
Forsyth	4.642	10,881,639,125	\$50,512,569	\$227	1,627,844,694	7,312	222,640
Cherokee	5.483	9,201,964,768	\$50,454,373	\$204	1,106,624,687	4,475	247,314
Paulding	6.500	4,152,188,710	\$26,989,227	\$168	228,530,047	1,425	160,359
Hall	6.700	7,299,443,723	\$48,906,273	\$244	627,362,343	3,128	200,560
Cobb	6.760	29,180,978,451	\$197,263,414	\$261	4,861,477,262	6,444	754,460
Gwinnett	7.400	29,397,424,689	\$217,540,943	\$234	5,667,446,821	6,090	930,553
Dekalb	9.433	24,732,299,445	\$233,299,781	\$316	3,556,053,450	4,812	739,002
Fulton*	10.450	50,315,707,364	\$525,799,142	\$499	8,886,617,868	8,440	1,052,908
Douglas	10.768	4,116,298,609	\$44,324,303	\$301	577,654,016	3,917	147,455
Walton	10.905	2,633,332,874	\$28,716,495	\$311	450,025,190	4,868	92,443
Clayton	16.596	6,341,498,499	\$105,243,509	\$383	986,925,538	3,588	275,078
Rockdale	20.190	2,087,312,719	\$42,142,844	\$460	415,581,601	4,533	91,679

Fulton County - 2017 Numbers / millage has yet to be approved as they Froze 2016 numbers.

Source: Georgia Dept. of Revenue

Debunking Homestead Exemption Myths



Homestead Exemption Blame Game!

- Do You Believe Homestead Exemption Created the Deficit?
- Do You Believe \$30M Shortage Derived From the \$28M HSE?
- Do You Believe that Homestead Exemption is a BAD THING?

**It Wasn't Until Mike Boyce Decided to
Make You Believe It Is!**

Exemptions **INCLUDE** Homestead Exemption (Confirmed in writing by Bill Volkman)

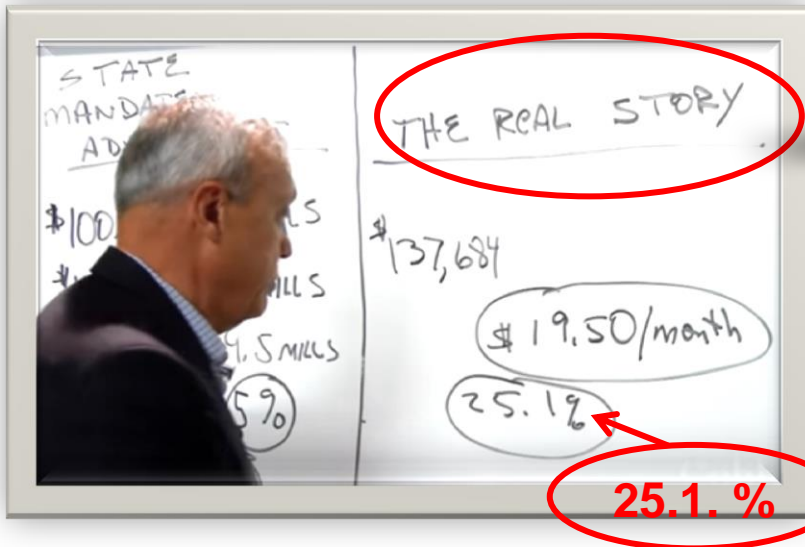
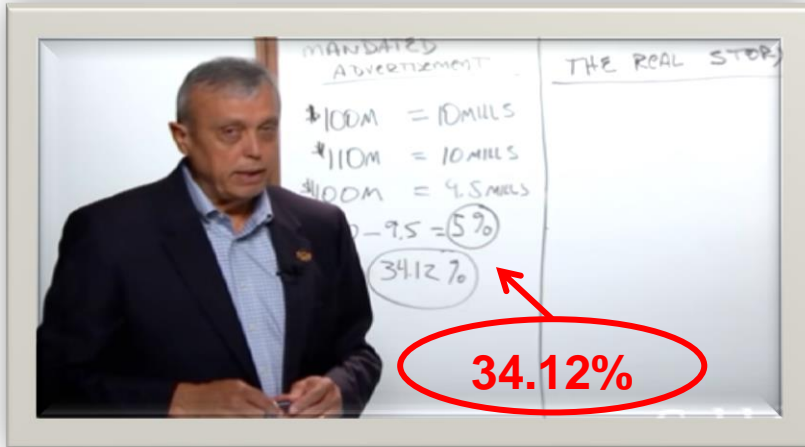
Gross Tax Digest – Exemptions = Net Tax Digest

Formula for General Fund Tax Revenue

Millage X Net Tax Digest X 97% Collection Rate = Gen. Fund Tax Revenue

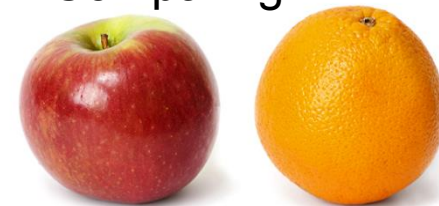
32B Net Digest X 8.46 Mills = \$272M X 97% Collection Rate = \$263.8M Tax Revenue

Debunking The Roll-Back



THE REAL STORY

- No Two Tax Bills Are the Same
- Your Tax Bill has Nothing to do with Roll-Back
- Comparing a Revenue Calculation to a Tax Bill Calculation is like Comparing...



Debunking Mike Boyce Threats!



“We Have No Where Else to Cut, If you Want Services We Have to Raise the Millage Rate”

- **What Did You Cut?**
 - Your Amended 2018 Budget Increased Expense by **\$22.7M** Over FY 2017 Knowing There Was a Shortfall.
- If We Don't Raise Millage “We Will Cut Services”
 - **Strategy – Threaten To Take Their Stuff Away!**
 - Libraries
 - Parks
 - Art Center
 - Recreation Centers
 - Senior Support
 - Mowing Medians and Ditches
 - Can't Fund the Police
- You Threatened Non-Profits But Backed Down – Threatened Seniors and Charged them a Fee ???
- **“I Didn't Recommend These Cuts, Call Your Commissioner”** Mike Boyce –
Town Hall East Cobb

Did You Consider Making Hard Choices?



- Cut Bottom 5%-10% of Low-Performing Employees
 - 225 Employees @ 5%=\$13.7M *
- Eliminate Redundant Positions
- Stop Roll-Over Vacation & Sick Day Payout
- Outsource Fleet Management, Human Resources, County Attorney and Information Systems
- Lower Fire Fund Millage by .25 - .50 mills
- Use Excess 2005 & 2011 SPLOST Funds
 - Pay Down Debt – Use funds from Debt Payment for Needed Services
- Increase Employee Healthcare & Pension Contributions
- Or...Freeze Pensions – Migrate all Employees to 401K

Calculation based on 4500 Employees & \$61K per year Average Total Compensation

Budget History & Facts



**LETS TAKE A LOOK AT
THE REAL NUMBERS!**

Cobb County Making History!



Good News

- Historically High Tax Digest Past 2 Years
- 2017 Digest **Up 5.7%** - 2018 Digest Up 9.2%
- General Fund Revenue **4 Times** Higher than 1991

Bad News

- **8.46** Highest General Fund Millage Rate in **27 Years**
- First Time in 21 Years AAA Credit Rating at Risk
- Our Chairman Changing All the Reasons We Earned it 21 Years in a Row
 - Raise Property Tax Rates
 - Already Increased our Debt Level
 - Financial Mismanagement – Spending More Than We Take In
 - Fund Balance Reserve Policy – Using Reserves to fund Operations

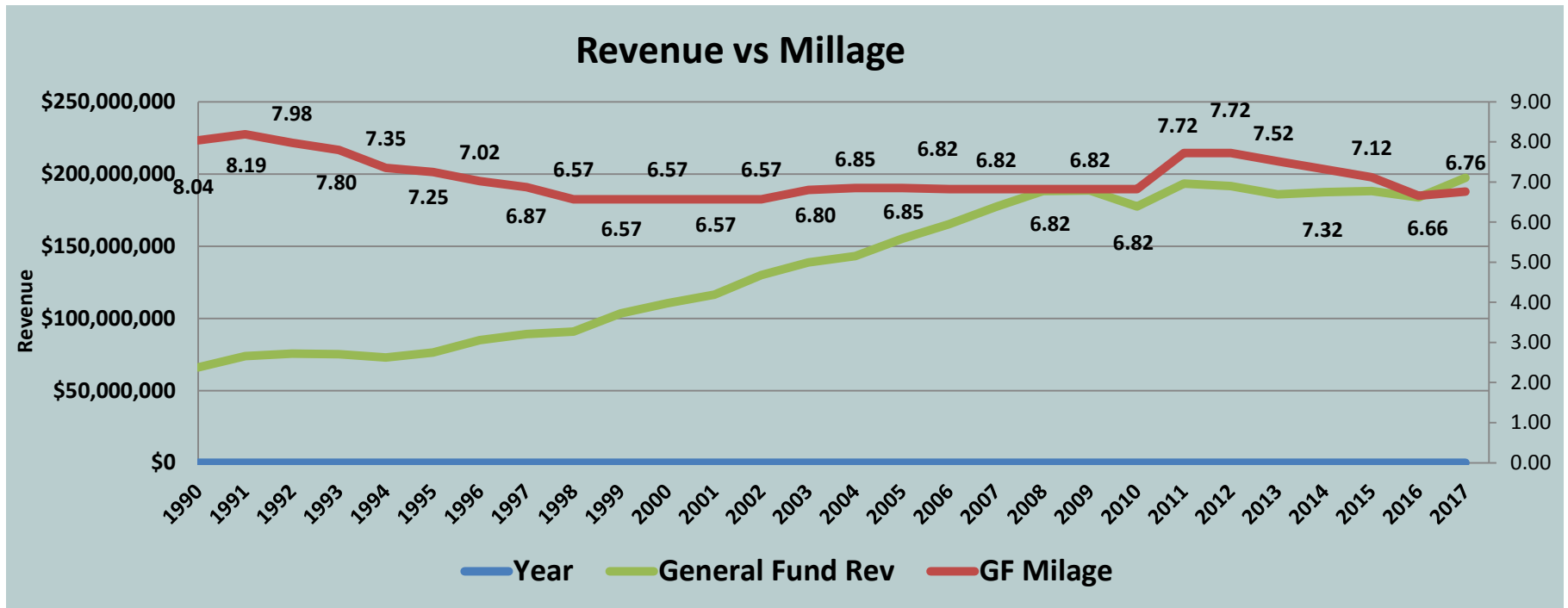
Does Any of This Make Sense to YOU?

10 Year Revenue Snap Shot



Tax Revenue





- **Tax Digest Grew 255%**
- **199% Increase in Tax Revenue**
- **Population Grew by 70%**
- **Millage Decreased by 16%**

We Don't Have a Revenue Problem



**WE HAVE A SPENDING
PROBLEM!**

**NO MORE TAXES UNTIL
YOU CUT SPENDING**