

I believe the voters in each district spoke their desires for the leadership of Hinds County, returning four Supervisors and electing one new Supervisor. So, let me begin the 2012 – 2016 term of the Hinds County Board of Supervisors by welcoming the newest member, District 5 Supervisor Kenneth I Stokes. The BOS is a wild rollercoaster ride, so my advice to him is simple - sit down, strap in, and hold on, high adventure is around every corner.

At our first meeting of the new term, Mr Stokes delivered a long and heartfelt talk on the County budget and finances – talking about the need for fiscal responsibility and a surplus. These words sounded like a beautiful symphony to my ears. Since my election in 2008, I advocated these issues and voted accordingly. Only time will tell if his “words equal action”, but I am very hopeful that his votes help stop the irresponsible fiscal nonsense so prevalent in the previous four years.

The budget of the County remains a terrible mess and the BOS must address the many shortcomings starting with the cash flow issue and understanding the value of a surplus. Additional efforts to raise revenue center on the refinancing of the 2005 and 2007 bonds. These disastrous discussions offer a short- term band-aid with a long- term increase in debt. Let’s start with the cash flow problem, then move to the refinancing issue.

The County General Fund Budget equals \$54,932,000 and requires \$4,577,680 p/m (\$54,932,000 divided by 12 months) to make ends meet. However, the cash flow comes in irregularly each month as the table below demonstrates;

Oct 11 - \$1,002,645	Apr 12 - \$2,824,943
Nov 11 - \$4,234,899	May 12 - \$2,235,474
Dec 11 - \$3,941,955	Jun 12 - \$1,418,607
Jan 12 - \$7,114,643	Jul 12 - \$1,693,403
Feb 12 - \$14,710,737	Aug 12 - \$1,999,299
Mar 12- \$10,193,359	Sept 12 - \$6,849,701

Since the budget fails to provide a 10% (\$5,500,000) surplus to cover the short fall of funds during certain months – and since the BOS refuses to take the required action to establish a surplus – the Board borrows from existing budgets to meet the shortages. Using other County budgets as a financial source allows the BOS to float the budget, but also denies the use of those budgets for their intended purposes. As an example, the BOS delayed requested purchases from the E-911 fund for public safety needs because that budget serves as one of the de facto funds to meet monthly General Fund obligations.

Other than the E-911 fund, the 100 series 2005 and 101 series 2007 swap funds, the 117 State Fire Insurance Rebate, and the 385 Industrial Park Fund provide sources of cash flow for the General Budget. Since Nov 2011, these budgets loaned the General Fund a total of \$6,710,000 (E-911 - \$1,855,000, 2005 and 2007 swap funds \$1,850,000, State Fire Insurance Rebate - \$125,000, and the Industrial Park Fund - \$2,880,000). Remember, while these funds prop up the general fund, the use in their intended areas stops.

That brings us back to the need for a budget surplus and my harping on a 10% figure of \$5,500,000 to ride through the low cash flow periods. A surplus prevents interference with the other needs of the County and the budgets designed to accommodate those needs.

A past effort to create a surplus included the draining of department budgets and placing those dollars in the surplus - which the BOS spent hiring more personnel and paying architect/engineers for studies. In another effort, the BOS borrowed \$6,000,000 and called that a surplus – until the due date (with the interest) arrived. I opposed both of these misguided decisions. It's time to stop playing games with the people's money and start the realistic effort to get our financial house in order.

What are ways to start this process? One suggestion reduces the number of personnel employed by Hinds County. In 1995, the County employed 875 people; today that number is over 1,000, a 15% increase. To my knowledge, the County's size is the same and the County provides the same services. While I disagree, I understand the Governmental mindset of "Kingdom Building", but the increase in personnel came at the expense of paving, efficiency, and providing the technical improvements so necessary in today's society.

Cutting the employment of the County by half of the 275-employee increase from 1995 to 2011, (138 employees) and assuming a salary/benefit package saving of \$25,000 per person frees up \$3,450,000 for use as a surplus. Cold hearted, but the time is approaching when these decisions must be made or solutions more radical come into play.

Another involves the setting aside of \$1,375,000 p/y over the next four years to reach a 10% surplus. This also requires cutting somewhere in the budget - more slowly achieving a 10% surplus, but still requiring cuts in the budget.

Mr Stokes made a motion to start a surplus of \$250,000. This ½ of 1 per cent represents a start – and I supported that motion – but way short of the 10% need.

I also believe that all decisions to spend from any surplus require a super majority (4 vote's verses 3 votes) to approve expenditures from it.

Other Supervisor's thoughts or solutions are welcome and demonstrate a genuine effort to show leadership the County. Of course, they can do nothing and hope the ship floats until their days in office end.

Now let's move to the refinancing the 2005 and 2007 Bonds. This idea creates a boom for lawyers and financial planners in fees, but provides very little to the taxpayer. The advantage behind this boondoggle is the immediate availability of \$5,000,000 for the BOS to spend/waste. Based of the past spending habits of the BOS and the reckless disregard for long term planning, I see no value in this. Not to mention the additional \$5,000,000 added to the back end of the bonds. Really, the taxpayer's lose \$10,000,000

because the bond/taxpayers must repay the \$5,000,000 received upfront to get to the original pay off, and then an additional \$5,000,000 added to the current total to arrive at the new pay-off figure. Bottom line, refinancing is rarely a good idea unless the new payoff is less than the old payoff - not a possibility with this bond refinance. The only advantage is a political advantage for the elected BOS – the distribution of more dollars by a governmental body for the short- term gain of a few and the long-term debt of many. Think of it this way – “how’s that federal stimulus package working for you?”

Contact District Four Supervisor Phil Fisher by phone 601-826-4006 or e-mail pfisher@co.hinds.ms.us