

Staff Report

Subject: True-up TSPLOST bond proceeds payment to Springfield and Guyton
Author: Mark W. Barnes, Finance Director
Department: Finance Department
Meeting Date: 6/7/22
Item Description: Consideration to approve the true-up of the distribution of TSPLOST bond proceeds allocated for Springfield and Guyton

Summary Recommendation:

Staff is requesting approval to true-up the TSPLOST bond proceed distributions to Springfield and Guyton based on TSPLOST tax receipts the County received from the State. Springfield would receive \$54,579.24 and Guyton would receive \$29,770.15.

Executive Summary:

In April of 2020, Effingham County and all qualifying municipalities (Springfield, Rincon, and Guyton) entered an IGA for use and distribution of proceeds generated by the 2020 Transportation Special Purpose Local Option Sales Tax (TSPLOST) in which they agreed that each party to the agreement would have the authority to issue general obligation debt.

The county, along with Springfield and Guyton, chose to issue a bond for a portion of their anticipated revenues. The bond was issued in April of 2021 in the amount of \$35 Million. The county has received those funds and has a liability to the participating cities. However, due to the wording of the IGA, the State has been issuing funds directly to the County and cities instead of only the County.

In an effort to allow the cities to begin moving forward on their TSPLOST projects, at the August 3rd, 2021 Commissioners' meeting the Board approved and staff then paid to the cities 25% of their bond allocation, adjusted for the payments the cities had received directly from the State up to that point.

In March 2022, the updated and executed IGA from December 2021 was accepted by the State, and so going forward Springfield and Guyton will not receive TSPLOST payments directly but rather the funding will go to the County to be first accumulated for the annual debt service and then allocated to the County and cities, as described in the IGA.

With the new IGA now in effect, the County is now receiving TSPLOST proceeds on behalf of Springfield and Guyton, however, this went into effect one month earlier than calculated on 4/19/22 Board-approved payment request, so the cities received one less monthly distribution than was calculated on that request, and therefore the cities need to

be true-up for that TSPLOST proceeds payment that didn't go the cities but instead went directly to the County.

Background:

1. Springfield bond allocation is \$2,381,075.00
 - a. They have received \$553,759.24 directly from the state as of now
 - b. They have been paid \$1,772,735.94 of their bond allocation from the County
 - c. Therefore, the remaining bond funds to pay to Springfield are \$54,579.82
2. Guyton bond allocation is \$1,404,244.00
 - d. They have received \$302,048.12 directly from the state as of now
 - e. They have been paid \$1,072,405.73 of their bond allocation from the County
 - f. Therefore, the remaining bond funds to pay to Guyton are \$29,770.15

Alternatives for Commission to Consider:

1. Approve to disburse funds to Springfield and Guyton.
2. Do not approve to disburse funds to Springfield and Guyton.
3. Provide Staff with Direction

Recommended Alternative:

Staff recommends Alternative number 1 – Approve to disburse funds to Springfield and Guyton.

Other Alternatives:

N/A

Department Review: *(list departments)*

Finance

Funding Source:

TSPLOST Construction

Attachments:

1. TSPLOST bond allocation calculation sheet
2. True-up disbursement amount from State sales tax website