LUMPKIN COUNTY
Board of Commissioners
Special Work Session Minues

Executive Conference Room
99 Courthouse Hill
Dahlonega, GA 30533

August 28, 2025
11:15 AM

CALL TO ORDER
The meeting was called to order at 11:15 am. Present were Chairman Chris Dockery and Commissioners Tucker Greene, Bobby Mayfield, Rhett Stringer, and Jeff Moran.

DISCUSS 2026 COUNTY BUDGET
Finance Director Abby Branan displayed a spreadsheet she had prepared showing the 2026 budget numbers and the digest. She showed a side-by-side comparison from the 2024 Digest to the 2025 Digest, broken down by the unincorporated and incorporated areas and then the combined total countywide. The gross taxable digest went up by $263 million, or a 12.5% increase. The exemptions increased by $95 million, which is a 20% increase, and the result was the net taxable digest going up by almost $168 million and a total of 10% increase on the net taxable digest from 2024 to 2025. The value of one mil went from $1.6 million last year to almost $1.8 million this year. The increase was about $168,000 per mil. Chairman Dockery reiterated that the exemptions increased 20.39% and Ms. Branan confirmed.

Ms. Branan said if you look at 2024, the adopted rate in the unincorporated area was 8.235. The rollback rate this year is 7.939. If the budget were to be adopted without the use of any fund balance, the millage rate would have to be 9.169 to balance the budget. That's in the unincorporated area. Then moving down to the incorporated area, the 2024 adopted millage rate was 9.854, and the rollback rate this year is 9.48. To balance the 2026 budget without the use of fund balance, the millage rate in the incorporated area would need to be 10.725. Then you have special tax districts here, so there's also a rollback rate down there. She continued, without the use of fund balance, you could actually lower the millage rates in the special tax districts. That is because the revenues in planning don't require as much in property taxes to balance the planning budget. That is the same thing for the reservoir. The only thing you have in the reservoir is some property maintenance and debt service. The growth has put them in a position where, along with the revenues that they bring in, they easily fund themselves.

When Ms. Branan started looking at the budget as last presented to the Board, the big question is how much fund balance is going to be required to balance the budget? The recommended percentage to keep in the fund balance is between 20 and 25. If they wanted to use $2.1 million from fund balance, then that would put our fund balance percentage at 21.04%. That is still above 20%, but that’s getting really close, and that's if we take the rollback and then use fund balance. Then for the last year, the Board kept the millage rates the same as they were in 2023 to 2024. For the purposes of discussion, Ms. Branan calculated how much fund balance would be required if they kept the millage rates at the 2024 number. The fund balance required would be

$1.6 million. When you calculate the percentage of fund balance compared to the budget, it would be 22.66%. If we take the rollback, we're dropping to 21%. If we don't take the rollback, we stay at 22.66%. Chairman Dockery and Commissioner Stringer both agreed they need to back into a hybrid, middle-ground number.

If they take the full rollback rate and keep the millage rate the same, they would be $2.1 million short. If they take $1.6 million of that from fund balance, then that leaves them with 22.6% fund balance, and they would have to find $540,000. Ms. Branan said if they removed the positions that were proposed, they would save $104,000, and that would leave $435,474. She continued, if they look at what is budgeted for merit and COLA collectively, it is $952,725. If you took $435,000 out of that $952,000, that leaves you with $517,000 toward merit and COLA. So instead of putting $952,000 toward merit and COLA, they could put $517,000, and that would get them there. She said that rating agencies really want you to be at a 25% fund balance. Chairman Dockery asked what we were currently at, and Ms. Branan replied 31%. Commissioner Stringer asked how much they could use from the fund balance if they wanted it to be 25%. Ms. Branan said one of the reasons our bond rating is so good is because of a healthy fund balance. Trey Monroe, a stockbroker with Stifel, recommends staying above 25% because if it falls below that, your bond rating may be affected. This would impact any interest rates for borrowing money in the future, which would cost the county more money.

Commissioner Mayfield stated in his economic development training that they said that 15 to 25% is a good range. However, if you want to have a good credit rating, you need to be 20 to 25%. Chairman Dockery said if you go below 20% then people start looking at you, but if you are at 31% then you have to start asking yourself, are you taxing it at the right amount? He asked is our goal to take people's tax money and bankroll it so we have a good credit rating. He said this is a delicate balance. Ms. Branan did some calculations and showed the Board that if they took the $1.6 million from the fund balance, that would make the fund balance at 22%. Chairman Dockery and Ms. Branan did some calculations to determine what amount would be left for the Merit and COLAs if they didn't fund the requested positions.

There was a discussion on how a Merit should be given only to the employees who have exceeded expectations. Chairman Dockery stated there ought to be an incentive to try and get a higher rating so that you get a pay raise. Otherwise, if you show up and just do your job, then you only get an annual COLA. He continued, I think you need to reward the employees who exceed expectations. If you are taking care of a cost-of-living adjustment, you do that with a COLA and just call it what it is. Commissioner Stringer agreed that the intent of the merit is to reward those who exceed.

Commissioner Mayfield suggested dropping the merit entirely and bringing the COLA from 3 to 5%. Chairman Dockery said his concern with that is that there's no incentive. If an employee is getting the same thing I am, and I worked hard all year, and everybody's going to get the same thing, why am I going to work extra hard next year? I think there needs to be some incentive for employees. What we've seen through experience, though, is that the evaluation of inflation pretty much negates that intent. I think you have to do that through policy, and you say that only a percentage of your department can be top-blocked.

Chairman Dockery said the County Manager, between now and next year's evaluation, needs to come up with a system so that the employee evaluation system cannot be inflated or skewed. Whether that's based on percentages by the number of people that you rate, however you decide to do that, I think you've got to keep that system from becoming skewed. Everybody can't be a 5. If everybody's a 5, then everybody's a 3. The whole intent is to reward those employees who exceed expectations. Chairman Dockery said that would be his recommendation is to decide what they want to put out of that $737,251 into a COLA, and then what's left, put that toward merit for people who were evaluated at a 4 or a 5. Commissioner Greene said there would have to be some kind of limit of how many 4 or 5's they would have because if they have 100 4 or 5's, it would outweigh what we have budget-wise. Chairman Dockery said he and Commissioner Stringer have talked about this, and I think a valid point is you take a dollar amount for merit, and then you back into your percentage based on your dollar amount. Commissioner Stringer said they have stuck with a percentage instead of a dollar amount, and now we are almost doubled what we started with, and we are robbing fund balance. Ms. Branan stated that they have discussed this every year, and as salaries increase, the percentages will continue to cost more because your salaries are rising. Therefore, when you're increasing as a percentage, your salary is larger, and so is your percentage value. Chairman Dockery said the problem is that I think some of our salaries have outrun the salaries of our surrounding communities. That's what his research shows. So, we are setting the standard on those salaries and causing other communities to try to keep up and we need to be abreast with other communities. We want to be the same.

Commissioner Mayfield suggested giving a cash bonus as opposed to tying it to a percentage of your salary. He said in his experience, if you give a cash bonus to someone who has been at the job for 28+ years and to someone with 4 years of experience, that is a huge raise for one and a smaller raise for the other. It is the percentage amount that is causing the issues. He thinks it just needs to be a fixed amount. He said here's your budget, here's your people, split it equally. Ms. Branan said she does think that the performance appraisals, the average score, is going to increase as soon as it's implemented. She is not suggesting that they do or don't implement it, but she would expect that once the reviewing managers understand that only those who receive a four and above are going to get a merit increase, you will see more employees with a four and above than you currently do. Chairman Dockery said, for example, if you rate 10 employees, you can only have 10% to score a five and 20% to score a four. So then you have to decide as a supervisor which is your best employee. Everyone can't be a four or five because that defeats the whole purpose of a merit increase. Commissioner Mayfield said that is where a fixed amount comes in. Chairman Dockery agreed you could do it with a fixed amount, but that is not how the merit is intended to work. A merit is supposed to be a motivator. He thinks you have to have a policy in place where you say only a percentage of this department can be a five, and only a percentage of the department can be a four, and everybody else has to be a three. Commissioner Mayfield said all of the systems eventually end up in inflation land. He has seen it in the military and in the teaching field. Commissioner Moran said they solved the inflation in the military by creating a percentage. The top 10% can only be the top block, so if you rated 100 people, only 10 people can be top block. Chairman Dockery agreed and pointed out not all of the same peers are going to be top block every year. He reiterated that the system we have now is not sustainable. Commissioner Mayfield said that is why he proposed just going with the flat COLA, and then their evaluation will determine whether or not to get promoted or not. Mr. Ours said that in his past experiences, it is based on a funding amount that was determined by the Board. Just because you received a five doesn’t mean that you get 5%; it may only be 3%. It depends on the dollar amount appropriated to merit. Commissioner Mayfield said that the other thing about having a fixed amount is that this year, you may get $300 extra. Next year, it may only be $180, depending on how big the bucket goes year to year and how many people are giving out of that bucket. Commissioner Moran said we all realize it's a really delicate situation. Commissioner Mayfield said the other challenge they face, being a smaller organization, is that you have large departments like the Sheriff and the Fire Department, and you have smaller departments like the Road Department. It's a lot harder if there are just three working in this office to say you're number one this year, you're number two, than when you have 80 people. Maybe they need to provide some criteria for the managers to go by to explain why they are getting the higher score.

Mr. Ours suggested for budget purposes for the Board to decide on the COLA they want to provide and the dollar amount they want for merit, and then staff can try to bring back to them the scenarios to be applied. Chairman Dockery said he thinks they need to do a 4% COLA that goes into effect in July and use the remainder for merit. Ms. Branan said that would be, on average, about a 2% increase under the current system. She said that is still a 6% increase over the entire year for those who score a 3 and above under the current system. She said the difference between your merit and your COLA is that your COLA is going to shift your pay scale. Chairman Dockery said he thinks the best way to do it is to take the 3’s out of the merit and only give to the 4’s and 5’s, and give a 4% COLA.

Ms. Branan said after taking out the positions, using a little bit more of the fund balance to make it a 22% flat fund balance ratio, figuring a 4% COLA, then that leaves $380,835 to go towards the merit. Chairman Dockery said that the intent is for that amount to go to the top-performing employees. That will allow them to take the full rollback amount.

ADJOURNMENT

The meeting was adjourned at 12:11 pm.