

Statement by Commissioner Bettye Fine Collins
Jefferson County Commission
October 9, 2008

The plan negotiated by Governor Bob Riley would have resulted in a no new taxes, an increase annually of 2.85% on sewer rates and the extra revenues produced by the one cent education sales tax. Wall Street and the insurers have agreed to approximately one billion dollar reduction in sewer bond debt. The remaining bonds would be restructured to fixed rate bonds at market rate. In order to stabilize the sewer rates, the excess revenues generated annually by the one cent education sales tax (approximately 26 million \$) would be used to supplement the sewer rate payments on the reduced bond debt. The current warrants mature on January 1, 2027 and there could be an extension of the term of these warrants. The plan would prevent the bankruptcy of the Jefferson County Sewer System.

The public school systems of Jefferson County were "given" 1.3 billion dollars from this bond issue which paid them all they will ever receive. It is hard for me to understand how our legislative delegation can refuse to allow us to restructure this tax which the Jefferson County Commission passed.

Our archaic, outdated Alabama Constitution gives the Jefferson County legislative delegation absolute and total authority and control over Jefferson County. Sadly the Jefferson County legislative delegation wants all the power and none

of the accompanying responsibility. Apparently our legislative delegation have missed the daily news stories that have reported an 83 million \$ gap between Jefferson County departmental revenues for 2008-2009, resulting in 146 positions being eliminated and major cutbacks in all departments of the county. The members of our legislative delegation have decreed that they will **not** allow us to “touch” the education sales tax, and that indeed we should find the necessary funds in our general fund budget. Yes, we can certainly comply with the dictates of the legislature delegation; however, it will bring a lot of inconveniences to the citizens that we all serve. By following their advice, listed below are a few of the ways we can certainly cutback and come up with reductions as per their demands:

	<u>Result</u>
Elimination of the 15% discount on Residential Sewer Rates (passed in 1970)	11.5 Million Dollars
Reduction in Environmental Services Operating Budget	15 Million Dollars
Reduction in Roads & Transportation	
Capital Budget	5 Million Dollars
Operating Budget	5 Million Dollars
Closing the following satellite Courthouse sites:	
Green Springs	1.6 Million Dollars
Forestdale	.9 Million Dollars
By reducing the operation of the following satellite Courthouses to three days a week:	
Center Point	.6 Million Dollars
Gardendale	.4 Million Dollars

The above reduction in services we provide to our citizens will allow us to bring about a settlement without a bankruptcy which would destroy our county.

Under the “plantation” form of rule which defines our control by the Jefferson County legislative delegation, their message to us continues to be “take your licking and keep on ticking.” They voted to abolish the very occupation tax which they want us to use a portion for a settlement, yet we’re in court battling a lawsuit that contends we have no occupation tax.

Municipalities can and have raised sales taxes as a way of funding their operation. I have heard no criticism from any legislator as these taxes are passed by the towns and cities they represent.

Given a choice, the citizens of Jefferson would prefer that the necessary funds to solve this come from the existing 1 cent sales tax rather than the loss of many county services.