

Financial bind puts brakes on tax cut

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It's only taken John Eaves 11 months at the helm of the Fulton County Commission to go from wanting to give taxpayers money back to wanting to take more from them.

The Democrat began his term in January with the idea of reducing a record \$141 million reserve by giving cash rebates to taxpayers. But the newly elected chairman didn't have the political muscle to make that happen.

Now, he's reversed course and investing whatever political capital he has built up to push county commissioners to raise property taxes by \$33 million so Fulton can increase spending in nearly every general fund department.

"Nobody wants to raise taxes," Eaves said. "I was at a loss for another choice."

Fulton, Eaves said, is in a bind next year because of the \$8 million extra cost of holding a presidential election, the odd quirk of a 27th pay period, the costs of extra spending on Grady Memorial Hospital and the loss of sales tax revenues to four cities that just incorporated.

Eaves said he also began his first budget cycle with the assumption that Fulton would continue in 2008 doing everything it is today — and would not or could not cut back to make ends meet, even if the new cities are taking on tasks once performed by the county.

"We felt like it was important to maintain the current level of service," Eaves said.

In all, Eaves proposes spending \$690 million in the 2008 general fund, an increase of \$40 million from the original 2007 spending plan.

To pay for that spending, Eaves projects \$649.5 million in revenues even with the \$33 million tax increase he wants. He would dip into the county's \$141 million in reserves to make up the gap.

The suggested tax increase is already drawing skeptical responses from some of Eaves' County Commission colleagues who have spent the past several years trimming the tax rate.

"We are ending the year with a huge reserve," Commissioner Robb Pitts said. "I don't know what he's hoping to accomplish. As a general proposition, the answer is 'no' [to a tax increase.]"

Commissioner Lynne Riley said "absolutely not" to any property tax increase. She said she was "very disappointed" in Eaves' budget proposal and wondered why Fulton needed to increase spending so much.

Riley is the only commissioner serving on a legislative study committee looking at how Fulton government should be reformed in response to the county's four new cities taking over many services previously handled by the county.

The study committee likely will discuss the budget proposal when it meets next week, she said.

"I have great concern we are expanding government at a time when [we] should be cutting back," Riley said.

Eaves' proposal starts the county's budget season. Traditionally, the board receives the budget plan in November and spends two months working on it before adopting it in late January or early February. The budget's start is retroactive to the beginning of the calendar year.

The budget proposal also includes a number of other funds, from solid waste to water and sewer to stormwater management. In all, Fulton will spend more than \$1 billion.

Another fund certain to draw considerable discussion pays for municipal-type services in unincorporated south Fulton — the only area of the county that is not part of a city.

Here, Eaves proposes spending \$47.5 million against revenues of just \$36 million, covering the deficit by drawing down south Fulton's reserve fund.

That plan sets up a big challenge for next year, when almost all of south Fulton's reserves would be depleted.

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