

**MINUTES**  
**SPECIAL CALLED MEETING OF THE VALDOSTA CITY COUNCIL**  
**8:00 A.M., THURSDAY, OCTOBER 17, 2013**  
**COUNCIL CHAMBERS, CITY HALL**

**OPENING CEREMONIES**

Mayor John Gayle called the Special Called Meeting of the Valdosta City Council to order at 8:00 a.m. Council members present were: Joseph "Sonny" Vickers, Tim Carroll, Alvin Payton, Jr., Deidra White, Robert Yost, and James Wright. Councilman Ben Norton was absent. The invocation was given by Councilman Alvin Payton, Jr., followed by the Pledge of Allegiance to the American Flag.

**LOCAL FUNDING AND REQUESTS**

Consideration of a request to approve the Local Option Sales Tax (LOST) Certificate of Distribution.

Mayor Gayle entertained a motion to adjourn the Special Called Meeting and enter into Executive Session for the purpose of discussing litigation.

**A MOTION** by Councilman Carroll, seconded by Councilman Vickers, was unanimously adopted (6-0) to adjourn the Special Called Meeting at 8:05 a.m. and enter into Executive Session to discuss litigation.

Mayor Gayle entertained a motion to reconvene the Special Called Meeting.

**A MOTION** by Councilman Vickers, seconded by Councilman Carroll, was unanimously adopted (6-0) to reconvene the Special Called Meeting at 8:25 a.m.

Mayor Gayle stated that there was action taken in the Executive Session and entertained a motion to approve the Local Option Sales Tax (LOST) Certificate of Distribution.

**A MOTION** by Councilman Payton, seconded by Councilman Carroll, was unanimously adopted (6-0) to approve the LOST Certificate of Distribution to continue at its current rates.

**CITY MANAGER'S REPORT**

Larry Hanson, City Manager, stated that he did not have anything to report.

**COUNCIL COMMENTS**

Mayor Gayle stated that he did not feel good about the decision they just made but their first responsibility is to the citizens and the taxpayers of Valdosta and Lowndes County. If the Local Option Sales tax lapses, it would have meant that the taxpayers would suffer the most. Anyone who says they can operate their government without any consequences to services or taxpayers from losing this tax is not being honest. While none of us like taxes, they are necessary and LOST is perhaps the best and most fair tax for taxpayers. In 2010, the Georgia General Assembly recognized that some governments were threatening to allow the LOST to lapse, either as a strong arm tactic to get what they wanted or to impose a new and different tax which would benefit only certain governments at the expense of others. In 2010, with the support of both the Georgia Municipal Association (GMA) and the Association County Commissions of Georgia (ACCG), the LOST statute was amended to put an arbitration process in place that would prevent any single party from letting the tax lapse. The statute required the parties to first negotiate for 60 days, then have 30 days for third party mediation, and if no agreement was reached through negotiation and mediation, then any party could file for baseball arbitration. If no one filed for baseball arbitration, the tax would expire. If the tax expired, either property taxes would skyrocket or services would be drastically cut. The Cities, recognizing the damage that would be done by allowing the tax to expire, followed the statute and filed for baseball arbitration. After all, what could be more fair than both parties giving their best number to a neutral third party and having that party pick one figure or the other? In Lowndes County, four meetings were scheduled for negotiations between the parties. The five Cities were present at all four meetings and were prepared and willing to negotiate; however, the County chose to attend only the first meeting in which they presented their request to leave things the same as they were and even threatened us if we did not accept to raise their portion. Naturally, with one party absent, no agreement was reached. Prior to and during mediation, the Cities reduced their request several times. The County never reduced their request even one penny. Negotiation and mediation always require compromise to be successful. In practically every arbitrated case the Cities prevailed.

The reason is because the analysis supported the Cities requests and Judges routinely rejected the schemes offered by Counties. One County Attorney, after the County he represented lost in court, chose to challenge the constitutionality of baseball arbitration. Many warned of the potential dire consequences of such a challenge with taxpayers suffering the most if any challenge invalidated the law. The Georgia Supreme Court ruled that the baseball arbitration was an unconstitutional violation of the separation of powers clause in the Georgia Constitution thus setting in place near chaos around the State. Rather than make threats of letting the tax lapse or make demands to keep the distribution the same for 20 years, the City was working to save the tax for the benefit of all taxpayers in Lowndes County including those who live in Cities as well as the unincorporated area. Valdosta was at the table in helping to work out the solution that GMA and ACCG have sent out with the support of the Attorney General and Department of Revenue Commissioner. I am proud of our City for being part of the solution to prevent the lapse of this tax because of one lawsuit and I am pleased today that we are voting for what is in the best interest of taxpayers. With Lowndes County dropping their demand for this tax to remain in place under the 2002 certificate until 2022, the Cities are willing to sign, understanding that ACCG, the County Association, favors re-negotiation in the coming years which our five Cities support as well. As the five Cities did in 2010, we plan to abide by any action taken by the General Assembly next year. We will always be willing to meet and negotiate in good faith with a commitment to compromise and discuss these difficult issues with respect for each other and in service to our citizens. Mayor Gayle thanked the Council for their hard work and understanding.

Councilman Vickers thanked Mayor Gayle, Larry Hanson, City Manager, and Councilwoman White for their leadership in the LOST negotiations.

Councilman Yost stated that he appreciated Mayor Gayle, Larry Hanson, City Manager, Councilwoman White, City Attorney George Talley, and the Attorneys the City hired to represent us in this battle. It should not have been a battle. The County elected officials forget who they represent and they do not just represent those people in the unincorporated areas of Lowndes County. They represent every citizen in this County which includes us and those who reside in the Cities. They forget that quite often and treat us as step children. It is time for them to realize that we have the power of the vote just like anybody else does. Hopefully, once the General Assembly makes a decision in the next Legislative Session, the County will be expected to sit down with us and negotiate as they did not under the former Chairman of the County Commission. They demanded and told us what we were going to do and it does not work that way. Negotiation is something where you sit down and talk to each other in a respectful way hoping to reach a compromise. Councilman Yost stated that he also wanted to say something about the inaccuracies of the stories in the Valdosta Daily Times. He hopes that whoever writes any of the stories should get the facts straight before they write anything that is not correct which he sees quite often in the Valdosta Daily Times. Truly, if the Editor and the Publisher would work with the City as they so closely do with the County representatives, the whole community would be a better place to live. He can say that in many different ways and make the same point but he was being nice in his comments. We are signing a Certificate and we will get that money in time. He appreciated the work and the amount of time that the Council put in for this process.

Councilman Payton stated that he appreciated the efforts of Mayor Gayle, City Attorney George Talley, City Manager Larry Hanson, and Councilwoman White in getting us to that point. Mayor Gayle had an excellent summation of how we got to this point from day one to the present.

Councilman Wright stated that he agreed with the other Council members in that they all did a good job on the LOST negotiations. Councilman Wright also thanked the Mayor and Council for all their kindness, thoughts and prayers, and the cards that were sent to him during his recent illness. Mayor Gayle stated that it is was good to have Councilman Wright back.

**CITIZENS TO BE HEARD**

There were no citizens to be heard.

**ADJOURNMENT**

Mayor Gayle entertained a motion for adjournment.

A **MOTION** by Councilman Carroll, seconded by Councilman Payton, was unanimously adopted (6-0) to adjourn the October 17, 2013 Special Called Meeting of the Valdosta City Council at 8:38 a.m. to meet again in Regular Session on Thursday, November 7, 2013.

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City Clerk, City of Valdosta

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Mayor, City of Valdosta