

Special Meeting
Local Option Sales Tax Citizen Committee
July 11, 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: Edwin Henry, Amy Cozart, Frederick Barrow, Tamara Fountain, Dean Easterwood, Ed Carson, Colten Wright, Tony Alexander and James Calkins. Scott Kemp was not present. Also present were the County Administrator (Tony Gomillion), Assistant County Administrator (Dan Schebler), Budget Director (Jayne Bell) and Administrative Coordinator (Sabrina White).

The meeting was called to order by Gomillion in the Santa Rosa County Administrative Center, Board Room at 9:00 a.m. Gomillion said today's meeting will serve as an opportunity for staff to familiarize the committee with the status of the Local Option Sales Tax (LOST) and take input to discuss the way forward. He said the Board of Commissioners held three public workshops along with other regular meetings where the infrastructure sales tax was discussed. Gomillion said input was received during the workshops and then categories were developed with target percentages for appropriating funds. He said this is a fluid process and is not intended to be absolute. Gomillion said he would expect that at the end of five years, the county will fall within the range of the targets. He said there are events that occur and priorities that change. Gomillion said staff hopes to take committee input and feedback to the Board of Commissioners for incorporation into the final FY18 county capital budget. He said he invites the committee to ask questions of the staff. Gomillion said hopefully the committee members leave today better equipped to have an opinion, offer advice and input to staff and the Board of Commissioners as the county moves forward. He said this advisory group is subject to the Sunshine Law; committee members will need to restrict conversations with each other to topics not applicable to the LOST effort or any advice they may be offering to the Board of Commissioners on the LOST.

1) LOST Overview

Overview of the statute, ordinance and financial guidance on implementation.

Schebler said his intent and objective is that this be as interactive and two-way as possible. He said the presentation has evolved over time. Schebler said after hearing public comments and with guidance from the Board some things have been refined. He said some approaches are different but the numbers are essentially the same. Schebler said the projects are essentially the same with new ones "here and there."

2) Current status

Discussion of the present status of Board discussions.

Schebler made a PowerPoint presentation to the committee (attachment in file). He read aloud a portion of the Sales Tax for Infrastructure ballot language. Schebler said the county started working through the public meetings in April. He said staff took notes and with guidance put together a target allocation. Schebler said the Board approved the target allocations of 52% for transportation and drainage, 27% for public safety, 2% for capital equipment, 4% for public facilities and 10% for parks and recreation. He said 5% was left unallocated which can flex one way or the other based upon the year-to-year changes and guidance from the Board or changes the county is subject to such as flooding events. Schebler said those target allocations were approved by the Board on the May 11th. He said the list of short term, immediate projects for FY17 have been reviewed by the public, taken to the Board and approved on May 25th. Schebler said staff also presented a list of tentative FY18 proposed projects at that time which was refined during the meeting. He said the Board of Commissioners stated the staff needed to call together the Local Option Sales Tax Citizen Infrastructure Committee and that is when he started engaging the committee members.

Schebler reviewed the list of approved FY17 projects.

Gomillion said the county is a little behind the curve on some of the ADA (Americans with Disabilities Act) requirements and is trying to meet an obligation that helps from a liability standpoint to have available accessible facilities in different parts of the county. He said over time the county is trying to upgrade some facilities. Gomillion said regarding the fire department funding, the county has nine MSBU (Municipal Service Benefit Unit) fire departments that although they are called by name because they are volunteer departments, work in unison. He said if the county buys the breathing apparatus station at Allentown, it will serve as a regional facility for multiple departments. Gomillion said it is the same with most of the other equipment on the list. He said each department has an interlocal and mutual aid agreement whether it is with a special district like Midway, Holley-Navarre or one of the nine MSBU's.

Fountain asked if the funding for recreation is in addition to the amount of money in specific district accounts for recreation. Schebler said yes. Fountain asked the amount anticipated for each district in 2018. Bell said each one of the districts will receive approximately \$125,000.00, outside of the LOST.

Fountain asked if that amount “rolls.” She asked what would be in the district accounts currently with the additional amount. Bell said it ranges anywhere between \$400,000.00 and \$900,000.00 depending upon the projects that districts have and are working on. Fountain asked if that is individually or collectively. Bell said individually. Henry asked if the amounts are cumulative totals from previous years. Bell said yes. Gomillion said much of the annual appropriation usually involves improvements to existing facilities such as the field irrigation and operational needs. He said in some cases the district commissioner will accumulate money if there is a capital project such as adding a new field or a vision to purchase an additional field. Henry asked Gomillion to describe the purpose of the funds allocated in the budget each year to the district for that purpose. Gomillion said the grass cutting and things of that nature are in a maintenance line for the Parks Department. He said there is a hybrid situation where some of the improvements to an existing facility are coming from the district funds.

Henry said a lot of comments were made during the process leading up to the vote on the LOST about existing county budget and how the citizens will know these funds will not be used to replace funds already allocated in the county budget for these type of activities. He said when asked his opinion on whether or not he will support this again he wants to be able to say yes and one of reasons that will allow him to say yes is if he knows the county is not replacing existing county maintenance expenses or any other expenses with LOST funds. Gomillion said he can bring in a capital list from previous years and what Henry will see on a parks and recreation capital needs list are items that have been “carried.” He said Henry will see a lot of needs that were not going to be met any time soon.

Schebler said the county has obligated or spent to date, a little over \$1 million. He said there is a LOST page on the county website that shows the amount of revenue that has come in so far this year and it is about \$3.3 million that has come in, in the first six months of the year with this sales tax. Schebler said one of the discussion items that came up repeatedly during the public meetings was leveraging; using these dollars to leverage other grant funds and federal dollars. He said in FY17, these projects leveraged approximately \$900,000.00 of additional federal funding. Schebler said the county would have had to use another source of funding, probably reserves, to accomplish those projects.

3) FY18 Projects

Discussion of FY18 LOST project list, details, budget, etc.

Schebler discussed a PowerPoint slide displaying a proposed list of projects. He said the county is in the midst of the FY18 Budget cycle development. Schebler said the public workshop will be next Tuesday at 9:00 a.m. He said these projects are included in the budget as well as in the capital improvement plan.

Public safety, capital equipment, public facilities and recreation items were discussed.

Schebler said public safety was discussed repeatedly in the public meetings. He said the proposed list reflects those discussions.

Gomillion said staff will send the committee some information from Gulf Power. He said the county is going to need to replace an aged system at the jail. Gomillion said from a public standpoint more was needed in public safety and many of the things heard were not really capital needs. He said the LOST money cannot be used for personnel but if the county can invest in capital and get some return back to the operational side then that will free up some money.

Easterwood said he is in support of law enforcement having what they need but like Henry he needs to make sure he is doing his job. He said he thinks of infrastructure as roads, parks and drainage. Easterwood asked how infrastructure is going to be defined. He said he wants this money to be put to the use it was intended to. Easterwood said everyone has decided to pay more taxes to build a better Santa Rosa County, so constructing infrastructure seems different to him than things that probably should be already built into the budget.

Gomillion said the ordinance was crafted from the state statute. He said he thinks when Easterwood does the reading he will be satisfied.

Carson said the Moving Santa Rosa County Forward website has a good bit of information. He said the statute generally states what is being done with some minor changes and he believes the website will answer Easterwood’s questions. Alexander said the website is movingsantarosafoward.org. He said information for the questions and answers section of the website was taken directly from the Florida Statute for the levying of Local Option Sales Surtax. Carson said infrastructure is very broadly defined.

Carson said the \$2.5 million proposed project for the jail cooler is the largest on the list of proposed FY18 projects. He said sometimes even though something looks like a pretty significant payback, a little less of a system may get some of the payback with a lot less initial cost. Carson said he presumes there will be due diligence on the different options. Gomillion said staff has not presented the plan to the Board of County Commissioners. He said he anticipates that the engineering firm for Gulf Power and Gulf Power

will present information to the Board. Gomillion said he does not know that there is an absolute right or wrong solution but it is a decision that has to be made as a group. He said he will get the committee the information that staff just received so that they can help give feedback about it. Cozart said this is the one item on the list that concerned her the most. She said the price tag concerns her and while she sees that it is needed, she struggles with is the right way to pay for it. Gomillion said whether it stays on the list or does not stay on the list it is a need that the county has to address. He said the needs that the sheriff and other departments have are not all capital. Gomillion said to meet the demands these funds will have to help and augment to keep the county from having to raise the tax rate. He said these funds cannot be spent on personnel but if it can offset operating expenses then it provides some room.

There was further discussion regarding transportation and drainage items.

Henry said he thinks the county should consider utilizing some of the current staff to do some of the projects particularly in the design phase instead of paying an engineering firm a lot of money. He said the county has some well capable design engineers with experience in this geographical area. Henry said he thinks the county can mitigate some of the upfront costs of capital expenses if it utilizes the road department to do some of the work.

Henry said HBTS (Holley by the Sea) is taking a huge amount of the LOST budget over the next five years. He said the drainage study is like a gold plated repair to a project that was platted in 1970. Henry said he thinks it is overkill and he would like to have Baskerville Donovan provide a description of different parameters of repairs that can be done in HBTS to save some expense. He said instead of paying outside contractors from other states, if the county cannot utilize its road department then it should at first give local businesses a chance to bid on the projects.

Henry asked Bell if the committee can get a baseline of what the county budget has been prior to the capital improvements coming in. He said he is interested in knowing and being able to tell the public that the county has not reduced the capital budget in the road department to buy equipment and replace it with LOST money. He said he thinks the citizens want the county to spend the LOST money on new capital equipment and not replace existing monies in the budget.

Gomillion said the tentative budget will be published sometime this week. He said there will be approximately \$2 million worth of road and bridge equipment being purchased, not out of the LOST funds. Gomillion said it is a bigger number than what it would have been the prior year. He said regarding HBTS, staff and Baskerville Donovan will present the drainage maintenance study to the Board during the August 10th meeting, which will be held at Tiger Point Community Center. Gomillion said Baskerville Donovan and staff were tasked to develop a list and map of ownerships. He said many of the right-of-ways have never been maintained and many are going to be hand worked to begin with. Gomillion said there is going to be a good bit of permitting involved. He said he will let the professionals deliver that message.

Gomillion said at it relates to the work effort in individual departments, staff will provide the project list that these departments are working on. He said upon review of the project list for engineering Henry may agree or disagree that something would have to go off the list to take on a big project. Gomillion said he thinks there is always going to be a priority decision.

Fountain asked Gomillion if the committee can get some kind of detail about the matching funds. Gomillion said yes. He said most of projects listed on the Proposed FY18 Projects slide for transportation and drainage such as Settler's Colony and Venetian Way are big numbers that are matching. Gomillion said there is probably \$6 million in match money.

Carson said when he reviews the list for 2018, he sees that all of the stormwater projects are going to be leveraged. He said he thinks it is important that the county get that story out. Schebler said the county will.

Schebler said the awards are a result of the 2014 storm. He said with HBTS there is planning and design for Tom King Bayou in FY18. Schebler said if the county has the planning and design complete it can go out for grant opportunities when they present themselves. He said having a designed, shovel ready project gets the county in better standing, when funds become available. Schebler said that is the intent with both Tom King Bayou and West Williams Ranch in FY19.

Gomillion said a couple of the projects on the list are partially Tier 3 money. He said the county has learned over the years that it has to be ready. Gomillion said the Settlers Colony project is a prime example.

Henry asked if the committee can get information depicting where the county is, regarding the capital expenditures. He said he thinks it is great to have the money coming from these grants and that

leveraging is fantastic, but it would be a good idea to get a base line on where the county is, regarding capital expenditures in the different departments and where it has been for a baseline. Bell said yes.

Henry asked if the 179% of the anticipated FY18 revenues, depicted on one of the Proposed FY18 Projects slides, includes the grants or is it the LOST. Schebler said it is the LOST. He said the intent is to try and front load and, internally within the county, do a transfer of funding then pay it back when the LOST revenue comes in. Schebler said it is an internal loan so the county can get these projects started in the early years of the LOST and get those successes and stories out on the street. Schebler said public safety is at 70% of the target funding in the first two years, same with transportation, drainage and recreation. He said the public input, the request from the Sherriff, and the focus on public safety has been heard and the transportation and drainage is right behind it.

4) Annual process and organizational formation

Discussion of organizational formation, follow-on meeting(s) to discuss FY18 as well as future annual process in advance of budget cycle (review future year(s) as well as program progress on approved projects).

Schebler said there detailed project descriptions in the backup documentation. He said he, Bell or Gomillion will be happy to answer questions or meet with any committee member individually.

Schebler said the last part of the backup is a spreadsheet that shows the five year program. He said as stated this is a fluid plan and the further out, the more fluid it is. Schebler said FY17 has been approved. He said FY18 is what is being discussed now. Schebler said FY19, 20 and 21 are still very fluid. He said there will be opportunities as this is reviewed annually.

Schebler said the county has a budget workshop next week and will have public hearings on the budget in September. He said staff thinks it will be a good idea to get an approval or recommendation on the FY18 projects which can be taken to the Board of Commissioners sometime in August.

Fountain asked if the LOST funds are restricted or are placed in the general fund. Bell said LOST funds reside in their very own fund. Gomillion said staff will try to keep the website page updated on the fund. He said staff's intent is to have a page that anyone can easily access and see the revenue as it comes in and can see the expenses as they are occurring. Gomillion said Sabrina White has worked on a map story which is a tool that will display the projects geographically so a website visitor can cursor onto an item and receive information on that project, hopefully in real time. Schebler discussed the interactive project map on the county website.

Schebler said the next part of the annual review process is proposed for January to take a look at the status of the FY17/FY18 projects, the execution, get the committee's review of those and then look at the future year.

Gomillion said this is an advisory committee set up by the Board. He said there is no designated structure for the committee in ordinance. Alexander said he thinks as the county looks forward to a successful passage again in five years, if this committee ran with a chairman appointed from the committee it would probably serve the county well. Calkins said he agrees with Alexander. Carson said he agrees that to have a volunteer reporting to the Board, optically is a lot better. Wright said from the public viewing standpoint he thinks having a citizen volunteer may be an easier sell to the public.

Calkins nominated Fountain as Chairman. Fountain said she would not have the time.

Henry nominated Carson as Chairman of the Local Option Sales Tax Citizen Committee. Alexander seconded and the motion was unanimously approved.

Carson nominated Alexander as Vice-Chairman of the Local Option Sales Tax Citizen Committee. Wright seconded and the motion was unanimously approved.

Fountain asked when the county budget is due. Bell said the tentative budget is due July 15th. She said it will be published online by Friday. Gomillion discussed the county budget timeline.

Henry asked staff what is needed from the committee members at the next meeting. Gomillion said what staff is looking for is for the committee members to have a chance to digest this information, to ask questions of staff as needed, to be in a position to be able to provide input on the list and if possible to solidify a recommendation back to the Board of Commissioners after that.

Bell said if the committee could get input back to staff within the next six weeks it will give plenty of time to take it to the Board to make the changes necessary for the adopted budget, which will be at the end of September.

Schebler said the biggest issue will be if the recommendation from this committee is to move any of these large projects out of LOST and they are still projects that need to be done. He said that is going to have an impact that staff would need to plan for. Schebler said for the most part if there is moving from year-to-year or recommending a project not be done, there is opportunity that will not have a large impact on the rest of the budget but staff wants to make sure that it is considered. Gomillion said staff would like to get as close to firm as it can. He said the Commissioners are the final decision makers on these items but they desire the committee input and staff wants to facilitate that. Carson asked Bell if there will be additional collateral that the committee will need to consider between now and August. Bell said she cannot think of anything but if something comes up she will contact the committee.

Carson said his understanding is that the committee will come back on August 8th with the information that it just received and give input on whether or not it thinks the expenditures need to be on the list, meet the spirit of what the voters voted for and those sorts of items. Gomillion said he anticipates the committee will weigh in on the list and whether or not it thinks these projects are good in direction. He said his thought is that the committee will end the August 8th meeting with the ability to make a recommendation to the Board of Commissioners.

Henry asked Carson for his consideration to add long term goals to the agenda.

Carson asked Schebler if he will be the committee's point of contact. Schebler said he will be the primary point of contact. He said the jail chiller information that will be sent to the committee members. Schebler said he has asked the Sheriff's office for a list of their capital needs for the next several years.

Announcement of the next Local Option Sales Tax Citizen Committee meeting:
August 8, 2017 at 9:00 a.m.

Public Forum:
None.

Adjournment:
There being no further business to come before the committee, the meeting adjourned.



Chairman