

# SCHOOL FUNDING RECOMMENDATIONS

12/3/2007 City Council appoints, with input and consent of School Board, School Funding Committee, financial consultants and bond counsel

12/18/2007 Financial consultants findings presented to committee

1/2/2008 Forwarded list of questions from committee to School Board

1/30/2008 Committee presents recommendations to city council in work session

1/30/2008 Hospital Board recommends reallocation of property tax to assist with school funding issues

2/4/2008 Notice of Public Meeting

2/12/2008 Public hearing held at EOCC to present committee recommendations

2/15/2008 Recommendations of Study Committee Adopted by Board of Education

2/19/2008 Recommendations from School Funding Committee presented to Council -consideration pending approval of School Board

2/19/2008 Introduced Ordinance 02-19-08 to levy 1/2 cent sales tax

3/4/2008 Privileges of the floor provided to citizens to address Council-2 citizens addressed school funding issue

3/4/2008 Received notice from School board (Lolley) that School Board accepted recommendations of the Committee

3/4/2008 Council votes to pursue recommendations of Committee

3/4/2008 Council adopts Ordinance 02-19-08 providing for 1/2 cent sales tax increase effective May 1, 2008

3/4/2008 Council adopts Resolution 03-04-08 to provide notice of public hearing to be held March 18, 2008 for proposed ad valorem tax rate increase

3/12/2008 Notice of public hearing published in SE Sun

3/18/2008 Privileges of the floor provided to citizens to address Council- 1 citizen addressed school funding

3/18/2008 Public hearing held related to city's intent to levy 3.5 mill ad valorem tax to help fund debt service for school funding issue-3 persons spoke

3/18/2008 Introduced Ordinance 03-18-08-A to levy 3.5 mill ad valorem tax. Called for public hearing on April 1, 2008.

4/1/2008 Public hearing called related to levy of 3.5 mill ad valorem tax. No one addressed the issue.

4/1/2008 Adopted Ordinance 03-18-08-A calling for legislative approval and 4 weeks notice of proposed legislation to levy 3.5 mill ad valorem tax

4/9/2008 Publication of notice begins 4/9/08 for 4 consecutive weeks in SE Sun.

5/19/2008 Act No. 2008-496 enacted providing for levy of 3.5 mill ad valorem tax subject to referendum

8/26/2008 Preclearance of Act No, 2008-496 received from Justice Department

9/2/2008 Adopted Resolution 09-02-08-E calling for a referendum on proposed 3.5 mill ad valorem tax to be held on November 11, 2008 (rescinded 09/16/08)

9/16/2008 Adopted Resolution 09-16-08 rescinding Resolution 09-02-08-E and calling for the referendum on December 9, 2008 (11/11/08 is a holiday)

9/24/2008 Publication of notice in the SE Sun of the ad valorem tax referendum on December 9, 2008

12/9/2008 Referendum for the proposed ad valorem tax levy is passed 878-392

12/16/2008 Adopted Ordinance 12-16-08 providing for the levy of the 3.5 mill ad valorem tax for a period of 25 years effective 10/1/09

## CITY COUNCIL WORK SESSION December 3, 2007

- The Enterprise City Council convened in a Work Session at 5:00 p.m., December 3, 2007 in the Mayor's Conference Room at City Hall.
- PRESENT: Council President Wallace "Al" Miller, Jr., District #4
- Council Member William E. Cooper, District #1
- Council Member Tommy Johnson, Jr., District #2
- Council Member Kirk Donaldson, District #3
- Council President Pro-Tem Paul Russell, District #5
- ALSO PRESENT: Mayor Kenneth W. Boswell
- City Clerk Steve Hicks was present and kept the minutes
- City Attorney Rainer Cotter
- Dr. Jim Reese
- Gene Lolley
- Terri Averett
- Russell Quattlebaum
- Bob Phares
- Bob Tomberlin
- Thad Morgan
- Cynthia Covington
- Eddie Phillips
- Kay Kirkland
- Jim Cook
- Bob Young
- Thomas Harris
- 
- CONSIDER FUNDING ALTERNATIVES-ENTERPRISE CITY SCHOOLS
- Mayor Boswell introduced members of the community who will work with financial representatives from the City and the City School System to review funding alternatives for the proposed rebuilding of Enterprise High School and Hillcrest Elementary School. The members will work with Bob Young, representing The Frazier Lanier Company, and Thomas Harris, representing the Merchants Capital Company. The respective bond counsels will be Allen Ziegler and Robert Gilpin. Members of the committee are:
- 
- Whit Armstrong
- Billy Cotter
- Bill Carr
- Walt Wilkinson
- Mary Merritt
- Lara Dicus
- Steve Hicks
- 
- Bob Young and Thomas Harris made a brief presentation of the scope of their services related to the funding alternatives to include a review of the entities financial statements and projected capital expenditures. The point of contacts will be Lara Dicus and Steve Hicks.
- 
- ADJOURNMENT
- There being no further business before the Council, the Chairman declared the work session adjourned at 5:10 p.m.

# Committee to explore school funding options

BY KAY KIRKLAND  
MANAGING EDITOR

Seven community members are facing a tough job.

They have a month to determine the best sources of funding \$101.7 million worth of school construction, an issue which led School Superintendent Dr. Jim Reese Nov. 12 to ask the council to enact an additional 1-cent sales tax.

The seven city residents, two bond consultants and two bond attorneys were introduced Monday as members of a committee to explore options for funding construction of Enterprise High School and Hillcrest Elementary School, the two city schools destroyed in a deadly and devastating March 1 tornado.

In a council work session with school system leaders Monday afternoon, Mayor Kenneth Boswell announced that the committee appointees are Whit Armstrong, a longtime local banker; Billy Cotter, a developer; Bill Carr and Walt Wilkerson, accountants; Mary Merritt, who is in real estate and accounting; Lara Dicus, chief financial officer of the school system; and Steve Hicks, Enterprise city clerk and treasurer.



**Walls that once stood among the ruins of EHS were used as a canvas for students and others to express their pain after losing eight classmates and their school. Seven community members are now tasked with rebuilding the school system, which is often described as the 'heart of the community.'**

Also on the committee will be Bob Young of The Frazier Lanier Company, Thomas Harris of Merchants Capital, who rep-

resent the top two independent financial firms in Alabama; Alan Zeigler of Bradley Arant Rose & White, bond attorney representing the school system; and Robert Gilpin of Kaufman, Gilpin, McKenzie Thomas Weiss, bond attorney representing the city.

Both Mayor Kenneth Boswell and Enterprise City Schools Superintendent Dr. Jim Reese said they are optimistic that a solution to the funding issue can be reached and they are confident that the committee members will carry out the monumental task of seeking funding options to the best of their ability.

Boswell had suggested that a committee of community members and financial advisors be formed after the school system presented a \$101.7 million school rebuilding plan to the council and explained that the school system is about \$40 million short on funding.

Boswell has said that he and the council do not feel it would be fair to the taxpayers to consider a 1-cent sales tax until all other options are investigated.

Please see Funding, Page 6A

## Funding

Continued from Page 1A

Armstrong and Cotter said they understand that they have accepted a challenging job.

"I wish I thought that it was going to be easier than it's going to be," Armstrong said.

"Everybody on this committee has been involved in this process from the very beginning. Everyone is very active in the community and very supportive of the school system."

Boswell thanked the members for agreeing to serve.

"We appreciate your agreeing to serve and help the school board and the city on the decision-making process," he said.

Boswell also presented several guidelines for the committee, reminding that the committee's role is purely advisory.

The committee is tasked to look at the financial status of the city and the school system, review available financing options and provide recommendations. Young told the council that the bond consulting firms would need copies of the five most recent audits for both the city and the school system, which is a separate legal entity. The firms will also examine the budgets for both entities in order to analyze the financial status and "determine what their capacity is to take on additional indebtedness," Young said.

"I'm optimistic," Reese said after the meeting Monday in the council chambers at city hall.

"The people that have been appointed are good people and I think they will try to move this as expeditiously as possible to help us come to a solution. I look forward to the opportunity of working with them."

Reese said the time factor is of extreme importance because the longer it takes to make the decisions, the longer the construction process will take. The construction process, which school officials hope to start next spring or summer, is expected to take two to three years.

Boswell also said he is hopeful that by working together and using the strength of both the city and school system, some viable financial options can be determined.

"I feel this committee will evaluate all the options on an unbiased basis and be fair to both parties," Boswell said.

Reese and school officials have said the tornado, which killed eight students at the high school and a College Street resident, left the school system and ultimately the community with dire consequences to overcome.

While the estimated costs to rebuild both schools exceeds \$100 million, projected financial resources from insurance, the Federal Emergency Management Agency and a one-time state allocation are \$58,938,521, Reese said. Another \$5.2 million in potential revenue brings the

possible funding available for both schools to \$63,819,871.

The projected estimate to rebuild Enterprise High School is \$47,293,372. Enterprise Elementary's reconstruction estimate is \$14,495,663.

Reese told city council members Nov. 12 that the school system is about \$40 million short of what is needed to rebuild the schools and the athletic facilities adjacent to the new EHS, which will be located on 140 acres of land purchased in April on the north side of Dell Wood Road.

The bulk of the costs at the high school is for the academic building and other facilities such as bathroom, choral and band rooms, auditorium, ROTC rooms and lounge, and vocational education shops.

Reese said construction cannot begin until school officials have a firm source of funding to repay any type of loan or bond.

The Enterprise City School System currently receives 30 percent of the city's 3 percent allocation from the 8 percent city sales tax, or 90 percent of every cent collected in city sales tax. The school system projects \$3.5 million in revenues from the current city sales tax in the 2008 budget.

An additional 1-cent sales tax could bring an additional \$2.5 to 4 million to the school system per year based on current sales revenues.

# Financial Analysis

FROM: Bob Young, The Frazer Lanier Company  
Thomas Harris, Merchant Capital, LLC  
DATE: December 17, 2007  
RE: City and School Board Finances

---

At a joint meeting of the City and Board held December 3, our firms were introduced as professionals who would assist you in analyzing the finances of the City and Board. We were to determine whether either had unneeded cash on hand that could be used to pay a portion of the costs of school construction. Also, we were to determine whether either had ongoing cash flow that might be diverted to payment of debt service. Finally, we were charged with making a recommendation on how to proceed. Audits, budgets and financial forecasts were provided by both, and meetings were held with City and Board officials to review the materials provided...

## Financial Analysis

- ***Summary.*** While both the City and Board are well managed, neither appears to have substantial cash to contribute to the projects nor do they forecast excess cash flow to pay meaningful annual debt payments. To make substantial cash commitment would drop both to quite low fund levels.

# Funding Options

- 1) City acts as the issuer of the debt and offers its General Obligation (G.O.) as security; or
- 2) Board of Education acts as issuer of the debt and pledges a funding agreement with the City, or a single property tax, as security.
  
- Our recommendation is the first option. A G.O. of the City will be viewed by investors, bond insurers and rating agencies as the strongest credit. This will help achieve the lowest cost for AAA-rated bond insurance. It will also help yield the highest underlying rating, which will lower the interest cost of the transaction. By issuing the bonds and offering its G.O. backing, the City will be assuming risk that the increased taxes will be sufficient to cover the debt service; if there is a shortfall in a given year, the City will be required to use other revenues to make the payments. In addition, under State law, cities and counties have much more flexibility in how they issue debt, than do school boards, and this added flexibility will help improve the marketability of the bonds.



# Debt Considerations

- \$40,000,000 Bond Issue; Level Debt Payments:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Annual Payment</u>	<u>Required Sales Tax</u>	<u>Required Property Tax</u>
• 20 Years	4 1/2%	\$3,075,000	0.75	16 mils
• 30 Years	4 3/4%	\$2,530,000	0.61	13 mils

- \$30,000,000 Bond Issue; Level Debt Payments:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Annual Payment</u>	<u>Required Sales Tax</u>	<u>Required Property Tax</u>
• 20 Years	4 1/2%	\$2,310,000	0.56	12 mils
• 30 Years	4 3/4%	\$1,895,000	0.46	10 mils

- \$20,000,000 Bond Issue; Level Debt Payments:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Annual Payment</u>	<u>Required Sales Tax</u>	<u>Required Property Tax</u>
• 20 Years	4 1/2%	\$1,540,000	0.37	8 mils
• 30 Years	4 3/4%	\$1,265,000	0.30	7 mils

# Projected Financial Resources

## For the Rebuilding Of

### Hillcrest Elementary School and Enterprise High School

#### Projected Stable Sources of Revenue

(1)	\$32,000,000.00	Allocation from State Legislature
	<u>- 1,408,746.00</u>	Purchase of Land for Enterprise High School
	\$30,591,254.00	
(2)	\$18,209,948.00	Insurance for Buildings
	<u>- 4,000,000.00</u>	Costs for Building Repairs, Lease of Portables, Security Guards, etc.
	\$14,209,948.00	
Plus	<u>750,000.00</u>	Estimated Proceeds from Insurance to Help Offset Costs Described Above
	\$14,959,948.00	
(3)	\$6,100,000.00	FEMA
	<u>- 700,000.00</u>	Demolition of Two Schools
	\$5,400,000.00	
(4)	\$5,200,000.00	State Bond Issue
(5)	\$300,000.00	Funds from FY08 State Education Budget
(6)	\$1,500,000.00	Interest from State Legislature Allocation
(7)	\$433,847.00	Undesignated Donations to Enterprise City Board of Education
(8)	\$223,472.00	Undesignated Donations to Enterprise High School
	* \$58,608,521.00	Total Projected Stable Sources of Revenue

# Hillcrest School Status

- The school board requested that FEMA look at the school again to see if there were any additional damages missed during the first estimate for repair/replacement determination, this was completed and additional \$520,483.00 was found, this will be added to the \$816,852.00 from the first estimate bringing the total cost for damages to \$1,337,335.00.
- The school has insurance which will cover the cost for these damages for repair. Only the \$500 deductible is eligible for reimbursement from FEMA.
- It has been determined by FEMA that the school is repairable and is not eligible for replacement under the 50% Rule of the 44-CFR. To be eligible for replacement the damage costs have to reach at least 50% of the value of the building as it was prior to a disaster, not what it would cost to rebuild the same building. Hillcrest was valued at \$6,459,303.00. The \$1,337,335.00 in damages is only 21%, far below the 50% needed for replacement.
- Options for Hillcrest:
  - Repair the school using the insurance money. FEMA will pay the deductible.
  - If the board chooses to build a new school it will be at their expense. FEMA/State will not provide any funds to rebuild. The board can use any funds received from insurance or any funds they have on hand for this. FEMA/State will de-obligate this project back down to \$0.00, at this point the \$500 deductible will have to be repaid since that was paid on an obligated FEMA project. There will be no money from FEMA for the demolition of Hillcrest. FEMA would then be out of process on Hillcrest.

# Recommendations From School Funding Committee

- ½ Cent Sales Tax \$2,100,000 per year
- Bond Issue - \$30,000,000
  - \$2,310,000 per year (20 year)
  - \$2,075,000 per year (25 year)
  - \$1,895,000 per year (30 year)
- (Recommendation is made to opt for 30 year bond issue to provide “cushion” for fluctuation in tax revenues as Council does not wish to pursue hospital tax at this time)
- School Board will contribute \$550,000 beginning in 2016 when current bond issue on Early Education Center is paid off. The contributions will end in 2028.

# Helping schools 2-6-08

## Sales, property tax proposed to pay off \$30 million loan

BY KAY KIRKLAND  
MANAGING EDITOR

A committee tasked to determine an appropriate way to fund reconstruction of two schools asked the Enterprise City Council "to put the city's credit on the line," but said the key to successfully repaying a \$30 million bond issue rests with two tax proposals — one whose approval is to be determined by the council and the other by local voters.

In its report to the city council and Enterprise School System officials Jan. 30, the Citizens Study Committee on School Reconstruction suggested the city council use its authority to pass a half-cent sales tax and expressed hope that local voters would extend a 3.5-mill property tax, a 25-year-old tax set to expire in 2009, and redirect its proceeds from the Enterprise Health Care Authority to the city. The approximately \$550,000 per year expected to be collected from the property tax in the beginning will be used to help pay a portion

of the bond issue indebtedness, which is expected to cost the city about \$2.6 million per year.

By state law, the council has authority to approve sales taxes, without a vote of the people. However, a property tax can only be enacted or extended by approval in an election. State law also dictates that a municipality or county are separate legal entities from the school systems within their borders. City officials have no authority to be involved in the decision-making process of the school system, and vice versa, and the school board has no authority to levy taxes of any kind.

Financial experts said that a working relationship between elected government bodies and school systems is not uncommon.

Superintendent Jim Reese and school board members asked the council Nov. 12 to approve a 1-cent tax to be collected for the schools.

The city bond issue would

help the Enterprise City School System pay for the estimated \$101.7 million in construction costs to rebuild Enterprise High School, destroyed in a deadly March 1, 2007 tornado, and Hillcrest Elementary School, which was badly damaged in the storm. Both schools were razed late last year.

Whit Armstrong, chairman of the committee, gave a detailed report and his explanations were supported by reports from committee members Bill Carr, a local accountant; Billy Cotes, a developer; and financial consultants from Frazier Lanier and Merchant Capital.

Armstrong said the committee concluded:

- That a compromise on \$30 million could be agreed upon between the committee, the city and the school system. School officials had originally asked for \$40 million of help from the city.

Please see Tax, Page 6A

**ENTERPRISE**  
**CITY OF PROGRESS**

The following chart explains how funding obligations would be met if recommendations by the Committee on School Reconstruction are approved. The recommendations assume the loan spans not more than 20 years with an interest rate of 4.5 percent or less.

### \$30 million bond issued

 If city council approved half-cent sales tax to partially fund bond issue for rebuilding, the city will pay \$2 million annually from this source.	 If citizens vote to renew 3.5 mill property tax currently allocated to Enterprise Health Care Authority.
 Beginning in 2016 the Enterprise School System would then assume the \$550,000 portion of the payment until the bond is paid in full.	 Then, beginning in 2009 the city would pay about \$550,000 annually from this source toward the debt until 2016.

2-6-08

# Tax

Continued from Page 1A

- That the city and school system neither individually or together had adequate cash flow and assets to be able to secure a loan of \$30 million under the current financial structure.

- Additional funding would have to be guaranteed to secure the loan.

- The city should seek the loan because it could likely receive a lower interest rate, not to exceed 4.5 percent. The loan should be amortized over a period of not more than 20 years, making the estimated annual payment about \$3.5 million.

- The city council should approve a half-cent sales tax, which should pay about \$2 million toward the indebtedness annually. The half-cent would keep the city's sales tax lower than Dothan, Troy and several other towns in this part of the Wiregrass, which preserves an industrial and retail development recruitment advantage.

- A 3.5-mill property tax, which has been collected for the Enterprise Health Care Authority, which provides the Enterprise Nursing Home, can be collected to the city in 2009, when the 25-year tax expires. Local voters will determine whether to extend the tax, expected to collect about \$300,000 to be used to help pay the remainder of the annual loan payment.

- The school system should hire a construction consultant to help advocate for them and try to achieve the most cost-efficient construction proposal.

- When the School System's \$14 million bond issue for the construction last year at the Early Education Childhood Center is paid off in 2016, the school system would assume the \$200,000 payment, allowing the school system to contribute more than \$7 million over the last 12 to 14 years of the loan and allowing the city to use the 3.5-mill tax for other city contracts.

- When the bond is paid, the half-cent sales tax should be kept in place to sustain the growth of Enterprise, and that 45 percent be allocated to the city and 15 percent to the school system.

- The city should not obtain the loan until 2009, when the funds will begin to be needed. The school system should use its own money on the project first, Armstrong said. The committee looked into the financial status of the city and obtained as much information as possible about the construction plans.

"We were there to figure out what was double financing and politically," Armstrong said. "I think what we've arrived at is something that will serve the city of Enterprise and I think it's something the school board can live with."

The task was especially challenging, Armstrong said, because failure was not a choice.

The goal was to design a plan that would allow both the city and school to continue operating daily without having to sacrifice services or capital projects.

A key to ensuring that the city services and school system's operation would not be harmed by the loan indebtedness is the existing 3.5-mill property tax. However, Armstrong cautioned that should tax collections fall in certain years, the city will have to pay the debt payment from its General Fund.

I don't think that will happen, but it's definitely something you should consider, he told the council members.

Garr told the council that the consultant's calculations try to protect the city, and securing a good interest rate could help. Other concerns about not being able to make the annual payment with funds from the sales tax and property tax, which would not be a new tax, but an extension of a tax already collected.

Ned Brown, chairman of the Health Care Authority, said he and board members are proud to be able to see that the funding is no longer needed by the nursing home.

The tax was passed by voters in 1984 at a time when the nursing home was struggling and in need of expansion. The nursing home board used the annual funding, which has grown through the years, to expand and modernize the facility and update fire safety and other safety requirements.

Today, the Enterprise Nursing Home is the second largest publicly owned nursing home in the state, with more than 290 patients.

Brown, who has been on the board for eight years, following in the footsteps of his father, M.N. Doug Brown, who also served on the board, said members of the city council and nursing home board in 1984 faced a situation similar to the modern-day dilemma.

"What I'm so proud of is we can stand before you and say that in the 1980s, the City of Enterprise did something positive

and it worked," Brown said.

Don Donaldson, who is mayor at the time, City council members were Jackie Thompson, Billy Marshall, Billy Bishop, Richard Fleming and John Lester. Nursing home board members were Jim Brown, Nancy Parker, Gwendolyn Garth, Bill Carter, Bruce Donaldson, Ben Henderson Jr., Bill Searcy, Frank Clark and Polly Waters.

Members of the Health Care Authority today, in addition to Brown, are Jan Weatherford, Budde Bryant, Karen Sessions, Z.J. Fleming, Billy Moore, Beverly Walker, Eugene Lockamy, Dr. Stafford Thompson, and Dr. David Ryan, medical director.

The nursing home has only one mortgage remaining on its construction work, and Brown hopes that it will be paid off by the time the 3.5-mill tax expires in 2009 after 25 years of collection.

He said the board members voted unanimously to support directing the loan to the city so that it could be used for the school construction and later other city projects.

"We don't have any reservations at all as long as it goes to what we have so much pride in — Enterprise and our school system," Brown said.

Though the funds won't be needed until about 2009, Armstrong suggested that the city go ahead and set up a referendum on the property tax as soon as possible so that school officials will have verification of the impending funding in present to the Department of Education.

Armstrong said he believes the recommendations, if enacted, will help solve the problems with the least amount of disturbance to the city and school system. He indicated that more than the tax in debating the issue than the city's credit, it also involves the future of the city school system.

"The schools must be built," he said. "I know Todd in Enterprise nearly all my adult life. The education system here is one of the strongest things in our community, one of the best things in our community."

While the committee members believed that some of the plans could be paid down to help reduce costs, he said residents must also understand that the school system is facing rebuilding a campus that took 50 years to develop its comprehensive of academic, career technical, JROTC, choral and band programs.

# City officials seek public input

BY KAY KIRKLAND  
MANAGING EDITOR

Enterprise residents will have an opportunity to voice their opinions next Tuesday about recommendations that a half-cent sales tax be enacted and a 3.5-mill property tax redirected to provide funding for reconstructing two schools destroyed in a tornado nearly a year ago.

The Citizens Study Committee on School Reconstruction, made up of a cross-section of residents appointed by the Enterprise City Council two months ago, reported its findings to the council and city school administration last Wednesday. The board suggested the city secure a \$30 million bond issue to be paid back over a period of not more than 20 years at an interest rate not to exceed 4.5 percent.

At the suggestion of committee chairman Whit Armstrong, the council set a public hearing for next Tuesday at 6 p.m. in the

gym at Enterprise-Ozark Community College.

Councilman Tommy Johnson, who, along with fellow council members Bill Coeger, Kirk Donaldson, Al Miller and Paul Russell, will have a vote to make decision soon on whether to approve the recommended half-cent tax, said he wants to hear what local residents think.

"I'm supportive of what the committee has recommended ... but before I make an informed decision, I want to hear what the public has to say."

Johnson's oldest son was among the 2007 EHS seniors who could not complete their school career on the 50-year-old school campus on East Watts Street. Eleven months after a deadly tornado took the lives of eight students and an elderly

Please see Input, Page 7A

**AT A GLANCE**

**What:** Public input meeting

**When:** Tuesday, Feb. 12, 6 p.m.

**Where:** Enterprise-Ozark Community College gymnasium

# 2/6/08

# Southeast Sun

## Input

**Continued From Page 1A**  
resident, the rubble of the school has been cleared away, leaving an empty lot where both EHS and Hillcrest Elementary School once stood.

Johnson's other son is a sophomore, and Johnson knows that he will likely never attend the new EHS, slated for construction on 100 acres of land purchased last May on the northern bypass.

As a parent and an alumni of EHS, Johnson said he understands, "as well as anyone" what concerns that parents have for their children, displaced at EOC while they await construction of a new high school. He understands the sadness and the frustration.

"I will support helping the schools," he said. "I want to make this move forward."

As a public official, he said he also understands that "you can't make a hasty \$30 million decision."

Johnson's fellow council members indicated that he is not alone in his desire to gather as

much information and learned advice as possible before they spend what Johnson called "the people's money."

Donaldson said after the committee's report that he believes the city is moving "in the right direction" and conceded that the Enterprise City School Board is in a challenging situation as well.

Superintendent Jim Reese and school board members came to the council Nov. 5 and asked that the council approve a 1-cent sales tax to fund an estimated \$40 million shortfall in available funding for the \$101.7 construction project.

Reese told committee members, the council and citizens attending the council workshop Jan. 30, the money available for the construction project is \$32 million from a one-time appropriation by the state Legislature last March, \$18 million from insurance, \$6 million from the Federal Emergency Management Agency and an estimated \$5.2 million, which represents the portion of funds

distributed from a state education bond issue for school construction and repairs.

Other possible funding the school system hopes to receive from FEMA and/or insurance could also raise the total available for construction a bit.

"All the funds we receive totals between \$58 million and \$63 million, Reese said.

The committee's recommendation would provide \$30 million to help close the shortfall. Noting that school officials originally asked for \$40 million from the city, Armstrong called the \$30 million a compromise figure. He said the school officials had "done a great job," but that the committee asked the school board to "pare down the project."

Reese somewhat took issue with Armstrong's characterization of "fluff" that committee members believe could be cut from architectural plans, and he said the \$30 million would "get us close" to what is needed to rebuild the schools. He said the plans for a

new comprehensive EHS and Hillcrest Elementary, which is to be rebuilt on the East Watts campus, should not be compared to the "Taj Mahal," a term he said he's heard some people use in recent weeks as the school funding issue has been considered.

"I think what we want is a first-class high school and a first-class elementary school and I don't think we need to apologize for that," Reese said.

Reese said the plans for EHS at the moment call for buildings to teach the core subjects, career technical programs and JROTC. Reese thanked the committee for its work during recent weeks and assured that plans to get construction started on both schools are under way. He hopes the construction will be completed by 2010.

"We ought to all be pulling together for the benefit of our school children," he said.

Reese said if funding does fall short, the school system will "have a plan" to handle the situation.

**AGENDA  
FEBRUARY 12, 2008**

**PUBLIC HEARING-SCHOOL FUNDING PROPOSAL**

- The Enterprise City Council will convene in a public hearing at 6:00 p.m., Tuesday, February 12, 2008 in the Enterprise Ozark Community College Gymnasium. The purpose of the public hearing is to inform the public and to receive comments and questions from the public in reference to the proposed school funding recommendation from the citizens committee to provide for the construction of Enterprise High School and Hillcrest Elementary School.

CALL TO ORDER.....	President
OPENING PRAYER.....	Matt Smith
PLEDGE OF ALLEGIANCE.....	President
ROLL CALL.....	President
COMMENTS.....	Mayor Boswell
COMMENTS.....	Dr. Jim Reese, Superintendent
RECOMMENDATIONS FROM THE COMMITTEE.....	Whit Armstrong/Bill Carr
PUBLIC HEARING.....	President

**PUBLIC HEARING GUIDELINES**

- (1) Anyone may speak to the issue one time in order to give all interested persons the opportunity to speak.
- (2) Comments are to be limited to 2 minutes. Each person is limited to one question.
- (3) This is not a debate. The purpose of the hearing is to inform and to provide a public forum.



## CITIZEN'S STUDY COMMITTEE ON SCHOOL RECONSTRUCTION RECOMMENDATIONS

- On December 3, 2007, the committee was charged with the responsibility of reviewing the financial state of the City of Enterprise and the Enterprise City Board of Education for the purpose of making recommendations to the Council and the Board regarding financing options along with revenue sources for the reconstruction of Enterprise High School and Hillcrest Elementary School.
- The committee has had numerous meetings and sought counsel from several outside sources. After deliberations and consensus, the committee recommends the following:
  1. The City of Enterprise issue a thirty million (\$30,000,000.00) General Obligation Bond Issue (plus costs of the issuance) to assist in funding the deficit in available funds to construct these facilities.
  2. The Bond Issue be amortized over a period not to exceed twenty (20) years with interest to be based on 4.5% per annum. It is the consensus of the committee that all funds as identified below are necessary to amortize the bond issue over this period and to extend the amortization longer would not be in the best interest of the City of Enterprise or Enterprise City Board of Education.
  3. The City issue a Request for Proposal for investment banking services to assist in issuing and funding said Bond Issue.
  4. The City pass a ½ cent sales tax to partially fund the amortization of the Bond Issue. The City to pay two million (\$2,000,000.00) annually from this source.
  5. The City allow a referendum to go before the citizens for vote to renew the property tax that is allocated to the Enterprise Health Care Authority. This tax is set to expire in 2009. In the referendum, the property tax would be allocated to the City after 2009 to assist in funding the debt service on the Bond Issue. The City to pay approximately five hundred fifty thousand (\$550,000.00) annually from this source. Beginning in 2016, these funds are to be used by the City to enhance and maintain its infrastructure. The primary purpose of renewing and reallocating this tax is to avoid having to pass a ¾ cent or higher sales tax.
  6. The Enterprise School Board pay five hundred fifty thousand (\$550,000.00) annually to the City of Enterprise beginning in 2016 and for the remainder of the bond issue. It is the understanding of the committee that the School Board has a Bond Issue with payments of one million two hundred thousand (\$1,200,000.00) annually that will be fully amortized at that time, thereby creating available funds.
  7. The City and School enter a joint use agreement for use of the High School auditorium. The management, responsibility and control would remain with the School.
  8. Any additional funds received by the Enterprise City Board of Education from FEMA, insurance, federal, state or other governmental sources in excess of the accepted bid amounts necessary to construct the school, not to exceed projected estimates, are to reduce the amount of the Bond Issue or if subsequent to the issuance to pay down the Bond Issue.
  9. The Bond proceeds be deposited into a construction account held by the City. The funds are to be remitted to the School Board upon submission of a payment request. The form of the request to be agreed to by the City and School Board. The bond funds will be used after other funding sources have been exhausted.
  10. At the end of the Bond Issue, the sales tax passed will stay in place to sustain the growth of Enterprise and be allocated 85% to the City and 15% to the School.
  11. Employ a construction manager/consultant to assist with the design and construction process to achieve maximum efficiency.
- The committee wants to thank the City and School Board for the assistance they have provided during this process. It is the feeling of the committee that the above recommendations once implemented will provide the necessary funds to construct the School facilities needed and also provide funds for the furtherance of the City of Enterprise and Enterprise City School Board.

# CITY COUNCIL – PUBLIC HEARING

## School Funding Proposal

February 12, 2008

- The Enterprise City Council convened in a public hearing at 6:00 p.m., February 12, 2008 at the Enterprise Ozark Community College Gymnasium to inform the public and seek public input on a funding proposal to provide for the construction of Enterprise High School and Hillcrest Elementary School. The proposal provides for a ½ % sales tax increase and a call for a referendum on the renewal of a 3 ½ mill property tax set to expire in 2009.
  
- PRESENT: Council President Paul Russell, District #5
- Council Member Pro-Tem William E. Cooper, District #1
- Council Member Tommy Johnson, Jr., District #2
- Council Member Kirk Donaldson, District #3
- Council Member Wallace “Al” Miller, Jr., District #4
  
- ALSO PRESENT:
- Mayor Kenneth W. Boswell
- City Clerk Steve Hicks was present and kept the minutes
- City Attorney Rainer Cotter
- Dr. Jim Reese
- Gene Lolley
- Terri Averett
- Russell Quattlebaum
- Cythia Covington
- Robert Gilpin
- Bob Young
- Reid Cavnar
- Whit Armstrong
- Billy Cotter
- Bill Carr
- Mary Merritt
- Walt Wilkerson
- Various other members of the public and media
  
- Following the call to order by the Council President, Mayor Boswell and Superintendent Dr. Jim Reese offered comments in support of the proposed funding plan. Whit Armstrong, Chairman of the School funding Committee presented the recommendations as follows:

# CITY COUNCIL – PUBLIC HEARING

## School Funding Proposal

### February 12, 2008

- RECOMMENDATION: FUNDING ALTERNATIVES-ENTERPRISE CITY SCHOOLS
- On December 3, 2007, the committee was charged with the responsibility of reviewing the financial state of the City of Enterprise and the Enterprise City Board of Education for the purpose of making recommendations to the Council and the Board regarding financing options along with revenue sources for the reconstruction of Enterprise High School and Hillcrest Elementary School.
- 1. The City of Enterprise issue a thirty million (\$30,000,000.00) General Obligation Bond Issue (plus costs of the issuance) to assist in funding the deficit in available funds to construct these facilities.
- 2. The Bond Issue be amortized over a period not to exceed twenty (20) years with interest to be based on 4.5% per annum. It is the consensus of the committee that all funds as identified below are necessary to amortize the bond issue over this period and to extend the amortization longer would not be in the best interest of the City of Enterprise or Enterprise City Board of Education.
- 3. The City issue a Request for Proposal for investment banking services to assist in issuing and funding said Bond Issue.
- 4. The City pass a ½ cent sales tax to partially fund the amortization of the Bond Issue. The City to pay two million (\$2,000,000.00) annually from this source.
- 5. The City allows a referendum to go before the citizens for vote to renew the property tax that is allocated to the Enterprise Health Care Authority. This tax is set to expire in 2009. In the referendum, the property tax would be allocated to the City after 2009 to assist in funding the debt service on the Bond Issue. The City to pay approximately five hundred fifty thousand (\$550,000.00) annually from this source. Beginning in 2016, these funds are to be used by the City to enhance and maintain its infrastructure. The primary purpose of renewing and reallocating this tax is to avoid having to pass a 3/4 cent or higher sales tax.
- 6. The Enterprise School Board pay five hundred fifty thousand (\$550,000.00) annually to the City of Enterprise beginning in 2016 and for the remainder of the bond issue. It is the understanding of the committee that the School Board has a Bond Issue with payments of one million two hundred thousand (\$1,200,000.00) annually that will be fully amortized at that time, thereby creating available funds.
- 7. The City and School enter a joint use agreement for use of the High School auditorium. The management, responsibility and control would remain with the School.
- 8. Any additional funds received by the Enterprise City Board of Education from FEMA, insurance, federal, state or other governmental sources in excess of the accepted bid amounts necessary to construct the school, not to exceed projected estimates, are to reduce the amount of the Bond Issue or if subsequent to the issuance to pay down the Bond Issue.
- 9. The Bond proceeds are to be deposited into a construction account held by the City. The funds are to be remitted to the School Board upon submission of a payment request. The form of the request is to be agreed to by the City and School Board. The bond funds will be used after other funding sources have been exhausted.
- 10. At the end of the Bond Issue, the sales tax passed will stay in place to sustain the growth of Enterprise and be allocated 85% to the City and 15% to the School.
- 11. The Enterprise Board of Education, with approval of the Enterprise City Council, will appoint a construction consultant knowledgeable in the construction industry to serve in an advisory capacity. Said consultants' responsibilities are to be agreed upon by both parties.

CITY COUNCIL – PUBLIC HEARING  
School Funding Proposal  
February 12, 2008

- The committee thanked the City and School Board for the assistance they have provided during this process. It is the feeling of the committee that the above recommendations once implemented will provide the necessary funds to construct the School facilities needed and also provide funds for the furtherance of the City of Enterprise and Enterprise City School Board.
- After the recommendations of the committee were presented, The President opened the floor to the public hearing at 6:25 p.m. with the following guidelines:
  - (1) Anyone may speak to the issue one time in order to give all interested persons the opportunity to speak.
  - (2) Comments are to be limited to 2 minutes. Each person is limited to one question.
  - (3) This is not a debate. The purpose of the hearing is to inform and to provide a public forum.
- PUBLIC HEARING
- The following individuals offered comments related to the School Funding Proposal:
  - **Dr. Mike McQueen – For**
  - **Lorenzo Harrison – For**
  - **Sam Boswell – For**
  - **Gareth Moore – Against. Expressed concerns over need for new tax, site prep issues and stadium costs and the need to pursue other funding options through the legislature.**
  - **Dr. Rick Harrelson – For. Expressed concerns over requirement for construction manager and distribution of the funding on 85/15 basis after bond issue is paid off.**
  - **Linda Henderson – Against. Expressed concerns over new tax, costs, and why construction has not started.**
  - **Judy Stinnett – For**
  - **Karen Lewis – For**
  - **Mark Jipson – For**
  - **Ed Foy – Against. Expressed concern over lack of information from school system.**
  - **Roger Worthington – For. Want more tax to go to schools.**
  - **Robin Foy – Against. Concerns over the need for annexation to allow for citizens outside current city limits to participate.**
  - **Terri Todd – For.**
  - **Marsha Tomberlin – For. Expressed concerns over funding distribution and use of interest earned on bond issue.**
  - **Jim Harrelson – For.**
  - **Gene Lolley, President, Enterprise City School Board – Expressed support for proposal and thanked all persons involved in the process. Announced the School board will meet Friday, February 15, 2008, at 2:00 p.m.**
- ADJOURNMENT
- There being no further comments offered, the Council President declared the Public Hearing closed at 7:25 p.m.

## Public responds to school funding recommendations

BY KAY KIRKLAND  
MANAGING EDITOR

High emotion and some tension characterized a public hearing Tuesday night as many Enterprise residents rallied around a "whatever-it-takes" approach to raising funds to rebuild two Enterprise schools destroyed by a deadly tornado almost a year ago.

A minority of speakers raised concerns about costs and lack of information on specific construction plans, however, and one former legislator asking the Enterprise City School Board and city council not to rush to a vote on raising the city sales tax before they exhaust possible funding options through the state Legislature.

Garrett Moore, who served a term in the Alabama Legislature, told the council members, school administration and members of a Citizens Study Committee on School Reconstruction that he believes more funds are available through the Legislature, which agreed last March to contribute \$32 million toward the school rebuilding project.

School officials estimate that rebuilding both schools will cost about \$100.7 million and they have only \$58- to \$63 million available from insurance, Federal Emergency Management Agency funding, the legislative appropriation and other sources.

After two months of studying the finances of the school system and city, the funding committee

has recommended that the council approve a half-cent sales tax (raising the total to 8.5 cents per dollar) and that local residents vote to redirect an existing 3.5-mill property tax from the Enterprise nursing home to the school system.

Moore asked that his comments be considered a "voice of reason in this tidal wave" of emotion moving in the direction of enacting a tax, and asked the officials to "slow down" and consider other options.

Moore said the cost of site preparation on the 140-acre tract of land purchased last April and other expected costs have not been fully determined.

Please see Funding, Page 6A



Photo by Laura Fezie

Dr. Mike McQueen expresses support for a school funding committee's recommendations at Tuesday night's public hearing.

## Funding

Continued from Page 1A

"Up to this point, no one seems to be an advocate for cost-effectiveness in this whole process," he said, agreeing with the committee's proposal that the school system hire a construction consultant.

Moore said he believes more funding can be secured through the Legislature and suggested that the school system go ahead and begin building using the money now available and try to get more state funding. "If we need this tax, I'm going to be all for it," Moore said. "Why can't we wait two months, maximize our funding from the state" and delay passage of the tax.

Committee Chairman Will Armstrong said he believes the school system has received "100 percent" of the funding it's going to get through the Legislature.

Mayor Kenneth Bassell told Moore that he will be meeting with Gov. Bob Riley Thursday to discuss school funding.

Enterprise resident Linda Henderson also raised concerns about residents on fixed incomes who would have a difficult time paying the extra tax.

"The majority of people I talk to ... we don't want a tax increase; we don't want a \$30 million bond," she said.

Ed Fry asked the school officials and council to share more information about "exactly what we are going to finance."

He said he believes citizens would be more willing to make sacrifices if they have more information.

Superintendent Jim Reese

said he believed the school system "can do a better job of providing information."

The public hearing was set by the council to gain input and from the public about the committee's recommendations made last week. About 500 people, including many school employees, attended the hearing, which was held from 8 a.m. Residents who chose to speak shared more comments than questions.

The audience erupted in applause on several occasions, including during comments by Reese.

"I'm not going to apologize for trying to have the best high school anywhere," he said.

Local businessman Sam Russell said the city has been through a trying time and he would be willing to pay a sales tax if necessary.

"Whatever it takes, I'm willing to sacrifice for it," he said.

Judy Strout, a graduate and former teacher at Enterprise High School, said Enterprise has the best school system.

"If it takes a 5-cent sales tax, I'd vote for it and lobby for it," she said.

Doctors Mike McQueen and Rick Harrison shared emotional comments about students and the school.

"Our school system is the heart of our community," McQueen said. "Sadly, last March, a tornado tore through the heart of our community."

Students have learned, he said, that "you don't pick your circumstances; you pick your attitude ... and they haven't

complained about their circumstances."

Enterprise High School students have been attending classes at EDOC, where many portable trailers have been set up to house the 1,300 high school students.

The approximately 600 Hillcrest Elementary School students displaced when the tornado damaged that school are now housed at the Early Childhood Education Center, which was originally intended to be a kindergarten and preschool complex.

McQueen said he is concerned about what students will be taught during the construction process.

"If this is truly the heart of this community, do we really want to compromise?" he asked.

Harrison said the students at EHS and Hillcrest "deserve the absolute best school that money can buy."

Lorenzo Harrison said he believes it is time for the school system and city council to take action and move forward.

In his remarks before the audience, Reese praised the forefathers of the city who recognized the importance of education and built the school facilities that have benefited generations of students.

"I submit to you that now is the time for our generation to have a vision and to take action to ensure that the City of Enterprise and the Enterprise School System never place second to anyone," he said.

# Hundreds attend Enterprise school funding forum

By Danny Harrison  
Ledger Staff Writer

Hundreds of local residents lined the gym bleachers at Enterprise Ozark Community College Tuesday evening to discuss fiscal plans for rebuilding the tornado-destroyed Enterprise High School and Hillcrest Elementary School.

With some 300 to 400 people attending the meeting, everyone who spoke agreed that the community needed to "move on" and get the schools built, but not all of them agreed on the best way to make up the projected \$30 million shortfall to build the schools. Nor did they all agree on what exactly is needed for the new schools.

A proposal recommended two weeks ago by the Citizen's Study Committee, a group appointed by the city council and school board, suggested the city issue a \$30 million bond, which would be repaid by a half-cent sales tax increase and redirection of a certain percentage of property tax currently earmarked for Health Authority funding.



Hundreds of parents, educators and other community members gathered in the Enterprise Ozark Community College gym Tuesday evening to participate in a forum to discuss how to pay for rebuilding Enterprise High School and Hillcrest Elementary. Enterprise School Superintendent addresses the crowd at the open forum. The forum was hosted by the City of Enterprise and the Enterprise City School System.

Danny Harrison/dharrison@eprisenow.com

Tuesday's meeting was another chance for elected officials to gather public input, and they will take action later.

Some residents have suggested rebuilding both schools for the approximately \$60 million already in hand, but school officials

say this is the time to build schools that will better serve the city into the future.

"We need to move on

and start the rebuilding of our schools, and I look forward to that," said School Superintendent Jim Reese.

Please see *Forum*, Page 6A

Minutes - Special Meeting

February 15, 2008

# School Board Special Called Meeting 2/15/2008

The Enterprise City Board of Education held a special meeting at 2:00 P.M. on Friday, February 15, 2008 in the Board Room of the Central Office. Present for the meeting were: Mr. Gene Lolley, Board President; Cynthia Covington, Vice President; and members, Russell Quattlebaum and Terri Averett. Len Sparks was absent. Others present were: Jim Reese, Superintendent; Bob Phares, Assistant Superintendent; Bob Tomberlin, Administrative Assistant; Oveta Pearce, Director of Federal Programs; Hinton Johns, Secondary Supervisor; Irma Townsend, Director of Student Services; Mary Cannon, Special Education Coordinator; and Rainer Cotter, Board Attorney.

The meeting was called to order by Mr. Lolley.

Dr. Reese yielded to Architect John Woodham, at which time he presented the outcome of the bids on the rebuilding of Hillcrest Elementary School. He informed the Board that Bailey-Harris Construction Co. from Auburn, Alabama was the low bidder for the construction of Hillcrest Elementary School. After discussion, Mr. Woodham recommended that the Board accept the low bid from Bailey-Harris Construction Co., for the base bid plus/minus alternates in the amount of \$13,428,700.00. Dr. Reese concurred. This was approved on a motion by Ms. Covington, seconded by Mr. Quattlebaum. Approved 3 to 0.

Dr. Reese discussed the recommendations of the Citizens' Study Committee on School Reconstruction. Dr. Reese recommended that the Board approve and adopt the recommendations with the exception of Recommendation #11, which should be modified to read as follows: The Enterprise City Board of Education will seek estimates on the costs of employing a construction consultant knowledgeable in the construction industry to serve in an advisory capacity to the Board. After considering the expected return on the investment, the Board reserves the right to proceed without a construction consultant if it deems such employment unnecessary. Dr. Reese further recommended that the Board, in so approving and adopting the recommendations with the modification as noted, authorize the Superintendent to enter into such agreements with the City of Enterprise and execute such documents necessary to carry out and fulfill the recommendations and modifications so adopted in order to obtain the funding for the construction of Enterprise High School and Hillcrest Elementary School. This was approved on a motion by Mr. Quattlebaum, seconded by Ms. Covington. Approved 3 to 0.

The meeting adjourned.

---

Jim Reese  
Secretary  
Enterprise City Board of Education



# CITY COUNCIL MEETING MINUTES OF FEBRUARY 19, 2008

## REVIEW RECOMMENDATIONS FROM CITIZENS SCHOOL FUNDING COMMITTEE

The President introduced the recommendations from the Citizens Study Group related to the proposed funding of the construction of Enterprise High School and Hillcrest Elementary School and also recognized City School Board President Gene Lolley. Mr. Lolley informed the Council of the support of the recommendations by the School Board and the School Board is in the process of interviewing consultants as proposed in Item 11 of the recommendations. The recommendations are as follows:

1. The City of Enterprise issues a thirty million (\$30,000,000.00) General Obligation Bond Issue (plus costs of the issuance) to assist in funding the deficit in available funds to construct these facilities.
2. The Bond Issue be amortized over a period not to exceed twenty (20) years with interest to be based on 4.5% per annum. It is the consensus of the committee that all funds as identified below are necessary to amortize the bond issue over this period and to extend the amortization longer would not be in the best interest of the City of Enterprise or Enterprise City Board of Education.
3. The City issue a Request for Proposal for investment banking services to assist in issuing and funding said Bond Issue.
4. The City passes a ½ cent sales tax to partially fund the amortization of the Bond Issue. The City to pay two million (\$2,000,000.00) annually from this source.
5. The City allows a referendum to go before the citizens for vote to renew the property tax that is allocated to the Enterprise Health Care Authority. This tax is set to expire in 2009. In the referendum, the property tax would be allocated to the City after 2009 to assist in funding the debt service on the Bond Issue. The City is to pay approximately five hundred fifty thousand (\$550,000.00) annually from this source. Beginning in 2016, these funds are to be used by the City to enhance and maintain its infrastructure. The primary purpose of renewing and reallocating this tax is to avoid having to pass a 3/4 cent or higher sales tax.
6. The Enterprise School Board pay five hundred fifty thousand (\$550,000.00) annually to the City of Enterprise beginning in 2016 and for the remainder of the bond issue. It is the understanding of the committee that the School Board has a Bond Issue with payments of one million two hundred thousand (\$1,200,000.00) annually that will be fully amortized at that time, thereby creating available funds.
7. The City and School enter a joint use agreement for use of the High School auditorium. The management, responsibility and control would remain with the School.
8. Any additional funds received by the Enterprise City Board of Education from FEMA, insurance, federal, state or other governmental sources in excess of the accepted bid amounts necessary to construct the school, not to exceed projected estimates, are to reduce the amount of the Bond Issue or if subsequent to the issuance to pay down the Bond Issue.
9. The Bond proceeds are to be deposited into a construction account held by the City. The funds are to be remitted to the School Board upon submission of a payment request. The form of the request is to be agreed to by the City and School Board. The bond funds will be used after other funding sources have been exhausted.
10. At the end of the Bond Issue, the sales tax passed will stay in place to sustain the growth of Enterprise and be allocated 85% to the City and 15% to the School.
11. The Enterprise Board of Education, with approval of the Enterprise City Council, will appoint a construction consultant knowledgeable in the construction industry to serve in an advisory capacity. Said consultants' responsibilities are to be agreed upon by both parties.

After hearing the comments from Mr. Lolley, the President announced the recommendations will lay over for consideration until the regular meeting scheduled for March 4, 2008 to give the School Board the opportunity to hire a consultant as provided in item 11.

# CITY COUNCIL MEETING MINUTES OF FEBRUARY 19, 2008

## NEW BUSINESS

### INTRODUCE ORDINANCE 02-19-08 (Increase Sales Tax ½ %)

The President introduced Ordinance 02-19-08 providing primarily for an increase of one-half percent (½%) in sales and use taxes in the City of Enterprise and police jurisdiction pursuant to the provisions of the Local Tax Simplification act of 1998, Act 98-192. Section 11-51-200 et. seq., Code of Alabama 1975

# CITY COUNCIL MEETING MINUTES – FEBRUARY 19, 2008

This Ordinance shall become effective on the first day of May 2008, and the first payment of taxes hereunder shall be due and payable on the 20th day of June, 2008. This Ordinance shall remain in full force and effect and shall apply to each month of the year 2008, beginning with the month of May and to each month of each calendar year thereafter from year to year.

The receipts from the taxes herein derived are pledged as follows:

- (a) To the payment of the general obligation bonds issued by the City dated December 1, 2004, and January 1, 2002, respectively, in accordance with the terms thereof; and
- (b) To the payment of a general obligation bonds issued by the City for school construction purposes to be issued at a date to be determined at an amount not to exceed \$30 million plus issuance costs, in accordance with the terms thereof; and
- (c) To the payment to the Enterprise City Board of Education by the City Clerk of an amount equal to 30% of the adjusted net receipts at the base rate being the rate in effect prior to the passage of this ordinance, payable monthly; and
- (d) To the payment to the Enterprise City Board of Education by the City Clerk of an amount equal to 15% of the adjusted net receipts of the additional ½% sales tax provided for by this ordinance after bonds issued for school construction purposes are paid in full, payable monthly.

The President announced that Ordinance 02-19-08 will lay over for consideration in the regular meeting scheduled for March 4, 2008.



# THE ENTERPRISE Ledger

Serving the Wiregrass for 110 Years

February 21, 2008

www.eprisenow.com

## City council, school board agree on consultant issue



Danny Harrison/dharrison@eprisenow.com

Enterprise City Board of Education President Gene Lolley, left, addresses the Enterprise City Council Tuesday night. Also pictured are councilman Kirk Donaldson and President Paul Russell.

### Proposed sales tax increase could see action March 4

By Danny Harrison  
*Ledger Staff Writer*

Enterprise city school board President Gene Lolley told city council members Tuesday night the school system is "aggressively pursuing" a construction consultant to oversee the Enterprise High School and Hillcrest Elementary reconstruction projects.

Since early December, a committee put together by the Enterprise City

Council and the Enterprise City Board of Education worked to recommend ways the city could help the school system overcome an approximate \$30 million shortfall in funds to rebuild Enterprise High and Hillcrest Elementary. Both were destroyed in the March 1, 2007, tornado, and officials estimate it will cost around \$100 million to build new schools adequate to accommodate future community

growth.

During a recent public hearing at City Hall, the Citizen's Study Committee announced 10 recommendations, which included the city passing a half-percent sales tax increase and redirecting a percentage of city property tax that had benefited the local health authority.

Following the sales tax increase recommendation, the city council Tuesday night introduced an ordinance to raise the Enterprise sales tax from the current eight percent to 8.5 percent.

Please see *Agree*, Page 2A

# Agree

*continued from Page 1A*

The council may vote to approve the measure at its next meeting Tuesday, March 4.

Following the initial public hearing on the recommendations for rebuilding the schools, a second public hearing last week was attended by 300 to 400 local residents in the Enterprise-Ozark Community College gym. This time the recommendation list included an 11th suggestion, that the school board hire a construction consultant to oversee the schools' reconstruction.

Superintendent Jim Reese asked the school board Friday to adopt all of the recommendations except the one about the consultant.

"None of us had a

chance to review it until that day," Reese said, referring to the second public hearing. He asked the school board to "modify the wording with what has been provided to you regarding the cost estimates for a construction consultant and determine if such will be cost effective."

The school board unanimously adopted the original 10 committee recommendations.

Tuesday night, City Council President Paul Russell asked Lolley to explain the school board's position on the construction consultant issue.

"It is our intent to hire a consultant," Lolley said. "We have interviews ongoing."

"We hope to have something, if not this coming week, definitely by our next board meeting," Lolley said.

Russell said hiring a

construction consultant is important to the overall project.

"I think, with the scope of this project, I feel that it

will be to the betterment of the city and the school, and we can all obtain the school that we really want to have," Russell said.

# Enterprise Ledger 3/4/08

## City council to vote on sales tax increase

Danny Harrison

Media General News Service

ENTERPRISE — Enterprise City Council members are scheduled to vote tonight on a proposed half-percent sales tax increase that would help pay to rebuild Hillcrest Elementary and Enterprise High schools.

Earlier this year, an appointed committee of Enterprise residents recommended that the city help the Enterprise City Schools overcome a more-than \$30 million funding shortfall to rebuild the schools. That 11-point recommendation included suggestions to raise the city sales tax a half-percent to 8.5 percent and to redirect a per-

centage of city property tax currently marked for Health Authority funding.

The property tax measure will require a citywide vote, but the city council alone can raise the sales tax.

Also scheduled to be on the council agenda is amending an inmate housing contract with Coffee County relating to the use of the county jail. According to County Commissioner Jim Thompson, the contract enacted in 1996 charged the city \$15 per day per inmate incarcerated by the city. The new contract would increase that rate to \$20 per day per inmate.

Thompson told city councilmen Monday morning in a work session that, since Nov. 1, 2007, the jail has utilized a

contracted medical service that brings a nurse to the jail six days a week to handle medical needs. He said the measure was intended to reduce cost and increase security, because inmates are less frequently transported to and from the jail.

"That has been a huge success," Thompson said.

Thompson also said inmates are now being personally charged for nurse visits and medication.

"That number of people becoming sick is cut in half," Thompson said. "I think that is working tremendously."

The city council meeting will take place Tuesday, 7 p.m., at Enterprise City Hall.

*March 4, 2008*

# REVIEW AND CONSIDER RECOMMENDATIONS FROM CITIZENS SCHOOL FUNDING COMMITTEE

## From City Council Minutes March 4, 2008

- The President recognized Gene Lolley, President of the Enterprise City School Board, who informed the Council that Douglas Skelton has been hired unanimously to serve as the construction consultant for the schools in accordance with the recommendation from the Citizens Funding committee. He also announced that a preconstruction meeting was held today for Hillcrest School and site preparation for Enterprise High School will begin in June 2008.
- After hearing from Mr. Lolley, the President called for consideration of the adoption of the recommendations from the Citizens Study Group related to the proposed funding of the construction of Enterprise High School and Hillcrest Elementary School. The recommendations are as follows:
  - 1. The City of Enterprise issues a thirty million (\$30,000,000.00) General Obligation Bond Issue (plus costs of the issuance) to assist in funding the deficit in available funds to construct these facilities.
  - 2. The Bond Issue be amortized over a period not to exceed twenty (20) years with interest to be based on 4.5% per annum. It is the consensus of the committee that all funds as identified below are necessary to amortize the bond issue over this period and to extend the amortization longer would not be in the best interest of the City of Enterprise or Enterprise City Board of Education.
  - 3. The City issue a Request for Proposal for investment banking services to assist in issuing and funding said Bond Issue.
  - 4. The City passes a ½ cent sales tax to partially fund the amortization of the Bond Issue. The City to pay two million (\$2,000,000.00) annually from this source.
  - 5. The City allows a referendum to go before the citizens for vote to renew the property tax that is allocated to the Enterprise Health Care Authority. This tax is set to expire in 2009. In the referendum, the property tax would be allocated to the City after 2009 to assist in funding the debt service on the Bond Issue. The City is to pay approximately five hundred fifty thousand (\$550,000.00) annually from this source. Beginning in 2016, these funds are to be used by the City to enhance and maintain its infrastructure. The primary purpose of renewing and reallocating this tax is to avoid having to pass a 3/4 cent or higher sales tax.
  - 6. The Enterprise School Board pay five hundred fifty thousand (\$550,000.00) annually to the City of Enterprise beginning in 2016 and for the remainder of the bond issue. It is the understanding of the committee that the School Board has a Bond Issue with payments of one million two hundred thousand (\$1,200,000.00) annually that will be fully amortized at that time, thereby creating available funds.
  - 7. The City and School enter a joint use agreement for use of the High School auditorium. The management, responsibility and control would remain with the School.
  - 8. Any additional funds received by the Enterprise City Board of Education from FEMA, insurance, federal, state or other governmental sources in excess of the accepted bid amounts necessary to construct the school, not to exceed projected estimates, are to reduce the amount of the Bond Issue or if subsequent to the issuance to pay down the Bond Issue.
  - 9. The Bond proceeds are to be deposited into a construction account held by the City. The funds are to be remitted to the School Board upon submission of a payment request. The form of the request is to be agreed to by the City and School Board. The bond funds will be used after other funding sources have been exhausted.
  - 10. At the end of the Bond Issue, the sales tax passed will stay in place to sustain the growth of Enterprise and be allocated 85% to the City and 15% to the School.
  - 11. The Enterprise Board of Education, with approval of the Enterprise City Council, will appoint a construction consultant knowledgeable in the construction industry to serve in an advisory capacity. Said consultants' responsibilities are to be agreed upon by both parties.
- Council Member Johnson offered the motion to continue to pursue the recommendations of the committee. Council Member Cooper made the second. The vote being: Cooper – Aye; Johnson – Aye; Miller – Aye; Russell – Aye. The President declared the motion carried.

# CITY COUNCIL MEETING MINUTES OF MARCH 4, 2008

## PRIVILEGE OF THE FLOOR (Persons allowed 3 minutes to address the Council)

The President recognized Ryan Soulkup, Sue Neuwein and Robin Foy who requested to address the Council.

Ryan Soulkup requested permission from the Council to place E-911 numbers, as per the recently approved numbering ordinance, for individuals who were unable to do the work themselves as a part of achieving his merit badge status as a Boy Scout. The President thanked him for his efforts and referred him to Lon Jones, E-911 coordinator, to obtain assistance and guidance for the project.

Sue Neuwein addressed the Council to express support for the recently adopted ½ cents sales tax increase but voiced concerns over the fact that no expiration date is placed on the tax.

Robin Foy addressed the Council to express support for the recently adopted ½ cents sales tax increase and spoke in favor of the requirement for a construction consultant for the project. She voiced concerns over the availability of information from the School board about the project.



# CITY COUNCIL MEETING MINUTES – MARCH 4, 2008

## REVIEW AND CONSIDER RECOMMENDATIONS FROM CITIZENS SCHOOL FUNDING COMMITTEE

The President recognized Gene Lolley, President of the Enterprise City School Board, who informed the Council that Douglas Skelton has been hired unanimously to serve as the construction consultant for the schools in accordance with the recommendation from the Citizens Funding committee. He also announced that a preconstruction meeting was held today for Hillcrest School and site preparation for Enterprise High School will begin in June 2008.

After hearing from Mr. Lolley, the President called for consideration of the adoption of the recommendations from the Citizens Study Group related to the proposed funding of the construction of Enterprise High School and Hillcrest Elementary School. The recommendations are as follows:

1. The City of Enterprise issues a thirty million (\$30,000,000.00) General Obligation Bond Issue (plus costs of the issuance) to assist in funding the deficit in available funds to construct these facilities.
2. The Bond Issue be amortized over a period not to exceed twenty (20) years with interest to be based on 4.5% per annum. It is the consensus of the committee that all funds as identified below are necessary to amortize the bond issue over this period and to extend the amortization longer would not be in the best interest of the City of Enterprise or Enterprise City Board of Education.
3. The City issue a Request for Proposal for investment banking services to assist in issuing and funding said Bond Issue.
4. The City passes a ½ cent sales tax to partially fund the amortization of the Bond Issue. The City to pay two million (\$2,000,000.00) annually from this source.
5. The City allows a referendum to go before the citizens for vote to renew the property tax that is allocated to the Enterprise Health Care Authority. This tax is set to expire in 2009. In the referendum, the property tax would be allocated to the City after 2009 to assist in funding the debt service on the Bond Issue. The City is to pay approximately five hundred fifty thousand (\$550,000.00) annually from this source. Beginning in 2016, these funds are to be used by the City to enhance and maintain its infrastructure. The primary purpose of renewing and reallocating this tax is to avoid having to pass a 3/4 cent or higher sales tax.
6. The Enterprise School Board pay five hundred fifty thousand (\$550,000.00) annually to the City of Enterprise beginning in 2016 and for the remainder of the bond issue. It is the understanding of the committee that the School Board has a Bond Issue with payments of one million two hundred thousand (\$1,200,000.00) annually that will be fully amortized at that time, thereby creating available funds.
7. The City and School enter a joint use agreement for use of the High School auditorium. The management, responsibility and control would remain with the School.
8. Any additional funds received by the Enterprise City Board of Education from FEMA, insurance, federal, state or other governmental sources in excess of the accepted bid amounts necessary to construct the school, not to exceed projected estimates, are to reduce the amount of the Bond Issue or if subsequent to the issuance to pay down the Bond Issue.
9. The Bond proceeds are to be deposited into a construction account held by the City. The funds are to be remitted to the School Board upon submission of a payment request. The form of the request is to be agreed to by the City and School Board. The bond funds will be used after other funding sources have been exhausted.
10. At the end of the Bond Issue, the sales tax passed will stay in place to sustain the growth of Enterprise and be allocated 85% to the City and 15% to the School.
11. The Enterprise Board of Education, with approval of the Enterprise City Council, will appoint a construction consultant knowledgeable in the construction industry to serve in an advisory capacity. Said consultants' responsibilities are to be agreed upon by both parties.

# CITY COUNCIL MEETING MINUTES – MARCH 4, 2008

## CITIZENS SCHOOL FUNDING COMMITTEE Continued:

Council Member Johnson offered the motion to continue to pursue the recommendations of the committee. Council Member Cooper made the second. The vote being: Cooper – Aye; Johnson – Aye; Miller – Aye; Russell – Aye. The President declared the motion carried.

## CONSIDER ORDINANCE 02-19-08 (Increase Sales Tax ½ %)

The President called for consideration of Ordinance 02-19-08 providing primarily for an increase of one-half percent (½%) in sales and use taxes in the City of Enterprise and police jurisdiction pursuant to the provisions of the Local Tax Simplification act of 1998, Act 98-192. Section 11-51-200 et. seq., Code of Alabama 1975 and any other act or acts granting such authority or permission, levying a privilege license or excise tax against persons, firms or corporations storing, using or otherwise consuming or engaging in the business of selling at retail tangible personal property or conducting places of amusement in the City of Enterprise, Coffee County, Alabama, or within its police jurisdiction; and providing for the collection of said taxes and providing penalties for the violation of this ordinance; and repealing a prior ordinance levying similar taxes.

This Ordinance shall become effective on the first day of May 2008, and the first payment of taxes hereunder shall be due and payable on the 20th day of June, 2008. This Ordinance shall remain in full force and effect and shall apply to each month of the year 2008, beginning with the month of May and to each month of each calendar year thereafter from year to year.

## The receipts from the taxes herein derived are pledged as follows:

- (a) To the payment of the general obligation bonds issued by the City dated December 1, 2004, and January 1, 2002, respectively, in accordance with the terms thereof; and
- (b) To the payment of a general obligation bonds issued by the City for school construction purposes to be issued at a date to be determined at an amount not to exceed \$30 million plus issuance costs, in accordance with the terms thereof; and
- (c) To the payment to the Enterprise City Board of Education by the City Clerk of an amount equal to 30% of the adjusted net receipts at the base rate being the rate in effect prior to the passage of this ordinance, payable monthly; and
- (d) To the payment to the Enterprise City Board of Education by the City Clerk of an amount equal to 15% of the adjusted net receipts of the additional ½% sales tax provided for by this ordinance after bonds issued for school construction purposes are paid in full, payable monthly.

Council Member Miller offered the motion to adopt Ordinance 02-19-08. Council Member Cooper made the second. The vote being: Cooper – Aye; Johnson – Aye; Miller – Aye; Russell – Aye. The President declared Ordinance 02-08-08 duly passed and adopted. (On file in the Permanent Ordinance Files in the Office of the City Clerk)

# RESOLUTION 03-04-08

WHEREAS, the City of Enterprise pursuant to the provisions of the Constitution of Alabama of 1901, as recompiled, presently levies an ad valorem tax of three and a half (3.5) mills for the purpose of providing funds for public hospitals and nursing home construction, operation and maintenance in the City, which is set to expire on September 30, 2009;

WHEREAS, the City of Enterprise desires to continue the levy of such three and a half mill ad valorem tax rate so that such funds can be used to help fund the debt service relating to the construction of public school facilities within the City of Enterprise;

WHEREAS, the City of Enterprise desires to hold a public meeting on March 18<sup>th</sup>, 2008 to discuss the proposal to levy an ad valorem tax at the rate of three and half (3.5) mills [thirty five cents (\$.35) on each one hundred dollars (\$100) worth of taxable property within the City] for the ad valorem tax year beginning October 1, 2009 (being due and payable on October 1, 2010);

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ENTERPRISE, Alabama as follows:

The City Council does hereby find and determine that the City Council shall hold a public hearing on March 18<sup>th</sup>, 2008 at 7:00 p.m., in the Council Chamber at City Hall, 501 S. Main St.; and notice of such public hearing shall be published in the Enterprise Ledger, at least a week before such public hearing, substantially in the form below, with such additions or corrections as the Mayor of the City of Enterprise shall deem necessary to comply with the notice requirements under the laws of the state of Alabama:

## NOTICE OF PUBLIC HEARING FOR PROPOSAL OF AD VALOREM TAX RATE INCREASE

Notice is hereby given that the City Council of the City of Enterprise, Alabama, will conduct a public hearing in the Council Chamber at City Hall; Enterprise, Alabama on Tuesday, March 18, 2008, at 7:00 p.m. concerning the ad valorem tax rate increase proposal to levy annually, commencing with the levy for the tax year which will begin October 1, 2009 (for which said tax will become due and payable on October 1, 2010), for general purposes of the City of Enterprise, including but not limited to, construction of school facilities within the City, an ad valorem tax, at the rate of three and a half (3.5) mills on each dollar of assessed valuation of taxable property within the city limits of the City.

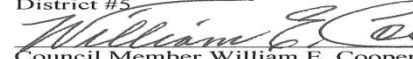
This Notice is given, and the public hearing noticed herein will be held, in accordance with the laws of the State of Alabama. Any person may appear at such hearing and express his views, or may submit his views in writing, regarding the ad valorem tax rate increase proposal.

Any written comments should be sent to the Enterprise City Council at P.O. Box 311000, Enterprise, Alabama 36331-1000, Attention: Steve W. Hicks, City Clerk and should be clearly marked "RE: Ad Valorem Tax Rate Increase Proposal." Written submissions should be mailed in sufficient time to be received on or before March 17, 2008.

Duly passed and adopted this 4<sup>th</sup> day of March 2008.

COUNCIL:

  
Council President Paul Russell  
District #5

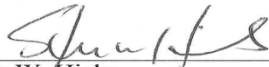
  
Council Member William E. Cooper  
District #1

  
Council Member Tommy Johnson, Jr.  
District #2

ABSENT  
Council Member Kirk Donaldson  
District #3

  
Council Member Wallace "Al" Miller, Jr.  
District #4

ATTEST:

  
Steve W. Hicks  
City Clerk/Treasurer

## Council approves half-cent sales tax

BY KAY KIRKLAND  
MANAGING EDITOR

Mayor Kenneth Boswell said the Enterprise City Council did "the best we could do in a bad situation" Tuesday night. The council passed a half-cent sales tax for the city and set in motion the process of reaffirming and redirecting a 3.5-mill property tax to raise funds for rebuilding two schools destroyed in a tornado a year ago.

The council adopted the ordinance raising overall sales taxes

to be collected in the city from 8 cents to 8.5 cents. The ordinance specifically raises the portion of sales taxes levied by the city from 3 to 3.5 cents. The remainder of sales taxes collected in Enterprise goes to the state (4 cents) and the county (1 cent).

Shoppers in Enterprise will begin to pay the tax in 30 days. Boswell said the time frame will give businesses time to adjust software and make the changes necessary to be able to collect the tax at

point of sale.

"It is a difficult task that our city has faced," said Boswell. "I think this is the best we could do in a bad situation — Nobody in this room wants to pass a half-cent sales tax, but at the same time, we didn't ask for Mother Nature to take those schools either."

Boswell said the need to rebuild the schools and get the projects under way as quickly as possible required the city to partner with the Enterprise Board of Edu-

cation, an independent legal and financial entity over which the city has no control.

Financial experts said neither the city nor the school system, as separate entities, had the assets to be able to issue a bond of the magnitude needed for the monumental construction project.

The tax approval culminates months of discussion and review that began in November when Enterprise Schools Superintendent Jim Reese came to the council and

asked for a 1-cent sales tax to fund a shortfall in monies needed to construct a new Enterprise High School, and all of its appendages, and a new Hillcrest Elementary School. School officials have estimated the two schools will cost \$101.6 million to build and Reese expected to need an additional \$40 million to complete the project.

After a committee of citizens, including local bankers and accountants, studied the finances of both entities, the city and the school

system compromised on several recommendations.

The recommendations also adopted by the council Tuesday night call for the city to issue a \$30 million bond issue, to be amortized by an expected \$2 million annually from the sales tax and about \$550,000 a year collected from a 3.5-mill property tax.

"We think that not increasing the sales tax to a full cent will

Please see Tax, Page 6A



# THE ENTERPRISE Ledger

Serving the Wiregrass for 110 Years

March 4, 2008

[www.eprisenow.com](http://www.eprisenow.com)

## City council to vote on sales tax increase

By Danny Harrison  
*Ledger Staff Writer*

Enterprise City Council members are scheduled to vote Tuesday night on a proposed half-percent sales tax increase that would help pay to rebuild



Do you agree with an increased sales tax in Enterprise? Answer the online poll at [www.eprisenow.com](http://www.eprisenow.com).

Hillcrest Elementary and Enterprise High schools. Earlier this year, an

appointed committee of Enterprise residents recommended that the city help

the Enterprise City Schools overcome a more -than \$30 million funding shortfall to rebuild the schools. That 11-point recommendation included suggestions to raise the city sales tax a half-percent to 8.5 percent, and to redirect a percent-

age of city property tax currently marked for Health Authority funding. The property tax measure will require a citywide vote, but the city council alone can raise the sales tax.

*Please see Tax, Page 6A*

# Local news

Tuesday, March 4, 2008

## Tax

*continued from Page 1A*

Also scheduled to be on the council agenda is amending an inmate hous-

ing contract with Coffee County relating to the use of the county jail. According to County Commissioner Jim Thompson, the contract enacted in 1996 charged the city \$15 per day per inmate incarcerated by the city. The

new contract would increase that rate to \$20 per day per inmate.

Thomson told city councilmen Monday morning in a work session that, since Nov. 1, 2007, the jail has utilized a contracted medical

service that brings a nurse to the jail six days a week to handle medical needs. He said the measure was intended to reduce cost and increase security, because inmates are less frequently transported to and from the

jail.

"That has been a huge success," Thompson said.

Thompson also said inmates are now being personally charged for nurse visits and medication.

"That number of people

becoming sick is cut in half," Thompson said. "I think that is working tremendously."

The city council meeting will take place Tuesday, 7 p.m., at Enterprise City Hall.

# 3/5/08 The Dothan Eagle

## Enterprise City Council passes sales tax increase to fund schools

Danny Harrison  
Media General News Service

Wednesday March 5, 2008

ENTERPRISE — Enterprise City Council members unanimously passed a half-percent sales tax increase Tuesday night to help fund the reconstruction of the Enterprise High and Hillcrest Ele-

mentary schools.

Beginning May 1, sales tax in the city will rise to 8.5 percent, which city officials note is still lower than many municipalities in the Wiregrass, including Dothan, which has a nine percent sales tax.

The issue was placed on the table earlier this year, when the

city-appointed Citizen's Study Committee on School Reconstruction recommended that the city government issue a \$30 million bond to help Enterprise City Schools rebuild the pair of schools, both of which were destroyed in the March 1, 2007, tornado. According to the committee

report, a half-percent sales tax increase would raise \$2 million annually to help pay off the principal and interest of the bond.

The committee also recommended that the city redirect proceeds from an existing 3.5-mill property

See TAX, 9A

Wednesday, March 5, 2008 ■ DOTHAN EAGLE ■ 9A

### Tax

*continued from 1A*

tax to generate an estimated additional \$550,000 toward paying off the bond. That tax, set to expire next year, currently helps fund health-care facilities in Enterprise.

Council members voted to set that process in motion Tuesday night as well. According to City Clerk Steve Hicks, extending the property tax would have to be approved by the state Legislature and the city's voting residents.

One question that has been raised at previous public hearings, as well as Tuesday night, is whether the sales tax

increase would be terminated when the debt was retired.

City Council President Paul Russell said the council has not assigned a sunset date for the increased sales tax rate because it would place undue limitations on future city councils.

"The council at that time, if they want to terminate the tax, they can terminate the tax,"

Russell said.

"This is a difficult task for our city, I know it is," said Mayor Kenneth Boswell. "Nobody in this room wants to pass a half-percent sales tax.

"But at the same time, nobody asked Mother Nature to take those schools from us, either," Boswell said. "It's the best we can do for a bad situation."

# Publication

THE SOUTHEAST SUN & DALEVILLE SUN-COURIER

628 GLOVER AVENUE • P.O. BOX 311546

ENTERPRISE, ALABAMA • 36331

(334) 393-2969

QST PUBLICATIONS, INC.

SALES@SOUTHEASTSUN.COM

(334) 393-2987 FAX


## AFFIDAVIT OF PUBLICATION

I, Russell, Quattlebaum, in my capacity as publisher of The Southeast Sun/ Daleville Sun-Courier newspapers in Enterprise in the state of Alabama, hereby certify that the advertisement for legal notice was published in the above newspaper(s) on the week(s) of

03/12/2008

  
\_\_\_\_\_  
Publisher

Subscribed and sworn to before me in the county of Coffee in the state of Alabama, on this 12<sup>th</sup> day of March, 2008.

  
\_\_\_\_\_  
Notary Public  
My commission expires on the 20th day of August, 2011.

### PUBLIC NOTICE OF ADOPTION RESOLUTION 03-04-08

Public Notice is hereby given that the City Council of the City of Enterprise, Alabama, at a regular meeting held on March 4, 2008 duly passed and adopted Resolution 03-0408. The Resolution in its entirety is as set out below.

Steve W. Hicks  
City Clerk  
March 12, 2008

RESOLUTION 03-04-08  
WHEREAS, the City of Enterprise pursuant to the provisions of the Constitution of Alabama of 1901, as recompiled, presently levies an ad valorem tax of three and a half (3.5) mills for the purpose of providing funds for public hospitals and nursing home construction, operation and maintenance in the City, which is set to expire on September 30, 2009; WHEREAS, the City of Enterprise desires to continue the levy of such three and a half mill ad valorem tax rate so that such funds can be used to help fund the debt service relating to the construction of public school facilities within the City of Enterprise; WHEREAS, the City of Enterprise desires to hold a public meeting on March 18th, 2008 to discuss the proposal to levy an ad valorem tax at the rate of three and half (3.5) mills [thirty five cents (\$.35) on each one hundred dollars (\$100) worth of taxable property within the City] for the ad valorem tax year beginning October 1, 2009 (being due and payable on October 1, 2010); BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ENTER-

S/William E. Cooper  
Council Member William E. Cooper,  
District #1  
S/Tommy Johnson Jr.  
Council Member, Tommy Johnson,  
District #2  
Absent  
Council Member Kirk Donaldson,  
District #3  
S/Wallace Miller, Jr.  
Council Member Wallace "Al" Miller,  
Jr., District #4

ATTEST:  
S/Steve W. Hicks  
Steve W. Hicks  
City Clerk/Treasurer  
Transmitted to the Mayor this 5th  
day of March 2008.  
S/Steve W. Hicks  
Steve W. Hicks  
ACTION OF THE MAYOR:  
Approved this 5th day of March  
2008.

S/Kenneth W. Boswell  
Kenneth W. Boswell, Mayor  
ATTEST:  
S/Steve W. Hicks  
Steve W. Hicks  
City Clerk/Treasurer 3  
S/Wallace Miller, Jr.  
Council Member Wallace "Al" Miller,  
Jr., District #4

ATTEST:  
S/Steve W. Hicks  
Steve W. Hicks City Clerk/Treasurer  
Transmitted to the Mayor this 5th  
day of March 2008  
S/Steve W. Hicks  
Steve W. Hicks  
ACTION OF THE MAYOR:  
Approved this 5th day of March  
2008.

S/Kenneth W. Boswell  
Kenneth W. Boswell, Mayor  
ATTEST:  
S/Steve W. Hicks  
Steve W. Hicks  
City Clerk/Treasurer  
03/12/08



# CITY COUNCIL MEETING MINUTES – MARCH 4, 2008

## NEW BUSINESS

### CONSIDER RESOLUTION 03-04-08 Call for Public Hearing – 3.5 Mill Ad Valorem Tax

The President introduced and called for consideration of Resolution 03-08-08 providing for the call for a public hearing on the city's intent to levy a three and a half mill ad valorem tax to help fund the debt service relating to the construction of public school facilities in the City of Enterprise. The will replace the 3.5 mill ad valorem tax currently levied to provide funds for the public hospital and nursing home construction, operation, and maintenance. This tax is set to expire in 2009. The hearing will be set for the regular council meeting scheduled for March 18, 2008, at 7:00 p.m. in the Council Chambers at City Hall.

Council Member Johnson offered the motion to adopt Resolution 03-04-08. Council Member Cooper made the second. The vote being: Cooper – Aye; Johnson – Aye; Miller – Aye; Russell – Aye. The President declared Resolution 03-04-08 duly passed and adopted. (On file in the Permanent Resolution Files in the Office of the City Clerk)

# CITY COUNCIL MEETING MINUTES OF MARCH 18, 2008

## PRIVILEGE OF THE FLOOR (Persons allowed 3 minutes to address the Council)

The President recognized Lorenzo Harrison, Shag LaPrade and Laura Aycock who requested to address the Council.

Lorenzo Harrison, representing the Enterprise Chamber of Commerce, requested the Council to consider rescheduling the annual Christmas Parade from December 2, 2008 to December 4 or December 9, 2008 and a rain date of December 11, 2008. The Mayor recommended the date to be December 9, 2008 with a rain date of December 11, 2008.

Shag LaPrade addressed the Council to express support for the recently adopted ½ cents sales tax increase but voiced concerns over the fact that no expiration date is placed on the tax.

Laura Aycock addressed the Council to request that caution lights and speed bumps be placed on Shellfield Road. She recently lost her son in an accident on the road.

## OLD BUSINESS

### PUBLIC HEARING – Ad Valorem Tax

The President called for a public hearing on the city's intent to levy a three and a half mill ad valorem tax to help fund the debt service relating to the construction of public school facilities in the City of Enterprise. The will replace the 3.5 mill ad valorem tax currently levied to provide funds for the public hospital and nursing home construction, operation, and maintenance. This tax is set to expire in 2009.

Ted Watson spoke in support of the recent ½ cents sales tax levied for the support of the schools but spoke in opposition to the proposed ad valorem tax renewal.

Robin Foy spoke in support of the proposed ad valorem tax renewal and against the sales tax levy with no limit on the duration of the tax. She requested the Council to use the opportunity to fix the city limits to incorporate additional homes and share burden of taxation with a larger base.

Shag LaPrade spoke in favor of the proposed ad valorem tax incorporated with an expiration date.

# CITY COUNCIL MEETING MINUTES – MARCH 18, 2008

## INTRODUCE & CONSIDER ORDINANCE 03-18-08-A (Proposed Ad Valorem Tax)

The President introduced and called for the layover of Ordinance 03-18-08-A providing for approval of the extension of the 3.5 mill ad valorem tax effective October 1, 2009. The Ordinance further provides that notice will be given by publication for four consecutive weeks with respect to the intention of seeking legislative approval of the proposed extension of the tax. Upon legislative approval of the proposed extension of the tax a special election will be called.

Consideration of the Ordinance will lay over for an additional public hearing at the regular meeting scheduled for April 1, 2008.

# Enterprise Ledger

www.eprisenow.com

## Tax issue vote set for April 1

By Danny Harrison  
*Ledger Staff Writer*

The Enterprise City Council Tuesday night hosted its first official public hearing on extending a 3.5 mil property tax increase to

help pay for rebuilding Enterprise High and Hillcrest Elementary schools. The council exercised its standard procedure of carrying over the vote until its next meeting on April 1.

The 3.5 mil property tax increase

currently funds construction, operation and maintenance costs for the city's medical center and nursing home. The tax increase is scheduled to expire in September 2009, and city officials are considering extending and diverting it to help pay for

reconstruction of EHS and Hillcrest. Both schools were destroyed during the March 1, 2007, tornado, and Enterprise City Schools came up approximately \$30 million short in funds to replace them.

Please see **Tax**, Page 6A

# tax

Continued from Page 2A

Heeding advice from a city-appointed Citizens Study Committee, the city has agreed to issue a \$30 million bond to help pay for the new schools, and property tax revenue would help repay the bond. The city council also recently passed a half-cent sales tax increase, which will raise the sales tax up to 8.5 percent starting May 1. Financial experts have said the sales tax increase should bring in at least \$2 million a year toward paying off the bond.

If the city approves extending the property tax increase, Council President Paul Russell said the city would advertise its intentions for four weeks to seek approval from the Alabama Legislature to hold a special local election on the property tax issue. A majority of Enterprise's registered voters would have to approve the property tax increase extension for it to be enacted.

Enterprise resident Ted Watson told the mayor and council Tuesday night he would rather see the city bump its sales tax up to a full 9 percent instead of extending the property tax increase.

"This city is a retired city where retired people live," Watson said. "And the funny thing about it is they all live on fixed incomes."

Watson said extending the property tax increase

unfairly hurts people like himself who own land in the city.

"If a half cent's not enough to do what you want to do, go back and raise it another half-cent," Watson said. "That's fair for everybody, because if you don't want to buy the stuff, you don't have to."

Watson said a weak economy makes times especially hard on people with fixed incomes.

"I will promise you this, I will do everything I can to defeat this bill if y'all go ahead and decide to introduce it," he said.

Local resident and real estate agent Robin Foye told the council she supports the property tax increase extension, but only if users of the city school system who live outside city limits also had to pay the tax.

Foye named several subdivisions surrounding the city, whose residents, she said, send their children to Enterprise schools.

"Those are expensive neighborhoods," Foye said. "They have expensive homes in them, and all those children go to the schools."

"None of them are paying city ad valorem taxes," she said.

According to Enterprise City Schools Superintendent Jim Reese, about \$12.3 million, or 23 percent, of this year's \$52.4 million school system budget is expected to

come from local funds. He said 66 percent of the budget is expected to come from the state, with another 9 percent coming from the federal government. Reese explained the state funding is based on the school system's average daily attendance regardless of where the students actually live.

Reese said Enterprise has standing agreements going back nearly a century with some areas such as Level Plains in Dale County, which allow their students to attend school in Enterprise.

"That's just been an agreement we've always had," Reese said. "If space was available,

we've allowed them to attend."

Reese said there are also a few cases where students living in Enterprise go to public schools outside the city.

"That works both ways," Reese said.

Regarding whether the city should be collecting property tax from out-of-city residents who send their children to public schools in Enterprise, Reese said financially it wouldn't make much difference because of how much more funding comes from outside sources.

"The difference in property tax would be minimal," Reese said.

# City leaders pave way for tax vote

SE Sun  
Wed  
March 26  
2008

BY KAY KIRKLAND  
MANAGING EDITOR

A vote to approve or reject a 3.5-mill property tax may be on the June 3 primary ballot if city and state leaders get legislative approval in time.

Enterprise City Council members last Tuesday night began paving the way for a citywide vote on the ad valorem tax to be used for rebuilding Enterprise High School and Hillcrest Elementary School.

The council introduced an ordinance to seek the go-ahead by the Alabama Legislature during the current legislative session. The ordinance will "lay over" as required by law until next month, when the council is expected to approve it.

Meanwhile, state Rep. Terry Spicer said he is working with a bond attorney to prepare the bill so that it can be advertised and acted on by the House and Senate.

The 3.5-mill tax, which had been approved by a citywide vote in 1984, is set to expire in 2009, but the timetable for action to either drop or reinstate it was moved up when the Citizens Study Committee on School Reconstruction last month recommended that the tax be redirected from the Enterprise Health Authority (Enterprise Nursing Home) to the city.

The city, which adopted the study committee's recommendations, will use the estimated \$2.6 million annual collections from the 3.5-mill tax to pay down the debt on a \$30 million loan taken by the city on behalf of the school system.

The tax has been collected for the past 25 years and council members said two weeks ago, when it approved a half-cent sales tax also to be used for school construction, that reaffirming and redirecting the existing tax would have less impact on taxpayers than enacting other additional taxes or fees.

School officials, city leaders and members of the study committee have said extension of the 3.5-mill tax is imperative if the city is to help the school system with construction costs.

School officials have also said that they must have a guaranteed source of revenue for construction before they can begin to replace the EHS and Hillcrest, which were destroyed in the March 1, 2007 tornado.

The study committee suggested, and

Please see Tax, Page 6A.

3/26/08

Southeast Sun

# 3/27/08 Southeast Sun

## Council to act on half-cent sales tax, school funding recommendations March 5

BY KAY KIRKLAND  
MANAGING EDITOR

Enterprise City Council members are expected next Tuesday to vote on whether to enact a half-cent sales tax to help Enterprise City Schools rebuild two schools destroyed by a tornado almost one year ago.

The council introduced an ordinance at the Feb. 19 council meeting that would raise the total sales taxes in the city limits of Enterprise from 8 cents to 8.5 cents, effective in May. The ordinance raises the portion of sales taxes levied by the city from 3 to 3.5 cents. The remainder of sales taxes collected in Enterprise goes to the state (4 cents) and the

county (1 cent).

According to city policy, the ordinance could not be acted upon at last week's council meeting unless rules were suspended, so it was introduced to "lay over" until March 4.

The half-cent tax proposal was included in a list of recommendations considered by the council at the request of the Citizens Study Committee on School Reconstruction, which presented the recommendations after two months of studying ways for the city and school board to work together to fund an estimated \$101 million in construction costs to rebuild Enterprise High School and Hillcrest Elementary School. EHS was destroyed and

Hillcrest was badly damaged in the March 1, 2007 storm that took nine lives, including eight at the high school.

School officials say they have about \$63 million in funds from insurance, Federal Emergency Management Agency distributions and a \$32 million one-time state appropriation, but they are estimating a \$30- to \$40-million shortfall in funding.

The recommendations adopted by the council call for the city to issue a \$30 million bond issue, to be amortized by an expected \$2 million annually from the sales tax and about \$550,000 a year collected from a 3.5-mill property tax.

The 25-year-old tax is set

to expire in 2009, but the committee, and now city council members through approval of the proposals, are asking that voters continue the tax but redirect its proceeds from the Enterprise Health Care Authority to the city, to be used to pay down the \$30 million loan, which would be established for a term not to exceed 20 years.

The recommendations were discussed at a public hearing on Feb. 12. Most citizens speaking at the public forum at the EOCC gym were in favor of the additional taxes to pay for the schools' reconstruction.

The city council is expected to approve the committee's recommendations next

week. Council members chose to delay action on the recommendations Feb. 19 because of the need for clarification on whether the school board would accept the recommendation to hire a construction consultant.

The school board Feb. 15 accepted all of the recommendations except the one regarding a construction consultant, but Superintendent Jim Reese said the school board would consider it if hiring a consultant was cost-effective.

Gene Lolly of the school board appeared at the Feb. 19 council meeting to inform council members that a construction advisor was being sought.

"We are aggressively pursuing that," Lolley said. "It is our intent to hire an advisor."

He expected that the interviewing and hiring process would take about two weeks.

"We have no problem laying this over for two weeks ... with the scope of this project," said Council Chairman Paul Russell.

"I think that would be in the best interest of the school board and the city of Enterprise," Councilman Kirk Donaldson agreed.

Mayor Kenneth Boswell said by the time the council considers approving the recommendations, "it will be a moot point because a consultant would be hired."

2-27-08

# CITY COUNCIL MEETING MINUTES OF APRIL 1, 2008

## PRIVILEGE OF THE FLOOR (Persons allowed 3 minutes to address the Council)

The President recognized the Reverend Mark Rowe who requested to address the Council. Reverend Rowe spoke in support of the need to build a new city hall in line with the city's progress.

## OLD BUSINESS

### PUBLIC HEARING – Ad Valorem Tax

The President called for a public hearing on the city's intent to levy a three and a half mill ad valorem tax to help fund the debt service relating to the construction of public school facilities in the City of Enterprise. The will replace the 3.5 mill ad valorem tax currently levied to provide funds for the public hospital and nursing home construction, operation, and maintenance. This tax is set to expire in 2009. No one spoke for or against the issue.

### CONSIDER ORDINANCE 03-18-08-A (Proposed Ad Valorem Tax)

The President called for suspension of the rules to allow for consideration of Ordinance 03-18-08-A providing for approval of the extension of the 3.5 mill ad valorem tax effective October 1, 2009. The Ordinance further provides that notice will be given by publication for four consecutive weeks with respect to the intention of seeking legislative approval of the proposed extension of the tax. Upon legislative approval of the proposed extension of the tax a special election will be called.

Council Member Johnson offered the motion to suspend the rules to allow for consideration of Ordinance 03-18-08-A. Council Member Miller made the second. The vote being: Cooper – Aye; Johnson – Aye; Miller – Aye; Russell – Aye. The President declared the motion carried and the rules suspended. The President called for consideration of Ordinance 03-18-08-A.

Council Member Miller offered the motion to adopt Ordinance 03-18-08-A. Council Member Cooper made the second. The vote being: Cooper – Aye; Johnson – Aye; Miller – Aye; Russell – Aye. The President declared Ordinance 03-18-08-A duly passed and adopted. (On file in the Permanent Ordinance Files in the Office of the City Clerk)



# ORDINANCE 03-18-08-A

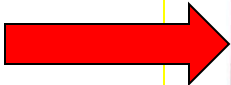
WHEREAS, the City of Enterprise pursuant to the provisions of the Constitution of Alabama of 1901, as amended, presently levies an ad valorem tax in a total amount equal to 10.5 mills in total, with 3.5 mills levied for certain nursing home purposes expiring on September 30, 2009; and

WHEREAS, the City of Enterprise desires to continue such 3.5 mills as recommended by the Citizens Committee in order to fund the debt service relating to the construction of public school facilities.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ENTERPRISE, Alabama (the "City") as follows:


Section 1. Upon evidence presented to and considered by it, the City Council of the City does hereby find and determine as follows:

- (a) In compliance with the provision of Amendment No. 373 to the Constitution of Alabama of 1901, as amended, which now appears as Section 217 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, ("Amendment 373") and particularly paragraph (f) thereof, notice was given by publication in the *Southeast Sun* on March 12, 2008 of a public hearing on March 18, 2008 at 7:00 p.m. in the City Council Chambers in the Municipal Building of the City, and notice given by publication in the *Enterprise Ledger* on March 21, 2008 of a public hearing on April 1, 2008 at 7:00 p.m. in the City Council Chambers in the Municipal Building of the City, with respect to a proposal to increase the rate of the ad valorem tax to be levied and collected annually in the City for general fund purposes for the ad valorem tax year beginning October 1, 2009 and due and payable on October 1, 2010, at the rate of 7 mills [seventy cents (\$.70) on each one hundred dollars (\$100) worth of taxable property within the City] to 10-1/2 mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the City] (said proposal being herein referred to as the "tax rate increase proposal") in order to have funds available which may be used for general City purposes, including but without limitation construction of school facilities, after the expiration of the ad valorem tax presently levied and collected pursuant to Amendment 56 of the Constitution of Alabama of 1901, as amended, which now appears as Section 216.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, ("Amendment 56") and which was approved by the City Council of the City of Enterprise in Ordinance 2-19-85-A on February 19, 1985.
- (b) Pursuant to the aforesaid notice the public hearing was held with respect to the tax rate increase proposal at the aforesaid time and place, and the City Council, as the governing body of the City, has considered the comments made at said public hearing.



## ORDINANCE 03-18-08-A

Section 2. In compliance with the provisions of Amendment No. 373 and particularly paragraph (f) thereof and other provisions of the Constitution of Alabama of 1901, as amended, the City Council, as the governing body of the City, does hereby approve the tax increase proposal and does hereby propose that the rate of the ad valorem tax to be levied and collected annually in the City for general fund purposes for the ad valorem tax year beginning October 1, 2009 and due and payable on October 1, 2010, at the rate of 7 mills [seventy cents (\$.70) on each one hundred dollars (\$100) worth of taxable property within the City] be increased to 10-1/2 mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the City].



Section 3. In compliance with the provision of Amendment No. 341 to the Constitution of Alabama of 1901, as amended, which now appears as Section 106 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, ("Amendment 341"), notice will be given by publication in the newspaper of general circulation in the City for four (4) consecutive weeks with respect to the intention of seeking legislative approval of the proposal to increase the rate of the ad valorem tax to be levied and collected annually in the City for general fund purposes for the ad valorem tax year beginning October 1, 2009 and due and payable on October 1, 2010 at the rate of 7 mills [seventy cents (\$.70) on each one hundred dollars (\$100) worth of taxable property within the City] to 10-1/2 mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the City] in order to have funds available which may be used for general City purposes, including but without limitation construction of school facilities, after the expiration of the 3.5 mill ad valorem tax presently levied and collected pursuant to Amendment 56 of the Constitution of Alabama of 1901, as amended, which now appears as Section 216.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, ("Amendment 56") and which was approved by the City Council of the City of Enterprise in Ordinance 2-19-85-A on February 19, 1985.

Section 4. In accordance with the provisions of Amendment No. 373 and particularly paragraph (f) thereof and the other provisions of the Constitution of Alabama of 1901, as amended, upon legislative approval of the tax rate increase proposal a special election shall be called and held following approval of the tax rate increase proposal by an act of the Alabama Legislature.

# ORDINANCE 03-18-08-A

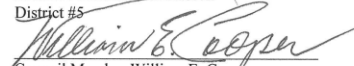
Section 5. The City Clerk is hereby authorized and directed to publish the ordinance one time in the *Enterprise Ledger* or the *Southeast Sun*, which the City Council hereby finds and determines, upon evidence duly submitted to and considered by it, to be newspapers of general circulation


Section 6. This ordinance shall take effect immediately upon its publication as above provided.


Duly passed and adopted this 1 day of April, 2008.

COUNCIL:

  
\_\_\_\_\_  
Council President Paul Russell  
District #5

  
\_\_\_\_\_  
Council Member William E. Cooper  
District #1

  
\_\_\_\_\_  
Council Member Tommy Johnson, Jr.  
District #2

\_\_\_\_\_  
Council Member Kirk Donaldson  
District #3  
  
\_\_\_\_\_  
Council Member Wallace "Al" Miller, Jr.  
District #4

ATTEST:

  
\_\_\_\_\_  
Steve W. Hicks  
City Clerk/Treasurer

Transmitted to the Mayor this 2 day of April, 2008.

  
\_\_\_\_\_  
Steve W. Hicks, City Clerk/Treasurer

ACTION OF THE MAYOR:

Approved this 2 day of April, 2008.

  
\_\_\_\_\_  
Kenneth W. Boswell, Mayor

ATTEST:

  
\_\_\_\_\_  
Steve W. Hicks  
City Clerk/Treasurer

# Enterprise City Council votes to extend property tax increase

Greg Phillips  
gphillips@dothan eagle.com

Dothan Eagle  
4-2-2008

The Enterprise City Council voted unanimously Tuesday night to approve extending a \$8.5 million property tax to help fund the rebuilding of Enterprise High School and Hillcrest Elementary School.

According to council chairman Paul Russell, the city will now advertise the extension for four weeks while seeking approval from the state Legislature to hold a special election on the issue.

In order for the extension to pass, a majority of registered voters in Enterprise will have to approve it.

The tax, which was set to expire in September 2009, currently funds construction, operation and maintenance costs for the city's medical center and nursing home. Under the proposed extension, the tax would be diverted to help pay off the city's \$30 million bond, which is partially funding the rebuilding of the schools.

See TAX, 12

4/2/08

The Dothan Eagle

## Tax

*continued from 1A*

Prior to the vote, the council held its second public hearing on the matter, but no residents

appeared.

The proposed property tax extension follows a recent vote by the council to approve a half-percent sales tax increase that will also be used to fund the new schools.

The sales tax increase takes effect May 1.

# Council votes to support property tax extension

By Melissa Braum  
Sun Staff Writer

In a unanimous vote, the Enterprise City Council April 1 agreed to seek legislative approval to extend a 3.5-mill property tax to help fund the construction of Enterprise High School and Hillcrest Elementary School.

The motion, made by Councilman Al Miller and seconded by Councilman Bill Cooper, gives the council's approval for the extension of a property tax currently in place to "provide funds for the public hospital and nursing home construction, operation and maintenance," said Chairman Paul Russell.

Council members waited to vote on the matter until a second public hearing was held during a regularly scheduled council meeting. The public hearing was an opportunity for members of the community to voice concerns about or support of the extension of the property tax.

Nobody spoke during the second hearing. The first hearing was March 4 at the

Enterprise-Ozark Community College gymnasium.

The next step in approving the 3.5-mill property tax is legislative approval for extension of the tax, Russell said. "Upon legislative approval of the proposed extension of the tax a special election will be called."

If legislative approval is received in a timely fashion, Enterprise residents could be voting for or against extension of the 3.5-mill property tax as early as the upcoming June 3 primaries.

Discussions to extend the property tax began in the wake of the devastating March 1 tornado that destroyed both EHS and Hillcrest and claimed the lives of nine residents.

Though the Enterprise City School Board and the Enterprise City Council are separate entities, the two joined forces (as recommended by the Citizens Study Committee on School Reconstruction) to secure funding to rebuild the two schools.

See Tax, Page 6A

4/4/08

Southeast Sun

## Tax

Continued from Page 1A

The council agreed to secure a \$30 million bond, or loan, that would provide funding needed to fill a shortfall between the estimated \$101.6 million construction costs and the anticipated insurance and federal reimbursements and appropriations.

The study committee recommended the council both extend the 3.5-mill property tax and increase area sales taxes by a half-cent (approved during the March 4 council meeting) to pay down the debt on the

loan.

The city is expected to receive about \$500,000 from the property tax and \$2 million annually from the sales tax.

The 3.5-mill property tax was first approved in 1984 by citywide vote and was set to expire Oct. 1, 2008.

Though the tax was originally established to provide funding for the Enterprise Health Authority (Enterprise Nursing Home), the committee recommended the tax be redirected to the city as the EHA is now on solid

financial standing.

State Rep. Terry Spicer and State Sen. Jimmy Holley have pledged to support the ordinance and do their best to get the tax extension in and out of both legislative chambers as soon as possible.

The Enterprise School Board is not waiting for the tax extension to be approved before beginning construction of the new public schools.

Site preparations currently under way for HES and plans continue to begin construction of EHS this summer.

- STATE OF ALABAMA
- COUNTY OF COFFEE

• NOTICE is hereby given that a bill substantially as follows will be introduced in the 2008 Regular Session of the Legislature of Alabama and application for its passage and enactment will be made:

- Relating to Coffee County; to approve the proposal of the City Council of the City of Enterprise in Coffee County to increase the rate at which an ad valorem tax is levied in the city pursuant to Amendment 373 to the Constitution of Alabama of 1901, now appearing as Section 217, of the Official Recompilation of the Constitution of Alabama of 1901, as amended.
- BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

• Section 1. The following words and phrases shall have the following meanings:

- (1) AMENDMENT NO. 56. That amendment to the Constitution of Alabama of 1901, as amended, that was proposed by Act No. 383, H. 458, 1945 Session and now appears as Section 216.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended.
- (2) AMENDMENT NO. 373. That amendment to the Constitution of Alabama of 1901, as amended, that was proposed by Act No. 6, H. 170, 1978 Second Special Session and which now appears as Section 217 of the Official Recompilation of the Constitution of Alabama of 1901, as amended.
- (3) CITY. Enterprise, Alabama.
- (4) COUNCIL. The Enterprise City Council.

• Section 2. In compliance with the provisions of subsection (f) of Amendment No. 373, there is hereby approved the proposal of the City Council of the City of Enterprise in Coffee County to increase the rate of the ad valorem tax to be levied and collected annually in the city for general fund purposes for the ad valorem tax year beginning October 1, 2009, and due and payable October 1, 2010, at the rate of 7 mills (seventy cents (\$.70) for each one hundred dollars (\$100) worth of taxable property within the city) to 10 1/2 mills (one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the city) in order to have funds available which may be used for general city purposes, including, but without limitation, construction of school facilities, after the expiration of the 3 1/2 mill ad valorem tax presently levied and collected pursuant to Amendment No. 56, which was approved by the Council in Ordinance 2-19-85-A on February 19, 1985.

- Section 3. The increase in the rate at which the ad valorem tax may be levied and collected pursuant to this act is subject to the approval of a majority of the qualified electors residing in the city who vote on the proposed increase at a special election called and held for that purpose pursuant to the provisions of subsection (f) of Amendment No. 373.
- Section 4. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.

# Preclearance Letter



U.S. Department of Justice

Civil Rights Division

*Fax to  
Mazda  
Bessell*

CC:JER:JP:maj  
DJ 166-012-3  
2008-3479  
2008-3621

*Voting Section - NWB.  
950 Pennsylvania Avenue, N.W.  
Washington, DC 20530*

August 26, 2008

R. Rainer Cotter III, Esq.  
Marsh, Cotter & Stewart  
P.O. Box 310910  
Enterprise, Alabama 36331-0910

Dear Mr. Cotter:

This refers to Act No. 2008-496 (H.B. 920), which provides for a referendum requirement with respect to the increase of certain ad valorem taxes, and seven annexations (Ordinance Nos. 05-06-03-A (2003), 09-07-04-B (2004), 11-02-04-A (2004), 03-01-05-D (2005), 05-03-05-B (2005), 06-06-06-A (2006), and 09-05-06 (2006)) for the City of Enterprise in Coffee and Dale Counties, Alabama, submitted to the Attorney General pursuant to Section 5 of the Voting Rights Act, 42 U.S.C. 1973c. We received your submissions on June 27 and July 7, 2008.

The Attorney General does not interpose any objection to the specified changes. However, we note that Section 5 expressly provides that the failure of the Attorney General to object does not bar subsequent litigation to enjoin the enforcement of the changes. Procedures for the Administration of Section 5 of the Voting Rights Act (28 C.F.R. 51.41).

Act No. 2008-496 includes provisions that are enabling in nature. Therefore, the city is not relieved of its responsibility to seek Section 5 review of any changes affecting voting proposed to be implemented pursuant to this legislation (e.g., special elections). See 28 C.F.R. 51.15.


Sincerely,

*for J. Eric Rich*

Christopher Coates  
Chief, Voting Section

## RESOLUTION 09-16-08

WHEREAS, a public hearing was held with respect to the tax rate increase proposal on April 1, 2008 at 7:00 p.m., and in compliance with the provisions of Amendment No. 373 and particularly paragraph (f) thereof and other provisions of the Constitution of Alabama of 1901, as amended, the City Council, as the governing body of the City, approved the tax increase proposal and proposed that the rate of the ad valorem tax to be levied and collected annually in the City for general fund purposes for the ad valorem tax year beginning October 1, 2009 at the rate of 7 mills [seventy cents (\$.70) on each one hundred dollars (\$100) worth of taxable property within the City] be increased to 10-1/2 mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the City]; and



WHEREAS, notice was given, in compliance with the provision of Amendment No. 341 to the Constitution of Alabama of 1901, as amended, which now appears as Section 106 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, (“Amendment 341”), by publication in the newspaper of general circulation in the City for four (4) consecutive weeks on April 1, 8, 15 and April 22, 2008 with respect to the intention of seeking legislative approval of the proposal to increase the rate of the ad valorem tax to be levied and collected annually in the City for general fund purposes for the ad valorem tax year beginning October 1, 2009 at the rate of 7 mills [seventy cents (\$.70) on each one hundred dollars (\$100) worth of taxable property within the City] to 10-1/2 mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the City] in order to have funds available which may be used for general City purposes, including but without limitation construction of school facilities, after the expiration of the 3.5 mill ad valorem tax presently levied and collected pursuant to Amendment 56 of the Constitution of Alabama of 1901, as amended, which now appears as Section 216.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, (“Amendment 56”) and which was approved by the City Council of the City of Enterprise in Ordinance 2-19-85-A on February 19, 1985; and



WHEREAS, Act No. 2008-496, the tax rate increase proposal, was approved by an act of the Alabama Legislature and was signed by Governor Riley on May 29, 2008, all in accordance with the provisions of Amendment No. 373 and the other provisions of the Constitution of Alabama of 1901, as amended; and

WHEREAS, the City Council, on September 2, 2008, approved the holding of the special election on November 11, 2008, as set forth in Resolution No. 09-02-08-E. Due to the fact that November 11, 2008 is a holiday, the City Council hereby desires to establish another date on which the special election of the qualified electors residing in the City will be held to determine if the three and one-half mill ad valorem tax rate increase proposal is approved by a majority of the qualified electors who vote on such proposal; and

WHEREAS, the City Council hereby desires to approve of the form of ballot to be used at the special election to be held and to approve of the notice of special election to be published.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ENTERPRISE, Alabama (the "City") as follows:

Section 1. In accordance with the provisions of Amendment No. 373 and particularly paragraph (f) thereof and the other provisions of the Constitution of Alabama of 1901, as amended, a special election shall be called and held on December 9, 2008 to determine if the ad valorem tax rate increase proposal is approved by a majority of the qualified electors who vote on said proposal. The special election will be held between the hours of 7:00 a.m. and 7:00 p.m., on Tuesday, December 9, 2008 at the M.N. "Jug Brown" Recreation Center, Swenson St., Enterprise, Alabama. ***Resolution 09-02-08-E is hereby rescinded*** and the special election shall be held in accordance with Section 1 hereof.

Section 2. The City Clerk is hereby authorized and directed to publish (i) the Notice of Special Election, in such form attached hereto as Exhibit "A," with such changes as may be deemed necessary in order to comply with the laws of the State of Alabama, at least two (2) months before December 9, 2008, the date of the special election, and (ii) the form of ballot for the Special Election, in such form attached hereto as Exhibit "B," with such changes as may be deemed necessary, along with such notice of special election once a week for three (3) consecutive weeks in the *Enterprise Ledger*, which the City Council hereby finds and determines, upon evidence duly submitted to and considered by it, to be a newspaper of general circulation published in the City.

Duly passed and adopted this 16 day of September 2008.

**ACT No. 2008-496**

1 HB920  
2 99780-4  
3 By Representative Spicer (N & P)  
4 RFD: Local Legislation  
5 First Read: 24-APR-08



1  
2 ENROLLED, An Act,

3           Relating to Coffee County; to approve the proposal  
4 of the City Council of the City of Enterprise in Coffee County  
5 to increase the rate at which an ad valorem tax is levied in  
6 the city pursuant to Amendment 373 to the Constitution of  
7 Alabama of 1901, now appearing as Section 217, of the Official  
8 Recompilation of the Constitution of Alabama of 1901, as  
9 amended.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11           Section 1. The following words and phrases shall  
12 have the following meanings:

13           (1) AMENDMENT NO. 56. That amendment to the  
14 Constitution of Alabama of 1901, as amended, that was proposed  
15 by Act No. 383, H. 458, 1945 Session and now appears as  
16 Section 216.04 of the Official Recompilation of the  
17 Constitution of Alabama of 1901, as amended.

18           (2) AMENDMENT NO. 373. That amendment to the  
19 Constitution of Alabama of 1901, as amended, that was proposed  
20 by Act No. 6, H. 170, 1978 Second Special Session and which  
21 now appears as Section 217 of the Official Recompilation of  
22 the Constitution of Alabama 1901, as amended.

23           (3) CITY. Enterprise, Alabama.

24           (4) COUNCIL. The Enterprise City Council.

1           Section 2. In compliance with the provisions of  
2 subsection (f) of Amendment No. 373, there is hereby approved  
3 the proposal of the City Council of the City of Enterprise in  
4 Coffee County to increase the rate of the ad valorem tax to be  
5 levied and collected annually in the city for general fund  
6 purposes for the ad valorem tax year beginning October 1,  
7 2009, and due and payable October 1, 2010, at the rate of 7  
8 mills (seventy cents (\$.70) for each one hundred dollars  
9 (\$100) worth of taxable property within the city) to 10 1/2  
10 mills (one dollar and five cents (\$1.05) on each one hundred  
11 dollars (\$100) worth of taxable property within the city) in  
12 order to have funds available which may be used for general  
13 city purposes, including, but without limitation, construction  
14 of school facilities, after the expiration of the 3 1/2 mill  
15 ad valorem tax presently levied and collected pursuant to  
16 Amendment No. 56, which was approved by the council in  
17 Ordinance 2-19-85-A on February 19, 1985.

18           Section 3. The increase in the rate at which the ad  
19 valorem tax may be levied and collected pursuant to this act  
20 is subject to the approval of a majority of the qualified  
21 electors residing in the city who vote on the proposed  
22 increase at a special election called and held for that  
23 purpose pursuant to the provisions of subsection (f) of  
24 Amendment No. 373.

1                   Section 4. This act shall become effective  
2 immediately following its passage and approval by the  
3 Governor, or its otherwise becoming law.

*Robert H. Hartsfield*

Speaker of the House of Representatives

*Jim Folsom*

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 30-APR-08.

Greg Pappas  
Clerk

Senate

08-MAY-08

Passed

APPROVED *May 29, 2008*  
TIME *3:48 p.m.*  
*Bob Riley*  
GOVERNOR

Alabama Secretary Of State

Act Num....: 2008-496  
Bill Num....: H-920

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

**EXHIBIT "B"**

**FORM OF BALLOT FOR SPECIAL ELECTION  
OCTOBER 23, 2008**

**FORM OF BALLOT**

**SPECIAL THREE AND A HALF MILL  
TAX ELECTION**

**CITY OF ENTERPRISE, ALABAMA**

**OCTOBER 28, 2008**

Shall the governing body of the City of Enterprise, Alabama, be authorized to levy an ad valorem tax of \$.35 on each one hundred dollars (equal to three and a half mills on each dollar) of the assessed value of taxable property located within the city limits of Enterprise, Alabama, for general purposes of said city, including, but not limited to, construction of school facilities within the City of Enterprise commencing with the tax year that will begin on October 1, 2009 (for which tax year will become due and payable on October 1, 2010)?

- FOR 0.035 % (3.5 mills) additional rate of ad valorem taxation
- AGAINST 0.035% (3.5 mills) additional rate of ad valorem taxation

The voter shall make a cross mark (X) before the proposition that expresses his or her choice.

10/10/06 10:00:00 AM - 10/10/06 10:00:00 AM - 10/10/06 10:00:00 AM - 10/10/06 10:00:00 AM - 10/10/06 10:00:00 AM

**ABSENTEE  
OFFICIAL BALLOT**  
SPECIAL THREE AND A HALF  
MILL TAX ELECTION  
CITY OF ENTERPRISE, ALABAMA  
DECEMBER 9, 2006

TO VOTE, COMPLETE THE ARROW  
POINTING TO YOUR CHOICE LIKE THIS

**SPECIAL THREE  
AND A HALF MILL  
TAX ELECTION**

Shall the governing body of the City  
of Enterprise, Alabama, be authorized  
to levy an ad valorem tax of \$.35  
annually on each one hundred dollars  
(equal to three and a half mills on  
each dollar) of the assessed value of  
taxable property located within the city  
limits of Enterprise, Alabama, for gen-  
eral purposes of said city, including,  
but not limited to, construction of  
school facilities within the City of  
Enterprise, commencing with the tax  
year that will begin on October 1,  
2009?

**FOR** 0.035% (3.5 mills)  
additional rate of ad valorem taxation

**AGAINST** 0.035% (3.5 mills)  
additional rate of ad valorem taxation

**END OF BALLOT**

# Ballot



# NOTICE OF SPECIAL ELECTION DECEMBER 9, 2008

## NOTICE OF AD VALOREM TAX ELECTION IN THE CITY OF ENTERPRISE, ALABAMA

Notice is hereby given that the City Council of Enterprise, Alabama has called and ordered a special election to be held in said City on December 9, 2008, at which there will be submitted to the qualified election of said City, for their determination by ballot, the question of whether the said City shall be authorized to levy annually, commencing with the levy for the tax year which will begin October 1, 2009, for general purposes of the said City, including, but not limited to construction of school facilities within the said City an ad valorem tax, at the rate of three and a half (3.5) mills on each dollar of the assessed valuation of the taxable property within the city limits of the said City. If the said ad valorem tax is authorized at such election, its levy will not increase the rate of taxation presently levied in the City.

The said election will be held between the hours of 7:00 a.m. and 7:00 p.m., on Tuesday, December 9, 2008 at the M.N. "Jug Brown" Recreation Center, Swenson St., Enterprise, Alabama.

# 12/3/08 Enterprise Ledger

## Special tax election will support schools

12-3-08

By Kelly Tabor  
Ledger Staff Writer

The city of Enterprise is holding a special election Tuesday, Dec. 9, and Mayor Kenneth Boswell wants voters to know a vote for the ad valorem tax measure would not mean new taxes.

Revenue from the ad valorem tax currently goes to the Enterprise Health Authority and the Enterprise Nursing Home under a 25-year agreement that expires

next year. If the proposed measure passes, the city would instead use the ad valorem tax revenue formerly allocated to the Health Authority and Nursing Home to pay off the \$30 million school bond, which is being used to rebuild the tornado-destroyed Enterprise High School and Hillcrest Elementary School.

Boswell said he supports the ad valorem tax redistribution and

emphasized property owners already pay the tax and have done so for 24 years. He said the election would simply decide whether to redistribute it to pay for the school bond.

"The main thing I want people to know is this is not a new tax, it's a redirection of a current tax to the city," said Boswell. "It's something we've been paying for the past 24 years, but this would change where that tax money

goes."

The ad valorem tax is a three and a half mil property tax levied on taxable property within the city limits. For example, owners of a property with an assessed value of \$100,000 would pay \$35 per year. City Clerk Steve Hicks projects revenue from the ad valorem tax would total \$700,000 per year. That amount, combined with \$2.1 million per year from the city's half-cent sales tax increase, would

allow the city to pay off the bond without cutting services or raising taxes.

"We've figured this debt very closely," said Hicks. "We want to be able to continue all the other functions of the city and not endanger city services."

Hicks and Boswell said City Hall is banking on the ad valorem tax measure passing and if it does not, cuts may have to be made in other areas.

"Steve and I don't have any intention of raising taxes. People living here on fixed incomes don't need to suffer from another increase in sales taxes," said Boswell. "But it's imperative that this passes. We don't have a choice. We've got to build a school. The money has to come from somewhere, so if it doesn't pass it's back to the drawing board."

Please see **Tax**, Page 4A

### Tax

12-3-08  
EW

continued from Page 1A

Boswell said Enterprise Nursing Home board members support the measure to funnel the money to the schools,

"They've been very solvent, done some investing and practiced

good money management. This will not negatively impact them at all," said Boswell.

"They saw the bigger picture and want to be good stewards of the city."

Boswell said the tax redirection is an investment in public education in Enterprise.

"Education is as much an economic tool

as anything else," he said. "It adds integrity to the community. History shows when prospective industries look at a city, they also look at the education system. One of the reasons Fort Rucker was drawn to Enterprise is our school system. This money would be spent to help the city on a long-term basis."

# Enterprise Ledger 12/11/08

## Residents approve 3.5 mill tax for schools

By Carole Brand  
Ledger Staff Writer

12-11-08  
EL

Enterprise city voters Tuesday approved extending a special 3.5 mill ad valorem tax on taxable property within the city limits to help with rebuilding of Hillcrest Elementary School and Enterprise High School.

The tax extension was approved by more than a 2-to-1 margin as 878 votes were cast for tax proposal and 392 votes against it.

The 3.5 mill ad-valorem tax was enacted 24 years ago to be used for the Enterprise Nursing Home and managed by the Enterprise Health Authority, which recently stated it no longer needed the money.

The city council set the special referendum to let voters decide if they wanted to renew the tax and reallocate it to Enterprise City Schools to help pay off a \$30 million bond issue for rebuilding of Enterprise High School and Hillcrest Elementary School. The city also enacted a half-cent sales tax last May to assist in the rebuilding projects.

Enterprise Mayor Kenneth Boswell encouraged citizens last week to vote to approve extending the tax, stating the "yes" vote would not mean new taxes.

"Property owners already pay the tax and have so for 24 years," he said. "The election simply decided whether to redistribute it to pay for the school

bond."

According to City Clerk Steve Hicks, owners of property with an assessed value of \$100,000 would pay \$35 per year.

Hicks said projected revenue from the ad valorem tax would total \$700,000 per year. That amount, he stated, combined with \$2.1 million per year from the city's half-cent sales tax increase, would allow the city to pay off the bond without cutting services or raising taxes.

Boswell said it was imperative that the ad valorem proposal was approved noting " We don't have a choice. We've got to build a school. The money has to come from somewhere."

### Votes by district

■ District 1 Yes - 69 No - 17	■ District 4 Yes - 129 No - 58
■ District 2 Yes - 206 No - 85	■ District 5 Yes - 210 No - 94
■ District 3 Yes - 260 No - 136	■ Absentee Yes - 4 No - 2

Source: County election officials

How did you vote?  
Tell us at  
[www.eprisenow.com](http://www.eprisenow.com)



## CITY COUNCIL SPECIAL MEETING MINUTES – DECEMBER 16, 2008

- The City Council of the City of Enterprise convened in special called session at 7:30 a.m., Tuesday, December 16, 2008 in the Council Chambers at City Hall. All council members were notified of the meeting and said meeting was posted for public notice as per Act No, 2005-40 on Wednesday, December 10, 2008.

- 

PRESENT: Council President William E. Cooper, District #1  
Council President Pro-Tem Tommy Johnson, Jr., District #2  
Council Member Kirk Donaldson, District #3  
Council Member Wallace "Al" Miller, Jr., District #4

ALSO PRESENT: Mayor Kenneth W. Boswell  
City Clerk Steve Hicks was present and kept the minutes

ABSENT: Council Member Paul Russell, District #5

- 

### NEW BUSINESS

- CONSIDER RESOLUTION 12-10-08 (Canvas of Votes-Ad Valorem Tax Election)

- In accordance with Amendment No. 56 to the Constitution of Alabama of 1901, as amended, the President called for consideration of Resolution 12-10-08 providing for the canvassing of the votes from the municipal ad valorem tax election held December 9, 2008. The result of the election is as follows:

<u>District</u>	<u>For</u>	<u>Against</u>
District # 1	69	17
District # 2	206	85
District # 3	260	136
District # 4	129	58
District # 5	210	94
Absentee	4	2
Totals	878	392

- The resolution also provides that the majority of votes were cast for passage of the tax. The City Council determined to declare the final results of said election at its Special Meeting scheduled for December 16, 2008, in accordance with Amendment No. 373 to the Constitution of Alabama of 1901, as amended.
- Council Member Miller offered the motion to approve Resolution 12-10-08. Council Member Johnson made the second. The vote being: Cooper – Aye; Johnson – Aye; Donaldson – Aye; Miller – Aye. The President declared Resolution 12-10-08 duly passed and adopted. (On file in the permanent Resolution Files in the Office of the City Clerk)

- 

- INTRODUCE ORDINANCE 12-10-08 (Levy of 3.5 Mil Ad Valorem Tax)

- The President Called for consideration of Ordinance 12-10-08 providing for continuation of a 3.5 mill ad valorem tax as per approval of a majority of votes (878-For/ 392-Against) cast in a special election held December 9, 2008. The tax, levied for general fund purposes, will help fund debt service related to the construction of public school facilities. The current tax, presently levied for certain nursing home purposes, expires on September 30, 2009. The continuation of the tax will go into effect beginning October 1, 2009 and will be due and payable on October 1, 2010 and thereafter for a total period of 25 years.

- Council Member Miller offered the motion to approve Ordinance 12-10-08. Council Member Donaldson made the second. The vote being: Cooper – Aye; Johnson – Aye; Donaldson – Aye; Miller – Aye. The President declared Ordinance 12-10-08 duly passed and adopted. (On file in the permanent Ordinance Files in the Office of the City Clerk)

# ORDINANCE 12-10-08

## 3.5 Mill Ad Valorem Tax

WHEREAS, the City of Enterprise pursuant to the provisions of the Constitution of Alabama of 1901, as amended, presently levies an ad valorem tax in a total amount equal to 10.5 mills in total, with 3.5 mills levied for certain nursing home purposes expiring on September 30, 2009; and

WHEREAS, the City of Enterprise desires to continue such 3.5 mills as recommended by the Citizens Committee in order to fund the debt service relating to the construction of public school facilities; and

WHEREAS, in compliance with the provision of Amendment No. 373 to the Constitution of Alabama of 1901, as amended, which now appears as Section 217 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, ("Amendment 373") and particularly paragraph (f) thereof, notice was given by publication in the *Southeast Sun* on March 12, 2008 of a public hearing on March 18, 2008 at 7:00 p.m. in the City Council Chambers in the Municipal Building of the City, and notice was given by publication in the *Enterprise Ledger* on March 21, 2008 of a public hearing on April 1, 2008 at 7:00 p.m. in the City Council Chambers in the Municipal Building of the City, with respect to a proposal to increase the rate of the ad valorem tax to be levied and collected annually in the City for general fund purposes for the ad valorem tax year beginning October 1, 2009 and due and payable on October 1, 2010, at the rate of 7 mills [seventy cents (\$.70) on each one hundred dollars (\$100) worth of taxable property within the City] to 10-1/2 mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the City] (said proposal being herein referred to as the "tax rate increase proposal") in order to have funds available which may be used for general City purposes, including but without limitation construction of school facilities, after the expiration of the ad valorem tax presently levied and collected pursuant to Amendment 56 of the Constitution of Alabama of 1901, as amended, which now appears as Section 216.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, ("Amendment 56" ) and which was approved by the City Council of the City of Enterprise in Ordinance 2-19-85-A on February 19, 1985; and

WHEREAS, a public hearing was held with respect to the tax rate increase proposal on April 1, 2008 at 7:00 p.m., and in compliance with the provisions of Amendment No. 373 and particularly paragraph (f) thereof and other provisions of the Constitution of Alabama of 1901, as amended, the City Council, as the governing body of the City, approved the tax increase proposal and proposed that the rate of the ad valorem tax to be levied and collected annually in the City for general fund purposes for the ad valorem tax year beginning October 1, 2009 and due and payable on October 1, 2010, at the rate of 7 mills [seventy cents (\$.70) on each one hundred dollars (\$100) worth of taxable property within the City] be increased to 10-1/2 mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the City]; and

# ORDINANCE 12-10-08

## 3.5 Mill Ad Valorem Tax

WHEREAS, a public hearing was held with respect to the tax rate increase proposal on April 1, 2008 at 7:00 p.m., and in compliance with the provisions of Amendment No. 373 and particularly paragraph (f) thereof and other provisions of the Constitution of Alabama of 1901, as amended, the City Council, as the governing body of the City, approved the tax increase proposal and proposed that the rate of the ad valorem tax to be levied and collected annually in the City for general fund purposes for the ad valorem tax year beginning October 1, 2009 and due and payable on October 1, 2010, at the rate of 7 mills [seventy cents (\$.70) on each one hundred dollars (\$100) worth of taxable property within the City] be increased to 10-1/2 mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the City]; and

WHEREAS, notice was given, in compliance with the provision of Amendment No. 341 to the Constitution of Alabama of 1901, as amended, which now appears as Section 106 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, ("Amendment 341"), by publication in the newspaper of general circulation in the City for four (4) consecutive weeks on April 1, 8, 15 and April 22, 2008 with respect to the intention of seeking legislative approval of the proposal to increase the rate of the ad valorem tax to be levied and collected annually in the City for general fund purposes for the ad valorem tax year beginning October 1, 2009 and due and payable on October 1, 2010 at the rate of 7 mills [seventy cents (\$.70) on each one hundred dollars (\$100) worth of taxable property within the City] to 10-1/2 mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100) worth of taxable property within the City] in order to have funds available which may be used for general City purposes, including but without limitation construction of school facilities, after the expiration of the 3.5 mill ad valorem tax presently levied and collected pursuant to Amendment 56 of the Constitution of Alabama of 1901, as amended, which now appears as Section 216.04 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, ("Amendment 56") and which was approved by the City Council of the City of Enterprise in Ordinance 2-19-85-A on February 19, 1985; and

# ORDINANCE 12-10-08

## 3.5 Mill Ad Valorem Tax


WHEREAS, Act No. 2008-496, the tax rate increase proposal, was approved by an act of the Alabama Legislature and was signed by Governor Riley on May 29, 2008, all in accordance with the provisions of Amendment No. 373 and the other provisions of the Constitution of Alabama of 1901, as amended; and

WHEREAS, heretofore, Kenneth W. Boswell, Mayor of the City of Enterprise, gave notice of a special election to be held on Tuesday, December 9, 2008, for the purpose of determining whether or not the City Council of the City of Enterprise may levy and collect an additional ad valorem tax of 3.5 mills for general fund purposes, including but without limitation construction of school facilities, on property situated in said City based on the valuation of such property as assessed for taxation during the preceding year for a period of 25 years, with all registered and qualified electors residing within the corporate limits of Enterprise, Alabama for thirty (30) days or more immediately preceding the date on such election being authorized to participate in said elections; and whereas publication of the notice of special election having been published in the *Enterprise Ledger* on October 9, 16, and 23, 2008; and

WHEREAS, the City Council of the City of Enterprise met at its regular meeting place on December 10, 2008 as required by Amendment No. 56 to the Constitution of Alabama of 1901, as amended, and adjourned the meeting and the canvassing of the returns of the special election until December 16, 2008;

WHEREAS, a canvass of such special election having been made by the City Council of the City of Enterprise, Alabama, on the 16th day of December, 2008, in accordance with Amendment No. 373 to the Constitution of Alabama, 1901, as amended: and

WHEREAS, the City Council determined that a majority of the votes cast in the special election voted in favor of the City Council's proposal to levy and collect the additional ad valorem tax of 3.5 mills for general fund purposes on property situated in said City, as aforesaid; and now, therefore,



BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ENTERPRISE, Alabama (the "City"), that there is hereby levied an additional ad valorem tax for general fund purposes on property situated in the City of Enterprise based on the valuation of such property as assessed for taxation during the preceding year for a period of 25 years at the rate of three and half mills, which is equal to thirty five cents on each one hundred dollars (\$100) worth of taxable property within the City, to be levied for general fund purposes, including but without limitation, construction of school facilities. The effective date of such additional ad valorem tax shall be October 1, 2009, with the first year tax due thereon on October 1, 2010. The additional ad valorem tax of three and a half mills to be levied and collected annually in the City for general purposes shall cause the ad valorem tax rate for the ad valorem tax year beginning October 1, 2009 and due and payable on October 1, 2010, to be levied at a rate of 10 ½ mills [one dollar and five cents (\$1.05) on each one hundred dollars (\$100.00) worth of taxable property within the City]. This ordinance affects the levy and collection of ad valorem tax for general fund purposes only and in no way affects any other existing levy of taxes heretofore made by the City of Enterprise.

Duly Passed and Adopted this 16 Day of December 2008.