

HABERSHAM COUNTY BOARD OF COMMISSIONERS WORK SESSION
5:00 P.M., MONDAY, SEPTEMBER 16, 2024
HABERSHAM COUNTY COURTHOUSE
JURY ASSEMBLY ROOM
295 LLEWELLYN ST, CLARKESVILLE, GA 30523

The Habersham County Board of Commissioners held a work session on Monday, September 16, 2024 at 5:00 p.m. in the Jury Assembly Room of the Habersham County Courthouse located at 295 Llewellyn St, Clarkesville, GA 30523.

Present was Chairman Ty Akins, Vice Chairman Bruce Harkness, Commissioner Bruce Palmer, Commissioner Dustin Mealor, Commissioner Jimmy Tench, County Manager Alicia Vaughn, County Attorney Donnie Hunt, County Clerk Brandalin Carnes, staff, members of the media and the public.

Chairman Akins called the meeting to order at 5:01 p.m.

Commissioner Tench lead the invocation.

Commissioner Mealor lead the pledge of allegiance.

TOPICS OF DISCUSSION

a. SPLOST VII Updates

Tim Sims, Chief Financial Officer

Chief Financial Officer Tim Sims gave a presentation to the Commission regarding SPLOST VII. SPLOST VII collections began in April 2021. Between April 2021 to July 2024, SPLOST VII collections totaled \$31.85 million. This was 19.3% above the original projection for the same time period of \$26.7 million. SPLOST VII collections are trending at 4.3% above last year's collections. Mr. Sims went over a chart showing the amounts that were originally budgeted in the SPLOST VII referendum for proposed projects, highlighting the fact that the Animal Control Shelter Building was only budgeted for \$1.75 million and new fire/emergency services/e911 headquarters and central fire station was only budget for \$4 million. He has looked through all of his files and does not know how the amount that was budgeted for the animal shelter project was derived. At this time, they have \$1.5 million remaining after expenditures for the Animal Control Shelter Building and \$3.01 million left for the Fire/Emergency Services/E911 Headquarters. The amount budgeted for these projects is greatly under what is needed to actually complete them. There is some good news in that the estimated potential collections for SPLOST VII over the full 72-month period based on current collections is estimated to be \$57.48 million which means there should be an excess of \$10.37 million. There has been misinformation on social media regarding the county's ability to continue collecting SPLOST revenue in excess of what was budgeted for the projects included in the referendum, however changes to state law regarding SPLOST VII collections allow for local governments to continue collecting SPLOST for the entire allowable period. While \$3.35 million of this excess is the municipalities portion, the remaining \$7.02 million would be the counties portion. This excess can either be allocated to projects with cost overruns, allocated to the separate categories listed in the SPLOST referendum to add on projects/equipment, or can be moved to the general fund to pay debt payments. Mr. Sims informed the Commission that they have applied for several grants to try to assist with the fire station, emergency operations center and radio system project. If they get these grants than they can shift the savings over to assist with the animal shelter project

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b. Discussion on Financing Options for Capital Projects

Davenport & Company, Financial Advisors

Courtney Rogers, Senior Vice President of Davenport & Company, addressed the Commission. They gave the Commission some background regarding their company and the services they have provided for their many local government clients, which include assisting with transaction execution, credit ratings, planning & analytics and economic development. Mr. Rogers stated that the focus of his presentation tonight was going to be on capital planning for the animal control and shelter building project, as Habersham County is facing the same issue as counties the state in that they are seeing the cost of their projects overrun the funding. The amount that was budgeted for this project in SPLOST VII was \$1.75 million. It is their understanding that the guaranteed maximum price that was given to the county by construction manager at risk Sunbelt Construction was \$10 million, however it is looking like it will be closer to \$7 million to complete the project. County staff had requested Davenport and Company to evaluate potential options for funding the animal control facility project and develop a plan of finance. Mr. Rogers informed the Commission that they have three potential options for securing funding for the project: general obligation bonds, intergovernmental revenue bonds from either creating or activating an authority, or lease purchase with certificate of participation (COPS). Mr. Rogers gave the Commission a side-by-side comparison of all three options as well as reviewing the pros and cons of each. He informed the Commission that the county currently has a Moody's issuer rating of Aa3 and a S&P credit rating of A+, and informed them of the effect that credit ratings has on the interest costs of debt service issuance. Given that the county only has \$1 million from anticipated SPLOST VII collections allocated toward the project and there is roughly a \$6.5 million funding gap needed to support the project, Mr. Rogers reviewed scenarios in which the county could either use the \$1 million in SPLOST VII revenue to downsize the borrowing versus using it to pay the debt service. Using the \$1 million to downsize the borrowing could save the County roughly \$100,000/year in debt service payments, however if the county used the SPLOST revenues to pay debt service in the first two years, Davenport could structure the principal repayment so that the County won't pay debt service until FY 2028.

c. Discussion of Animal Control Facility

Sunbelt, Construction Manager At-Risk

Jerry Baggett, Capital Projects Manager

Public Works Director Jerry Baggett gave the Commission a timeline of events regarding the animal control facility project. He also went over the potential savings solutions that were identified during the value engineering process that have reduced the projected cost of the project from \$10 million to \$7.5 million. This \$7.5 million estimated value engineered design does not include an additional \$418,250 that could be saved should they choose to go with a flat roof instead of a sloped roof.

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ADJOURN

Motion by Commissioner Meador, seconded by Commissioner Harkness and voted unanimously (5-0) to adjourn the work session at 6:04 p.m.

Respectfully submitted,

By: _____
Commission Chairman Ty Akins

Attest: _____
County Clerk Brandalin Carnes

DRAFT