

THE MORGAN COUNTY COUNCIL MET IN A SPECIAL MEETING ON MONDAY,
MAY 21, 2025 AT 6:30 P.M.

MEMBERS PRESENT: KIM MERIDETH, VICKIE KIVETT, TROY SPRINKLE, CHIP KELLER, AND JOE CRONE. ALSO PRESENT WERE; LINDA PRUITT, MORGAN COUNTY AUDITOR; DEB VERLEY, EXECUTIVE ASSISTANT; AND TYLER LEWIS AND MICKEY BELL, REEDY FINANCIAL GROUP. BRIAN CULP AND MELISSA GREENE WERE ABSENT.

PLEDGE OF ALLEGIANCE

PRAYER (*Vickie Kivett*)

Request to Fill Part Time Position – Clerk, Records Department

Tammy Parker, Morgan County Clerk, stated that she had a part time position in the Records Department to help with scanning documents and the person filling the position took a part time position in another department. This position will only be needed until the end of July. By doing the scanning project themselves, the project has been successful in saving the county money. Kim Merideth stated that the quote for this project was approximately \$500,000. Chip Keller made a motion to approve the position. Motion seconded by Troy Sprinkle. Motion carried 5-0.

Request to Fill Position – Prosecutor, Child Support Division

Steve Sonnega, Morgan County Prosecutor, stated that the Supervising Attorney is leaving on August 1st as they were offered another job opportunity. This position supervises a staff of six, two attorneys and four case workers, and also submits reports to the state. Mr. Sonnega noted that to date, they have collected \$1.75 million in child support and have 1,700 open cases. For every dollar they spend on child support, they get 66% back in federal reimbursement. This is an existing position and the salary will stay the same. Vickie Kivett made a motion to approve the request. Motion seconded by Joe Crone. Motion carried 5-0.

Public Comments

Rod Stafford, Morgan County resident, stated that the people in the county and town need tax relief. Spending is out of control and it exhibits poor leadership. Mr. Stafford stated that in the last three years, his assessment has increased by 32%, but his taxes have increased by 72%.

Larry Ralph, Morgan County resident, stated that he has lived in the same home for over four decades and has voted in every election he could since he was 18. Mr. Ralph is concerned about elderly people that will have to leave their homes because they can't afford the property taxes and there will have to be big changes.

Mike Holloway, Morgan County resident, stated that in over 20 years of having rental property, he has never raised rent, but because of property taxes, he has to raise rent. It is time to stop the spending. The new construction did not need all the bells and whistles, they can't afford it.

Joe Crone stated that the Council and county pay property taxes too and he will look into it.

Kim Merideth stated that the Council is cognizant of taxpayer's situation and she personally has had to use EMS services and did not see that there were any services that could be cut. Ms. Merideth mentioned that there were issues with the Courthouse.

Mark McDaniel, Morgan County resident, asked what essential services they can't afford now that they had three years ago, before taxes went up. Mr. McDaniel asked that they lower the tax rate. Mr. McDaniel stated that he sees a lot of bells and whistles for county government, but not for the people.

Bryan Collier, Morgan County Commissioner, stated that the county uses 1% of the 2.72% income tax rate to lower property taxes for homestead properties. Under the new Senate Bill 1, they will only be allowed to use .3% to do this; this means property taxes will go way up. Mr. Collier stated that he has property rentals and understands the concerns. It is also not being fiscally responsible to pass capital projects on to the next generation.

Financial Review

Tyler Lewis and Mickey Bell, Reedy Financial Group, were present to go over the legislative overview and 2026 Budget outlook. Mr. Lewis reviewed the effects of Senate Bill 1 and House Bill 1461. Mr. Lewis stated that there is a new income tax structure rate coming effective

January 2028. The maximum county rate for local income tax is 2.9% with 1.2% of this to be used for county services, .4% for fire protection and EMS, .2% to conservancy districts, townships and libraries, and 1.2% for municipalities over 3,500. Something will have to be cut by .1% to be under the maximum. The property tax credit (currently 1%) will be eliminated, but they can reestablish a .3% rate. The levy freeze will also be eliminated. The personal property tax exemption will increase from \$80,000 to \$2 million in 2027. The max rate for a fire territory will be .40. The \$48,000 homestead deduction will be phased down to \$0 by 2030 and the supplemental deduction will phase in to 66.7% by 2031. There will be a state formula for 2% properties that will result in a lower net assessed value and the tax rate will go up. The homestead tax credit will be 10% times the tax liability. The estimated impact for the net levy is \$1.37 million less for 2026, increasing to a loss of \$4.82 by 2032. The projected tax rate is expected to be .1569 higher by 2032. The full rate for income tax is projected to be \$28 million compared to \$20 million in 2025.

House Bill 1461 reduced the percentage match for smaller counties and defines responsibilities for bridgework. Townships must create a fund dedicated to road and infrastructure improvements.

Linda Pruitt stated that one of the reasons for having this review is to give elected officials and department heads guidelines for budgeting salaries. The Council agreed to estimate a 2% increase.

COMMENTS:

Rod Stafford mentioned his concern with TIF districts and school improvements.

Caleb Stidd, Morgan County resident, compared the Judicial Campus construction project to various boats and stated that the county could not afford it. Vickie Kivett explained that they had outgrown the Courthouse and that the building is not ADA compliant, has HVAC issues, has bat droppings, mold and asbestos.

Next Meeting

The next meeting is a public hearing on May 27th at 9 am. The next regular meeting is June 2nd at 6:30 pm.

Adjournment

Vickie Kivett made a motion to adjourn the meeting. Motion seconded by Joe Crone. Motion carried 5-0.

MORGAN COUNTY COUNCIL

Kim Merideth
Kim Merideth

Vickie Kivett
Vickie Kivett

Troy Sprinkle
Troy Sprinkle

Chip Keller
Chip Keller

Melissa Greene
Melissa Greene

Brian Culp
Brian Culp

Joe Crone
Joe Crone

ATTEST:

Linda Pruitt
Linda Pruitt, Morgan Co. Auditor