

HABERSHAM COUNTY BOARD OF COMMISSIONERS WORK SESSION
5:00 P.M., MONDAY, NOVEMBER 18, 2024
HABERSHAM COUNTY COURTHOUSE
JURY ASSEMBLY ROOM
295 LLEWELLYN ST, CLARKESVILLE, GA 30523

The Habersham County Board of Commissioners held a regularly scheduled meeting on Monday, November 18, 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 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.

Absent was Chairman Ty Akins.

Vice Chairman Harkness called the meeting to order at 5:04 p.m.

Commissioner Mealor lead the invocation.

Commissioner Tench lead the pledge of allegiance.

ADOPTION OF AGENDA

Motion by Commissioner Palmer, seconded by Commissioner Mealor, and voted unanimously (4-0) to adopt the agenda as presented.

TOPICS OF DISCUSSION

a. Discussion on Financing Options for Capital Projects

Chief Financial Officer Tim Sims addressed the Commission. The Board of Commissioners had directed Mr. Sims at their November 6, 2024 Special Called Meeting to consult with the County's Financial Advisors, Davenport & Associates, and bring them back an amortization schedule comparing 10-year, 15-year and 20-year payoff terms for financing the new Animal Control Facility via the issuance of a Certificate of Participation (COP). He reminded the Commission that a COP is essentially a lease purchase program with a financial institution, and that this was how the new Administrative Building was financed. Each County has the ability to finance up to \$25 million using this method, and they currently are only using \$6 million of the cap. Additionally, Commissioner Palmer had personally requested that Mr. Sims also provide this same amortization schedule comparison for the alternate option of reactivating the Industrial Development Authority (IDA) to secure bonds for financing capital projects.

Davenport & Associates conservatively estimated that the interest rate for a COP would be around 5.15% and the interest rate for the issuance of bonds through an IDA would be around 5.00%, however they just did a bid for Lamar County for bonds through an IDA and they were able to get an interest rate of just under 4%. Mr. Sims informed the Commission that if they were able to get an interest rate of 4%, financing through IDA bonds instead of a COP issuance would save the County \$462,000 for a 10-year term, \$690,000 for a 15-year term, and \$996,000 for a 20-year term.

Commissioner Harkness stated that he thought that three Commissioners had stated that they were not interested in pursuing financing through the reactivation of the IDA? Mr. Sims informed Commissioner Harkness that he was correct, however he was asked to have this information available as well. Mr. Sims reviewed the estimated yearly payments based on a 5% estimate for each of the three term options. He reminded the Commission that they were only looking to finance \$6.85 million as the Commission has already approved up to \$1 million in expenditures for site development at the last meeting. The payments for a COP with an estimated 5% interest rate would be around \$890,000/year for a 10-year term, \$670,000/year for a 15-year term, and \$560,000/year for a 20-year term. For Davenport & Associated to start the financing process, they need the Commission to approve a resolution of intent stating what option they intend to pursue. They would then put the financing for this project out to bid and bring back the interest rate and pricing information submitted by the banks and ACCG for the Commission's final approval. Commissioner Harkness stated that he was against a 20-year term and wanted to know how hard it would be for Mr. Sims to figure out making the annual \$890,00/year payments for a 10-year term work into the County's current budget? Mr. Sims stated that it would likely take up the entirety of any inflationary increases that they get in revenue in the budget. He informed Commissioner Harkness that another option is to put payment for any debt incurred for this project into the next SPLOST. If the sales tax revenue keeps trending over what was originally estimated, they could set aside the eventual excess towards making payments on this debt as well. Commissioner Harkness asked if his line of thinking was correct in that, if they figured out working the payments into the budget, they would not have to use funds from a new SPLOST project towards this payment? Mr. Sims informed him he was correct, it is just dependent on how the economy goes.

Commissioner Harknes asked how far along the Emergency Radio System project was? County Manager Vaughn stated that most of the towers are completed and that a crew of E911 staff was sent to CI Harris' headquarters to use a test system, however it will take some time to get everything completed and online. EMA/E911 Director Lynn Smith stated that it is estimated that the system would be up and running by July 1, 2025.

Commissioner Harkness asked if the only projects on the SPLOST were the new E911 Radio System, the Animal Control Facility and the new E911 Center? Mrs. Vaughn informed him that there were more projects, however those are the three major projects. Commissioner Mealor stated that technically a new E911 Center was not on the SPLOST, it was a central base station for emergency services. Mr. Sims stated that he found out recently that they had passed the second hurdle for the Congressional Directed Spending Requests, but only for the emergency operation center. At this time it is waiting on the legislative body in Washington D.C. to develop a budget or continuing budget resolution. If this happens than between now and the end of the year the County will be getting \$1.2 million towards the emergency operation center. They had asked for \$3 million but were approved for \$1.2 million.

b. Discussion on RFP for Privatization of Habersham County's Gymnastics Program
Tim Sims, Chief Financial Officer

Chief Financial Officer Tim Sims addressed the Commission. He reminded the Commission that during the budget meetings in June and July, there was a lot of community outcry regarding the cost of the gymnastics program. The Commission had asked Finance to separate the gymnastics programs budget out from the rest of the Recreation Département budget so they could better track

the costs for that particular program. At that time, the gymnastics program also encompassed sideline cheer. Based on the financial information, the Commission had directed Finance to issue a request for proposals (RFP) for the privatization of the gymnastics program. This RFP was issued on September 25th. They held a mandatory pre-bid meeting on-site at the gymnastics facility so that any interested parties could view the facilities, the equipment and program. They bid opening date was October 31st, and they had only received one proposal. Under normal processes, if only one bid is received than that bid is null and void and Finance puts the RFP back out again, however this particular program is so specialized that they decided to waive the technicality to bring the proposal to the Commission and ask them how they wish to proceed.

This lone proposal that was received was submitted by Ms. Neva Daniels, owner of North Georgia Reign Gymnastics. Ms. Daniels is offering to take over the program as well as the County's lease of the current space being used for this program at the Old Clarkesville Mill. Mr. Sims informed the Commission that they would likely have to sublease the building to Ms. Daniels for her to be able to keep the lease payments the same as what the County was paying. The County's lease allows for subletting, and the lease does not terminate until 2026. Ms. Daniels is also offering to pay \$25,000 for all of the equipment that is part of the gym. Ms. Daniels' proposal stated that she would have offered to pay more, however the cost to refurbish the both the gym and its equipment was more than she expected based on the condition of the equipment. He informed the Commission that this proposal was for the privatization of the gymnastics program only, and that sideline cheer would remain a part of the Recreation Department.

Commissioner Harkness stated that he felt that the Commission would likely vote in the regular meeting to table the consideration of the RFP for the privatization of the gymnastics program until the December Commission meeting, however that he would still like to hear from Ms. Daniels since she is present at the work session.

Ms. Nevah Daniels addressed the Commission. When she opened her gymnastics business seven years ago, surrounding counties including Habersham and decided to locate in White County due to the fact that there was not already an existing gymnastics facility there. She didn't want to open a facility in Habersham County because she would be competing with the County's program and pulling away participants. Now that there is discussion regarding privatizing the County's gymnastics program, she wants to bring what to bring the program she has created in White County to Habersham County as well. She intends to keep the prices for Habersham County participants the same as they are currently paying, to keep participants at the same facility in Habersham County by taking over the current lease, to keep the programs the same as what is currently offered, to offer hire county staff who are willing to stay and potentially pay them more, to upgrade the gym and its equipment for safety purposes and provide a parent viewing area that is not currently offered. She assured the Commission that she would not have a problem with being able to staff two facilities and that she has several current staff members that live in Habersham County. Ms. Daniels informed the Commission that she already has an LLC for a second facility, and she is not saying that she wouldn't be eventually opening a facility in Habersham County anyway regardless of if they decide to award her the bid as she is in need of a second location. She feels that allowing her the ability to take over the program is a win-win for everyone.

Commissioner Harkness questioned Ms. Daniels on whether she felt that she would have any issues keeping two facilities open? Ms. Daniels informed him that about 60% of her current participants are Habersham County residents and that she has several staff members that live in Habersham

County. She feels that they have a current capability of handling around three hundred students. She does not feel that she would have any issues at all.

Commissioner Meador stated that Ms. Daniels came highly recommended by all of the parents that had reached out to him. Commissioner Harkness echoed this.

Commissioner Tench stated that he has a four-year-old great-granddaughter in the Habersham County gymnastics program and that she does well in this program. He doesn't want to see her have to move to a different facility and he wants to know that she will be in a clean and safe environment. Commissioner Harkness asked Ms. Daniels if she could address rumors that she would essentially move Habersham County's gymnastics program to White County? Ms. Daniels informed him that there is no intent to do this, and that she already has a second LLC established for this facility in Habersham County. She stated that she will actually be required to maintain the two separate facilities because Habersham County has its own competitive gymnastics team and her facility in White County has its own competitive gymnastics team, and it is against the rules to have both teams running out of the same facility. With these rules in mind, the Clarkesville location can't have any affiliation to the Cleveland location, and they must be two separate LLC's. Commissioner Harkness asked if this is a coed program? Ms. Daniels stated that this is the case, and that both boys and girls are welcome to participate.

Commissioner Palmer inquired about the timeline for the transfer with regard to the current program's competition schedule. Ms. Daniels stated that she can make the timeline work however best fits the County's needs. Recreation Department Director Brooke Whitmire stated that they have classes on six-week sessions, and the current registrations are paid for a period that covers through December. The competitive gymnastics squad has also already paid for two competitions coming up and will have three more competition in the coming year. Ms. Daniels stated that she has looked at the competition schedules and she is confident that there wouldn't be any issues with immediately absorbing the competitive gymnastics program as the meets are being held on separate weekends and do not collide. She also has plenty of staff that if an issue was to arise, she can staff both competitions at the same time.

Commissioner Harkness asked for clarification as to whether the cheerleading program was included in this RFP? Recreation Department Director Brooke Whitmire informed him that the sideline cheerleading program was not included, as it is part of the North Georgia Youth Football Association (NGYFA) tackle football program. The sideline cheerleading program had originally not been under the gymnastics budget; however, it was moved to that budget last year. This decision was made because participants in sideline cheerleading are involved in a lot of competitions and staff felt that it would bolster the program to allow them access to the gymnastics facility and assistance from gymnastics staff.

ADDITIONAL COMMENTS

No additional comments.

ADJOURN

Motion by Commissioner Meador, seconded by Commissioner Palmer and voted unanimously (4-0) to adjourn the work session at 5:39 p.m.

Respectfully submitted,

By: _____
Commission Chairman Ty Akins

Attest: _____
County Clerk Brandalin Carnes