

## **SPLOST Questions, October 15, 2014 - Part II**

### **Q. What was the original revenue estimate for SPLOST III (April of 2009 through March of 2015?)**

A. The original estimate was for the county to collect \$31.5 million dollars. However, in early SPLOST because of the way the law was written, it was best for the counties to use high estimates, because they would be required to cease accepting revenue should the estimated revenue be received before the end of the SPLOST. So it was to our benefit to be sure that we covered all potential project cost and revenue estimates as best we could.

### **Q. How much revenue did we actually collect during the SPLOST III?**

A. There are still 7 months of revenue yet to be collected. At this point in time, we have collected \$18,671,940, and estimate that when we receive our last check in April of 2015, the total amount collected will be just over \$20 million dollars.

### **Q. Does this decrease in SPLOST revenue impact the projects?**

A. Absolutely. While it would have been nice to have collected an additional \$10 million dollars, we are blessed that the collections have been as good as they have. Especially this year, where our sales tax numbers have continued to improve and we estimate that the 2014 collections will exceed the 2013 collections by approximately 4%.

### **Q. What revenue number have we used as the estimate for the new SPLOST IV collections (April 2014 thru May 2020)?**

A. We have conservatively estimated the collections to be \$19,000,000 for the next six years.

### **Q. Does the SPLOST law determine every single project that can be completed?**

A. Certainly not. It would be pretty ridiculous if the law did require this knowing all the fluctuations possible in sales tax revenue. Unless it is a Tier One project, most projects are general in nature allowing counties the ability to make some adjustments based on revenue.

### **Q. What does the law require regarding funding of projects with SPLOST especially realizing there is no guarantee of certain revenue amounts?**

A. The law allows that if you do not have adequate funding, you are allowed to adjust the project as best possible to make the maximum amount of progress with available funds. Funding is based off estimates and projections. However, back during SPLOST II, which ended March of 2009, the SPLOST law was different. Some folks like to take the current law and try to apply it to past county SPLOST, but you cannot do this. The law is constantly changing and when it changes, it only pertains to future SPLOST. That is why we utilize consultants to keep us abreast of the many and constant changes for not only our SPLOST projects but the new laws related to SPLOST.

**Q. Could you give us an example of a SPLOST project that you had to manage based on revenue collections not being adequate?**

.

**A-1.** With some projects like our transfer station renovation, you have to look at the obvious. You can only do what you can afford to do. The first step is that our construction plans have to be approved by the Georgia Environmental Protection Division (EPD). The current plans have been finished and are awaiting the final approval from Georgia EPD. (This process of presenting plans and having to make changes has been going on for many months and sometimes years). Once we receive the final EPD approval, we can begin the process of construction. We must effectively manage the project based on revenue receipts. If we want a new double bay transfer station building and because of the old landfill location, EPD will not approve it, then the size or location may have to be adjusted. Likewise, if revenue estimates are reduced, the building may have to be built smaller. However, we have also listed this project in the new SPLOST IV, so if additional funding is required, we will have access to some of those funds if needed in the future.

**A-2** The Old Red Gym (Rec Gym) was also on the SPLOST list. This project will be managed by first completing all preliminary studies and then if adequate funding is available, developing a set of construction plans and documents. We have also gone ahead and replaced the entire roof, because no matter the detail of the final project, it would require a new roof. We simply do not have the funding to do more at this time and hope to be able to work on it further during SPLOST IV. However, that will have to be determined based on adequate future SPLOST collections.

To be continued October 22, 2014