



Finance Committee Meeting

Commission Chamber- 4/30/2019- 1:10 PM

FINANCE

1. Delta House, Inc. that operates the Lucy Craft Laney Museum of Black history is requesting an extension to complete the renovation of the Museum that will be partially funded with SPLOST VI. [Attachments](#) 
2. Motion to approve the minutes for the Finance Committee held on March 26, 2019. [Attachments](#) 
3. Request to conduct a soft audit of the Administrator Office. [Attachments](#) 
(Requested by Commissioner Brandon Garrett)

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Finance Committee Meeting

4/30/2019 1:10 PM

Delta House, Inc. SPLOST VI change project scope and extension of time

Department: Administration / Finance

Presenter:

Caption: Delta House, Inc. that operates the Lucy Craft Laney Museum of Black history is requesting an extension to complete the renovation of the Museum that will be partially funded with SPLOST VI.

Background: The Lucy Craft Laney Museum of Black History was approved an allocation of \$600,000 in funds from SPLOST VI contingent upon meeting the Challenge Grant requirements as adopted by the Commission on February 12, 2009. Requirements of the challenge grant include a match of 25% of the SPLOST funds and projects be completed no later than two years after the end of collections for SPLOST VI, that deadline was March 31, 2018. The original funding request was to support the construction of a new museum.

Analysis: The Lucy Craft Laney Museum of Black History has completed the fund raising portion to meet the required 25% match. However, they have not been able to raise the funds for the construction of a new museum facility and are requesting a change in the scope of the project to renovations of the current facility. They are also requesting an extension of time to complete the renovation project

Financial Impact: Collection of SPLOST phase VI funds is complete.

Alternatives: 1. Approve contract with agency and request to amend the scope of the project and extend deadline for project completion. 2. Deny request for extension, leaving funds in recapture under the category of Parks, Recreation, Cultural and Historic Facilities. Reallocation of funds to projects with in that category subject to approved by commission.

Cover Memo

Item # 1

Recommendation:

**Funds are
Available in the
Following
Accounts:**

Fund 328

REVIEWED AND APPROVED BY:

**Finance.
Law.
Administrator.
Clerk of Commission**

STATE OF GEORGIA)
 RICHMOND COUNTY)

SPLOST VI OUTSIDE AGENCY AGREEMENT

This AGREEMENT made and entered into this _____ day of _____, 2013, between Augusta, Georgia, a political subdivision of the State of Georgia (hereinafter referred to as “Augusta”), and Delta House, Inc., (hereinafter referred to as the “Organization”).

WITNESSETH

WHEREAS, the voters of Augusta, Georgia on June 16th 2009, approved the imposition of the Special Purpose County One Percent Sales and Use Tax (“SPLOST VI”),) and designated the use of the proceeds of said tax for certain capital outlay projects, as defined on O.C.G.A. 48-8-111(a) and further approved a project priority payment order in an Intergovernmental Agreement entered into by and between Augusta, Georgia, and the municipalities of Hephzibah and Blythe; and

WHEREAS, the Augusta Commission approved SPLOST funding for certain recreational, historical and cultural improvement capital outlay projects to be implemented through various outside agencies as provided in guidelines adopted on February 19th 2009; and

WHEREAS, Augusta has determined that the project described on Exhibit A (the “Project”) is beneficial to the citizens of Augusta as it provides and enhances recreational, historical and/or cultural resources in Augusta; and

WHEREAS, Augusta has determined that is more cost effective, avoids duplication of services and is in the best interest of Augusta and the citizens of Augusta to contract with Organization to undertake the Project, rather than Augusta directly constructing and operating the project; and

WHEREAS, the Augusta desires to contract with the above named organization to construct and operate the Project, which was a part of the approved capital outlay projects; and

WHEREAS, the sum of \$600,000 from the proceeds of said tax (the “SPLOST Funds”) has been allocated to the Organization for the Project and Augusta has agreed to

advance a portion of the funds to the Organization to allow for the Project to begin upon the satisfaction of the conditions provided below.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements between the parties, it is agreed as follows:

SECTION 1 - APPROPRIATION AND USE OF FUNDS

1.1 Augusta agrees to appropriate the SPLOST Funds to be used by Organization on behalf of Augusta for the purpose of constructing the Project as provided in Exhibit "A" hereto attached and incorporated herein.

1.2 The Organization agrees to use such funds that it may receive, pursuant to this Agreement, solely and exclusively for the construction of the above described Project; said Project, including the Project Budget, is more specifically described in Exhibit "A".

1.3 Said disbursement to Organization is an authorized use of said proceeds, under O.C.G.A. Section 48-111(e), as said use benefits a "cultural, recreational, or historical facility or a combination of such purposes," and this Agreement is entered into on behalf of and for the benefit of Augusta and Organization and also as an acknowledgement that upon distribution of the funds by Augusta to Organization, that Augusta will have fully met its SPLOST VI project obligation to Organization.

SECTION 2 - RESPONSIBILITIES AND OBLIGATIONS OF ORGANIZATION

In consideration of the disbursement of the SPLOST Funds, Organization shall observe all conditions that the law and/or this Agreement imposes on the use of said SPLOST Funds, which shall include, but not be limited to the following:

2.1 Organization shall use said proceeds only in connection with the capital outlay Project and only for the purposes described in Exhibit A, which is attached hereto and made a part hereof.

2.2 Organization covenants not to use any of said funds for any part of its maintenance and operation budget, now or in the future.

2.3 Organization will set up any and all banking accounts necessary or convenient to segregate the account containing SPLOST Funds from its other accounts. Organization shall keep any SPLOST Funds that it receives from Augusta in a separate account fund

and shall not commingle Augusta distributions with other funds of the Organization prior to their expenditure.

2.4 The Organization shall maintain a record of each and every expense, in compliance with the generally accepted accounting principles, for which the proceeds of the tax are used. The Organization shall submit quarterly accounting reports to Augusta for all funds that the Organization receives from Augusta. Said accounting reports shall set forth the amounts expended on the Project during the term of this contract, which, shall include any amount expended on such Project in that current year, and the estimated percentage of the completion of the Project. The initial report of expenditures regarding the Project shall be made within 10 business days of the first installment of the SPLOST Funds being made available to Organization as provided on Exhibit "B," and quarterly thereafter until the end of the quarter in which the project is deemed completed as determined by the Augusta Finance Department. Quarterly reports are due within ten (10) business days following the end of each said quarter and shall be delivered to Augusta Finance Department, 535 Telfair Street, Suite 800, Augusta Georgia 30901 to the attention of Mr. Tim Schroer, Deputy Finance Director.

2.5 Organization accepts the following conditions for disbursement of said funds:

A. Unless otherwise agreed by Augusta, no funds shall be made available to Organization until such time as the tax has been collected as provided in the disbursement schedule adopted in the Intergovernmental Agreement, and the Organization has raised a minimum of twenty five (25%) percent of the SPLOST Funds (the "Matching Funds"). Only cash or cash equivalents raised subsequent to June 16, 2009 shall qualify as Matching Funds. Pledges, in-kind donations or other donations or contributions will not qualify as Matching Funds.

B. Upon the Augusta executing an acknowledgement that the minimum amount of Matching Funds has been raised by the Organization, the Organization may expend the Matching Funds on the Project, provided that the same recording keeping requirements as provided in 2.4 are kept for expenditures of Matching Funds.

C. Prior to receipt of the SPLOST Funds or the expenditure of Matching Funds, Organization shall furnish Augusta with a copy of Organization's current audited financial statements (and annual thereafter until the Project is completed), budget, scope

of work and the projected time for completion of the work on the Project, which must be approved by Augusta prior to starting work on the Project. In addition, Organization must provide Augusta with a W-9, E-verify number, and SAVE Program verification prior to SPLOST funds being distributed to Organization. Disbursement of SPLOST Funds shall be according the schedule attached here as Exhibit “B.”

D. Organization shall comply with the purchasing policies of Augusta-Richmond County regarding the advertising for bids, the securing of bids, and payment, performance bonds and contracting. Payments to any sub-contractor employed by the Organization shall be made directly by the Organization, subject to Augusta’s audit and approval. If the total project costs exceed the amount funded by Augusta and the Matching Funds, the Organization shall provide proof of other funding sources. Payments by the Organization to sub-contractors shall be made only upon presentation of verified invoices.

E. Organization hereby acknowledges and agrees that as the Project is to benefit the citizens of Augusta by providing and enhancing the recreational, historical and/or cultural resources in Augusta, the Project must be open to and available for public use. Provided however, this section shall not preclude the Organization from charging reasonable and ordinary fees for the use of the Project.

F. Augusta shall have the right, by and through this contract, for not less than twenty five years of public use and availability of the facility that is the subject of this Agreement (the “Servitude”). In the event that Organization desires to sell, dispose of or transfer title or ownership of the Project prior to the expiration of the Servitude, then in such event Organization shall reimburse Augusta, Georgia an amount equal to the fraction determined by the number of years remaining on the Servitude as the numerator and the total number of years of the Servitude as the denominator multiplied by \$1,000,000.00. (Example: if the Project is sold at the end of year 10, 15 years would remain on the Servitude. $15/25 = .6 \times \$1,000,000,000 = \$600,000$. \$600,000 would be reimbursed to Augusta, Georgia).

2.6 The Organization will maintain the following insurance during the performance of the Contract:

A. Comprehensive General Liability Insurance shall be maintained in force at all times and shall include the following coverages: Products/Completed Operations and Automobile Liability Insurance in the combined single limits of \$1,000,000. This coverage shall be intended to apply as primary and shall not be affected by any insurance that Augusta may carry in its own name. The Organization shall maintain Workers Compensation and Employer's Liability Insurance for the benefit of its workers. The above requirements shall also apply to the Organization's contractors and subcontractors who are engaged in the Project.

B. Prior to the commencement of work, the Organization will provide Augusta with a certificate of insurance, which evidences the above coverage and names Augusta, Georgia as an "additional insured."

SECTION 3 - RESPONSIBILITIES AND OBLIGATIONS OF AUGUSTA

3.1 Augusta enters this contract to improve the quality of life of its citizens and to provide its citizens with additional facilities for delivery of recreational, historical and cultural services in a more cost effective manner than it could if it were to construct and operate similar facilities without the participation of the Organization.

3.2 Augusta and any auditors employed by Augusta shall have the right to verify and audit the expenditures of the Organization and the Project, sufficient to determine that the monies are being appropriately spent for the Project, in accordance with Georgia laws that govern the expenditures of Special Purpose Local Option Sales Tax monies. Official representatives of Augusta may inspect the official records of the Organization, which relate to this project, at reasonable times and upon reasonable notice to the Organization. Augusta shall also have the right to inspect the Project at any reasonable time for any purpose related to the performance of any contract awarded, or to be bid upon or awarded, by the Organization for this Project.

SECTION 4- OBLIGATIONS OF THE ORGANIZATION AND COUNTY

4.1 Each of the parties hereto warrants and represents to the other that it will comply with all the requirements of the laws of the State of Georgia.

4.2 After approval of this contract, all contracts between the Organization and any subcontractor shall be submitted to Augusta Administrator for administrative review. If

any irregularity or illegality appears, the Administrator may submit any such questions to the Augusta Richmond County Commission.

4.3 This Agreement constitutes the entire agreement between the parties as to the matters described herein and may not be amended except by a written instrument, signed by each party's duly authorized officers.

4.4 Breach of contract with respect to any of the terms of this Agreement, or with respect to the use of funds, shall terminate Augusta's obligations under this Agreement; shall terminate Augusta's obligation for the payment of any future funds; and shall entitle the Parties to all remedies provided by law.

IN WITNESS WHEREOF, Augusta and Organization have caused these presents to be executed by their respective, duly authorized officials, on the date entered above.

AUGUSTA, GEORGIA

By: _____
Mayor

ATTEST:

By: _____
Clerk of Commission

[signatures continue on the following page]

Outside Agency

By: _____

Its: President

Attest:

Its: Secretary

EXHIBIT A

ORGANIZATION: _____.

PROJECT: _____

DESCRIPTION OF PROJECT/
SCOPE OF WORK:

PROJECTED TIME OF
CONSTRUCTION:

August, 2013 to September, 2014

COST OF PROJECT WORK:

Total Project Budget¹: \$xxx,xxx
(see attached budget)

SOURCES OF FUNDING:

SPLOST Funds ² :	\$ xxx,xxx
SPLOST Matching Funds:	<u>\$ xxx,xxx</u>
Total:	\$ xxx,xxx

¹ See attached budget.

² \$xx,xxx of the SPLOST Funds are available for disbursement upon the satisfaction of the Outside Agency's obligations as contained herein. The balance of the SPLOST funds will be made available upon collection and satisfaction of any SPLOST funding obligations having priority.

EXHIBIT B

1. Organization shall evidence a deposit in its capital fund account the amount of \$150,000, for its matching funds (the “Matching Funds Amount”), all of which must be verifiable as raised on or after June 16, 2009 (the “Matching Funds”).
2. Prior to Augusta providing funding for the Project, Organization shall expend one hundred (100%) percent of the Matching Funds for construction of the Project and provide the Finance Department evidence of the expenditure.



**Finance Committee Meeting
4/30/2019 1:10 PM
Minutes**

Department:

Presenter:

Caption: Motion to approve the minutes for the Finance Committee held on March 26, 2019.

Background:

Analysis:

Financial Impact:

Alternatives:

Recommendation:

**Funds are
Available in the
Following
Accounts:**

REVIEWED AND APPROVED BY:



Finance Committee Meeting Commission Chamber - 3/26/2019

ATTENDANCE:

Present: Hons. Fennoy, Chairman; D. Williams, Vice Chairman; M. Williams and Frantom, members.

Absent: Hon. Hardie Davis, Jr., Mayor.

FINANCE

- | | |
|--|-------------------------------------|
| 1. Discussion of the street lighting fee structure approved in 2018, revenue generated, and fees which would generate varying amounts of total revenue to meet current needs and to expand the level of service. | Item
Action:
Approved |
|--|-------------------------------------|

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve establishing a street light sub-committee composed of the five committee chairmen. Motion Passes 4-0.	Commisioner Sean Frantom	Commissioner Dennis Williams	Passes

- | | |
|--|-------------------------------------|
| 2. Presentation to the commission providing an update regarding current market conditions, Augusta's Bond Rating, debt capacity, and trends in the economy that may influence the bond market. | Item
Action:
Approved |
|--|-------------------------------------|

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve receiving this item as information. Motion Passes 4-0.	Commissioner Dennis Williams	Commisioner Sean Frantom	Passes

3. Motion to approve the minutes of the Finance Committee held on March 12, 2019. **Item Action:**
Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve. Mr. Frantom out. Motion Passes 3-0.	Commissioner Dennis Williams	Commissioner William Fennoy	Passes

4. Present the financial report of the twelve month period ended December 31, 2018. **Item Action:**
Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve receiving this item as information. Motion Passes 4-0.	Commissioner Dennis Williams	Commissioner Marion Williams	Passes

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**Finance Committee Meeting
4/30/2019 1:10 PM
Soft audit of the Administrator Office**

Department:

Presenter: Commissioner Brandon Garrett

Caption: Request to conduct a soft audit of the Administrator Office.
(Requested by Commissioner Brandon Garrett)

Background:

Analysis:

Financial Impact:

Alternatives:

Recommendation:

**Funds are
Available in the
Following
Accounts:**

REVIEWED AND APPROVED BY:
