

FRANKLIN COUNTY
BOARD OF COMMISSIONERS
SPECIAL CALLED MEETING MINUTES
September 4, 2015
8:30 A.M.

Present: Commission Chairman Thomas Bridges
District 1 Commissioner Robert Franklin
District 2 Commissioner David Strickland
District 3 Commissioner Jeff Jacques

Media: Shane Scoggins, Franklin County Citizen

Staff: County Manager, Beth Thomas
County Clerk, Elaine Evans

Item 1: Call Meeting to Order – Chairman Bridges called the special called meeting to order. He thanked everyone for their attendance.

Item 2: *Item for discussion:*

A. November 2015 Referendum

1. Resolution for General Obligation Debt – Chairman Bridges asked County Manager Beth Thomas to explain the resolution for the general obligation debt. Mrs. Thomas said that the previous history for this is that Franklin County guaranteed bonds when the Ty Cobb system built the hospital in Lavonia. Ty Cobb Health Care System became unable to make the bond payments beginning in December 2014. The County had to step in and make the payments so that this did not go into default. With the sale of the hospital to the Saint Mary's System, Franklin County is one hundred percent liable for the bond payments. For the 2014 and 2015 bond payments, Franklin County generated funds by the sale of roads to the Industrial Building Authority and negotiation of payment at the closing of the hospital sale. At this time a plan will have to be formulated to repay the bonds because this was not included as a line item in the FY2016 budget. The repayment of the bonds is not associated with property taxes.

Mrs. Thomas said that ways have been explored to refinance the bond. The refinancing of the bonds would give the County an opportunity for better interest rates. It would also allow for a better repayment plan to be formulated by the County. With the approval of the resolution and approval from the voters of Franklin County the refinancing should be able to take place before the December 2015 payment is due. Mrs. Thomas said that the plan from the underwriters is to spread the debt service over several SPLOST cycles. The voters have to approve this before the general obligation

debt can be refinanced. The resolution document and supporting information was reviewed by the bond attorney Jim Pannell. Mrs. Thomas said that if the resolution is approved she will deliver the signed copy to the Board of Elections today to start the process for the November ballot.

Chairman Bridges asked for a motion to approve the general obligation debt resolution. Commissioner Strickland made the motion to approve. Commissioner Jacques seconded the motion. Commissioner Strickland asked for clarification on the amount to be refinanced. Mrs. Thomas said that the amount to be placed on the ballot is 11.5 million. The reason for this is so that the bonds are not defeased before the call date. The principle and interest payments through 2020 will be placed in escrow. This will save the County money and not cause a decreased credit rating. Commissioner Jacques said that he has been looking at interest rates. He said that from his research it looks like the interest should be between 3.0% and 3.75% which would cut the interest rate by about half. Mrs. Thomas said that the rate will be determined by the length of the repayment time. Chairman Bridges asked for a show of hands to approve the resolution for the general obligation debt. The motion passed by four (4) YES votes to zero (0) NO votes. The YES votes were Commissioner Strickland; Chairman Bridges; Commissioner Jacques; and Commissioner Franklin.

2. Intergovernmental Agreement for SPLOST V – Chairman Bridges said that Mrs. Thomas had given the information for the intergovernmental agreement to each commissioner for review. He then asked Mrs. Thomas to comment on the item. Mrs. Thomas said that executing an intergovernmental agreement with the SPLOST vote is beneficial in several areas. The first benefit is that SPLOST collections are allowed for six years instead of five years with the agreement. This agreement also allows for SPLOST to be collected for the full six year period even if the projected amounts have been met. It is also shows cooperation between the County and the cities on specified projects. Fifty percent of the cities populations had to be represented before an intergovernmental agreement for SPLOST could be executed. Mrs. Thomas said that she is appreciative of the Mayors and Councils of the cities. All of the cities have approved their intergovernmental agreements. Every requirement has been met thus far for SPLOST V.

Mrs. Thomas said that the SPLOST V agreement is based on the previous SPLOST IV agreement. Additional legal phrasing has been added to cover for the general obligation debt. The distribution percentages for the cities and county projects are very similar to the prior SPLOST. Chairman Bridges asked for a motion and a second to move forward with the intergovernmental agreement. Commissioner Franklin made the motion to approve. Commissioner Strickland seconded the motion.

Commissioner Jacques asked for clarification on the amount for the airport. He said that the airport received money from the last SPLOST to expand the airfield in conjunction with a federal grant. Mrs. Thomas said that she put the airport on the SPLOST because over a six year period capital improvements are necessary. She said that this information was presented on each project list given out for review. The list can

be changed but will require going back into negotiations with the cities. Mrs. Thomas said that the airport is beneficial to the County because it is used by business people in the community. Commissioner Jacques said that he was not questioning that. He was only questioning as to the amount if there is some new airport project planned. Commissioner Strickland said that probably an extension of hangars is needed. He said that a good airport is needed by the County. Mrs. Thomas said that she does not have a specific project list. She was only looking at capital improvements. Commissioner Strickland said that the amount for the airport would only be around \$18,000 or less per year over the six year period.

Commissioner Strickland said that over the years the airport has come a long way in improvements. Chairman Bridges agreed. He said that anytime an airport is improved the community is improved. Commissioner Strickland asked for clarification on the County projects. He asked if utilities would include water, sewer and natural gas. Chairman Bridges said that it could. Commissioner Strickland asked if the amount is around a half of million dollars for utilities. Mrs. Thomas said that the projects have not been planned or bid out yet so the exact costs are not in for any of the items. Chairman Bridges asked for a show of hands to approve the intergovernmental agreement for SPLOST V. The motion passed by four (4) YES votes to zero (0) NO votes. The YES votes were Commissioner Franklin; Commissioner Strickland; Commissioner Jacques and Chairman Bridges.

3. Resolution for SPLOST V – Chairman Bridges asked Mrs. Thomas to explain the resolution for SPLOST V. Mrs. Thomas said that SPLOST V will be a continuation of the current tax. This collection will not begin until the current SPLOST ends. There will not be a tax increase. Commissioner Jacques said that this is a continuation of the current tax. Commissioner Strickland said that this tax will not go into effect until 2017. Mrs. Thomas said that as soon as the current SPLOST stops then collections for the next one will begin. That is why it is important to get everything into place so that there will not be gaps in the collections. The vote for SPLOST V will be a year in advance. The reasoning behind the early vote is to gain a source of payment for the hospital debt not related to property taxes. Also, this will allow the SPLOST to be bonded out in advance of collections. The bonding will allow the projects to be completed before the funds are received. Another reason for the early vote is if the SPLOST V passage were to fail, the vote could be taken before the voters again after 12 months have passed.

Mrs. Thomas said that SPLOST is a great option for counties and cities. SPLOST is used to purchase equipment. Also, the fire trucks for the volunteer fire departments as well as the ambulances for the EMS department. Many road projects were completed as well as expansion of the water system. Mrs. Thomas said that this listing for SPLOST V is a balanced list of projects. She said that money was moved from the IBA to cover the hospital debt as this was priority. There is still money for the other projects, they were not cut. Commissioner Strickland said that SPLOST is a win; win; win – good for everybody – cities; county and citizens. He said that trying to get ahead is forward thinking. Commissioner Jacques said that based on prior statistics that about

one third of the SPLOST collections come from people who are not residents of the County. This helps pay for capital improvement projects from sources other than the citizens of the County. Commissioner Strickland agreed with Commissioner Jacques. Chairman Bridges said that he hopes that everyone understands how positive SPLOST is. He then asked for a motion to approve SPLOST V. Commissioner Strickland made the motion. Commissioner Jacques seconded the motion. Mrs. Thomas said that if this motion passes she will need Chairman Bridges to sign the resolution. She will then hand deliver the resolution to the Board of Elections to start the process for the vote in November. Chairman Bridges asked for a show of hands. The motion passed by four (4) YES votes to zero (0) NO votes. The YES votes were Commissioner Jacques; Commissioner Franklin; Commissioner Strickland; and Chairman Bridges.

There was no further discussion. The meeting adjourned at 9:03 a.m.

Signed on the _____ day of _____, 2015

Chairman J. Thomas Bridges

Robert L. Franklin, District 1 Commissioner

David R. Strickland, District 2 Commissioner

Jeff Jacques, District 3 Commissioner

Eddie Wester, District 4 Commissioner

Elaine H. Evans, County Clerk