

CITY OF CLARKSTON

CLARKSTON CITY COUNCIL MEETING

ITEM NO: F4

HEARING TYPE:
Council Meeting

BUSINESS AGENDA / MINUTES

ACTION TYPE:
Resolution

MEETING DATE: December 5, 2017

SUBJECT: Adopt Resolution Certifying the Results of an Election to Issue General Obligation Debt, Imposition of a One Percent Special Purpose Local Option Sales Tax, and the Replacement of the Homestead Option Sales and Use Tax with the Equalized Homestead Option Sales and Use Tax

DEPARTMENT: City Administration

PUBLIC HEARING: YES NO

ATTACHMENT: YES NO
Pages: 9

INFORMATION CONTACT: Keith Barker
PHONE NUMBER: 404-296-6489

PURPOSE:

To adopt a Resolution certifying the results of an election to issue General Obligation Debt, imposition of a one percent Special Purpose Local Option Sales Tax, and the replacement of the Homestead Option Sales and Use Tax with the Equalized Homestead Option Sales and Use Tax.

NEED/ IMPACT:

Pursuant to the laws of the State of Georgia, an Election was held on November 7, 2017 in all election districts in the County (including the City), and the results of the Election were in favor of the suspension of the HOST and the imposition of the EHOST, the imposition of the SPLOST and the issuance of the Bonds. The imposition of the EHOST and the SPLOST are required by law to be approved County-wide, and for the issuance of the Bonds to be approved, the SPLOST must also be approved by a majority of the qualified voters of the City.

The total number of votes cast in favor of (a) the suspension of the HOST and the imposition of the EHOST and (b) the imposition of the SPLOST represented more than a majority of the registered qualified voters of the County voting at the Election held for that purpose, and the total number of votes cast in favor of the SPLOST and the Bonds, were more than a majority of the registered qualified voters within the City, the Bonds are authorized to be issued and the SPLOST is authorized to be imposed.

The proceeds of the Bonds will be used to fund, in whole or in part, (a) a portion of the costs of certain capital outlay projects of the City, (b) capitalized interest on the Bonds and (c) the costs of issuing the Bonds. The proceeds of the SPLOST received by the City will be used to fund (a) the principal of and interest on the Bonds, and (b) capital outlay projects for the benefit of the City (collectively with the projects to be financed with proceeds of the Bonds, the "Projects").

The Bonds will be designated "City of Clarkston General Obligation Sales Tax Bonds" and will be issued in whole or in part and in one or more series in an aggregate principal amount of up to \$8,735,000. The Bonds will bear interest from the first day of the month during which the Bonds are to be issued or from such other date as may be designated by the City prior to the issuance of the Bonds, at a rate or rates not to exceed 5.00% per annum. The maximum amount of principal to be paid (or subject to mandatory sinking fund redemption) in each year shall be as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 730,000
2020	750,000
2021	780,000
2022	2,070,000
2023	2,155,000
2024	2,250,000

The City further desires that the SPLOST be imposed as authorized by the Sales and Use Tax Act for a period of time of six years for the purpose of paying the principal of and interest on the Bonds and the costs of the Projects not financed with Bond proceeds.

In order to validate the bonds, the City must first adopt the attached Resolution certifying the election results and declaring their intent to move forward with the issuance of General Obligation Debt.

RECOMENDATIONS:

Staff recommends the City Council approve the attached Resolution certifying the results of an election to issue General Obligation Debt, imposition of a one percent Special Purpose Local Option Sales Tax, and the replacement of the Homestead Option Sales and Use Tax with the Equalized Homestead Option Sales and Use Tax.