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
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
  - Total $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 Misled 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?

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*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**

\[ \text{Millage} \times \text{Net Tax Digest} \times 97\% \text{ Collection Rate} = \text{Gen. Fund Tax Revenue} \]

\[ 32B \text{ Net Digest} \times 8.46 \text{ Mills} = $272M \times 97\% \text{ Collection Rate} = $263.8M \text{ Tax Revenue} \]
Debunking The Roll-Back

- 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...

https://youtu.be/NQ_deeNs2Lg
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!
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?
- **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