

Local Option Sales Tax Citizen Committee

August 8, 2017

Milton, Florida

The Local Option Sales Tax Citizen Committee met at 9:00 a.m. on the above date with the following members present: Chairman Ed Carson, Vice Chairman Tony Alexander, Edwin Henry, Amy Cozart, Frederick Barrow, Tamara Fountain, Dean Easterwood, Colten Wright, Scott Kemp and James Calkins. Also present were the County Administrator (Tony Gomillion), Assistant County Administrator (Dan Schebler), Budget Director (Jayne Bell) and Administrative Coordinator (Sabrina White).

- 1) **Call to Order-** The meeting was called to order by Chairman Ed Carson in the Santa Rosa County Administrative Center, Board Room at 9:00 a.m.
- 2) **Approval of Minutes from July 11, 2017-** Calkins moved approval of the minutes for the July 11, 2017 Local Option Sales Tax Citizen Committee meeting, the motion was seconded by Alexander and approved by the Committee.
- 3) **FY17 LOST Project Update- Discussion of the status of approved FY17 LOST projects using the interactive project map at the following link: <http://arcg.is/rfCia>.** Schebler described the online tool and how to navigate the website to the map story. After the overview of the tool, Schebler then reviewed the project statuses using the map story. Kemp asked if any matching funds were used for the Woodbine Road resurfacing project. Schebler responded, no this was only Local Option Sales Tax funds. During the review of Allentown Road, Kemp asked if staff was looking ahead at phase II for expanding the road for the growth that was occurring in the area. Schebler said that the work included some widening of shoulders that would provide better access for the fire department, but did not include an extra lane. Kemp followed with asking if there is following efforts from a different line item. Gomillion responded not on this road. The only identified road for this area identified for four-laning would be Woodbine Road and the estimate was several millions for that project and it would most likely be the first to come on line.

Schebler noted that the Harold Fire department project may need to be accelerated with a future LOST project once we receive the information from the engineers. Preliminary information is showing that it may be most cost effective and timely to combine the FY17 project with the future expansion. Staff will bring the item back once more information is received.

- 4) **FY18 LOST Project List- Discussion of FY18 LOST Project List and a recommendation to the BOCC regarding same.** Schebler opened the discussion by describing the intent to update the committee on the FY18 project list and take any feedback or comments from the committee. The final result should be a recommendation to Board of County Commissioners by the Committee for a final FY2018 project list. Schebler noted the removal of the Jail AC conversion from LOST list and noted it would be funded from the general fund. Henry asked why the BOCC recommended it be removed from the LOST list? Schebler explained that it was necessarily recommended that it be removed but there were a couple committee members that asked questions that the project didn't appear to be an appropriate sales tax use, it didn't fit the mold and didn't lend itself well to promotion of the tax. Henry responding by asking why the committee didn't think it fit the mold, was it because it is maintenance? Carson responded that it was already a part of the CIP prior to the sales tax.

Schebler proceeded with the list and mentioned the change to the new Navarre Beach restroom facility has been split funded with \$180,000 from LOST funds and \$180,000 from Tourist Development Tax funds.

Schebler noted the addition of a Tiburon drainage project which was added to the list and it is recommended that \$2,500,000 be funded from LOST and \$650,000 from road and bridge reserves. The Tiburon drainage project was ranked the highest of the projects in the Pace area that would make the most improvement impact.

Kemp asked where the 2.5 million came from to fund the Tiburon project. Schebler explained that it was the 2.5 million that had been allocated for the jail AC conversion. Alexander asked when the Tiburon project was identified as a need. Schebler said after the June 2017 rains as provided by the Engineering department. Gomillion further explained the impact of the Tiburon project on the 547-acre basin that there were 32 unique addresses that had experienced in home flooding in the 2014 and June 2017 rain events. Compared to an area like Holley by the Sea that is 13 square miles and has only experienced 12 unique addresses with flooding inside the home and not just in garages or out buildings.

Schebler closed out the list discussion and opened it up to the committee for discussion.

Kemp requested districts be added to the list. Schebler explained bold lines identified the divider between each district.

Alexander questioned the \$100,000 ADA compliance under the recreation section and asked if it was district specific. Schebler explained that would be countywide and as upgrades are made to individual parks the ADA upgrades would be made as well. Alexander followed with asking if it was enough to cover the needs. Schebler explained that it depends on the park and where the facilities are.

Fountain asked how capital equipment was handled for crews that needed to clean ditches and such for stormwater. Schebler explained that yes there is roughly \$2 million of capital equipment being purchased out of the road and bridge reserves and not LOST. Fountain followed by asking if additional staff was funded for the Road and Bridge department. Schebler said yes, four (4) new employees were added to the Road and Bridge department.

Cozart asked how the \$200,000 recreation funds for each district would be expended in their discretionary funds and if they were supposed to be spent in the fiscal year. Schebler explained that the funds would go into each commissioner's discretionary fund but would be tracked separately and would be allocated in each fiscal year. Cozart followed with so they are expected to spend it in that fiscal year? Schebler said the project must meet the surtax guidelines and could not be used for maintenance. Cozart said her concern was that it would just build up and wants to ensure there is a plan for how it will be spent. She wants to ensure that it is spent to make the improvements that are needed.

Carson asked about the Tiburon drainage project and if the cost of \$3.1 million was the total cost. Schebler replied that was the engineer's probable cost estimate. Carson asked if that was considering any grants or outside leveraging. Schebler responded no.

Henry asked how much of the FY17 and FY18 revenue was going toward projects. Schebler responded that more was being expended than revenue received. The intention is to front load some of these projects with an internal loan from general funds and pay back once the revenues are received. Henry asked if leveraging components had already been decided on these projects. Schebler explained that five of the projects on the list had HMGP federal funding and the cost of the LOST list was only 25% of the total cost.

Henry move to discuss some of the projects seemed more of maintenance projects and they should possibly be funded from the general fund and used the Edgewood paving project as an example. Schebler explained that all the projects on the list had their eligibility determined by County Attorney and met the criteria. Carson added that the criteria also specified that they project/item must have a five-year life cycle. Gomillion followed by explaining that if a project is taken off the LOST list and shifted to the general fund it may be delayed for some time. While there have been a few shifted, there is a limit to the general fund revenue to fund them all without delay. The LOST funds have allowed some of these projects to be accelerated.

Kemp brought up the topic of MSTU and MSBUs for possible funding for some of the projects on the list. He also feels the Board of County Commissioners should review transportation impact fees again to help reduce the strain on the LOST funds.

Barrow commented that as he has reviewed the list he feels that it is very well put together and falls within the guidelines. Fountain followed with she is glad the list meets the statute and a good use of the money. She stated that it is important that the committee help the citizens understand the different taxes and the restrictions on each. Alexander also supports the list as presented. Feels that in five years from now that if we are not faced with a disproportionate of funds it will be hard for it not to pass again. Kemp has no problem with list as well. Carson likes the list as presented and appreciates that there is about a 50% bump because of leveraging.

Calkins as if the public could speak prior to a formal recommendation of the FY2018 project list.

Roy Harris expressed that we need an inclusive park that allows everyone to participate. A park of this kind is a testament of who we are as a people. We have a responsibility to all citizens even those with disabilities. Those with disabilities, excel at their level and they should have a place to do so.

Calkins asked about the recreation projects. Schebler explained that there are some general ideas of what the projects will be. There is a list of several needs including dated playground equipment, boat ramps and docks needing repair, replacing sand with wood fiber and many others that staff will begin discussing with each district committee to identify the priority. Calkins asked what the percentage of allocation was for recreation on the list. Schebler said the overall target for recreation is 10%. Calkins stated the list complies, but he feels the that the recreation percentage should be increased. Gomillion commented that the allocation has been set, so if you add more percentage to one category then you must provide guidance as to which category to remove the percentage from.

Easterwood stated he appreciates how staff has been good stewards with putting the list together and though parks and recreation is important, when families are being flooded that should be priority. Wright made a motion to approve the FY2018 project list as presented. Henry seconded the motion. The motion passed unanimously.

Henry would like to see the leveraging components illustrated better and feels it will help the committee in discussion with citizens. Schebler explained that the leveraging information is on the map story as well.

- 5) **FY18 Budget/CIP- Discussion of the Capital Improvement Plan included in the FY18 Tentative Budget.** Schebler gave a brief overview of the Capital Improvement Plan that is being reviewed in the FY18 budget process and expressed that it is a plan that can and will change. The plan includes other revenue sources and is more of a whole picture of capital expenditure.

Kemp asked why there were no Electric Franchise fees used for FY2018. Bell explained that there are no capital projects to be done using those funds in FY2018.

Fountain asked if Electric Franchise fees were allocated to the Road and Bridge fund. Bell explained that the current process is to allocate \$125,000 from Electric Franchise fees to each district's recreation fund, 10% of the anticipated Electric Franchise fee revenue is allocated to economic development, \$1.8 million is allocated to the road and bridge fund and the remainder goes to the general fund.

Fountain expressed that she doesn't feel that a spec building for economic development is appropriate. Kemp responded that if we don't have a building, we will never have businesses come here. Henry asked if the 84 Lumber building was occupied. Gomillion explained that it was under private ownership.

Henry asked where the gas tax was represented and if it was restricted. Schebler explained that it goes directly into the road and bridge fund. Bell added that some of the gas tax can be used for general operations, but most goes directly to road capital.

Alexander asked for an explanation on the board room audio upgrade. Gomillion explained that it was an enhancement of the board room's audio-visual equipment to address several issues of the audience not being able to hear board discussions.

Henry asked for an explanation of the Building Inspections expenditure in the CIP. Schebler explained that it was for new vehicles for the building inspectors to replace vehicles that had over 200,000 miles. Henry followed by asking Bell to provide information of building permit revenues and where excess funds go. Jayne explained that the Building Inspection department will now be an enterprise funds, so the excess will stay within that department's reserves.

- 6) **Meeting schedule- Discussion of next meeting date - potentially November - to begin FY19 LOST project review.** The committee discussed possible dates and set October 31st, at 9:00 a.m. for the next meeting.
- 7) **Other Business- Open discussion of other items of interest to committee members.** Henry stated that he wanted all the committee members to see the capital history, so we have a baseline for the future. Henry also pointed out the disparity in how much revenue the School Board receives compared to the County.
- 8) **Adjournment-** With no further business to come before the committee, the meeting adjourned.



Chairman