After Agenda

Board of Commissioners of Spalding County
2014 SPLOST Work Session
Thursday, July 3, 2014
9:00 AM
119 E. Solomon St., Meeting Room 108

The Spalding County Board of Commissioners held a 2014 SPLOST Work Session in Room 108 of the Courthouse Annex, Thursday, July 3, 2014, beginning at 9:00 a.m. with Chairman Samuel Gardner presiding. Commissioners Raymond Ray, Rita Johnson, Gwen Flowers-Taylor, and Bart Miller were present. Also present were County Manager William P. Wilson Jr., Jim Fortune, County Attorney and Kathy Gibson, Executive Secretary to record the minutes.

I. OPENING (CALL TO ORDER) led by Chairman Samuel Gardner.

II. INVOCATION – led by Chairman Samuel Gardner.

III. PLEDGE TO FLAG – led by Commissioner Bart Miller.

IV. AGENDA ITEMS

1. Discuss projects for inclusion on the 2014 Special Purpose Local Option Sales Tax (SPLOST) referendum to be held November 4, 2014.

   William Wilson, County Manager, advised in the packet there were updates to the 2008 SPLOST year-to-date. Mr. Wilson stated that we are still estimating $700,000.00 per month for 72 months which is $50,400,000.00 total collections for the 2014 SPLOST. Also included are recommendations of the Committee and a memo explaining why we are having to complete everything within a small timeframe.

   Mr. Wilson advised that the 2014 SPLOST Survey took about 8 weeks from start to finish, using up 8 weeks of the time that could have been utilized to meet with the cities. Mr. Wilson reiterated that we are on a short time frame due to members of the various entities involved being out-of-town and unavailable. The county is going to be inventive in arranging the meetings that need to take place on the intergovernmental agreement, then we have to allow time for the Board of Elections meetings as well.

   Mr. Wilson asked the Board to:
   - Identify the projects to appear on the 2014 SPLOST.
   - Designate countywide projects.
   - Designate county projects.
   - Prioritize the projects identified.
   - And establish if any of the projects are to be bonded.

   If any of the projects are bonded then we will have to get that information to

our Bond Counsel and to our Underwriters so they can prepare the cost estimates the financing. Mr. Wilson stated that when bonds are issued, the collections go toward the repayment of the bonds first. This means that any collections during the year will go to debt service first, like they do now on the 2008 SPLOST then any collections over and above the annual debt service are available for pay-as-you-go projects. This is a critical decision that needs to be made if we are going to bond any of the projects.

Mr. Wilson stated that the City of Griffin had expressed their desire to have bonds issued for approximately $11M of their projects. Most of these projects are for buildings. The City of Griffin wants to renovate the old City Hall and reuse it and they also want to build a new Fire Station.

We have to decide what we want as County wide projects, to come off the top, then subtract requests from the cities of SunnySide and Orchard Hill. The remaining funds to be split between the County and the City of Griffin as agreed upon in an intergovernmental agreement.

Mr. Wilson advised that Commissioner Ray had requested additional information for the meeting and a copy of the information collected has been provided. Also, a copy of the Survey Results by project has been provided, as easy reference as to what projects were voted on by the 444 people who participated.

Mr. Wilson stated that if we could establish the projects, prioritize the projects and decide if the projects can be bonded today, then we can meet with the cities to come up with an intergovernmental agreement to bring back to the board for future adoption.

Chairman Gardner stated that he wanted to be clear on the fact that any projects that were bonded would be the projects that would be paid for first with SPLOST proceeds and projects that are not bonded could be 2-3 years down the road.

Mr. Wilson advised that it depends on how much is bonded and what the annual debt service is for the bonds. There is an annual debt service requirement computed by the Bond Underwriters and the annual debt service has to be funded first. The annual debt service would be established at the time of the bond issue and would have to be paid per year each year of the SPLOST.

Chairman Gardner advised that the board has both the recommendations of the SPLOST subcommittee as well as the recommendations of the SPLOST Survey to consider. He then asked the board where to start the discussion.

Commissioner Johnson stated that regarding the recommendations of the subcommittee, she respects the recommendations; however she feels that the more tangible projects that are on the SPLOST will increase the number of citizens who will vote for the SPLOST. Commissioner Johnson stated that it is important for the citizens to get out and vote for the SPLOST so that they can see what progress can be made and thanked the citizens who attended

the meeting for coming out today.

Chairman Gardner stated that he was part of the subcommittee and he would like to see those recommendations considered as this would enable us to save tax dollars by paying off debt early. We know that we are going to have to do something with the CAD and the telephone systems at 911 and we have all had multiple calls from citizens regarding the roads with potholes and issues with keeping them repaired. Chairman Gardner stated that we have no other source of revenue to repair the roads, he further stated that the State has been cutting back every year on the amount of funding that we can get from them for road projects.

Commissioner Ray stated that he had also worked on the subcommittee that made the recommendations. Commissioner Ray advised that SPLOST proceeds are used for capital outlay purposes such as construction, building and things of that nature. These funds cannot be used for maintenance and operation. So if we build it, the additional costs for maintenance, staffing and operations will come out of taxpayer funds in the form of an addition to the mileage rate.

Commissioner Ray stated that he is not in favor of building a new animal control center, he stated that he would support improvements to the one that we have. Commissioner Ray advised that he is trying to control the budget that we have had trouble with over the last few years and try to maintain the funding we are capable of maintaining.

Commissioner Ray further stated that he was not in favor of building an Aquatic Center because it is going to cost the county approximately $500,000.00 per year to maintain and staff the facility. These are additional costs on the taxpayers that we can't afford right now. Commissioner Ray stated that he has to be mindful of these facts and the Board has to be mindful of these facts because if we do not consider the operating costs we are going to cause a tax increase.

Commissioner Ray stated that he does support the CAD and telephone systems for the 911 Center, he does support the debt payoff of Oxford Square, the Correctional Institute, L.B. Norton Center and equipment leases so that we can turn that back into a mileage reduction at some point from the savings we will receive from paying off the debt. The soccer lights at Wyomia Tyus Park and the need to improve conditions at the animal shelter. He stated that he has no problem designating SPLOST funds to fix the problems at the current animal center, but he is not in favor of building a new one.

Commissioner Johnson stated that she does agree with Commissioner Ray on many of the points; however, the important thing is for the public to get out and vote. Commissioner Johnson stated since we are splitting the costs of some of these items with the City of Griffin, there are some things that we can accomplish jointly. She stated that she was not opposed to a new animal shelter with the construction costs being split with the City. She supports the 911 system because it is for the public safety and should be included in the SPLOST. Commissioner Johnson then expressed her desire for a Splash,

Spray pool to be considered a county wide project. She stated that this would be something good for the children in keeping them off the streets and a step in the direction of building for the future.

Commissioner Flowers-Taylor expressed her concern regarding the demographics of Spalding County and wanting to establish county wide projects that would improve the quality of life for the citizens of Spalding County. She stated that she felt that some of the projects under consideration could be scaled back to reasonable proportions and still meet the needs of the citizens.

Commissioner Miller stated that in the beginning he was not in favor of anything being proposed for the SPLOST with the exception of the transportation projects. Commissioner Miller stated that we have to make progress toward resurfacing our current roads and toward paving some of the dirt road in Spalding County. Commissioner Miller further stated that he doesn't have a problem paying off County debt, but he would have a problem should the County want to go back into debt.

Commissioner Miller stated that the Board needs to do something for the taxpayers of Spalding County and for the employees of Spalding County. The employees of this county have not had a raise in a long time. He stated that the County has some good employees and we don't need to lose them, but he is not going to vote on a tax increase to give anyone a raise.

Chairman Gardner asked for a definition of a Joint Project, a City Project and a County Project.

Mr. Wilson advised that there are three types of projects that can be paid for with SPLOST proceeds:

1. A Level One project includes a courthouse, an administrative building for elected officials or constitutional officers, a county owned regional jail, correctional institution or correctional facility, a county health department facility and any combination of those. These projects would come off the top of SPLOST proceeds because those are named in state law. No one in the cities or the county are proposing a Level One project.

2. Level Two projects are capital projects benefiting the citizens of the entire county other than the Level One projects described previously. Unlike the Level One projects, if the Board of Commissioners decide to allocate SPLOST proceeds to one or more Level Two projects, no more than 20% of the total can be allocated to Level Two projects off the top. There is no detailed listing of Level Two projects.

3. Level Three are the remaining projects that can be approved through intergovernmental agreements.

Mr. Wilson advised that under Service Delivery Strategy, it has been agreed that Recreation is a county wide service making the Soccer Lights a county

wide project. At the meeting on June 26, some of the City of Griffin Commissioners stated that Animal Control could be a county wide project. The 911 system provides service to the entire county so it could be considered county wide.

Mr. Wilson stated that the ACCG publishes a SPLOST Manual for County officials and this is the wording out of that document which comes directly from the State law.

Chairman Gardner then stated that based on the subcommittee's recommendation that the 911 system would be a county wide project and the soccer lights would be a county wide project off of that list.

Commissioner Miller asked if there had ever been a determination as to whether the Hotel/Motel tax could cover the soccer lights.

Mr. Fortune advised that the hotel/motel tax could be increased from 3% to 5% by a county resolution and that the additional 2% would go into the General Fund and once it is in the General Fund you can spend it for any lawful purpose. However, the 3% had to go toward projects that would directly increase the number of people attending events in the county and utilizing the hotels and motels therein.

Commissioner Miller asked how much the 2% would generate annually.

Mr. Wilson advised that the current 3% generates approximately $90,000.00 annually which equates to approximately $30,000.00 per percentage point, so the 2% would generate approximately $60,000.00 annually.

Motion/Second by Flowers-Taylor/Johnson to recommend the CAD/Phone system for the 911 Center ($1,000,000.00) and the Soccer Lights ($400,000.00) be the first two projects recommended to the City of Griffin as county wide projects for consideration on the 2014 SPLOST. Motion carried unanimously by all.

Commissioner Flowers-Taylor then read from an email that she had received on the Aquatic Center outlining how the center could be operated like a business and generate a cash flow to pay for maintenance and staffing. Commissioner Flowers-Taylor stated that when the Senior Center was completed it was established that a fee would need to be paid by individuals utilizing that facility and no one balked at it. The Aquatic Center could be funded the same way.

Commissioner Flowers-Taylor further stated that alternatives such as solar energy and drilling a well to supply the water for the pool could reduce the cost of maintaining the facility. She then advised that she was in favor of asking the City of Griffin to fund a joint project that is scaled down from what was originally requested to accommodate aquatic activities and assist in construction of a new animal shelter.

Motion/Second by Flowers-Taylor/Johnson to ask the City of Griffin partner with us to fund an indoor swim facility ($2,000,000.00) and an animal shelter ($1,000,000.00). Motion carried 3-2 (Ray/Gardner).

Mr. Wilson stated that the next item was to determine if any of the projects are to be bonded or if they were all to be pay-as-you-go?

Commissioner Ray stated that he would like for the 911 system to be bonded so that it could get up and running as soon as possible. He stated that he had no problem with the remainder of the list being pay-as-you-go.

Commissioner Johnson stated that she understands the reasoning behind Commissioner Ray's request; however she would like to see as many of the projects as possible be pay-as-you-go in order to save as much as possible to go toward other projects.

Commissioner Ray asked that all of the projects be determined first then we can go down the list and determine if the project will be bonded or pay-as-you-go.

Commissioner Flowers-Taylor stated that she has a problem with the county bonding anything. She stated that she would like to see the projects be prioritized and that all of the items be pay-as-you-go. Commissioner Flowers-Taylor stated there is too much money spent toward debt service and that money can be better used within the community on other projects.

Motion/Second by Ray/Gardner to add Debt Service payoff to the county's list of projects for the SPLOST in the amount of $3,400,000.00 to pay of Oxford Square ($835,000.00), Correctional Institution ($1,285,000.00), L.B. Norton Station ($815,243.00) and the equipment leases ($430,000.00).

Commissioner Ray stated that in paying off the debt service for Spalding County we would be able to free up the cash flow and possibly be able to offer a roll back in the millage rate to taxpayers. In addition, by paying of the debt we would be able to increase the reserves of the county which have gotten dangerously low over the past few years.

Mr. Wilson stated that the equipment leases included cars for the Sheriff's Department and Fire Apparatus. He then recommended that just the fire apparatus be paid off and that the leases for the cars remain as the cars will be an on-going leases in perpetuity and would have to reoccur every year. He requested that the equipment lease request be reduced to $430,000.00.

Commissioner Johnson stated that she had no problem with the debt service being paid off, but that she would like to see some of the money saved be used for a new sports complex within the county.

Motion carried 4-1 (Johnson).

Commissioner Ray stated that the subcommittee had made the recommendation of resurfacing 60 miles of road @ $100,000/mile ($6,000,000.00) and paving dirt roads 7.5 miles at $1.5M/mile ($10,500,000.00) and bridge upgrades in the amount of $3M for a total of $20,250,000.00.

Motion/Second by Ray/Johnson to spend the remaining approximately $18,000,000.00 on transportation needs of Spalding County: resurfacing roads, repaving dirt roads and bridge upgrades.

Commissioner Miller asked for a breakdown on the number of roads that could be paved given the reduction in the amount allotted. He also requested that when paving dirt roads that the right-of-way be donated, that the County not pay for any right-of-way easements.

Commissioner Ray asked that the resurfacing of the roads and paving be adjusted and that the upgrades to the bridges not be adjusted.

Mr. Fortune advised that in the past the county would not pay for more than 5% of the total road frontage on dirt roads that were getting paved.

Commissioner Miller further stated that the citizens that were told in 2008 that their roads would be paved and the easements have already been given be looked at first for getting their roads paved. This is something that was promised out of the 2008 SPLOST and he stated that it wasn't right they these roads have not been paved.

Commissioner Gardner stated that we have a motion in place regarding the projects and we have a policy that is already in place regarding the criteria for paving roads and how it is determined which roads will be paved. It is up to the Board of Commissioners if we want to change that policy, this can be done separately from the SPLOST.

Mr. Wilson advised that if we reduced the two proposed projects by the same percentage that would leave 52 miles @ $100,000/mile ($5.2M) for resurfacing of roads and 6.5 miles @ $1.5M/mile ($9.8 M) for dirt road paving.

Commissioner Flowers-Taylor expressed concern over the fact that no sidewalks were being made part of the proposed transportation planning. She stated that in unincorporated Spalding County there are no sidewalks available to the citizens unless they were in new subdivisions where sidewalks are being required. Commissioner Flowers-Taylor stated that even though it had not been a recommendation of the committee that she would like to see something put into the transportation request for sidewalks. She stated that there are funds available through the ARC that would enable the county to get matching money for this purpose.

Chairman Gardner stated that the motion has been called to resurface 52

miles of road @ $100,000/mile ($5.2M) and paving 6.5 miles of dirt road @ $1.5M/mile ($9.8M) and bridges @ $3M for a total of $18M for transportation.

Motion carried 3-2 (Johnson/Flowers-Taylor).

Mr. Wilson advised that he had gone back and looked at the bridge report and that currently there are 4 bridges in the county that are 10 tons or less which will no accommodate school buses: Hill Street Bridge, Walkers Mill Road Bridge, Jenkensburg Road and North Pomona Road. Mr. Wilson advised that the $3M would be the county's match on these projects and that GDOT would be approached for funding on the projects as well. Bridges are currently being inspected by the state and we will get another report in 2015 for the bridges inspected in 2014.

Mr. Wilson advised that once the countywide projects are taken off the proceeds, the cities of SunnySide and Orchard Hill receive their requests for funding and the balance is split with the City of Griffin, all of the proceeds from the SPLOST are expended, leaving no money for debt service if there is a decision to bond any of the projects.

Chairman Gardner stated that the next thing that the commissioners need to discuss is if we are going to bond any of the issues. Commissioner Flowers-Taylor and Commissioner Johnson have both expressed their desire to not bond any of the projects and have those proceeds available to fund other projects.

Commissioner Miller also stated that he was not interested in borrowing money in order to pay for the projects. He stated that the projects should be funded pay-as-you-go.

Commissioner Ray stated that he understands the position of the other commissioners on the pay-as-you-go; however, when this concept was used on the construction of the Senior Center, it resulted in a period of eight years from discussion to completion of that project. He then requested that the board consider bonding the 911, soccer lights, animal control and the aquatic center. Everything else could remain as a pay-as-you-go.

Commissioner Flowers-Taylor stated that the reason it took so long to get the Senior Center completed was because we had bonded the other projects for the SPLOST and 5 months revenues out of every year went to pay off debt service so we only had the remaining 7 months to fund the pay-as-you-go projects. At that time we bonded over $20M and that money had to be paid up front and all of that had to be done before we could even begin any of the remaining projects.

Commissioner Miller asked that the projects be prioritized as to the level of importance for the pay-as-you-go and that the priorities be passed along to the City. He further asked that the site for the swim center be on property already owned by the county and that purchase of land for the center should not be part of the project. The $2M should be invested into the swim center

and should not be spent on land acquisition.

Chairman Gardner stated that from the discussion it would appear that the priorities would be:

Joint Projects:	CAD/Phone Center
	Soccer Lights
	Animal Control
	Aquatic Center
County Projects:	Pay off Debt
	Transportation

Motion/Second by Flowers-Taylor/Ray for the county projects, that all of the debt service be paid off at one time in order to give the tax payers the largest break possible. Motion carried unanimously by all.

Motion/Second by Johnson/Miller that the joint projects be presented to the City of Griffin with the priorities as set as: (1) CAD/Phone Center, (2) Soccer Lights, (3) Animal Control, (4) Aquatic Center. Motion carried unanimously by all.

Motion/Second Ray/Johnson for the county only projects the priorities are Debt Service and then Transportation Projects. Motion carried 4-1 (Flowers-Taylor).

Motion/Second by Flowers-Taylor/Johnson that no projects for the 2014 SPLOST be bonded and that all projects be pay-as-you-go.

Mr. Wilson advised that there had be no money placed in reserve for service of debt for a bond. In order to bond there has to be money set aside for that purpose and all of the money has expended. There will be no savings, because no money was set aside for that purpose.

Motion carried 4-1 (Ray).

Mr. Wilson advised that T.J. Imberger, Director of Parks, has some real concerns about $2M for an aquatic center.

Commissioner Flowers-Taylor asked Mr. Imberger to address the Board with his concerns.

Mr. Imberger stated that parking would be approximately $1,000 per space. Engineering costs for the project would run approximately 6-8% on the pool which would be approximately $150,000.00 off of the project immediately. A 25 meter pool is approximately 10,000 square feet, just for the water part would be $1.5M to cover that. These are factual numbers without even digging a hole.

If you are going to build a tournament facility as stated earlier, that would be 25 meters by 50 meters. In addition, the same pool cannot be used for therapy as you use for swimming, there is a temperature requirement for the therapy pool that is higher than that for the swimming pool.

Mr. Wilson is to get with Parks and Recreation staff to obtain recent cost estimates for pools and distribute to the Board of Commissioners. Mr. Wilson also advised that he would get with ACCAB Chairperson, Vickie Henessey on the cost estimates she provided on the new Animal Shelter.

XIV. ADJOURNMENT

Motion/Second by Johnson/Miller to adjourn at 11:15 a.m. Motion carried 4-0 (Chairman Gardner had stepped out of the meeting).