

**MINUTES**  
**SPECIAL CALLED MEETING**  
**September 30, 2009**

**CALL TO ORDER:** Mayor Larry called this special meeting to order at 6:00 P.M. and Council Member Glover gave the invocation.

**PRESENT:** Mayor Willie J. Larry, Council Members Roy L. Barker; Frank Lester, III, Jim Trask, Norman Carter & Charles Glover; Clerk/Administrator, Joyce H. Hardy; Fire Chief, David Trussell;

**ABSENT:** Council Member Charles Ivey & City Attorney, Jon Coogle

**MOTION #1:** TO ADOPT FY2010 BUDGETS FOR WATER & SEWER FUNDS, AS PRESENTED BY THE CITY CLERK. A copy of the Water Budget & the Sewer Budget for FY2010 is attached to and made a part of these Minutes. Attachments #1 & #2.

MOTION BY: Mr. Trask  
SECOND BY: Mr. Barker  
VOTE: Unanimous in Favor Of

**MOTION #2:** TO AUTHORIZE MAYOR LARRY TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BETWEEN MACON COUNTY AND ALL CITIES WITHIN MACON COUNTY TO USE A PORTION OF THE NEXT SPLOST TO PAY GEFA LOAN #2. A copy this agreement is attached to and made a part of these Minutes. Attachment #3.

MOTION BY: Mr. Trask  
SECOND BY: Mr. Lester  
VOTE: Unanimous in Favor Of

**MOTION #3:** TO ADOPT RESOLUTION #519 SETTING THE 2009 AD VALOREM TAX MILLAGE RATE AT 12.0 MILS. A copy of Resolution #519 is attached to and made a part of these Minutes. Attachment #4.

MOTION BY: Mr. Glover  
SECOND BY: Mr. Lester  
VOTE: Unanimous in Favor Of

**ADJOURN:** With no further business, the meeting was adjourned.

  
Willie J. Larry - Mayor

  
Joyce H. Hardy - Clerk/Administrator

**WATER FUND - 505  
BUDGET WORKSHEET  
FY 10**

GL#

FY10 ADOPTED	NOTES
-----------------	-------

25% INDIRECT COST  
ALLOCATION

<b>OPERATING REVENUES</b>		
34.4211	METERED WATER SALES	\$ 600,000
34.4212	WATER TAP FEES	\$ 36,000
34.4213	WATER RECONNECT FEES	\$ 6,000
34.4214	WELL LEASE	\$ 1,200
34.4215	OUTSIDE CONTRACT FEES-IDEAL	\$ -
<b>TOTAL OPERATING REVENUES</b>		<b>\$ 643,200</b>
<b>OPERATING EXPENSES</b>		
4336	WATER-GEN & ADM	\$ 203,790
4440	WATER LINE MAINTENANCE	\$ 143,214
4430	WATER PLANTS	\$ 314,013
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 661,018</b>
<b>NET OPERATING INCOME</b>		<b>\$ (17,818)</b>
<b>NON-OPERATING INCOME</b>		
36.1000	INTEREST EARNINGS	\$ 500
<b>TOTAL NON-OPERATING INCOME</b>		<b>\$ 500</b>
<b>NON-OPERATING EXPENSE</b>		
505.4410	WATER - GEN & ADM	
61.1006	OPERATING TRANSFER TO SEWER FUND	\$ -
		\$ -
<b>TOTAL NON-OPERATING EXPENSE</b>		<b>\$ -</b>
<b>NET INCOME BEFORE CAPITAL BUDGET &amp; REVENUE BOND PRINCIPAL</b>		<b>\$ (17,318)</b>
<b>WATER FUND - CAPITAL BUDGET</b>		
11.8000	Water Meters	\$ 10,000
11.7500	Matching Funds for CDBG Water Plants Project	\$ -
<b>TOTAL WATER FUND - CAPITAL BUDGET</b>		<b>\$ 10,000</b>

40 Unit Senior Complex

\*\*\*\*CAPITAL BUDGET IS TO BE FUNDED FROM CURRENT YEARS' EARNINGS AND PRIOR YEARS' RETAINED EARNINGS\*\*\*\*

**SEWER FUND - 506  
BUDGET WORKSHEET  
FY 10**

GL#

FY10 ADOPTED	NOTES
	40% INDIRECT COST ALLOCATION

OPERATING REVENUES		
34.4231	SEWERAGE CHARGES - SP#1 DIVERTED TO SP#2	\$ 532,000
34.4232	SEWERAGE CHARGES - SP#2-OTHER USERS	\$ 100,000
34.4236	SEWERAGE CHARGES - SP#2-ALLEN'S ONLY	\$ 323,760
34.4233	SEWER TAP FEES	\$ 36,000
34.4234	OUTSIDE CONTRACT FEES	\$ -
34.4237	SEWER SURCHARGES	\$ 10,000
	<b>TOTAL OPERATING REVENUES</b>	<b>\$ 1,001,760</b>
OPERATING EXPENSES		
4310	SEWER - GEN & ADMINISTRATIVE	\$ 421,998
4331	SEWER LINE MAINTENANCE	\$ 101,590
4335	DRAYTON RD INDUSTRIAL PRE-TREATMENT FACILITY	\$ -
4336	SPRING CREEK WATER RECLAMATION FACILITY	\$ 468,621
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 992,208</b>
	<b>NET OPERATING INCOME</b>	<b>\$ 9,552</b>
NON-OPERATING INCOME		
36.1111	INTEREST EARNINGS	\$ -
	CONTRIBUTION FROM MACON COUNTY	\$ 185,757
	<b>TOTAL NON-OPERATING INCOME</b>	<b>\$ 185,757</b>
NON-OPERATING EXPENSE		
SEWER - GEN & ADM		
58.2300	GEFA LOAN #2 - INTEREST	\$ 37,252
	GEFA LOAN #3 - INTEREST	\$ 42,814
	REPAY GEN FUND LOAN	\$ 9,000
	<b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$ 89,066</b>
	<b>NET INCOME BEFORE CAPITAL BUDGET &amp; GEFA LOAN PRINCIPAL</b>	<b>\$ 106,243</b>

40 Unit Senior Complex  
Industrial Pre-Treatment Facility

Assumed by Macon Co  
(\*SPLOST)

**SEWER FUND - CAPITAL BUDGET**

SCWRF Reuse System	\$ 8,000
<b>TOTAL SEWER FUND CAPITAL BUDGET</b>	<b>\$ 8,000</b>
SEWER REVENUE BOND & LOAN PRINCIPAL	
GEFA LOAN #2 - PRINCIPAL	\$ 148,505
GEFA LOAN #3 - PRINCIPAL	\$ 98,112
<b>TOTAL SEWER RBP &amp; LP</b>	<b>\$ 246,617</b>

Assumed by Macon County  
(\*SPLOST)

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF MACON COUNTY, GEORGIA APPROVING AND AUTHORIZING EXECUTION, BY THE CHAIRMAN OF THE MACON COUNTY BOARD OF COMMISSIONERS, OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE COUNTY AND CERTAIN MUNICIPALITIES OF MACON COUNTY CONCERNING A COUNTY ONE PERCENT SPECIAL PURPOSE LOCAL OPTION SALES AND USE TAX ENACTED PURSUANT TO O.C.G.A. § 48-8-110 *ET SEQ.*; REPEALING PRIOR RESOLUTIONS IN CONFLICT; AND FOR OTHER PURPOSES.

**WHEREAS**, O.C.G.A. §48-8-110 *et seq.* authorizes the imposition of a one percent county special purpose local option sales and use tax ("SPLOST") for the purposes, *inter alia*, of financing capital outlay projects to be owned or operated by the County and one or more municipalities; and

**WHEREAS**, Macon County, Georgia, the Municipality of Ideal, Georgia, the Municipality of Marshallville, Georgia, the Municipality of Oglethorpe, Georgia, and the Municipality of Montezuma, Georgia desire to utilize the proceeds of a SPLOST for the one or more of the purposes authorized under O.C.G.A. § 48-8-111 (a)(1).

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of Macon County, Georgia as follows:

**SECTION 1.** The intergovernmental agreement addressing the disbursement of SPLOST proceeds among Macon County, the Municipality of Ideal, Georgia, the Municipality of Marshallville, Georgia, the Municipality of Oglethorpe, Georgia, and the Municipality of Montezuma, Georgia, and other related matters, attached hereto as Exhibit A, is hereby approved.

**SECTION 2.** The Chairman of the Macon County Board of Commissioners is authorized to execute the intergovernmental agreement on behalf of the Board of Commissioners of Macon County, Georgia and affix the seal of the County thereto.

**SECTION 3.** All resolutions, or parts of resolutions, in conflict herewith are repealed.

Passed and Adopted by the Board of Commissioners of Macon County this 19<sup>th</sup> day of November, 2009.

**BOARD OF COMMISSIONERS  
OF MACON COUNTY**

By: *A. Richmond Felton*  
Chairman of the Board of Commissioners

ATTEST:

*[Signature]*  
Clerk of the Board of  
Commissioners

**CLERK'S CERTIFICATE  
(MACON COUNTY)**

I, the undersigned Clerk of the Board of Commissioners of Macon County, keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a resolution relating to the approval and authorization of an intergovernmental agreement concerning a County one percent special purpose local option sales tax and which was duly adopted by the Board of Commissioners of Macon County in a public meeting assembled on November 19<sup>th</sup>, 2009, an original of which resolution has been entered in the official records of said County under my supervision and is in my official possession, custody and control.

*[Signature]*  
Clerk of the Board of Commissioners  
of Macon County

(SEAL)

STATE OF GEORGIA

COUNTY OF MACON

**AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT BETWEEN MACON COUNTY, GEORGIA, MONTEZUMA, GEORGIA, MARSHALLVILLE, GEORGIA, OGLETHORPE, GEORGIA, AND IDEAL, GEORGIA REGARDING SEWER FACILITIES, A POSSIBLE NEW SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR CAPITAL OUTLAY PROJECTS, AND RELATED PURPOSES**

THIS AGREEMENT is made and entered as of this \_\_\_ day of October, 2009 by and between Macon County, Georgia a political subdivision of the State of Georgia ("County"), and the City of Montezuma ("Montezuma"), the City of Marshallville ("Marshallville"), the City of Oglethorpe ("Oglethorpe"), and the City of Ideal ("Ideal"), municipal corporations of the State of Georgia (each, a "Municipality" and collectively, the "Municipalities"), the County and the Municipalities are each a "Party", and collectively, "Parties", and hereby amends and restates, replaces and supercedes. the instrument entitled: "INTERGOVERNMENTAL AGREEMENT BETWEEN MACON COUNTY, GEORGIA, MONTEZUMA, GEORGIA, MARSHALLVILLE, GEORGIA, OGLETHORPE, GEORGIA, AND IDEAL, GEORGIA REGARDING SEWER FACILITIES, A POSSIBLE NEW SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR CAPITAL OUTLAY PROJECTS, AND RELATED PURPOSES" dated the \_\_\_ day of October, 2009 (the "Original Agreement"),

**NOW, THEREFORE, THIS AGREEMENT WITNESSETH:**

That the Parties hereto hereby agree as follows:

**Section 1. Basis for Agreement**

1.1. SPLOST Authorization. O.C.G.A. Sec. 48-8-110 *et seq.* ("Act") authorizes the levy of a one percent County Special Purpose Local Option Sales Tax ("SPLOST") for the purpose of financing capital outlay projects and other purposes consistent with the Act, for the use and benefit of the County and municipalities within the County.

1.2. Municipalities. The Municipalities are all of the municipal corporations that are located wholly or partially within the borders of the County, and each of the Municipalities is a "qualified municipality" within the meaning of O.C.G.A. Sec. 48-8-110(4), which is part of the Act.

1.3. GEFA Contract. In 1992, Montezuma entered into that certain "Contract For Financing Environmental Facilities And For Other Services By Georgia Environmental Facilities Authority", dated December 17<sup>th</sup>, 1992, and identified as Contract/Project No. SRF 92-059 No. 2 of 3 ("GEFA Contract") with the Georgia Environmental Facilities Authority ("GEFA") for the purpose of financing a portion of the System (defined below).

1.4. GEFA Note; Forbearance Agreement. Montezuma is the obligor under a promissory note executed in connection with the GEFA Contract in the principal amount of One Million Nine Hundred Ninety-Six Thousand Eight Hundred and No/100 dollars (\$1,996,800.00) ("GEFA Note"), with interest due thereon at the rate of four percent (4%) per annum. The GEFA Contract and the GEFA Note are subject to a 2003 forbearance agreement between the parties thereto, which adjusted the payment schedule, as a result of which : (i) the last payment made by Montezuma was 9/1/2009; (ii) the next payment due is on 12/1/2009; (iii) the outstanding balance is \$986,525.21; and (iv) the quarterly payments are \$46,439.16 each provided, that the last payment will be \$46,439.37 and is due 9/1/2015.

1.5. Public Purposes of Agreement. In order to achieve the public purposes of this Agreement, the County and Montezuma desire for the County to make, on behalf of Montezuma, payments due under the GEFA Note for a limited period of time, all subject to the terms and conditions of this Agreement. The County and Montezuma intend for the County to be reimbursed for such payments out of the proceeds of a SPLOST planned to commence in 2010 and more fully described below (the "2010 SPLOST"), or by Montezuma. This Agreement is intended to evidence such intentions and related agreements, and the other Municipalities desire through this Agreement to join therein.

1.6. System. The GEFA Contract relates to the sewer system (the "System") that Montezuma owns and operates and that serves residential and business properties within the boundaries of Montezuma.

1.7. Constitutional Powers of Cities and Counties. Montezuma is authorized by Art. IX, Sec. II, Para. III (a) of the Constitution to operate storm water and sewage collection and disposal systems and provide related sanitation services within its borders. The same provision of the Constitution authorizes the County to provide the same services in the unincorporated areas within the County's borders, and inside the boundaries of any municipality by contract with the municipality affected. This Agreement shall constitute such a contract, and therefore, the County is authorized to provide such services within the borders of Montezuma. As and when required, the County and Montezuma agree to take such related actions as may be necessary for purposes of this Agreement in connection with the requirements of Chapter 70 of Title 36 of the Official Code of Georgia Annotated ("HB 489"); i.e., their "Service Delivery Strategy."

1.8. Revenue Undertakings Authorized. Montezuma and the County each is authorized by the Revenue Bond Law to finance revenue-producing undertakings used or useful in connection with the collection, treatment, and disposal of sewage, waste, and storm water, including lands, easements, rights in land, water rights, contract rights, franchises, approaches, dams, reservoirs, generating stations, sewage disposal plants, intercepting sewers, trunk connecting and other sewer and water mains, filtration works, pumping stations, and equipment, and to lease facilities to private sector industries so as to alleviate abnormal unemployment conditions.

1.9. Current SPLOST; 2010 SPLOST. Pursuant to a referendum held on September 20, 2005, a SPLOST was approved within the County for a period of time not to exceed 5

years (the "Current SPLOST"). This Agreement contemplates the authorization of the 2010 SPLOST, in accordance with the Act, while the Current SPLOST is in effect, as permitted by O.C.G.A. Sec. 48-8-112(c)(2).

1.10. Public Benefit; Rate Agreement with Large Industry; Changes. The provision of sewer services through the System is vital in order to retain employment opportunities for the citizens of the County, including citizens residing with the Municipalities, with at least one large industry located within Montezuma. The Parties intend for Montezuma to enter into a rate agreement ("Rate Agreement") pursuant to O.C.G.A. Sec. 36-30-3(d) with the current largest industrial user of the System, which shall be in effect so long as this Agreement is in effect, but no longer than ten years. Montezuma shall provide the County with a copy of the Rate Agreement as soon as it is in effect and shall continuously and automatically provide the County with written notice of any changes or other material events affecting the GEFA Contract, the GEFA Note or the Rate Agreement. Montezuma agrees not to amend or take any other action affecting the GEFA Contract, the GEFA Note or the Rate Agreement without the County's prior written consent, provided, that in no event shall the County incur any liability or obligation for granting or withholding any such consent.

1.11. Findings. The County finds and determines that there is a need for it to provide sewer service within its borders, including the incorporated area of Montezuma. Each of the Parties hereto hereby finds and determines that: (i) the System constitutes a facility that Montezuma and the County may each provide and finance; (ii) the System will promote the public purposes of the County, Montezuma and the other Municipalities by contributing to the public health in and economic development of the County and the Municipalities, and (iii) this Agreement will be in the interest of the residents of Montezuma, the other Municipalities, the County and of the State of Georgia.

1.12. Intergovernmental Agreement Authorization. Each of the Parties is authorized pursuant to Article IX, Section III, Paragraph I (a) of the Constitution of the State of Georgia of 1983 ("Constitution"), to enter into intergovernmental contracts for any period not exceeding fifty years with each other for the joint or separate provision of facilities or services, if such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or provide, and thus are authorized to enter into an intergovernmental contract for the purpose of providing the System. Therefore, this Agreement is authorized, legal, valid and binding on the Parties hereto, including, without limitation, as to the obligations being incurred between Montezuma and the County.

## **Section 2. Representations and Mutual Covenants**

2.1. County. The County makes the following representations and warranties which may be specifically relied upon by all Parties as a basis for entering this Agreement:

2.1.1 The County is a political subdivision duly created and organized under the Constitution of the State of Georgia.

2.1.2 The governing authority of the County is duly authorized to execute, deliver and perform this Agreement.

2.1.3 This Agreement is a valid, binding, and enforceable obligation of the County.

2.2. Municipalities. Each of the Municipalities makes the following representations and warranties which may be specifically relied upon by all Parties as a basis for entering this Agreement:

2.2.1 Each Municipality is a municipal corporation duly created and organized under the laws of the State of Georgia.

2.2.2 The governing authority of each Municipality is duly authorized to execute, deliver and perform this Agreement.

2.2.3 This Agreement is a valid, binding and enforceable obligation of each Municipality.

2.2.4 Each Municipality is a qualified municipality as defined in O.C.G.A. Sec. 48-8-110(4).

2.2.5 Each Municipality is located entirely or partially within the geographic boundaries of the special SPLOST tax district created in the County.

2.3. Montezuma. Montezuma, in addition to the foregoing representations and warranties makes the following representations and warranties which may be specifically relied upon by the County:

2.3.1 No event has occurred and no condition exists that would constitute an Event of Default by Montezuma, or which, with the lapse of time or with the giving of notice or both, would become an Event of Default by Montezuma under the GEFA Contract or the GEFA Note, taking into account the forbearance agreement referred to in Section 1.4, above.

2.3.2 Montezuma is legally authorized to pledge the Land (defined below) and to otherwise enter into the provisions of this Agreement respecting the System and, insofar as they are affected hereby, the other components of its public utility plants or properties. Without limitation, the System does not constitute "municipal waterworks" within the meaning of O.C.G.A. Sec. 36-37-8, and Montezuma is not required to give any notice under said Code Section in connection herewith. Montezuma is not restricted by any other provision of law, including, without limitation, its city charter, or by any indenture, contract or other agreement, or encumbrance, from entering into and performing this Agreement, except for any consent from GEFA that may be required for the pledge of the Land as described below. Montezuma agrees to use its best efforts to obtain any such required consent within 30 days of the effective date of this Agreement. The County shall have the right to terminate this Agreement, effective immediately upon giving written notice of termination to the other Parties, if, within such period, Montezuma does not obtain such consent and provide satisfactory evidence of same (or that such consent is not required) to the County.

2.4. Compliance with the Act.

2.4.1 It is the intention of the County and Municipalities to comply in all respects with the Act and all provisions of this Agreement shall be construed consistently with the Act.

2.4.2 The County and Municipalities agree to promptly proceed (if they have not heretofore done so) with the acquisition, construction, equipping and installation of the projects specified in Exhibit A, attached hereto and incorporated herein by reference, and in accordance with the priority specified in this Agreement.

2.4.3 The County and Municipalities agree that each approved 2010 SPLOST project associated with this Agreement shall be maintained as a public facility and in public ownership. If ownership of a project financed pursuant to this Agreement is transferred to private ownership, the proceeds of the sale shall, for the purposes of this Agreement, be deemed excess funds and disposed of as provided under O.C.G.A. § 48-8-121 (g)(2).

2.4.4 The County and Municipalities agree to maintain thorough and accurate records concerning receipt of 2010 SPLOST proceeds and expenditures for each project undertaken by the respective county or municipality as required for purposes of fulfilling the terms of this Agreement.

### **Section 3. 2010 SPLOST**

Subject to their rights under the Act, the Parties agree to pursue the proceedings required by the Act to authorize the 2010 SPLOST in 2010 while the Current SPLOST is in effect, including holding the necessary referendum. The Parties intend for the 2010 SPLOST to be for a period of 6 years (or such shorter period as may be mandated by law) and to fund at least the requirements to reimburse the County for payments made on behalf of Montezuma under the GEFA Contract and the GEFA Note as contemplated herein. For such purposes, so that they may be paid in full out of the proceeds of the 2010 SPLOST, the GEFA Contract and the GEFA Note may, if necessary and permitted, be prepaid, or paid out of funds reserved in a separate account as required by the Act.

### **Section 4. Conditions Precedent to the 2010 SPLOST**

4.1. SPLOST Resolution. The obligations that the County and Municipalities contemplate assuming once the 2010 SPLOST is approved are conditioned upon the adoption of a resolution of the County calling for the imposition of the SPLOST in accordance with the provisions of O.C.G.A. § 48-8-111 (a). However nothing herein contained shall affect the obligation of Montezuma to reimburse the County provided in Section 7.4, below, or any other provision hereof intended to be independent of the 2010 SPLOST.

4.2. SPLOST Referendum. The provisions of this Agreement that are dependent on the 2010 SPLOST are further conditioned upon the approval of the proposed imposition of the SPLOST by the voters of the County in a referendum to be held in accordance with the provisions of O.C.G.A. § 48-8-111 (b) through (e).

4.3. SPLOST Collections. The provisions of this Agreement that are intended to be dependent on the 2010 SPLOST are further conditioned upon the collecting of the SPLOST revenues by the State Department of Revenue and transferring same to the County.

#### **Section 5. Obligations of the County**

In consideration for the services to be provided and obligations undertaken by Montezuma and in order to achieve the public purpose of this Agreement, commencing on the next payment due after the effectiveness of this Agreement, the County agrees to make, on behalf of Montezuma, the scheduled payments of principal and interest to GEFA under the GEFA Contract and the GEFA Note, taking into account the forbearance agreement referred to in Section 1.4, above, as each such payment becomes due and payable, provided that: (a) such obligation on the part of the County to make such payments shall cease after the making of the payment for the calendar quarter in which the Current SPLOST terminates; and (b) such obligation is only for payments as presently scheduled, and shall not apply with respect to any accelerated payments, other rescheduled payments, or payments for anything other than principal and interest (for example, penalties, expenses, and costs of collection, including attorneys' fees). It is the intention of the Parties that obligations of the County under this Section 5 shall be a "prior general obligation" of the County within the meaning of O.C.G.A. Sec. 48-8-111(a)(1)(G) and such payments shall be reimbursed to the County out of 2010 SPLOST proceeds (or otherwise by Montezuma as required below). Without limitation, it is specifically understood and agreed by all Parties that the County does not anticipate paying, and shall have no obligation to pay, any payments under the GEFA Contract or GEFA Note coming due after the termination of the Current SPLOST, or the termination of this Agreement, any provision hereof to the contrary notwithstanding. Such obligation on the part of the County shall not constitute an assumption of any obligation or liability of Montezuma under the GEFA Contract or the GEFA Note or otherwise. There shall be no third-party contract beneficiaries of this Agreement, and without limitation, GEFA shall have no rights against the County under or in respect of this Agreement.

#### **Section 6. Obligations of Montezuma**

6.1. Management of the System. Montezuma shall be responsible for the management and operation of the System, and shall pay all operating costs and (except as otherwise expressly provided herein) all capital costs relating to the System.

6.2. Insurance. Montezuma shall maintain the System at its own expense and keep the System in good and working condition. Montezuma, at its expense, throughout the term of this Agreement, shall carry the following insurance:

6.2.1 hazard and casualty insurance on the System in amounts not less than the full replacement cost of the System and the County shall be named as an additional loss payee on such policy;

6.2.2 general liability insurance, in amounts of \$1,000,000 per occurrence and \$2,000,000 in aggregate, subject to deductibles per occurrence not to exceed \$100,000; such policy or policies shall name the County, and

6.2.3 worker's compensation insurance as required by law relating to Montezuma's own employees working at the System.

6.3. No County Obligation. The County shall have no obligation or liability for the operation of the System.

6.4. Pledged Security. Montezuma hereby pledges the land as more fully described in Exhibit B attached hereto and incorporated by reference (the "Land") to the County to secure Montezuma's obligations to the County hereunder. Montezuma further agrees to execute a deed to secure debt for the benefit of the County, together with such other security documents as may reasonably be required by the County to further evidence and perfect such pledge and to secure Montezuma's obligations hereunder. The foregoing notwithstanding, the effectiveness of such pledge shall be subject to the provisions of Section 2.3.2, above, regarding GEFA's consent. In the event of foreclosure under such pledge, Montezuma and the City shall take such steps as may be necessary, in the reasonable opinion of the County, to comply with HB 489 and to avoid disruptions in sewer service to the citizens of Montezuma.

#### **Section 7. Effective Date and Term of This Agreement**

7.1. Effective Date; Term. The effective date of this Agreement shall be the date of its execution by the last of the Parties to execute it. Said effective date shall be inserted as above provided. The term of this Agreement shall continue from its effective date until its expiration or prior termination, not to exceed fifty (50) years.

7.2. Expiration. If the 2010 SPLOST is not previously authorized in a referendum in 2010 as contemplated herein, this Agreement shall expire at 5:00 o'clock p.m., Macon County, Georgia, time on March 31, 2010. If the 2010 SPLOST is authorized in a referendum in 2010 as contemplated herein, this Agreement shall expire upon the last to occur of: (i) 5:00 o'clock p.m., Macon County, Georgia, time on December 31, 2016; or (ii) the expenditure by the County and all of the Municipalities of the last dollar of money collected from the 2010 SPLOST after the expiration of the 2010 SPLOST.

7.3. County's Termination Rights. Effective immediately upon giving written notice of termination to the other Parties, the County shall have the right to terminate this Agreement if:

##### **7.3.1 Events.**

7.3.1.1 A Rate Agreement satisfactory in all respects to the County has not become effective by 5:00 o'clock p.m., Macon County, Georgia, time on November 31, 2009; or

7.3.1.2 The 2010 SPLOST is not authorized pursuant to the Act as contemplated herein (including approval in the necessary referendum) by 5:00 o'clock p.m., Macon County, Georgia, time on March 31, 2010; or

7.3.1.3 Montezuma defaults under the GEFA Contract or the GEFA Note, taking into account the forbearance agreement mentioned in Section 1.4, above; or

7.3.1.4 Montezuma defaults under any provision of this Agreement, or under any obligation of Montezuma for borrowed money, including, without limitation, monetary obligations under intergovernmental agreements.

7.3.2 Other Rights. The County shall also have the rights to terminate this Agreement that are provided elsewhere herein.

7.4. Reimbursement of County. If the County terminates this Agreement pursuant to any provision of Sections 7.3.1 or 7.3.2, above, or if the 2010 SPLOST expires without the County having been fully reimbursed, then Montezuma shall immediately reimburse the County for all payments made by the County pursuant to this Agreement for which the County has not previously been reimbursed. In the year of such termination or expiration, Montezuma shall make reimbursement in full, or in such lesser amount as may be the maximum amount that is feasible. Any unpaid balance shall be amortized and paid quarterly over the same number of calendar quarters as the County made such payments to GEFA, and at the same rate of interest. If necessary to make such quarterly payments, Montezuma shall levy *ad valorem* property taxes on all taxable property in Montezuma so as to provide a source for the making of such payments. Montezuma shall budget and appropriate such *ad valorem* tax revenues as necessary for such purposes.

7.5. Effect of Expiration or Termination. The expiration or termination of this Agreement shall have no effect on obligations or liabilities of the Parties that have previously been incurred or that are contemplated to survive termination (up to the fifty (50) year limit provided above), including, without limitation, the reimbursement and other obligations of Montezuma to the County.

#### **Section 8. County SPOST Fund; Separate Accounts; No Commingling**

8.1. A special fund or account shall be created by the County and designated as the 2010 Macon County Special Purpose Local Option Sales Tax Fund ("2010 SPLOST Fund"). The County shall select a local bank which shall act as depository and custodian of the 2010 SPLOST Fund upon such terms and conditions as may be acceptable to the County.

8.2. Each Municipality shall create a special fund to be designated as the 2010 Special Purpose Local Option Sales Tax Fund. Each Municipality shall select a local bank which shall act as a depository and custodian of the 2010 SPLOST proceeds received by each Municipality upon such terms and conditions as may be acceptable to the Municipality.

8.3. All 2010 SPLOST proceeds shall be maintained by the County and each Municipality in the separate accounts or funds established pursuant to this Section. Except as provided in Section 9, 2010 SPLOST proceeds shall not be commingled with other funds of the County or Municipalities and shall be used exclusively for the purposes detailed in this Agreement. No funds other than 2010 SPLOST proceeds shall be placed in such funds or accounts.

**Section 9. Procedure for Disbursement of 2010 SPLOST Proceeds**

9.1. Upon receipt by the County of 2010 SPLOST proceeds collected by the State Department of Revenue, the County shall immediately deposit said proceeds in the 2010 SPLOST Fund. The monies in the 2010 SPLOST Fund shall be held and applied to the cost of acquiring, constructing and installing the County capital outlay projects listed in Exhibit A and as provided in Section 9.2, below.

9.2. The County, following the deposit of the 2010 SPLOST proceeds in the 2010 SPLOST Fund, shall within 10 business days disburse the 2010 SPLOST proceeds due to each Municipality according to the schedule in Exhibit A. The proceeds shall be deposited in the separate funds established by each Municipality in accordance with Section 8 of this Agreement.

9.3. Should any Municipality cease to exist as a legal entity before all funds are distributed under this Agreement, that Municipality's share of the funds subsequent to dissolution shall be paid to the County as part of the County's share unless an act of the Georgia General Assembly makes the defunct Municipality part of another successor municipality. If such an act is passed, the defunct Municipality's share shall be paid to the successor Municipality in addition to all other funds to which the successor Municipality would otherwise be entitled.

**Section 10. Projects**

All capital outlay projects, to be funded in whole or in part from 2010 SPLOST proceeds, are listed in Exhibit A which is attached hereto and made part of this Agreement.

**Section 11. Priority and Order of Project Funding**

Projects shall be fully or partially funded and constructed in accordance with the schedule found in Exhibit A of this Agreement. Except as provided in Section 12.2 and Section 12.3 of this Agreement, any change to the priority or schedule must be agreed to in writing by all parties to this Agreement.

**Section 12. Completion of Projects**

12.1. The County and Municipalities acknowledge that the costs shown for each project described in Exhibit A are estimated amounts.

12.2. If a County project has been satisfactorily completed at a cost less than the estimated cost listed for that project in Exhibit A, the County may apply the remaining unexpended funds to any other County project in Exhibit A.

12.3. If a Municipal project has been satisfactorily completed at a cost less than the estimated cost listed for that project in Exhibit A, the Municipality may apply the remaining unexpended funds to any other project included for that Municipality in Exhibit A.

12.4. The County and Municipalities agree that each approved 2010 SPLOST project associated with this Agreement shall be completed or substantially completed within five years after the termination of the 2010 SPLOST. Any 2010 SPLOST proceeds held by a County or Municipality at the end of the five year period shall, for the purposes of this Agreement, be deemed excess funds and disposed of as provided under O.C.G.A. § 48-8-121 (g)(2).

**Section 13. Audits**

During the term of this Agreement, the distribution and use of all 2010 SPLOST proceeds deposited in the 2010 SPLOST Fund and each municipal fund shall be audited annually by an independent certified public accounting firm in accordance with O.C.G.A. § 48-8-121(a)(2). The County and each Municipality receiving 2010 SPLOST proceeds shall be responsible for the cost of their respective audits and each shall cooperate with its independent certified public accounting firm in any audit by providing all necessary information.

**Section 14. Notices**

All notices, consents, waivers, directions, requests or other instruments or communications provided for under this Agreement shall be deemed properly given when delivered personally or sent by registered or certified United States mail, postage prepaid, as follows:

(a) If to the County:	Macon County Board of Commissioners P. O. Box 297 Oglethorpe, GA 31068 Attn: Chairman
(b) If to Montezuma:	Montezuma City Commission _____ _____ Attn: Mayor
(c) If to Marshallville:	Marshallville City Commission _____ _____ Attn: Mayor
(d) If to Oglethorpe:	Oglethorpe City Commission _____ _____ Attn: Mayor
(e) If to Ideal:	Ideal City Commission _____ _____ Attn: Mayor

**Section 15. Entire Agreement**

This Agreement supersedes and replaces the Original Agreement. Subsequent to the foregoing: (i) this Agreement, including any attachments or exhibits, constitutes all of the understandings and agreements existing between the County and the Municipalities with respect to the subject matter hereof, and (ii) this Agreement supersedes all prior agreements, negotiations and communications of whatever type, whether written or oral, between the parties hereto with respect to same.

**Section 16. Amendments**

This Agreement shall not be amended or modified except by agreement in writing executed by the governing authorities of the County and the Municipalities.

**Section 17. Governing Law**

This Agreement shall be deemed to have been made and shall be construed and enforced in accordance with the laws of the State of Georgia.

**Section 18. Severability**

Should any phrase, clause, sentence, or paragraph of this Agreement be held invalid or unconstitutional, the remainder of the Agreement shall remain in full force and effect as if such invalid or unconstitutional provision were not contained in the Agreement unless the elimination of such provision detrimentally reduces the consideration that any party is to receive under this Agreement or materially affects the operation of this Agreement.

**Section 19. Compliance with Law**

The County and the Municipalities shall comply with all applicable local, State, Federal statutes, ordinances, rules and regulations.

**Section 20. No Consent to Breach**

No consent or waiver, express or implied, by any party to this Agreement, to any breach of any covenant, condition or duty of another party shall be construed as a consent to or waiver of any future breach of the same.

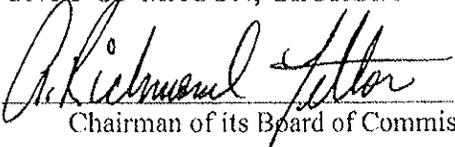
**Section 21. Counterparts**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the County and the Municipalities acting through their duly authorized agents have caused this Agreement to be signed, sealed and delivered for final execution by the County on the date set forth above.

COUNTY OF MACON, GEORGIA

By:   
Chairman of its Board of Commissioners

[SEAL]

ATTEST:

  
Clerk of its Board of Commissioners

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

**City of Marshallville  
Projected SPLOST Projects**

<b>PROJECT</b>	<b>ESTIMATED COST</b>
Tier II Capital Outlay - Purchase informational system for Public Safety Building and City Hall, equipment, police cars, and upgrade City Hall, Senior Center and the Recreation Park.	\$365,438.00
Tier III Capital Outlay- Improvement/upgrade citywide water and sewage system, streets and drainage	\$365,438.00
<b>ESTIMATED TOTAL</b>	<b>\$730,876.00</b>

*Gloria J. Dixon*

\_\_\_\_\_  
Gloria J. Dixon, Mayor

November 23, 2009

Date

Seal

CITY OF MONTEZUMA, GEORGIA

By: William [Signature]  
Mayor

[SEAL]

ATTEST:

Ryce H. Hardy  
Clerk

[signatures continue on following page]

CITY OF OGLETHORPE, GEORGIA

By: *Robert D. ...*  
Mayor

[SEAL]

ATTEST:

*Shirley C. Lastney*  
Clerk

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

CITY OF IDEAL, GEORGIA

By: *Kathy W. Starn*  
Mayor

[SEAL]

ATTEST:

*Betty S. Rainey*  
Clerk

**EXHIBIT "A"**

Distribution of Proceeds. All capital outlay projects included in this Agreement shall be funded from proceeds from the 2010 SPLOST except as otherwise agreed and subject in any event to all of the priorities, terms and conditions of this Agreement and to the availability of funds. All capital outlay projects shall be funded in accordance with the table below. 2010 SPLOST funds shall be first allocated to the Priority 1 project. Any provision hereof to the contrary notwithstanding, 2010 SPLOST proceeds must be allocated to pay all of the actual (not estimated) costs of the Priority 1 project before any allocations are made to Priority 2 projects. After the Priority 1 project is fully funded, 2010 SPLOST proceeds will be allocated to Priority 2 projects. All Priority 2 projects have equal priority among themselves and shall receive a pro rata allocation (in proportion to their estimated costs set forth below for all Priority 2 project estimated costs) of proceeds of the 2010 SPLOST in accordance with the table below. After Priority 2 projects are fully funded, 2010 SPLOST proceeds will be allocated to Priority 3 projects. All Priority 3 projects have equal priority among themselves and shall receive a pro rata allocation (in proportion to their estimated costs set forth below for all Priority 3 project estimated costs) of proceeds of the 2010 SPLOST in accordance with the table below. In the table below, the percentage beside each Priority 2 project and each Priority 3 project is its pro rata allocation expressed as a percentage of all allocations to Priority 2 projects or all allocations to Priority 3 projects, respectively.

Project	County/ Municipality	Estimated Cost	Priority	Pro Rata
Prior General Obligation: Reimbursement of County for amounts paid by County in connection with obligations assumed by County pursuant to Section 5 of this Agreement and for costs incurred by the County in connection therewith, including, without limitation, legal fees.	Montezuma	\$212,000	1	
Capital equipment purchases for Public Works Dept., Sheriff's Dept., Emergency Medical Service, Fire Dept., Recreation Dept., Whitewater Creek Park, Tax Assessors	County	\$1,447,000	2	37.58%
Capital Improvements: Annex Building, Health Department, Courthouse, EMA Building, Literacy Center, Government Office Building	County	\$474,152	2	12.31%
Road Improvements	County	\$1,421,152	3	36.91%
Construct swimming pool	County	\$500,000	3	12.98%
Capital Improvements to government buildings, purchase equipment	Ideal	\$141,708	2	3.68%
Improvements to water, sewer, streets	Ideal	\$141,708	3	3.68%
Capital outlay: purchase informational system for Public Safety Building and City Hall, Purchase equipment, police cars, and upgrade City Hall, Senior Center and Recreation Park	Marshallville	\$365,438	2	9.49%
Capital Outlay: Improvements/upgrade citywide water and sewage system, streets and drainage	Marshallville	\$365,438	3	9.49%
GEFA Loan # 2 – payments #25-#37; machinery & equipment for water, sewer, sanitation, police, fire & public buildings; prior general obligation debt	Montezuma	\$1,094,005	2	28.41%
GEFA Loan # 2 – payments # 38-#44; machinery & equipment for water, sewer, sanitation, police, fire & public buildings; public buildings repairs & equipment where needed, streets, drainage & sidewalk repairs where needed, city wide	Montezuma	\$1,094,005	3	28.41%
Capital Improvements: City Hall, Fire Dept., Oglethorpe Business Center, Gym, Park, Old Band Room, Senior Center, Farmer's Market	Oglethorpe	\$328,471	2	8.53%
Purchase police cars and equipment	Oglethorpe	\$100,000	3	2.60%
Drainage/ Resurfacing Streets/ Sidewalks, city wide	Oglethorpe	\$228,471	3	5.93%

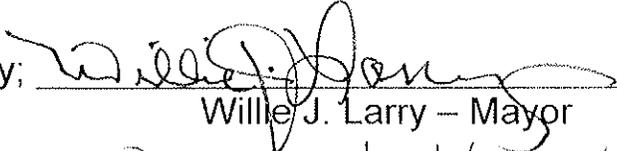
RESOLUTION NUMBER 519

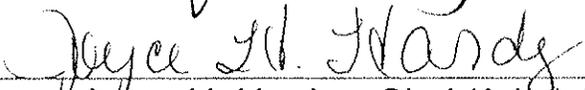
A RESOLUTION OF THE MAYOR AND COUNCIL OF THE  
CITY OF MONTEZUMA, GEORGIA TO SET THE 2009 AD  
VALOREM TAX MILLAGE RATE

BE IT RESOLVED, AND IT IS HEREBY RESOLVED, by the Mayor  
and Council of the City of Montezuma, Georgia that the ad valorem  
tax millage rate for the City of Montezuma for 2009 be set at 12.00  
mils.

RESOLVED, this 29<sup>th</sup> day of September, 2009.

THE CITY OF MONTEZUMA, GEORGIA

By:   
Willie J. Larry – Mayor

Attest:   
Joyce H. Hardy – Clerk/Administrator

# PUBLIC NOTICE

THE MAYOR AND COUNCIL OF THE CITY OF MONTEZUMA DOES HEREBY ANNOUNCE THAT THE 2009 AD VALOREM TAX RATE WILL BE ESTABLISHED AT A SPECIAL CALLED MEETING ON SEPTEMBER 29TH AT 6:00 PM IN THE COUNCIL CHAMBERS AT CITY HALL AND PURSUANT TO APPLICABLE LAW.

## 2009 TAX DIGEST AND 5-YEAR HISTORY OF LEVY

CITY OF MONTEZUMA	2004	2005	2006	2007	2008	2009
Real Property	35,812,365	35,664,432	42,086,440	41,841,779	42,268,428	42,336,411
Personal Property	12,383,361	14,892,897	14,863,999	10,369,816	7,676,496	12,815,472
Motor Vehicles	5,762,790	5,544,510	5,287,050	5,503,240	5,594,970	5,772,120
Mobile Homes	438,623	414,866	369,467	347,323	356,132	352,610
Timber - 100%						
Heavy Duty Equipment						
GROSS DIGEST	54,397,139	56,516,705	62,606,956	58,062,158	55,896,026	61,276,613
Less M & O Exemptions	271,622	191,595	215,156	362,839	366,394	405,849
NET M & O DIGEST	54,125,517	56,325,110	62,391,800	57,699,319	55,529,632	60,870,764
Gross M & O Millage	17.49	17.35	16.60	17.83	20.02	19.43
Less Rollbacks	6.45	6.31	6.60	7.03	8.02	7.43
NET M & O MILLAGE	11.04	11.04	10.00	10.80	12.00	12.00
NET TAXES LEVIED	\$ 597,546	\$ 621,829	\$ 623,918	\$ 623,153	\$ 666,356	\$ 730,449

Net Taxes \$						
Increase (Decrease)	(\$42,004)	\$24,284	\$2,089	(\$765)	\$43,203	\$64,094
Net Taxes %						
Increase (-Decrease)	-6.56%	4.06%	0.34%	-0.12%	6.93%	9.62%