

Capital Project Sales Tax Commission Minutes – November 10, 2015

General Attendance: County Councilman Jerry Stewart, Chairman, Executive Committee; County Councilman Gerald Dawson; Joe Croley, Lowcountry InsideTrack, Ltd

Staff Attendance: Gary Kubic, County Administrator; Josh Gruber, Deputy County Administrator

Commission Attendance: Mike Tripka, Andrea Siebold, Mike Sutton, Carolyn Smith, Dean Moss, Joseph Kline, Linda Maietta

Call to Order:

Chairman Mike Sutton called the meeting to order at 3:01 p.m. and asked everyone to stand and say the Pledge of Allegiance.

Meeting minutes were reviewed from the October 21, 2015, meeting. A motion was made by Mr. Dean Moss to approve as written, seconded by Ms. Andrea Siebold. Motion was passed unanimously (Mr. Mike Tripka not present).

Chairman Sutton proceeded to discuss a meeting schedule. A copy of the County calendar was provided to members. In order to help facilitate the scheduling of meetings, the Commission discussed the application process with target deadlines.

January 30, 2016 – date for government entities to have their prioritized list, with costs, to the Commission. If directives are completed at this meeting and sent out by Thanksgiving, that allows municipalities two months to pull this together. Question rose regarding upcoming holidays and allowing additional time for submission. The overriding opinion was that most government entities already have their capital projects lined up and are just trying to find a funding source. Meeting the January 30, 2016, date should not be a hardship.

Motion made by Mr. Mike Tripka to set the deadline date of January 30, 2016, for the municipalities to provide the Commission with a prioritized list of projects with costs; seconded by Mr. Dean Moss. Motion was passed unanimously.

Mr. Dean Moss asked if it would make sense to make a first-cut list of proposals and hold a public hearing. Commission would publish the list; post it on the County's web site and ask for public comment. Could be a gauge to what the public is feeling. After much discussion, it was decided that a public hearing of this sort is not necessary. All Commission meetings are open to the public and taped/broadcast for anyone to view. All city/town meetings municipalities may have in regard to capital projects are also open to the public. Commission meetings to be scheduled with the municipalities will also be open to the public and will be taped/broadcast. In addition, all project lists will be published and posted to the County's website.

February/March/April 2016 – Schedule presentations from municipalities and County.

May 2016 – Commission will complete list and prepare referendum.

June 1, 2016 – date for the Commission to have a draft referendum ready to present to Council. This allows time for questions from Council (if any) and for Council to have a final product by their target date of August 15, 2016.

Discussion held on the referendum. This Commission has the authority to determine if the capital sales tax money should end after a period of time (maximum 8 years) or end at certain dollar value. The Commission could also recommend bonding. The Executive Committee recommended a one cent tax which would generate approximately \$30 million per year with a maximum timeframe of 4 years. Bonding would allow the money to be available quicker (possibly within 12 months) and because it would be voter-approved, does not affect the County's 8% debt limit. Voters would see/receive the benefits of bonding within 4 or 5 years. Also need to consider the cost of borrowing money. Based on projects submitted, projects might dictate of Commission votes to bond or not.

Focus then returned to the list of criteria. Using Chairman Sutton's revision to the recommended guidelines, the following criteria were confirmed:

1. Must be a realistic and/or achievable public infrastructure with a real and immediate need.
2. Must be completed during the term of the tax period (include in body of letter)
3. Value to the entire County (include in body of letter)
4. Must have post-development operations and maintenance cost budgeted and funded at time of completion of the project.
5. Cannot be in direct competition with private sector development (may be a partnership if generally for public use).
6. Must be physical in nature (brick and mortar).

The letter to municipalities (mayors and town managers) should ask for a description of the project, the area to be served, and the estimated capital cost to include planning, engineering, land acquisitions (soft costs) associated. List from municipalities should be in order of importance. Priority would be given to projects that leverage other sources of funding and to projects where planning/engineering has already been completed. Letter will be shared with all Commission members prior to mailing/publication. Projects will be submitted to Ms. Linda Maietta who will then share with the Commission via drop box and will have published on the County's website.

The next meeting is scheduled for February 9 (3:00 pm – 5:00 pm), with one following on February 23 (3:00 pm – 5:00 pm). Both will be held in the Executive Conference Room (ECR) in the County Admin Building on Ribaut Road. Ms. Maietta will check on availability and advise members. The Commission will review the submissions from municipalities at the February 9th meeting. County could make a presentation to the Commission on February 23.

Tentative dates for March meetings follows:

- March 8– one day go South – one in am (Bluffton)/one in pm (Hilton Head)
- March 22– one day go North – one in am (Beaufort)/one in pm (Port Royal)/Yemassee
- March 29 – available (NOTE: Easter is on March 27).

Once dates are confirmed, Ms. Maietta will contact municipalities to schedule and arrange for meeting space.

The Commission requested an update on school district and possible referendum from Mr. Josh Gruber. Council still wishes this group to continue.

Commission adjourned at 5:01 p.m.

By:
Linda Maietta
Capital Project Sales Tax Commission Staff Liaison

APPROVED: 2/9/2015