

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.

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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 you 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 \$58,608,521, Reese said. Another \$5.2 million in potential revenue brings the

possible funding available for both schools to \$63,839,871.

The projected estimate to rebuild Enterprise High School is \$87,293,372. Hillcrest Elementary's reconstruction estimate is \$14,486,663.

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 Boll Weevil Circle.

The bulk of the costs at the high school is for the academic building and other facilities such as lunchroom, choral and band rooms, auditorium, JROTC rooms and range, 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 \$3.5 to 4 million to the school system per year based on current sales revenues.

Funding plan for Enterprise schools to be heard tonight

Jim Cook
jcook@dothan eagle.com

Jan 30, 2008

A committee appointed to look into finding funding to rebuild schools damaged by a tornado in Enterprise will make its recommendations to city and school leaders tonight.

The committee was appointed to find ways the City of Enterprise and the Enterprise City Schools could work together to raise money needed to bridge a nearly \$33 million gap in funds available and funds needed to rebuild Enterprise High School and Hillcrest Elementary School. The school system says it needs \$101 million to rebuild the two schools. It has about \$68 million from insurance payouts, a state appropriation and FEMA funds.

Enterprise City School Superintendent Jim Reese had asked the city commission to consider a one-cent sales tax. Mayor Ken Boswell has suggested the city and the school system pool their financial resources and see if a bond issue is possible.

At a city school board meeting Tuesday, Reese addressed how the system would respond if the committee's solution didn't cover the \$33 million funding gap. Reese said the city schools' administration was still looking into other possible sources of funding and that components of the high school, such as an auditorium and stadium, could be put on the back-burner.

If you go ...

What: City/school meeting

When: 5 p.m. today

Where: Enterprise City Hall

See **SCHOOLS**, 2A

online
@
Jan 30, 2008
eprisenow.com

**Mayor, council
to consider options
in helping rebuild
high school**

Special to the Ledger

Enterprise Mayor Ken Boswell and members of the Enterprise City Council will meet at 5 p.m. today for a work session to hear a committee report regarding funding options to help rebuild Enterprise High School.

The school was destroyed in the March 1 tornado, and the Enterprise City Board of Education has asked the city to help fund the rebuilding project. The work session will convene in the Mayor's Conference Room at City Hall.

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 Cotter, a developer; and financial consultants from Frazier Lanier and Merchant Capitol.

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

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

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 \$2.6 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 governs the Enterprise Nursing Home, can be redirected to the city in 2009, when the 25-year tax expires. Local voters will determine whether to extend the tax, expected to collect about \$550,000 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 current \$14 million bond issue for the construction last year of the Early Education Childhood Center is paid off in 2016, the school system would assume the \$550,000 payment, allowing the school system to contribute more than \$7 million over the last 13 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 85 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 doable financially 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 coming 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.

Carr told the council that the committee's calculations try to protect the city, and securing a good interest rate could help allay 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.

Neal Brown, chairman of the Health Care Authority, said he and board members are proud to be able to say 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 250 patients.

Brown, who has been on the board for eight years, following in the footsteps of his father, M.N. (Jug) 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 was mayor at the time. City council members were Jackie Thompson, Billy Murdoch, Billy Bishop, Richard Fleming and John Lester. Nursing home board members were Jug Brown, Yancey Parker, Gwendolyn Garth, Bill Gunter, Bruce Donaldson, Ben Henderson Jr., Bill Searcy, Frank Clark and Polly Waters.

Members of the Health Care Authority today, in addition to Brown, are Jim Weatherford, Bubba Bryars, Karen Sessions, Z.I. Fleming, Billy Mixon, Beverly Mitchell, Eugene Goolsby, Dr. Stafford Thompson, and Dr. David Rhyne, 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-mil tax expires in 2009 after 25 years of collections.

He said the board members voted unanimously to support directing the tax 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 to 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 is on the line 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 have lived 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 pared 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

2-6-08

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 Cooper, Kirk Donaldson, Al Miller and Paul Russell, will have a 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

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 EOCC 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.

TH

Public responds to school funding recommendations

BY KAY NIKLAND
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 commit-

tee 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

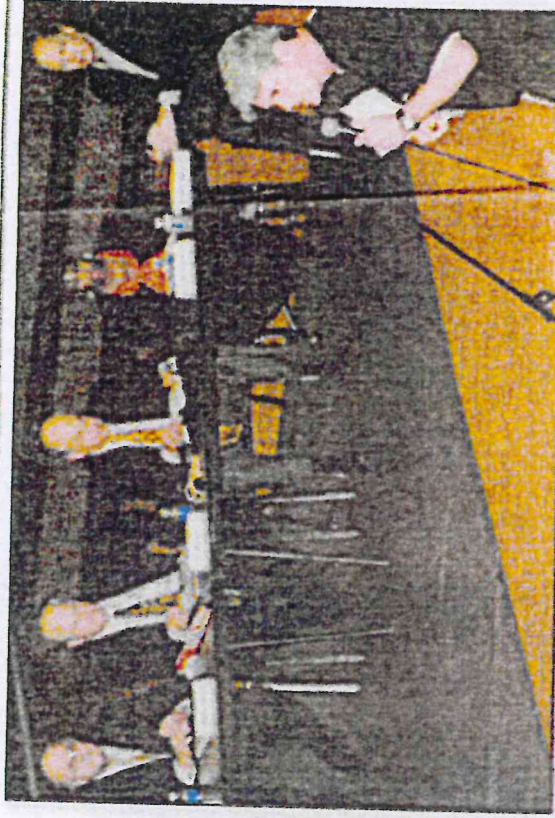


Photo by Laura Pizzo
Dr. Mike McQueen expresses support for a school funding committee's recommendations at Tuesday night's public hearing.

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

Mayor Kenneth Boswell 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 Foy 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 300 people, including many school employees, attended the hearing, which was far from full. 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 Boswell 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 Stinnett, 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 Harrelson 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 Schools students have been attending classes at EOCC, 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.

Harrelson 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
Lodge 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-damaged 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.

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

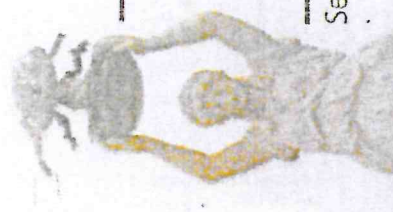
Some residents have suggested rebuilding both schools for the approximately \$60 million already in hand, but school officials

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.

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THE ENTERPRISE Ledger

Serving the Wiregrass for 110 Years

February 21, 2008

www.eprisenow.com

City council, school board agree on consultant issue

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



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.

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.

City council to vote on sales tax increase

Danny Harrison
Media General News Service

March 4, 2008

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.

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.

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

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continue to give our merchants a competitive edge (over some surrounding cities such as Dothan, which now collects 9 cents, and Montgomery, which collects 10 cents)," Boswell said.

He told council members that he worried about the financial pressure that adding a sales tax would place on people with fixed incomes and those with low incomes in the city, but he believes the half-cent will have the least impact on those people.

Boswell said passing a half-cent also gives the city some flexibility for the future.

Boswell explained that should the city, which is currently financially sound, face an unexpected crisis or need in the future, officials would be able to enact the additional half-cent tax.

The council also voted to approve a resolution setting a March 18 public hearing on the 3.5-mill property tax. City and school officials will be asking voters to continue the 25-year-old 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 tax is set to expire in 2009, but Boswell hopes to go ahead and get the proposal on the June 2008 primary ballot.

Boswell thanked the Citizens Study Committee on School Reconstruction for working to try to find the best solution to the funding problem.

"We were asked to aid in a funding issue," he said. "We feel we've acted prudently in asking the professionals to review the situation."

Boswell said city leaders had no intention of raising taxes at this time and would not have had the tornado not devastated the city and the school system.

"We are financially sound. Our five-year plan for the city is working," Boswell said. "But we were not able to take on the citizens' needs and the additional debt load (for the schools)."

School Board President Gene Lolly was on hand at the meeting and told council members that construction consultant Douglas Skelton had been hired to advise and monitor the construction of both Hillcrest and EHS. The council had asked the school board to consider

that recommendation from the citizens study committee.

Council Chairman Paul Russell said council members are pleased that the board chose to follow that recommendation.

Russell thanked the school board and school officials for their hard work during the funding issue process.

Several community residents were on hand at the meeting. Sue Neuwien and Robin Foy both addressed the council and expressed support for the city's intervention in the funding issue. Neuwien, however, questioned whether the tax would be retired when the debt is satisfied.

"Taxes have a way of being added but never taken away," she said.

Council President Paul Russell said that no limit was placed on the number of years that the tax would be collected because city officials are unable to predict what infrastructure needs may exist in 20 years.

Foy expressed interest in the availability of public information about the projects as construction moves forward.

Russell said the construction consultant would provide ongoing updates.



THE ENTERPRISE Ledger

Serving the Wiregrass for 110 Years

March 4, 2008

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.

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.

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Localnews

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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. 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.

Enterprise City Council passes sales tax increase to fund schools

Wednesday March 5, 2008

Danny Harrison
Media General News Service

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

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."

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

Tax issue vote set for April 1

By Danny Harrison
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 \$20 million short in funds to replace them.

Please see Tax, Page 6A

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 velorem 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 68 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

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the council subsequently agreed, that the city not wait until 2009 to seek voter approval for extending the tax.

According to the Alabama Constitution, a property tax can be implemented only by approval from the local legislative body (in the city's case, the council), the state Legislature and the

voters.

Mayor Kenneth Boswell said to save time in the process, the bill can be considered in the Legislature while it is being publicly advertised.

State Rep. Terry Spicer and State Sen. Jimmy Holley have pledged to support the ordinance and to get it in and out of both chambers as soon as possible.

Spicer said he does not foresee a problem and believes that the bill can be passed in time to allow the special election to take place along with the June 3 Alabama primaries.

School officials have already broken ground for construction on a new Hillcrest, and are hopeful that construction on EHS can begin this summer.

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 by 8 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 \$10 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 EOCG 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 Lolley 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

Enterprise City Council votes to extend property tax increase

Greg Phillips

gphillips@dothanagle.com

Dothan Eagle
4-2-2008

The Enterprise City Council voted unanimously Tuesday night to approve extending a \$3.5 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

Tax

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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.

DE SUN APRIL 4, 2008

Council votes to support property tax extension

By Melissa Braun
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.

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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 \$550,000 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, 2009.

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

4/24/09

City council passes school bond ordinance

By Michelle Mann
Lester Staff Writer

A major financing component needed to rebuild two Enterprise schools is a \$31 million

municipal bond, and the Enterprise City Council voted unanimously to pass an ordinance providing for the bond's authorization and approval Tuesday.

The net interest cost of

execution of a warrant purchase agreement for sale and issuance of the bond for building Enterprise High School and Hillcrest Elementary School is 4.48 percent, investment banker Bob

Young told City Council members Tuesday evening. The city had contracted with The Frazier Lanier Co. Inc. and Merchandise Capital LLC to work with Mayor

Kenneth Boswell to negotiate and execute the warrant purchase agreement. The funds were expected to arrive Thursday, City Clerk Steve Hicks said, calling the net interest cost rate "excellent."



Tell us what you think. Submit your comments at www.eprisenow.com.

Special tax election will support schools

CL 12-3-83

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-damaged 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 mill 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

12-3-83

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."

City council schedules special tax election

EL Sept 14

By Kelly Tabor
Ledger Staff Writer

A special citywide election will be held Nov. 11 in Enterprise for residents to vote on a proposal to change the use of a portion of the city's ad valorem tax to benefit city schools.

The Enterprise City Council approved a resolution Tuesday night to hold the special election. City residents currently pay the "according to value" tax of 10.5 mills annually (one mill is equal to one-tenth of one

cent) with 3.5 mills earmarked for the Enterprise Nursing Home in a contract that will expire in September 2009.

The city is proposing to redirect the money that had been going to the Enterprise Nursing Home into the city's public schools if the change is approved by voters in the special election. The change would occur upon expiration of the contract with the nursing home.

The special election will mark the second time for local voters to go to the polls in a week.

Although the general election for state and national political offices is scheduled Nov. 4, city attorney Rainer Cotter said the special election could not be scheduled that day because the U.S. Justice Department just approved the proposal Tuesday morning. There is a mandatory 60-day waiting period following the federal agency's approval before a vote can occur.

City Clerk Steve Hicks said the special election is roughly estimated to cost the city \$18,000.

In other action, Mayor Kenneth Boswell said the City of Enterprise has applied for a credit rating which may help it obtain better insurance rates on the city's \$30 million bond, which was taken out to help rebuild Enterprise High School and Hillcrest Elementary School.

"We want to be rated so we can appear more attractive to bond investors," said Boswell, who hopes the city will earn an A or A1. He said larger metropolitan cities earn a AA or AAA rating.

The council also voted

Tuesday to proceed with plans to construct two access roads off the south end of the Highway 84 bypass.

The Alabama Department of Transportation will open bids in December for a four-lane expansion project on the bypass, according to Boswell. The council has agreed to act as a conduit between ALDOT and the Byrd family, the private owners of the undeveloped land across the road from Camellia Commons.

Please see Tax, Page 2A

Mayor votes on tax issue



EL 12-10-06

Carole Brandt/brandt@enterprise.com

Enterprise citizens decided on Tuesday whether the city of Enterprise should be authorized to continue a 3.5 mill ad valorem tax to assist with construction of the new Enterprise High School. Enterprise Mayor Kenneth Boswell went to the Jug Brown Recreation Center to cast his vote early Tuesday morning. Boswell encouraged citizens to vote yes on the tax proposal to assist the school system. See results of the tax vote by districts in Thursday's *The Enterprise Ledger*.

Residents approve 3.5 mill tax for schools

By Carole Brand
Lodger Staff Writer

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 ■ District 4
Yes - 69 Yes - 129
No - 17 No - 58

■ District 2 ■ District 5
Yes - 206 Yes - 210
No - 85 No - 94

■ District 3 ■ Absentee
Yes - 260 Yes - 4
No - 136 No - 2

Source: County election officials

How did you vote?
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Localnews

Spicer seeks extra \$9 million for city schools

Special to the Ledger

MONTGOMERY — State Rep. Terry Spicer (D-Elba) introduced legislation this week to allocate an additional \$9 million dollars to help rebuild Enterprise City Schools.

Both Enterprise High School and Hillcrest Elementary School were extensively damaged by a tornado in March 2007.

"One of my top priorities is to make our local schools whole again.

This is just the first step to help make up the difference in the funds that are needed to complete the rebuilding efforts," said Spicer.

House Bill 619 would also authorize the use of federal stimulus funds to help in capital improvement costs associated with tornado-

related damage to Enterprise City Schools.

The bill is now awaiting action by the Education Appropriations Committee.

Spicer also serves as Chairman of an Education

Appropriations Subcommittee called The Study of Burned-Out Schools and Schools Destroyed by Natural

Disasters.

The primary goal of this sub-committee is to examine ways that other schools damaged by natural disasters can benefit from insurance coverage, additional funding if needed, and the feasibility of self-insurance.

"Even in this rough economy, we must continue to find ways to fund these types of projects. We already allocat-

ed \$32 million from the 2008 budget, and this additional \$9 million we are working on will benefit Enterprise City Schools a great deal," said Spicer.

The Alabama House of Representatives will next convene on Tuesday, March 3, for the ninth legislative day of the 2009 Regular Session.

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