CITY OF ST. MARYS, GEORGIA
September 13, 2010

"MILLAGE" WORKSHOP
4:00 p.m.

CITY COUNCIL MEETING

6:00 p.m.

AGENDA

I. CALL TO ORDER

II. INVOCATION: *Councilmember Howell*

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL **QUORUM: YES__X__ NO____**

V. APPROVAL OF MINUTES: *August 23, 2010 Regular City Council Meeting Minutes*
August 23, 2010 Public Hearing Minutes

PRESENTATION:

REPORT ON BOND SALE AND INTERGOVERNMENTAL AGREEMENT: *Bill Johnson*

LAND BANK PRESENTATION AND RESOLUTION *Celenda Perry*

GEORGIA WORK READY CERTIFICATION: *Christine Daniel, President Camden Chamber of Commerce*

ETHICS BOARD *(Vacancy) Bar Association Appointment*

BOARD APPOINTMENT:
1. **HOSPITAL AUTHORITY** *(Van Dyke) Vacancy*
2. **READY STREET STEERING COMMITTEE**
3. **SENIOR ADVISORY BOARD** *(Vacancy)*

APPROVAL OF THE AGENDA

VI. GRANTING AUDIENCE TO THE PUBLIC:

1. **Bob Nutter:** *Section 4-103. Boards and Commissions*

CONSENT AGENDA

VII. OLD BUSINESS: NONE

VIII. NEW BUSINESS:

A. INTERGOVERNMENTAL RESOLUTION AGREEMENT: *Between the City of St Marys and Camden County Public Service Authority*

B. MARTHA DRIVE AND STATE ROUTE 40 TRAFFIC SIGNAL INSTALLATION: *Seaboard Construction Company Contract*
To terminate the contract with Seaboard Construction for the Martha Drive and State Route 40 Traffic Signal Installation project.

C. RESOLUTION: *Gateway Grant*
To approve a resolution to make application for a GATEway Grant

D. RESOLUTION AND DEED: *Arnow Drive*
Acceptance of Arnow Drive Extension, In accordance with the Public Works Specifications Manual (1998 Edition) and Subdivision Ordinance Article 86 the dedication of streets, public areas, easements, and parks shall be by resolution of the City Council be dedicated.

E. HVAC CONTRACT:
To authorize the Mayor to enter into an agreement with Turner Brothers Heating & Air Inc, to provide the City with the annual HVAC Maintenance and Repair Services.

F. RESPONSIBLE ALCOHOL SELLER & SERVER TRAINING PROGRAM:
To discuss possible suspension of the program

G. FAA ENVIRONMENTAL RE-EVALUATION AND APPRAISAL: *Current and Proposed Airports*

IX. REPORT OF AUTHORITIES, BOARDS, COMMISSIONS & COMMITTEES:

A. PLANNING DIRECTOR'S REPORT .....TAB "H"

1. **Variance Appeal:** James Barnhart, 107 Cherry Point Drive is appealing a variance request for a front yard Variance of 25'for an existing metal carport constructed in front of applicant's garage. The property is zoned R-1, Tax Parcel Number 133D-004.

B. PERSONNEL COMMITTEE REPORT

C. MILLAGE WORKSHOP REPORT

D. SCHEDULE COUNCIL COMMITTEE MEETINGS

1. **PROPERTY: FACILITY RENTAL FEES**
2. **PUBLIC SAFETY-FIRE: FEES**
3. **SEWER: CONTRACTOR'S REQUEST**

E. CITY CALENDAR: *City Clerk*

X. REPORT OF MAYOR

XI REPORT OF CITY MANAGER

XII. GRANTING AUDIENCE TO THE PUBLIC

XIII. EXECUTIVE SESSION: *Personnel*

XIV. ADJOURNMENT

CITY OF ST. MARYS, GEORGIA
CITY COUNCIL MEETING
September 13, 2010
6:00 p.m.

MINUTES

The Mayor and City Council for the City of St. Marys, Georgia met for its regular City Council session on Monday, September 13, 2010 in the Council Chamber at City Hall.

PRESENT WERE:
Mayor William DeLoughy
Councilmember Greg Bird
Councilmember Deborah Hase
Councilmember John Morrissey
Councilmember Sidney Howell
Councilmember Chuck Trader

NOT PRESENT:
Councilmember Keith Post

CITY OFFICIALS PRESENT:
William Shanahan, City Manager
Gary Moore, City Attorney
Roger Weaver, Planning Director
Tim Hatch, Police Chief
Bobby Marr, Public Works Director
Robby Horton, Fire Chief
Marsha Hershburger, Asst. Finance Director
Kim Dockery, Staff Accountant
Donna Folsom, HR Director
Alyce Thornhill, Economic Dev. Director
Jeffrey Juiliano, Sergeant-At-Arms
Anita Scoles, Sergeant-At-Arms

CALL TO ORDER

Mayor DeLoughy called the City Council Meeting to order at 6:00 p.m., and announced the weekend passing of recently retired City employee Bill "RED" Lomnick.

Councilmember Howell gave the invocation. Mayor DeLoughy led the audience in the pledge of allegiance. Council roll call indicated a quorum of council members present for the meeting, with Mr. Post being absent.

APPROVAL OF MINUTES: August 23, 2010 *Regular City Council Meeting Minutes and* August 23, 2010 *Public Hearing Minutes*

Councilmember Trader moved to approve. Councilmember Bird seconded the motion with a correction on page 8, in the last paragraph add *"by telephone"* after the City Manager and before the word quorum, insert *"perceived"* and in his comments how could it be called illegal … move the word *"called"* before the word meeting.

Councilmember Hase made a correction to page 5, old business Majority Rule for Voters in the last paragraph stating, and then the election could take place… replace the word election with *"referendum"* and page 9, last sentence has left off information. Councilmember Trader amended the motion to accept the corrections. Councilmember Bird seconded the amended motion. Voting was unanimous in favor of the motion.

PRESENTATION:

REPORT ON BOND SALE AND RESOLUTION AS INTERGOVERNMENTAL AGREEMENT: *Bill Johnston*

Mr. Johnston presented the Standard and Poor's credit rating report, finance analysis, and preliminary official statement. Standard and Poor's awarded the City the "AA Stable" rating which is one of top three ratings in the country. The AA Stable rating saved the City from needing insurance for a savings of $300,000, and $3.2 million over the length of the bond. Bonds sold for premiums of $41,410,000 to refund the 2007 Fund Bond Issue and two of the five GEFA loans for a net refund and savings. The bonds were sold at a premium of $4,849,000, which was more than the face value. No debt reserve was required on the new issue that transferred over $2,891,000. This issue will close by the end of the month. A copy of the report is attached as part of the minutes.

LAND BANK PRESENTATION AND RESOLUTION: *Celenda Perry*

Ms. Perry presented the Land Bank concept as a vehicle for managing the disposition of public assets in a comprehensive manner that will maximize local policy goals. A governmental entity focuses on conversion of delinquent and reverted tax, and abandoned properties into productive use. A copy of the presentation is attached as part of the minutes.

GEORGIA WORK READY CERTIFICATION: *Christine Daniel, President Camden Chamber of Commerce*

Ms. Daniel gave a brief history of the Georgia Work Ready Program initiative to improve job training and marketability of Georgia's work force started by the governor. The program helps Georgia businesses reliably match the right person with the right job every time. It was designed to ease the hiring process for both employees and employers. In 2006, the Camden County Chamber of Commerce began working on the designation and achieved it in February 2010 with a grant award of $10,000. Ms. Daniel's presented Mayor DeLoughy with road signs to display in St. Marys. She also handed out a poster with the acronyms, " EDICCIMAD" which stands for *"Every Day In Camden County Is Military Appreciation Day."* The program is supported by the Chamber's Military Affairs Committee, The Camden Partnership and Navy League who request that everyone display the poster in their store fronts to show support for the military in Camden County.

ETHICS BOARD *(Vacancy) Bar Association Appointment*

Mayor DeLoughy re-announced the vacancy on the Ethics Board for an attorney, which remains open because of lack of interest.

BOARD APPOINTMENTS:

1. **HOSPITAL AUTHORITY** *(Van Dyke) Vacancy*

Councilmember Hase moved to appoint Frank Drane. Councilmember Bird seconded the motion. Voting was unanimous in favor of the motion.

2. READY STREET STEERING COMMITTEE

Councilmember Morrissey made a motion to advertise the at-large positions on the committee. Councilmember Hase seconded the motion. Council discussed the meetings being subject to the Open Meetings law and open to the public. Voting was unanimous in favor of the motion.

3. SENIOR ADVISORY BOARD *(Vacancy)*

Councilmember Howell made a motion to appoint Barbara Lundin. Councilmember Bird seconded the motion. Voting was unanimous in favor of the motion.

APPROVAL OF THE AGENDA

Councilmember Trader move to approve the agenda by removing the consent agenda. Councilmember Bird seconded the motion. Councilmember Trader amended the motion to remove executive session. Voting was unanimous in favor of the motion.

Mayor DeLoughy read the Meeting Rules of Decorum for public session.

GRANTING AUDIENCE TO THE PUBLIC:

Bob Nutter, 521 Moeckel Place: Section 4-103. Boards and Commissions
Mr. Nutter spoke in support of Mr. Post's resignation from the CVB and adding tourism to the Steering Committee.

Gaila Brandon, 105 Osborne Street: Commented on the Cruiser not having access to fresh water on the dock.

John Fazio, master schooner docked in the harbor: Spoke about his agreement with the City to purchase water and economic impact boaters have on tourism.

Barbara Ryan, 711 Mildred Street: Clarified why the CVB did not endorse the Gilman property purchase but embraced the development of it and requested a tourism appointment on the Steering Committee.

Philip Jones, 201 Catherine Street: Commented on water always being a problem and requested an ordinance for over-night on the harbor buoys.

Councilmember Bird moved to task the City Manger to look into a Pilotage Committee. Councilmember Howell seconded the motion. Council discussed fresh water access, the buoys and review of ordinances. Voting was unanimous in favor of the motion.

Doug Cooper, 814 Riverview Drive: Announced the passing of John Krause, St Marys Submarine Museum Director last Saturday at the Veterans Convention. Mr. Krause's Memorial Service is being held at Our Lady Star of the Sea Friday, September 17th at noon.

Tom Cyphers, 206 West Bryant Street: Commented on the Historic Preservation Commission role for the Steering Committee.

CONSENT AGENDA (*) (REMOVED)

OLD BUSINESS:
There was no "Old Business" for Council consideration at this time.

NEW BUSINESS:

A. **INTERGOVERNMENTAL AGREEMENT RESOLUTION:** *Between the City of St Marys and Camden County Public Service Authority*

Councilmember Trader moved to approve the intergovernmental agreement in the form of a resolution between the City of St. Marys and Camden County Public Service Authority. Councilmember Bird seconded the motion. Voting was unanimous in favor of the motion.

B. **MARTHA DRIVE AND STATE ROUTE 40 TRAFFIC SIGNAL INSTALLATION:** *Seaboard Construction Company Contract*
To terminate the contract with Seaboard Construction for the Martha Drive and State Route 40 Traffic Signal Installation project. Seaboard requested the termination of the contact because of the time it has taken for the redesign, and they cannot hold the current prices.

Councilmember Hase moved to terminate the contract and rebid. Councilmember Bird seconded the motion. Voting was unanimous in favor of the motion.

C. **RESOLUTION:** *Gateway Grant*
To approve a resolution to make application for a Gateway Grant for the beautification project in the median along St Marys Road that is south of railroad tracks and north of Highway 40.

Councilmember Morrissey made a motion to approve the Gateway Grant. Councilmember Howell seconded the motion. Voting was unanimous in favor of the motion.

D. **RESOLUTION AND DEED:** *Arnow Drive*
Acceptance of Arnow Drive Extension, In accordance with the Public Works Specifications Manual (1998 Edition) and Subdivision Ordinance Article 86; the dedication of streets, public areas, easements, and parks shall be by resolution of the City Council.

Councilmember Trader moved to approve the resolution and deed. Councilmember Morrissey seconded the motion. Voting was unanimous in favor of the motion.

E. HVAC CONTRACT:

To authorize the Mayor to enter into an agreement with Turner Brothers Heating & Air Inc, to provide the City with annual HVAC Maintenance and Repair Services.

Councilmember Bird moved to approve the Turner Brothers Heating & Air HVAC maintenance and repair services contract. Councilmember Howell seconded the motion. Council discussed looking into multi-year contacts for discount value. Voting was unanimous in favor of the motion.

F. RESPONSIBLE ALCOHOL SELLER & SERVER TRAINING PROGRAM:

To discuss possible suspension of the program

Councilmember Bird made a motion to approve the suspension. Councilmember Howell seconded the motion. Council discussed the suspension not eliminating state law on underage alcohol sales, businesses choosing to pay for training and certification, and background checks being in the City's Code of Ordinance.

Celenda Perry, Camden County Children's Alliance spoke in opposition of the suspension.

Voting was recorded as follows:

FOR	OPPOSED
Councilmember Bird	Councilmember Hase
Councilmember Howell	Councilmember Trader
Councilmember Morrissey	

G. FAA ENVIRONMENTAL RE-EVALUATION AND APPRAISAL: *Current and Proposed Airports*

The City Manager stated that he was briefed by the Federal Aviation Administration (FAA), that in order to move forward with updating the appraisal and environmental issues at the current and proposed airports the following steps need to be completed:

a. Perform a cursory environmental site review of current airport to ensure there is nothing of a hazardous nature.
b. Remove the extraordinary assumptions and limiting conditions (i.e. City of St. Marys would pay for right-of-way and utility improvement as this is not a requirement of the FAA) in reference to the current.
c. The appraisal in reference to the new location should evaluate the full 600 acres.
d. Have RS&H conduct an Environmental Re-evaluation of the replacement property to ensure there have been no changes to the original.

Georgia Department of Transportation has funding for 95% of the project, which is $29,240 with the City's match being $1,462.

Councilmember Bird commented on the Finding of No Significant Impact report in 2007 not being advertised as required by the FAA.

Councilmember Bird moved to postpone for two weeks and ask the consulting firm to come in to be prepared to see if the procedures were followed as indicated by the FAA, then go from there. Councilmember Howell seconded the motion.

The City Manager responded that the project was terminated before the report was received. A report was never presented because the project no longer existed. The report was not brought back to the City's attention when the project was reinstated. According to the consultant, the report was advertised on the Federal Register as needed to be done for the public announcement.

Councilmember Hase commented that the consultants and FAA were on top of this project. She did not have a problem with the consultant being brought in to explain the situation to the people's satisfaction in two weeks. Councilmember Hase further commented that it should move forward because it will not affect the report and the FAA has requested the City to do so.

Council discussed the potential sites; the consultant's report on the sites; the airport resolution stating moving it at no cost to the City; the recommendation to move it, and the time table for the appraisal and environmental issues. Voting was recorded as follows:

FOR	OPPOSED
Councilmember Bird	Councilmember Hase
Councilmember Howell	Councilmember Morrissey
	Councilmember Trader

Councilmember Bird made a motion to adjourn. Councilmember Howell seconded the motion.

FOR	OPPOSED
Councilmember Bird	Councilmember Hase
Councilmember Howell	Councilmember Morrissey
	Councilmember Trader

Councilmember Trader made a motion to move forward; contact FAA's Scott Seritt or other designated person as well as RS&H about the question that was brought up tonight; and if they do not think it is an issue, still hear from them but is should not stop the process from moving forward. Councilmember Hase seconded the motion.

Voting was recorded as follows:

FOR	OPPOSED
Councilmember Hase	Councilmember Bird
Councilmember Morrissey	Councilmember Howell
Councilmember Trader	

REPORT OF AUTHORITIES, BOARDS, COMMISSIONS & COMMITTEES:

A. PLANNING DIRECTOR'S REPORT

1. **Variance Appeal:** James Barnhart, 107 Cherry Point Drive is appealing a variance request for a front yard Variance of 25'for an existing metal carport constructed in front of applicant's garage. The property is zoned R-1, Tax Parcel Number 133D-004. A public hearing was held on the variance and several neighbors voiced concerns concerning the carport. The Planning Commission voted to deny the request.

Mr. Barnhart addressed the carport constructed 25' from the garage. He did ask the neighbors in January whether or not it would pose a problem. In April, it was brought to his attention that a building permit was required. According to his deed/contract there is 26' from the garage to put the carport. The Planning Board advised Mr. Barnhart that there was a mistake and he paid the $200 to make an appeal. He arrived late for the appeal so he was unaware of a petition that the carport was bringing down property values, an eyesore, a nuisance and was junky. There was stuff under the carport but it has been removed a year and one-half ago. It is now clean. The carport was purchased from Carolina Carport, and it is not an eyesore. It does not block traffic or make the property value decrease. Mr. Barnhart spoke with four realtors about the property value issue but it does not increase or decrease the value. It does go with the house color scheme and property. Camden County property records indicated 2009 and 2010 taxes charged on the carport. He thought there was enough space to place the carport but was mistaken. Work is performed, and his truck is parked under the carport because it is too long for the garage.

Council and the Planning Director discussed the set-back distance from the property line and right-of-way for the variance.

Councilmember Hase moved to uphold the Planning Commission's decision. Councilmember Morrissey seconded the motion. Councilmember Hase stated that over the years these types of issues were brought up, and the decisions were always made to stay in compliance with the ordinances. Councilmember Trader suggested allowing an extended time to review options and/or relocate the structure. The Planning Director stated the time limit would depend on whether or not the appeal was denied to relocate it.

Councilmember Hase amended the motion to uphold the Planning Commission's decision and give him a variance of 120-days to relocate it. Councilmember Bird

seconded the motion. Councilmember Hase withdrew the motion after discussion. Councilmember Bird withdrew the seconded to the amended motion.

Councilmember Hase amended the motion to uphold the Planning Commission's decision; and get the hearing officer, Mr. Weaver, to define how much time Mr. Barnhart has to relocate the property; and to handle it on a staff level. Councilmember Howell seconded the amended motion. Councilmember's discussed allowing the flexibility to extend the deadline and following subdivision rules.

Councilmember Hase amended the motion that if it is less than 60-days, then council allows 60-days. Councilmember Howell seconded the seconded amended motion. Voting was recorded as follows:

FOR	OPPOSED
Councilmember Hase	Councilmember Bird
Councilmember Howell	Councilmember Trader
Councilmember Morrissey	

B. PERSONNEL COMMITTEE REPORT

Personnel Committee met on August 17th and again on September 2nd.

Report: After a total of almost four hours of discussion by the Personnel Committee, department heads, staff and citizens, the committee voted unanimously to recommend to the City Council the following:

Amend the Personnel Policy by deleting in its entirety Policy 26B. The reasons for this recommendation were as follows:

1. We discussed the various appeals policies of the cities of Woodbine, Kingsland and Darien; and the counties of Camden and Glynn. One city had no appeal policy, in one city the City Council was the appeals board, two cities (including ours) the City Manager is the final appeal officer, in one county the appeal can be made to the Board of Commissioners and in the other county there is an employee board of appeals. After much discussion it was decided that the employee board, the citizen board (a previous St Marys policy) and the elected officials' board were the least desirable, and were eliminated from discussion.
2. Discussed at length were the "No Appeal" and the "City Manager" policies. The policy of no appeal for either department heads and all other employees was concluded to be the best option for St Marys, (and appears to work well for the City of Kingsland). It was the consensus of staff, department heads in attendance, and the committee, to eliminate policy 26B completely because: a. the procedure that is currently followed by Human Resources and the City Manager's office are detailed and thorough before a termination decision is made. It was the belief of the committee that having an appeal "for the purpose of providing the employee an opportunity to demonstrate that the adverse action to which he/she had been subjected was not in

compliance with City Personnel Policies or was unlawful" (as the policy states) was redundant because this would have already been determined by the aforementioned staff, and on most occasions been reviewed by personnel attorneys before a decision is made. B. Also, past appeals have had a tendency to become sidetracked into reexamining the merits and/or offences that led to the termination, which is not the purpose of an appeal, as per policy 26-b stated above. This has had the potential of becoming too expensive to the taxpayer due to attorney fees and staff time. C. It was also concluded that the disciplinary process as a whole, and after reprimands, warnings, suspensions and other disciplinary measures of a positive nature such as additional training, that an employee has had ample opportunity to change behavior and retain employment with the city, and that the appeal process was not necessary, and, again, not in the taxpayers' best interest.

It was also the consensus of the committee that the proper communication to employees about a policy change, if the Council chose to amend it, would be in order due to the current misunderstandings of the appeal policy as it currently reads.

Respectfully submitted,
Deborah Hase, Committee Chairperson

Councilmember Hase moved to take the recommendation of the committee to amend the personnel policy to delete policy 26B. Councilmember Trader seconded the motion.

Councilmember Hase amended the motion to post it. Councilmember Trader seconded the amended motion. Councilmember Hase urged department heads to clearly explain to the employees what an appeal is as it currently reads, and what it really means so there is no misunderstanding to rehash the merits or offenses of their termination. She also urged that all comments were restricted to this matter. Councilmember Morrissey requested that the City Manager and HR come back to Council with the feed-back that it was shared with everyone and it was understood. Council continued to discuss educating the staff. Voting was unanimous in favor of the motion.

C. MILLAGE WORKSHOP REPORT

Mayor DeLoughy reported that Council met to discuss the millage rate; the decrease in the digest; recommended budget cuts; holding the current millage rate; meeting again to review revenues and property values. Councilmember Hase stated for the record she would like to see the millage rate reduced.

D. SCHEDULE COUNCIL COMMITTEE MEETINGS

1. **PROPERTY: FACILITY RENTAL FEES**
2. **PUBLIC SAFETY-FIRE: FEES**
3. **SEWER: CONTRACTOR'S REQUEST**

A Property Committee meeting was scheduled on September 15th at 1:00 p.m. in the Council Chamber at City Hall to discuss the facility rental fees and Land Bank.

A Budget Workshop was scheduled on September 27th at 4:00 p.m. to discuss proposed fees.

The Rules of Procedure Workshop was moved from September 27th to October 11th at 4:00 p.m.

The Water and Sewer Committee members directed the Planning Director to contact Mr. Gross to check his schedule on when he is available next week to schedule a meeting.

A Finance Committee meeting was scheduled on October 25th at 4:30 p.m. to discuss projections.

CALENDAR: *City Clerk*
The City Clerk read the calendar of events, meetings and activities for the last week in August and first two weeks in September. Council discussed changing the consent agenda as part of the regular meeting.

REPORT OF MAYOR:

- Participated in many bond meetings to work on the issue
- Coastal Regional Commission monthly meeting
- Attended the celebration at Magnolia Manor today for Assisted Living Week and presented a proclamation
- Millage rate workshop

REPORT OF CITY MANAGER:

- SCORE is sponsoring a No Fee seminar on September 20th at the Economic Development Building, titled *Turn An Idea Into A Business* for businesses. The seminar will teach business expertise to the audience from an interactive panel of successful Camden County business owners and how the founders of Hippo Storage, Dalton Signs and Satilla Temps attracted customers, utilized local resources and survived a recession economy. The seminar is sponsored by K-Bay 106, St. Marys DDA, Camden County Chamber of Commerce and Tribune & Georgian. For reservations contact 912-882-8111 because seating is limited to 50.
- The City Manager reported on the proposed timeline for water services to Gaines Davis Subdivision, which is attached as part of the minutes.

GRANTING AUDIENCE TO THE PUBLIC:

Bob Nutter, 521 Moeckel Place: Spoke about the FONSI report and advertising

Philip Jones, 201 Catherine Street: Spoke in support of decreasing the water rates

Bill Creed, 613 Kingsway: Requested an explanation why the airport is moving and its benefit to taxpayers

EXECUTIVE SESSION: *Personnel* ***(REMOVED)***

There was no "Executive Session" at this time.

ADJOURNMENT:
Councilmember Hase moved to adjourn. Councilmember Trader seconded the motion. Mayor DeLoughy declared the meeting adjourned at 8:54 p.m.

Respectfully submitted,

Darlene M. Roellig, City Clerk

A Tool for Communities

LAND BANKING

Overview

- What is a "Land Bank"?
- Why create one?
- Who's doing them and How?
- The challenges to Land Banking.
- What next?

What is a Land Bank?

- A vehicle for managing the disposition of public assets in a comprehensive manner that will maximize local policy goals.

HUH???....

What is a Land Bank?

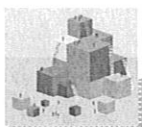
- A governmental entity that focuses on conversion of tax delinquent, tax reverted, and abandoned properties into productive use.
- In Georgia a LBA is created through an intergovernmental agreement.

Why create a Land Bank?

- Quick results
- Redevelopment
- Flexibility Highest and best use

Why create a Land Bank?

- Economic development
- Revenue generation
- Improve local communities



Who's doing Land Banks?

- Five states have established notable Land Bank Statutes: Georgia, Kentucky, Missouri, Ohio, Michigan
- Comparisons at www.lisc.org/resources

Who in Georgia?

- Athens-Clarke County
- Fulton County/City of Atlanta
- Griffin-Spalding County
- Valdosta-Lowndes County

Challenges

- The intergovernmental agreements
- Financing

What next?

- Yes??? – Take to local governments
- Yes! – Lawyers! Lawyers! Lawyers!
- YES!!!

More info: Celenda Perry
(912) 882-7295
edirector@camdenfamilies.org

STANDARD
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Global Credit Portal
RatingsDirect®

August 25, 2010

Summary:

Camden County Public Service Authority, Georgia
St. Marys; General Obligation

Primary Credit Analyst:
Andrew R Teras, New York 212-438-7983; andrew_teras@standardandpoors.com

Secondary Credit Analyst:
Le T Quach, New York (1) 212-438-5544; le_quach@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

816953 | 301349731

Summary:

Camden County Public Service Authority, Georgia
St. Marys; General Obligation

Credit Profile

US$44.145 mil rfdg rev bnds (St Marys) (City Of St. Marys Proj) ser 2010 due 12/01/2032

Long Term Rating	AA/Stable	New

Rationale

Standard & Poor's Ratings Services has assigned its 'AA' long-term rating to Camden County Public Service Authority, Ga.'s series 2010 refunding revenue bonds, issued on behalf of the City of St. Marys. The bonds are special limited obligations of the authority, secured by certain payments payable by St. Marys to the authority under an intergovernmental contract between the city and authority. The obligation of the city to make payments pursuant to the contract is absolute and unconditional and constitutes a general obligation for which the full faith, credit, and taxing power of the city is pledged. In our opinion, the rating reflects the city's:

- Stable local economy, anchored by the presence of Kings Bay Naval Submarine Base;
- Good income levels and extremely strong tax base;
- Very strong general fund reserves; and
- Low to moderate debt burden.

Offsetting the above factors are two consecutive years of general fund operating deficits and the potential for the continued transfer of money from the general fund to support the water and sewer system.

The authority will use the bond proceeds to refund its series 2007 variable-rate demand bonds, which were used to fund acquisitions and improvements to St. Marys' water and sewer system. In addition, the authority will use bond proceeds to terminate the existing interest rate swap on the series 2007 bonds and to prepay certain loans made between the city and the Georgia Environmental Facilities Authority. The city expects to pay debt service on the series 2010 bonds with available revenues of the water/sewer system, but these revenues are not specifically pledged for bond repayment.

St. Marys, with an estimated 2009 population of 16,257, is located on the Georgia coastline in Camden County, about 115 miles south of Savannah, Ga. and 40 miles north of Jacksonville, Fla. Government, services, and trade are city's the largest employment sectors. Management reports that the presence of Kings Bay Naval Submarine Base, the city's largest employer with almost 9,000 employees, has provided stability to the local employment base during the current economic downturn. In addition, we understand that some residents commute into the Jacksonville metropolitan area for employment. Income levels, as measured by median household effective buying income, are what we consider good at 99% of the national level. Unemployment has historically been below state and national averages; as of May 2010, the seasonally unadjusted unemployment rate for Camden County was 8.9%, compared with 9.8% for the state and 9.3% for the nation. The tax base is primarily residential and, in our opinion, extremely

strong, with market value estimated at $1.8 billion, or about $111,000 per capita. For 2009, assessed value was $718 million, representing a 3% increase over the 2008 level. The 10 leading taxpayers comprised a diverse 20% of total assessed value in 2009. Management reports that development in the city slowed considerably over the past few years, but has shown recent signs of improvement.

The city's financial position is very strong, in our opinion, despite modest drawdowns of available general fund balance of $1.5 million and $511,000 in fiscals 2008 and 2009, respectively. Beginning in 2008, the city experienced decreases in local revenues due to weakening economic conditions. Yet, the city has actually lowered the tax rate since 2008, preferring to balance the budget through expenditure reductions across all departments and with the use of fund balance, which management reports was built up to provide a cushion in case of an economic downturn such as the one currently being experienced. Fiscal 2009 ended with an unreserved general fund balance of approximately $4.5 million, or a very strong 44% of expenditures. Audited results for fiscal 2010 are not yet available; however, we understand that preliminary results project a small drawdown of about $150,000. For 2011, the general fund budget totals $10.1 million, representing a 2% decrease from the 2010 budget, and includes a fund balance appropriation of $958,000. In addition, the city has budgeted a $500,000 transfer from the general fund to the water and sewer fund to support capital needs of the system. Property taxes and sales and use taxes are city's largest revenue sources, each comprising about one third of budgeted general fund revenues for 2011. Current property tax collections have historically been strong, averaging 96% from 2005 to 2008, but decreased to 88% in 2009.

St. Marys' financial management practices are considered "good" based on Standard & Poor's Financial Management Assessment (FMA). An FMA of good indicates that practices exist in most areas, although not all may be formalized or regularly monitored by governance officials. Highlights include the use of three to five years of historical data when budgeting and monthly updates to the City Council on budget-to-actual and investment performance. St. Marys maintains formal policies regarding debt management, investments, and available reserves.

After excluding debt we consider to be fully self-supported by water and sewer revenues, St. Marys' debt burden is low to moderate at $2,769 per capita and 2.4% of market value. Amortization is below average, with 34% of debt retired in 10 years; however, 82% is retired in 20 years. The city finances the majority of its general capital needs on a pay-as-you-go basis through a 1% special local option sales tax (SPLOST). The most recent SPLOST was approved by a referendum in 2009, with revenues for designated capital improvement projects to be collected over a five-year period. After the upcoming refunding issuance, the city will no longer have any variable-rate debt or swaps outstanding.

Outlook

The stable outlook reflects the city's good income levels and extremely strong tax base coupled with the presence of Kings Bay Naval Sub Base, which provides stability to the employment base. Furthermore, St. Marys' very strong reserves provide a level of cushion given the decreases in tax revenue that city has experienced due to the economic downturn and, while not currently anticipated, the possibility of additional transfers from the general fund to support the water and sewer fund.

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Related Criteria And Research

USPF Criteria: GO Debt, Oct. 12, 2006

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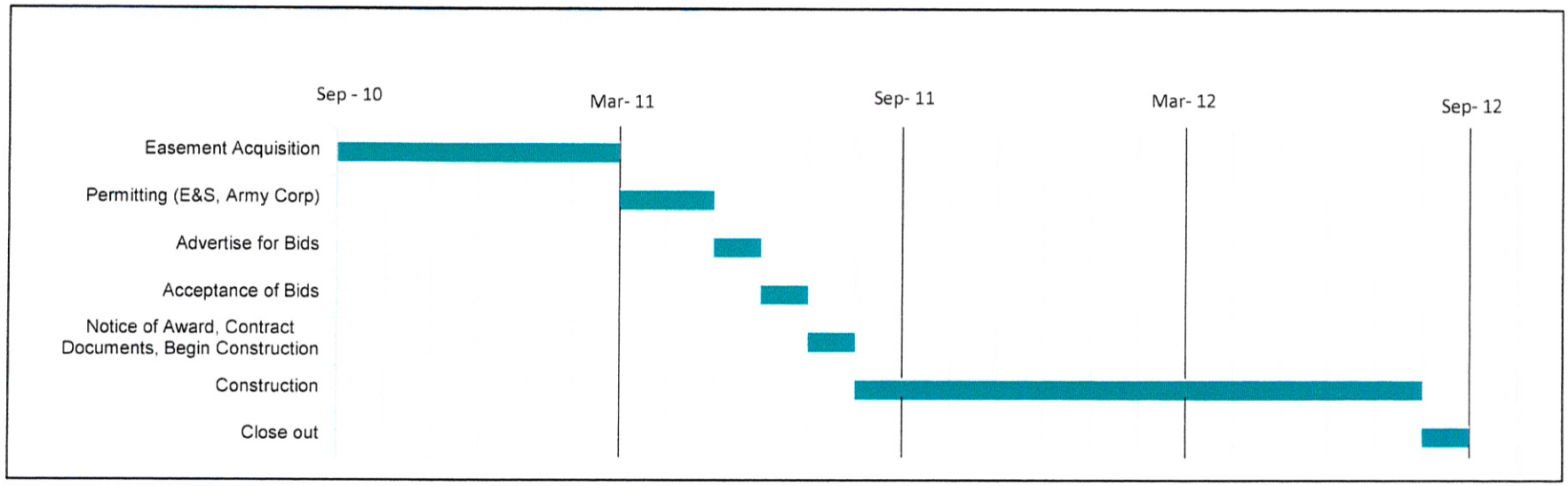
	Anticipated Start Date	Duration	
Easement Acquisition	Sep-10	6	Months
Permitting (E&S, Army Corp)	Mar-11	2	Months
Advertise for Bids	May-11	1	Months
Acceptance of Bids	Jun-11	1	Months
Notice of Award, Contract Documents, Begin Construction	Jul-11	1	Months
Construction	Aug-11	12	Months
Close out	Aug-12	1	Months