

Commissioner Questions June 4 - SPLOST (part 2) continued from last week.

Q How much did the county borrow on the previous SPLOST projects?

A. Under SPLOST I (jail) we borrowed \$4,935,000. Under SPLOST II, (courthouse) we borrowed \$6,900,000. Under the current SPLOST (III) we borrowed \$5 million and we currently owe \$1,755,000, which will be paid off in full when the current SPLOST expires in March of 2015.

Q. When does SPLOST IV begin?

A. Sales tax collections will begin April 2015.

Q. Will the county be able to pay off the \$10 million dollars in bonds that were recently validated in the Superior Court under SPLOST IV?

A. First, we have not yet borrowed any money on SPLOST IV. The bond validation process is only to legally set up the process that was voted on with the SPLOST referendum and nothing else. Second, it is unlikely that we will borrow near the \$10 million unless we decide to combine paying off the Community Center (Urban Redevelopment Bond) with our regular SPLOST bonds (which we can legally do). In any case, SPLOST bonds will always be paid off during the term of the SPLOST collections.

Q. We know that the Community Center was built with borrowed funds. Will that money be paid back with SPLOST money?

A. We bonded the Community Center under a different process than SPLOST Bonds. It was called Urban Redevelopment Bonds. We borrowed \$5,105,000 million for the Community Center construction utilizing these bonds and we will have a choice to combine this amount with the SPLOST bonds and pay it off entirely with the SPLOST payments, or we will have the option of paying this loan off separately. All of this will be decided once we have determined the priority of SPLOST projects and after seeking the advice of our attorneys and investment banker, who we have utilized for the past 14 years.

Q. Can the county use SPLOST funds to pay on the Redevelopment Bonds?

A. Yes. It has been listed as one of the SPLOST projects and is eligible for full or partial payments from the SPLOST funds. As a reminder, the Redevelopment Bonds were borrowed to build the Union County Community Center. We are also setting aside additional funds during our current SPLOST to pay toward that debt, in addition to paying the interest payments.

Q. Can the county afford to pay off the SPLOST Bonds as well as the Urban Redevelopment Bonds?

A. Yes. We would not have borrowed the money if we foresaw any problem in paying it back. Our final decisions will be, do we complete fewer SPLOST projects and pay more on the Redevelopment Bonds, or do we let our Redevelopment Bonds continue over the 20 year life (last payment is August 1, 2030) they were financed under and complete

more SPLOST projects. In the end it will be a decision based on many factors and involving many individuals.

Q. Why would you want to borrow money for the amphitheater and children's small water park instead of waiting to actually collect the SPLOST proceeds over a few years?

A. In the end, it becomes a decision on what will be best for our community and its citizens. You can compare the interest cost as opposed to what will be the inflation factor moving forward. If interest rates remain extremely low as they are now and we can build a project before material prices start to inflate as the economy improves, in some instances we could actually save money by borrowing the money ahead of time. On the other hand, is it more important to pay the Community Center off in full and not complete all of the other SPLOST projects? These are all issues that will be dealt with in a very systematic manner and ultimately looking out for the best interests of the county.

Q. Why would we want to build an amphitheater and children's mini water park when we do not need either one of them?

A. It partly becomes a factor of economic development. Do we think that continually improving the quality of life for our citizens, which will ultimately draw more visitors and residents to our county, is the proper role for county government to play? Well according to the 70% who voted for our SPLOST projects, they think improving our facilities and quality of life is a worthy undertaking.