

1. Agenda

Documents:

[BOMC-8-4-19-SCWS-AGENDA.PDF](#)

2. Meeting Called To Order/Adoption Of Agenda

3. Policy Regarding Tax-Exempt Debt

Documents:

[TAX POLICY AVONDALE ESTATES 2019 BOMC.PDF](#)

4. Ordinance To Amend 2019 Budget

5. 2020 Draft Budget Discussion

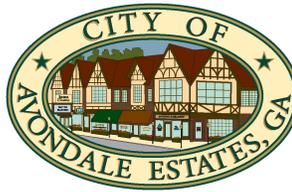
Documents:

[BUDGET SUMMARY.PDF](#)

6. Approval Of Downtown Development Authority (DDA) Expenditures

7. Public Comment

8. Adjournment



**BOARD OF MAYOR AND COMMISSIONERS
SPECIAL CALLED WORK SESSION
September 4, 2019
5:30 p.m.**

AGENDA

- Item No. 1 Meeting Called to Order
- Item No. 2 Adoption of Agenda
- Item No. 3 **Policy Regarding Tax-Exempt Debt**
To ensure that any debt issued by the City is legally validated, the City is required to have a formalized policy specifying procedures for record keeping, disbursement of proceeds, and other measures to comply with applicable laws and tax regulations.
- Item No. 4 **Ordinance to Amend 2019 Budget**
Throughout the year, the City monitors and adjusts the budget based on actual revenue and expenditures.
- Item No. 5 **2020 Draft Budget Discussion**
- Item No. 6 **Approval of Downtown Development Authority (DDA) Expenditures**
The DDA is seeking approval from the Board of Mayor and Commissioners to fund stormwater engineering studies for the five-acre development project in downtown.
- Item No. 7 Public Comment
- Item No. 8 Adjournment

POLICY WITH RESPECT TO TAX-EXEMPT DEBT

OBJECTIVE

To comply with all applicable federal and state laws, rules and regulations related to the issuance of tax-exempt debt (the “Debt”).

SCOPE

This policy (the “Policy”) applies to all Debt issued by or for the benefit of the City of Avondale Estates, Georgia (the “City”) and its related entities.

POLICY

The City shall comply with all federal and state laws, rules and regulations related to the issuance of Debt.

RESPONSIBILITY

The City Clerk shall be administratively responsible for the Policy. The City Clerk shall be responsible for reviewing the requirements and responsibilities of the City under the Policy with bond counsel on or before the closing date of any Debt issued by the City.

DISSEMINATION AND TRAINING

The Policy shall be disseminated to all relevant personnel in the City and to the auditor.

The City Clerk shall provide appropriate training to all personnel directly involved in the administration of tax-exempt debt to ensure they comply with the provisions of the Policy. The City Clerk shall consult as appropriate with qualified attorneys with respect to the content of such training.

REVIEW

The Policy shall be reviewed and revised annually by the City Clerk and redistributed to all relevant personnel in the City and to the auditor.

The City Clerk shall annually conduct a due diligence review of all Debt currently outstanding to ensure proper compliance with each of the provisions of the Policy. If City Clerk discovers non-compliance with any provisions of the Policy, steps necessary to correct the noncompliance will be taken within ten (10) business days of the conclusion of the annual due diligence review. Records of all corrective action taken shall be retained in accordance with the Policy.

PROVISIONS

Record Keeping

All records relating to the Debt needed to comply with Section 6001 of the Internal Revenue Code of 1986, as amended (the “Code”) shall be maintained. These records shall be kept in paper or electronic form and shall include, among other things, (i) basic records relating to the transaction (including the bond documents, the opinion of bond counsel, etc.), (ii) documents evidencing the expenditure of the proceeds of the Debt, (iii) documentation evidencing the use of

Debt-financed property by public and private entities (*e.g.*, copies of management contracts, leases and research agreements) and (iv) documentation pertaining to any investment of Debt proceeds (including the purchase and sale of securities, SLG subscriptions, yield calculations for each class of investments, actual investment income received from the investment of the proceeds of the Debt, guaranteed investment contracts and rebate calculations. Such records must be maintained as long as the Debt is outstanding, plus three years after the final payment or redemption date of the respective Debt.

Use of Proceeds

A list of all property financed with the proceeds of the Debt shall be created and maintained. The use of such property shall be monitored to ensure that such use does not constitute “private business use” within the meaning of the Code. Without limiting the foregoing, each contract, including but not limited to management contracts and leases, relating to such property shall be reviewed by legal counsel prior to the execution of such contract. The list of property shall be reviewed at least annually to ensure that none of the property has been sold.

Remedial Action

In the event that property financed with the proceeds of the Debt is used in a manner that constitutes “private business use” or the property is sold, the remediation provisions of Treasury Regulation § 1.141-12 shall be carried out in consultation with bond counsel.

Yield Restriction

If bond counsel advises that a fund or account needs to be yield restricted (*i.e.*, not invested at a yield in excess of the Debt), the moneys on deposit in such fund or account shall be invested in United States Treasury Obligations – State and Local Government Series, appropriate “yield reduction payments” shall be made if permitted by the Code or the City Clerk shall establish other procedures to ensure that such fund or account is yield restricted.

Rebate

At the time the Debt is issued, the City Clerk shall determine if he or she reasonably expects that one of the arbitrage rebate exceptions will be satisfied. If the arbitrage rebate exception relates to the time period over which the proceeds of the Debt are spent, the City Clerk shall verify that the appropriate expenditures have been made at each milestone. If one of the milestones is not satisfied or the City Clerk does not reasonably expect that one of the arbitrage rebate exceptions will be satisfied, an outside arbitrage rebate consultant shall be retained unless the City Clerk has determined that positive arbitrage will not be earned.

Continuing Disclosure

The City shall record and comply with any continuing disclosure undertaking entered into with respect to Debt. The City Clerk shall catalogue and determine any continuing disclosure undertaking entered into by the City prior to the imposition of the Policy to ensure that its continuing disclosure obligations will be updated and satisfied going forward.

The City Clerk will implement appropriate procedures to ensure that annually recurring disclosure obligations are timely fulfilled. Upon the occurrence of an event requiring the filing

of an events notice under any continuing disclosure obligation, the City Clerk will ensure such event notice is filed within ten (10) business days of the occurrence of such event.

	2018	2019	2019 Amended	2020 Proposed
Revenues				
General Property Ad Valorem Taxes	2,112,851	2,241,059	2,337,000	2,588,200
Franchise and Other Taxes	494,543	514,778	545,000	573,500
Licenses, Occupational Taxes, & Perm	216,083	237,337	884,300	274,100
Fines and Forfeitures	569,784	598,273	630,400	652,000
Fees and Other Service Charges	1,350	1,350	1,900	0
Interest Earnings	4,362	4,720	36,600	30,000
Parks, Recreation & Community Affairs	15,733	19,996	22,900	23,900
Refunds and Reimbursements	0	0	4,000	0
Intergovernment Revenue	<u>48,354</u>	<u>51,409</u>	<u>75,800</u>	<u>35,500</u>
TOTAL	3,463,060	3,668,922	4,537,900	4,177,200
Expenses				
BOMC	31,420	31,420	31,420	31,500
Admin	887,581	993,017	856,230	952,730
Professional Consultants	88,552	213,880	204,700	241,000
General Government	102,909	101,578	833,400	151,900
PD	1,337,554	1,389,599	1,261,520	1,340,600
Court	97,883	100,260	118,100	116,800
PW	346,678	367,513	415,400	322,900
Parks	400,444	459,582	397,900	508,600
Community Activities	<u>40,000</u>	44,862	46,800	46,700
Contribution to Capital Projects Fund				425,000
Lake Avondale grant			25,000	0
DDA/CPP grant		15,000	15,000	15,000
DeKalb BOE grant		<u>13,560</u>	<u>13,560</u>	<u>14,000</u>
TOTAL	3,333,021	3,730,270	4,219,030	4,166,730
Sanitation Revenues	775,896	869,030	844,800	860,000
Sanitation Expenses	777,455	863,266	843,200	794,100

REVENUE AND EXPENSE SUMMARY

9/3/19 5:10 PM

2019 Amended Budget

	General Fund	Sanitation Fund	Lake Fund		Stormwater Fund	Dottie Holmes Fund	TAD Fund	
Revenue/Expenditures								
Revenue	4,537,900	844,800	25,002		130,131	15	610	
Expenditures	4,219,030	(843,200)	30,000		(760,000)	0	0	
Difference	318,870	1,600	55,002		(629,869)	15	610	
Inter-Fund Transfers								
To/From the Sanitation Fund	0	0						
To/From the Lake Fund	(25,000)		0					
	(25,000)	0	0					
Total	293,870	0	0					