

DEDICATED TO THE PROMOTION OF TOWNS COUNTY

OPINIONS & COMMENTARY

Questions and Answers from the desk of Commissioner Bill Kendall



Last week's Questions and Answers stated that county commissioners in Georgia could construct buildings costing millions of dollars with the property owners having to pay for them over many years without the voters approving a bond referendum. I thought the Georgia Constitution required voter approval to put a County in debt.

A: A few years ago a law was quietly passed by the General Assembly that allows Commissioners to get around the Constitution by using a gimmick known as a Lease Purchase Agreement. Under this plan Commissioners enter into an agreement with a financial institution to construct and own government buildings that cost millions of dollars. The County agrees to lease the buildings one year at a time in order to get around the Constitutional requirement that voters must approve a bond referendum to put a county in debt beyond the one year budget.

The Commissioners may then disband the present governmental buildings they are currently occupying and future commissioners are hooked to keep leasing the new financially owned buildings, with the taxpayer's property having to "foot the bill", in order to operate the Government.

Q: You stated the interest rates counties must pay under these Lease Purchase Agreements are usually higher than if the voters approved general revenue bonds in a referendum. Why is the interest rates higher and why would commissioners use this method if it cost the taxpayers more in interest rates?

A: Yes, constructing governmental buildings through the lease purchase plan costs taxpayers more for two reasons. (1) Higher interest rates, the risk is greater to the lending institutions because future commissioners could decide not to renew the lease which legally can be for only one year in order to get around the Constitution of putting taxpayers in long term debt without voter approval. (2) The second reason it cost taxpayers more is that the Lease

Purchase requires Commissioners to finance and pay interest for the entire cost of the construction of the buildings even though they may have some operating reserve funds that could be used to lower the amount borrowed and interest to be paid.

Q: What are the advantages to Commissioners for going around the Constitution using Lease Purchase to construct Government buildings?

A: There are two schools of thought of Lease Purchase vs. the general revenue bonds approved by voters. The Lease Purchase Plan is quick. Commissioners can construct the buildings faster by going around the voters, they don't have to justify the size, how elaborate the building is, how much the cost, the need of the buildings, where they will be located, or have the risk that the voters may turn down the plan in a referendum. They can just move forward with the project and pass the tax bill on to the property owners without the messy process of getting voter approval.

By using voter approval of General Obligation Bonds the process is just the reversal. Commissioners must develop a plan that they feel they can sell to the public and convince voters that it is a needy county project that is financially feasible for the taxpayers to take on the debt to be paid over the years and get voter approval in a referendum. This is the plan the Constitution intended - It has its checks and balances of not putting taxpayers' property in long term debt obligations without their approval.

I plan to adopt an Ordinance titled "Taxpayers Empowerment Act" which will restore to Towns County citizens their constitutionally intended power of voter approval before long-term debt is obligated on their property.

Another concern of mine is elaborate unfunded pension plans that are getting the Federal Government, States and some County Governments in financial trouble.

The Middle Path

by Don Perry

We are quite comfortable with virtual reality in America. On average, we watch about 19 hours of television every week. This number does not include time spent playing games online or using Wii or Playstation and it does not include the hours we spend using the various forms of social media like Facebook. It has been noted that by the time we reach our 18th birthday we have seen approximately 200,000 violent acts on television, but today's discussion is not about media and physical violence, but rather about virtual reality and the violence being done to our financial futures.

If you were born in the 60s or 70s, some of the "violent acts" you witnessed probably took place on the Bugs Bunny - Road Runner show. It still bothers me that Wile E. Coyote never quite caught up to the Roadrunner, but this morning I am grateful to W. E. C. for providing an excellent metaphor for the state of our economy. You may recall how often in pursuit of that annoying bird, Wile E. would run off the edge of a cliff and remain suspended in midair for a few moments - until he looked down. He was apparently supported by his belief that he was still standing on solid ground. In much the same way, the stock market today maintains its dizzying heights, but only as long as we believe.

When the Roman Republic was lost to the Roman Empire, the satirist, Juvenal, wrote that the only two things desired by an increasingly hedonistic population were bread and circuses. The Roman government appeased the population by giving away free bread and staging spectacular entertainment events. Today we have entitlement programs and television. However, if the not-so-wily coyote of our virtual economy should ever look down, far below us some very hard facts await.

Mary Meeker of Kleiner Perkins recently

GUEST COLUMNS

From time to time, people in the community have a grand slant on an issue that would make a great guest editorial. Those who feel they have an issue of great importance should call our editor and talk with him about the idea. Others have a strong opinion after reading one of the many columns that appear throughout the paper. If so, please write. Please remember that publication of submitted editorials is not guaranteed.

LETTERS TO THE EDITOR SHOULD BE EMAILED OR MAILED

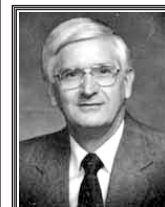
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Note: All letters must be signed, and contain the first and last name and phone number for verification.

analyzed the US economy as if it were a business. In 2010, federal revenue was \$2.2 trillion. Expenses were \$3.5 trillion. Let that sink in for a moment, and then consider what we spent that money on and where the revenue came from. Fifty-eight percent of those expenses went to entitlements, including Social Security, Medicare and Medicaid, Unemployment Insurance and other miscellaneous entitlements. There is the "bread" of "bread and circuses."

Political pundits tell us that we have to reduce the size of government to improve the economy, but federal spending on education, infrastructure, law enforcement and judiciary functions account for only 12 percent of our expenses. Defense spending accounts for only 20 percent. If we eliminated both entirely, we would still be in the hole \$456 billion.

Some say that we will have to increase taxes to avoid financial disaster. Of the \$2.2 trillion in revenue, 81 percent came from individual income tax plus social insurance taxes. (Congress has for some time and despite rhetoric to the contrary, considered social security not as a trust but as revenue.) Only 9 percent of government revenue came from corporate income taxes, but interestingly, 10 percent of U.S. citizens, including corporate C.E.Os and the ownership class, own 70.9 percent of all assets.

Approximately half of us now work to pay taxes that support the other half, who cannot work, do not work or will not work, and our share of the wealth continues to diminish while the top ten percent grows steadily richer. To make matters worse, much of our share of that diminishing wealth is tied up in retirement plans heavily invested in securities trading at many times the value of their earnings. Don't look down.



"IT'S ON MY MIND.."
Danny H. Parris

You Can't Plow Fast

Beautiful, sunny, warm spring days have a way of infusing new zest and vigor into sluggish living. There's something magical about clear blue skies, bright sunshine, warm days, budding trees, colorful flowers, and songbirds joyfully singing with their finest voices. Springtime can make the laziest person want to plant a garden (or at least think about it). There's just something about human life that makes us want to go dig in the dirt this time of year. I suppose it is because God created us out of dust. Of course, not everyone possesses the knowledge to be a successful tiller of the earth. I heard a story about two city slickers from Chicago who had never been out of the city, but they were "fed up" with concrete and asphalt living. They bought a ranch down in Texas and decided to earn their living by the sweat of their brow as God intended. They figured out that probably the first thing they needed was a mule to plow the land. They went to the nearest neighbor and inquired if he had a mule for sale. They were disappointed that he didn't have a mule for sale but they hung around for a little visit to be neighborly. While talking, one of the men spied some watermelons stacked up against the barn and asked the farmer what they were. The farmer, sensing their lack of knowledge about farming, decided he would have some fun with them, saying, "Why, those are mule eggs!" He said, "If you take one of those home and wait for it to hatch you will have a mule." Well, they were thrilled to learn that they could hatch their own mule. They bought one of those "mule eggs", put it on the back of their pickup and started for home. On the

way they hit a good-sized bump and the watermelon bounced out and burst open. The driver, seeing in the rear-view mirror what had happened, turned around very abruptly to see if he could salvage his "mule egg." In the meantime, one of those long-eared Texas jackrabbits was hopping by, saw the watermelon and jumped right in the middle of it and started eating. The two city slickers pulled up along side the mule egg and were astonished to see this long-eared creature standing there and they began shouting, "Our "mule egg" has hatched." They jumped out of the truck and ran toward their "mule." The jackrabbit took off with the two men in hot pursuit. True to its nature the jackrabbit ran in a circle with the two city slickers giving chase until both of them collapsed to the earth in exhaustion. Watching the jack rabbit vanish into the distance one of them said, "Well, I guess we lost our mule!" The other man, gasping for breath, replied, "Well, I am not sure I wanted to plow that fast anyway." Plowing is like life. God never intended for us to plow fast. That's the reason He gave the mule strength and the jackrabbit speed. You can never be a successful gardener unless you plow with patience, plant in faith, and pleasantly wait for the precious fruits of harvest. It is also true in living life. God never intended for us to plow headlong into life with blind force so as to damage and destroy everyone and everything in our path. Neither does He want us to plow under, to bury or cause to vanish those precious relationships of life; those relationships with spouses, children, parents, siblings, neighbors, friends and the like, need to be tended with the most tender care and love. Let us carefully prepare the soil of our lives, plant the finest seeds of character and enjoy the abundant harvest of love, joy and peace both now and forever more. There will be a harvest either of good or of evil.



RARE KIDS; WELL DONE

By Don Jacobsen

Q: Dr. Don, my daughter just brought home an exceptionally good report card. Do you think I ought to reward her for her discipline and hard work? About two years ago I started paying her for doing chores around home and it has helped her remember to do them.

A: Depends on what you mean by "reward." Should you commend her and fix her favorite dessert after dinner some night? Absolutely. Should you give her \$5 for every A? I don't recommend it. Let me tell you why.

Rewards are a funny thing. We want our kids to learn to do right because it is right and not because someone provides an unrelated reward. As parents we're not after good grades, per se, but rather strong character, responsibility, that they learn to see a job that needs to be done and then they do it. If we teach them to respond to external rewards, and the rewards go away, often the motivation goes away too. So the reward system doesn't

really fit with our long-term goals for our kids.

You mention that you pay your daughter to do chores at home - the same principle applies. The fact that your daughter is better able to remember because she is paid is good, but it's short-term-good. Long term your goal is to help her see herself as a valued member of the family and to take responsibility for carrying her share of the load.

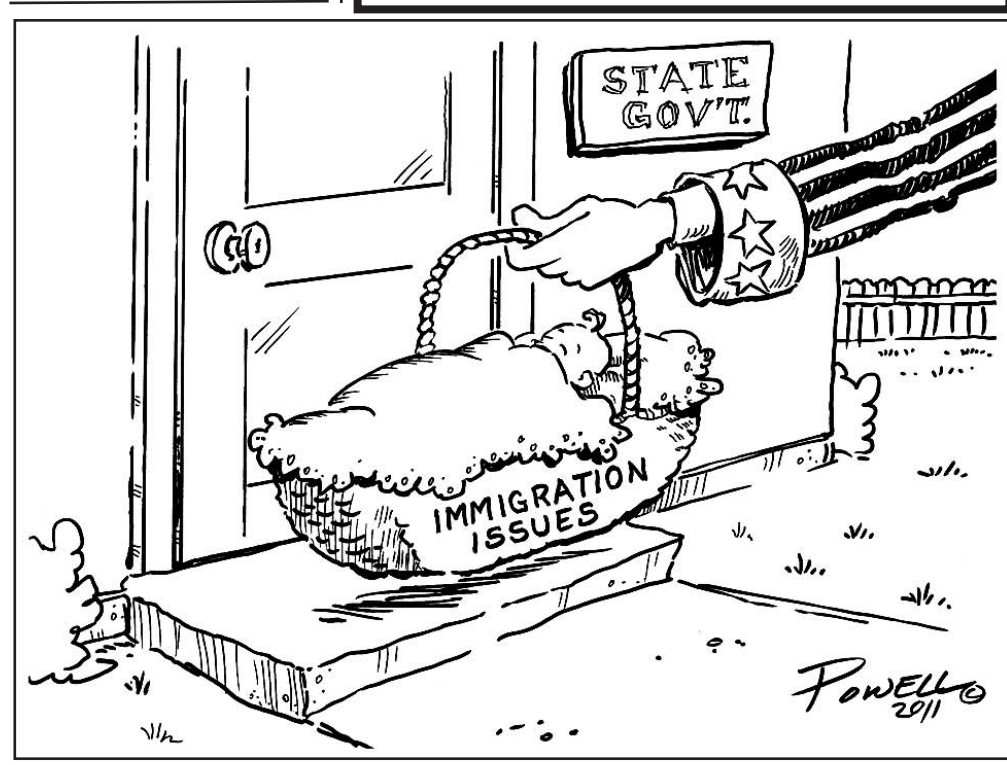
I know, our culture has changed a bit on this. I'm a member of the last generation of kids that went out and mowed lawns, then brought the money home to help the family. Today's kids expect to be paid for mowing their own lawns. I'm not arguing that we go back, but that mom and dad be intentional about helping Tricia and Sean grow up learning to be contributors, not just entitlement-motivated freeloaders.

Send your parenting questions to: DrDon@rarekids.net.

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