

LAKE COUNTY
CAPITAL FACILITIES ADVISORY COMMITTEE
MEETING MINUTES – November 29, 2012

Members Present:

Bill Benham, Agricultural Industry Representative
Linda Nagle, Home Builders Association of Lake County
Kyleen Fischer, Lake County Schools
Peter Tarby, League of Cities
Tim Sennett, Chamber of Commerce
Davis Talmage, Banking and Finance
Peggy Cox, Environmental Representative
Jeffrey Banker, Citizen at Large
Nancy Hurlbert, Citizen at Large
Alan Winslow, Citizen at Large
Ralph Smith, Citizen at Large

Member Absent:

Commissioner Sean Parks, District 2

Staff Present:

Melanie Marsh, Lake County Deputy County Attorney
Amye King, AICP, Lake County Director of Growth Management
Donald P. Simmons, Lake County Planner
Steve Johnson, School Board Attorney
John Davis, School District Chief Operating Officer
Carol MacLeod, School District Chief Financial Officer
Denise Coit, School District Finance Director
Kelly Randall, School District Senior Planner

Guest:

Debbie Stivender, School Board Vice Chairman

Chairman Bill Benham called the meeting to order at 9:38 a.m. and asked the Committee to address the first order of business, which was the approval of the November 8, 2012 minutes. Alan Winslow requested that a paragraph be revised to note that the recommendation presented to the Board of County Commissioners is a transportation recommendation and not related to Lake County Schools.

MOTION was made by Davis Talmage and SECONDED by Tim Sennett to approve the November 8, 2012 minutes of the Lake County Capital Facilities Advisory Committee with revisions as recommended by the Committee. Motion carried 11-0.

Amye King addressed the Committee in order to clarify that the Committee should complete the recommendation today. The School Board will be meeting on December 10, 2012 and Chairman Benham will present the CFAC recommendation letter at the meeting. On January 8, 2012, the CFAC recommendation letter will be presented to the Board of County Commissioners. Prior to January 22, 2012, the CFAC will need to review a teleconference in regard to changes in the methodology of the calculation of transportation impact fees. Melanie Marsh recommended that the Committee review the report sometime in the week prior to the 22nd of January. The Committee agreed that the CFAC will meet on January 17, 2012 in the Public Works facility to participate in a video teleconference.

Old Business: No old business.

New Business: Chairman Bill Benham opened the meeting and recommended that the Committee start the process of reviewing the optional revenue sources and rank them starting with the most agreeable. Peggy Cox asked for clarity on which items could be performed solely by the School Board and which items needed County Commission approval. Carol MacLeod noted that the authority for each revenue source is listed in the Summary of Potential Funds. Steve Johnson, School Board Attorney, stated that he did not believe the School Board could pursue the 1/2 of one cent with the 1/3 of one cent currently in place; he noted that this would require further research in order to be 100 percent certain.

Nancy Hurlbert requested that the CFAC recommendation letter include the needs of the School District as presented to the Committee. The Committee had a general discussion about the revenue sources and the implications of recommending one source over another. Linda Nagle questioned if the 1/3 of one cent sales tax is being distributed correctly and how the County could be focused more on education. Ms. Nagle liked the sales tax option, since it is a broad based tax that affects everyone, and noted that the tax effect can be reduced by consuming less. She stated that the sales tax is better than ad valorem taxes since everyone benefits from an educated populace. Ms. Nagle is concerned

though that the proposition of two sales taxes on the voters may be politically unacceptable. Ralph Smith commented that the political realities are a fact of life and the proposals should be submitted to the populace for the voters to decide on the implementation of a tax.

Mr. Johnson again questioned the legality of placing the 1/2 of one cent referendum on the ballot prior to the expiration of the 1/3 of one cent sales tax. Ms. Cox offered her opinion of the inadequacy of impact fees and how they will not affect the debt; Ms. Cox continued to explain her opinions on each of the recommended revenue sources and the positives and negatives of each item. Mr. Tarby commented that the 1/3 of one cent sales tax is used by the cities and there would be push back if the 1/3 of one cent is taken from the cities.

Ms. Nagle expressed her displeasure in regards to the final answer on whether the School District could pursue two sales tax referendums at the same time. Ms. Marsh stated that this needs to be researched more by Mr. Johnson. Mr. Winslow noted that the school recommendation should be in unison with the Committee's previous transportation recommendation. Chairman Benham encouraged the Committee to begin prioritizing their recommendations; there was a consensus to place "real" solutions in the recommendation. "Real" solutions would be the revenue sources that can be implemented at the County level and do not require approval of the State Legislature.

Ms. Cox noted that if impact fees were reinstated prior to placing a sales tax on the referendum, it would provide some funding between now and 2017. She explained that the fees could be tied to a modifier, like unemployment, at the discretion of the Board of County Commissioners. Ms. MacLeod questioned if the fee could be tied to a different figure than unemployment. There was discussion about an index that could be used or developed that would be better than unemployment figures. It was noted that the Board of County Commissioners votes on the percentage of any recommended impact fees that are implemented.

The Committee discussed the sales tax and how it could be implemented and how it could be used. They questioned Mr. Johnson on his opinion of applying for dual sales tax and the legality of the matter. Mr. Johnson will research the matter.

MOTION was made by Linda Nagle and SECONDED by Nancy Hurlbert to recommend placing the 1/2 penny Sales Tax on a voter referendum with the assumption it can be placed on the ballot as soon as possible. Motion carried 11-0

The Committee discussed other options. Chairman Benham had each member comment on specific options and rank them. Ms. Hurlbert stressed the importance of the State Legislature providing additional funding sources and the Committee's responsibility to advocate for them.

Mr. Johnson noted that someone is researching the legality of the sales tax overlap. He reminded the Committee that the legal issue may be from the interlocal agreement and not within the State Statutes limiting the ability to overlap the sales tax.

Ms. Cox noted that there are too many homes valued less than \$50,000 that does not capture the revenue through millage. Ms. Cox felt that specific documentary stamps for the schools could replace impact fees. Mr. Winslow commented that impact fees worry people as a limiter to growth; he also stated that the State Legislature is not providing the tools that the schools need to work with. Mr. Tarby commented that an impact fee is not the limiter, but the amount or percentage of the impact fee could be. Chairman Benham felt that impact fees should be second on the recommendation list.

Ms. Nagle felt the recommendation letter should contain the following:

"Of your current funding options our number one priority is for the School Board to go after a 1/2 of one cent sales tax as soon as possible."

"There is no support from the committee for the School Board to go after the One Mill Ad Valorem property tax."

"The Committee strongly favors Lake County pursuing at the State level a documentary state tax in lieu of impact fees. We understand this process will take a while. In the meantime, we recommend a School Impact Fee at a level that is appropriate to the economic conditions."

"The Committee strongly believes that the State of Florida needs to look at their own revenues and how they support quality public education in the State, including restoration of the Two Mill Capital Levy."

Mr. Tarby commented on the political ramifications of requesting a 1/2 of one cent sales tax from the voters. He feels that the State Legislature will not provide any additional revenue raising measures if the School Board pursues the sales tax. Ms. Cox noted that the revenue stream from the sales tax will be in place for 15 years. Chairman Benham revisited Ms. Nagle's statements for the letter and discussed how this is a Statewide issue. Ms. Cox noted that the impact fee helped when the growth explosion occurred. Ms. Nagle noted that the School Board's financial needs grow every year, regardless of growth. The Committee reached a consensus on using a letter to prioritize the issues.

MOTION was made by Linda Nagle and SECONDED by Peggy Cox to recommend presenting the revenue sources in a letter verbatim per Linda Nagle's previous suggestion (noted in quotes above). Motion carried 11-0.

Ms. King noted that the Committee will need to vote on a recommendation for School Impact Fees. She also noted that there are multiple upcoming meetings for the CFAC members to attend. She also noted since this was the last meeting all editing to the recommendation letter would be done via email. All members were cautioned not to violate the Sunshine Law by "replying to all" on the emails they receive.

MOTION was made by Linda Nagle and SECONDED by Tim Sennett to recommend suspending the School Impact Fees until April 1, 2014. Motion carried 10-1. AYE: Bill Benham, Linda Nagle, Kyleen Fischer, Peter Tarby, Tim Sennett, Davis Talmage, Peggy Cox, Jeffrey Banker, Alan Winslow, Ralph Smith. NAY: Nancy Hurlbert

Ms. King reiterated that all editing to the recommendation letter would be done via email. Ms. Marsh cautioned all members not to violate the Sunshine Laws by "replying to all" when they receive the emails. Ms. Cox asked that the recommendation be placed in the order that Ms. Nagle stated. She also asked that the needs be added to the letter as requested by Ms. Hurlbert. Ms. Nagle requested that it be noted that they were unanimous in their support of the sales tax option. Chairman Benham noted that the recommendation will be in a letter format. It was also noted that the Summary of Capital Needs and the Summary of Potential Funds should be added as exhibits to the recommendation letter. A consensus was reached that the letter be allowed for editing by the Committee, prior to submittal.

Mr. Winslow made a statement for the record questioning what the Committee has accomplished. He noted that the School District asked for a certain amount of money and they recommended funding for approximately 33% of the needs. Mr. Winslow noted that the School Board does not have a lot of options in regards to funding and the State Legislature must act in order to provide a quality public education. The Committee all agreed that the letter should stress Legislative involvement in school related issues.

Ms. Marsh provided clarity on the sales tax issue by noting that the School Board is not statutorily prohibited from seeking the 1/2 of one cent sales tax; however, the School Board did enter into an interlocal agreement noting that they would not pursue any additional tax while receiving the 1/3 of one cent. Mr. Johnson noted that the sales tax revenue was bonded and the School District would not pursue the 1/2 of 1 cent prior to the expiration of the sales tax in 2017.

Chairman Benham requested all members attend the meetings when the recommendation will be presented.

MOTION was made by Peter Tarby and SECONDED by Peggy Cox to adjourn the Lake County Capital Facilities Advisory Committee.

The meeting was adjourned at 11:36 a.m.

Respectfully submitted,

Donald P. Simmons
Planner

Bill Benham
CFAC Chairman