

TRANSPORTATION ALTERNATIVE FUNDING TASK FORCE COMMITTEE

MEETING MINTUES

Lake County Public Works Department

437 Ardice Avenue, Eustis, Florida

October 6, 2008

Present: Bennett Walling, Bud Beucher, Virgil Clark and Ron Jacobs

Absent: Fred Johnson and John Moore

County Staff Present: Cindy Hall, County Manager and Jim Stivender, Director of Public Works

Lake-Sumter MPO Present: T.J. Fish, Executive Director

Call to Order: Meeting was called to order by Chairman Bennett Walling at 4:15 p.m.

Confirmation of Meeting Notice: Meeting was properly noticed by legal ad.

Approval of Minutes: Motion was made by Mr. Beucher to approve the minutes of September 15, 2008 and seconded by Mr. Jacobs – motion carried and minutes were approved.

Discussion ensued as follows:

Bennett Walling:

In light of the recent activities nationally, politically with regard to the housing sales and the slump in the mortgage market, any further action that this committee takes may be a waste of time. The money situation right now for Lake County is very much in turmoil. I feel that meeting once a month, with not having current data and not knowing what our housing market is going to do, not what our transportation needs are, us meeting to discuss something we really don't have any knowledge of, is really a waste of our time.

I would like to make a suggestion if anyone agrees or disagrees with my rather stark remarks.

Ron Jacobs:

That is not stark, Mr. Bennett is being realistic. If the situation were less fluid, if we said within three months everything is going to be fine, we come back in and meet again. But compounding transportation and the things we are looking at is; the cost of fuel is not going to be going down anytime in the immediate future, the use of vehicles on the roads, we are talking about maintaining is down significantly.

Ron Jacobs (continued):

The dynamics of the real estate market aren't going to go away anytime soon. When I was reading the minutes over the weekend, it occurred to me that a lot of the things we wanted to seek funds from are the wrong people at the wrong time. I don't know how we could be productive in terms of pursuing this, because every time we pick a target or group of targets to tap into for funds, they either become unglued or they go away. I think you're right.

Virgil Clark:

I don't know that I totally agree. I understand the economic conditions and the building industry coming back in the next year, probably not, or the next two, maybe three or four, even five years. But, eventually it will come back, and I think a lot of work has been put in to this, not only by us, but by the County, and T.J. We have put together a lot of good ideas, most of which are represented here. I don't think it's our decision to make, whatever happens anyway, it's the County Commission who put this together. I think there are some good recommendations that while we may not have to have many more meetings, there are good recommendations that need to be put forward.

One of them is the road maintenance, and whatever happens, I think that has to go forward and whether those monies come out of budget now or not, may not even be a factor because when the monies do come back, and then the recommendation is there. Instead of just letting things go with the Committee, my thoughts are that we take a quick look at where we are, what we've done, and put those recommendations together, and give them to the County Commission, and they will do what they're going to do with them.

Ron Jacobs:

I agree maintenance is an issue and something has to be dealt with, however, if you budget "X" number of dollars for a particular road, even at today's cost of materials, that is so dynamic that you could end up with 60% of what you're budgeting and you have less than a complete plan that you can implement in terms of maintenance.

Virgil Clark:

The bottom line is so much money is going to come into the County, not probably what has been coming, but it will be coming in because government always seems to exist, other things don't. With that in mind, I think there is something that can be done, particularly with the road maintenance part of it. Now, the impact fees; I don't think there is going to be a lot of building and it is not all that important now, but when it does get to be so, then something needs to be in place. We spoke about banking it out over the years, maybe that's the way to do it. I don't know.

Bud Beucher:

I am in a unique position because I represent an industry that relies exclusively on discretionary spending, so we tend to be hurt first, we tend to hurt deepest and tend to recover last. We've been through it before, but I've never been through anything like this. There is a lot of what Bennett says is right, but I do think we've also put a lot of work into this. My problem is that, if we send something to the Commission and it is not written right, then it is something they should put in a time capsule and sit on it for five years, until somebody with an agenda that isn't supportive of the reality, meaning Bennett's world has imploded. Now, let's be really honest about it, the newspaper said that housing values have plummeted 5% decrease. Bennett, would you take a 5% decrease in your revenues this last year and thought you'd gone to the bank and won?

It's not Cindy and it's not going to be Jim, but the reality of it is you have people who are absolutely insensitive; they're insensitive because they have never sweated a payroll. I don't mean this to sound negatively, but I have in my working career, taken everything I own and gone to the bank to make sure we paid our bills on time, to make sure we made our payroll.

I have borrowed money on my name, borrowed money against whatever little money I've had. I've borrowed money on my house. If we are going to say that Cindy is a business owner, and she is the president of her company, then for her to be in my boat, she needs to have done those same things. Unfortunately or fortunately, fortunately for her, unfortunately for me, those are not part of her realities. I have literally gone in a 30-day period from 320 employees to 160. I have taken people who have cried in my office and said that for the survival of the organization, this is what I have to do. Bennett, I understand where you are. We've put a lot of work into this, and I think if we just say that the committee is dead on arrival, you are going to allow people to make their own minds up without Virgil's reference point and without the educational process that we've gone through.

I think I would probably be more like Virgil and say that even in bad times, we know that what the County has done to road maintenance is wrong. Even in bad times, if Cindy has to say this program needs to be cut because we have to maintain our roads, those are going to be like me saying, which of the two of you go? Those are the hard decisions of being a business owner. I think we still have a responsibility. I would actually say that if I was going to put this recommendation in place, I'd say for the next five years, we should have anticipation that there are no impact fees. I know Cindy, you say to us, and I believe it. I don't envy the position you're in and I don't envy mine, and I don't envy Bennett's. Probably the answer is that a lot of people are population driven; these people are flexible based on activity, this whole paradigm is going to have to shift. That kind of reaction is something that you will find within the next 60-days. You won't allow your staff to tell you that because you are going to have to challenge them on saying we are going to have to find a way to do better service on less money, and service more people, because our world has changed.

Virgil Clark:

If you really look at it from the point that we should look at it, we need to distance ourselves from our own personal parts of it and that's very difficult to do. Look at what we've put together, and try to put it together on an impartial basis, and what's good for the people in the County, and that includes builders, the County people, the taxpayers and everybody that's involved in this whole process. I think we have to step out and step above it and look down at it, and try to do what we think is best without all the other bad things that get into it. You can't get involved personally – you have to look above it.

Bennett Walling:

I think what Bud was trying to say is that these are unique times and to fund Public Works; you're going to have to cut programs. Many of the non-necessary programs need to be cut. We need to focus on what government was formed for. You will need to fire a bunch of people; you're going to have to get rid of some programs. In addition to that, and only history will tell, I think you are going to find your ad valorem taxes are going to go way, way down. Just like my house, it went up 3% per year for the last 12 years. It's going to go down a lot quicker. The tax value on my home is going to drop. I am all for updating and revising on the conditions we have today, but not just walk away from it. I'm saying that now we need to get down and dirty. Let's get this thing finished in another meeting or so.

Ron Jacobs:

What we're looking at is there is no more outside money available. We made some suggestions, the bulk of which were made on yesterday's information and that's changed. I think we have to say, you gave us this assignment, here is what we were able to do with it up to a point. You recognize as much as everybody else, you being the County Commissioners that everything is going to hell in a hand basket. We can't find sources of new money and I don't think it's up to the County to say, there are 'must do's' and it's going to be a real small chunk of the pie, and here's the money we have available, and until this thing resolves itself. I agree we need to forward something; there is a lot of good work that has gone into this thing.

Cindy Hall:

I don't disagree – I think that when the Task Force was begun, even then, things had started to go down, but the level to which they have declined, no one would have anticipated. I agree that I don't think our Board would be interested in adding additional cost to anybody at this point. I also think you have done a tremendous amount of work and I would hate to see it not recognized in the format you're working towards, and to let the Board and the public know the work and consideration that you have put into the report.

The recommendation might be perhaps not to do anything immediately because of the state of the economy; you could build those concerns into the report and acknowledge them.

Bennett Walling:

Our job was to come up with alternate funding. So if we are going to do a report and our task was to come up with alternate funding, there is no money available and no impact fees. Our report is going to have to come from some of the existing programs.

Cindy Hall:

Some of the things the general fund funds are social programs; those types of things are things that we do hear that the need of those types of things increases, particularly during these times. The jails are another. They are experiencing more crime because of the economy.

I haven't been a private business, I haven't been in the case where the types of layoffs that you've had have taken place. Government typically doesn't have that type. But, I will tell you we laid off fourteen people today and it's hard to do. We aren't immune to it.

Bud Beucher:

We don't think you are insensitive to these things at all. I don't want you to think that or feel that way. We are all in a whole new world in the last 30-days, that world is not going to get better in the short term. If we are trying to find any economic hope for our County for the next five to ten years, there would be no impact fees, none for schools, none for roads, none for the ambulance, none for the fire department and none for the library. I would cut my taxes on top of it because you want to attract the few people who will be left that are mobile.

Bennett Walling:

They should have a zero budget, start over again and see what it takes to run the County. Starting off with what would be the absolute minimum and the Sheriff's Department is going to take a big chunk of that.

Ron Jacobs:

I think where we're at in order to develop a next action, this document needs to go forward with a caveat that says if everything else were equal, this is what we'd like to do, but it isn't. We've put a lot of work into this thing with a bunch of great ideas, all of which absolutely cannot be attained in this economy. I don't think we should completely close the door on this project, but I think it needs to be suspended.

Bud Beucher:

(On the document that T.J. sent to him) I told him that before I read the document and give you my input, I want to make sure that the following items get included. My fear is if we don't do the document, when they read it, they will get the wrong impression of what we think. An example is page 2 – Many questions arose from the group pertaining to the types of improvements provided as part of road projects. Members questioned whether impact fees were used for sidewalks, trails, lighting, stormwater facilities and landscaping. Although the group was informed that impact fees were only to be used for additional capacity, the concern remained that during the tight fiscal period, certain amenities or extras may have to be re-examined.

Depending upon how you wish to read that, that says that we don't use a dime of impact fees for sidewalks, lights or stormwater, landscaping or trails. But, I believe the truth is that they are. From my perspective, we would want to re-write that line. To say, we did question whether those things were included in impact fees and additionally we know that the resurfacing of existing capacity is also being charged to impact fees, and that's wrong.

Virgil Clark (to T.J.):

Part of that comment was taken from the comprehensive plan – is that correct?

T.J. Fish:

You will find a couple of times where I've worded it evenly because legally some of these things can't be paid out of impact fees, but there are impact fee projects where sidewalks are included in the project. Trails are not done with impact fees. It is up to the Task Force how they want to state things in the report – this is your document.

Virgil Clark (agreed with Mr. Beucher)

I think it should be pretty clear, but then that conflicts with the new comprehensive plan, the two should work together.

Bud Beucher:

If we think after nine months after educating ourselves, if we think that basic accounting of how projects are charged is inherently wrong, then I don't really care if it is in conjunction with the comprehensive plan because we have an obligation to say's it's wrong. We need to be because we are a citizen's group, we need to stand true and say we believe based on what we have learned that this accounting process is wrong. Let the people who write the comprehensive plan come back and say that they need a change.

T.J. Fish:

The comprehensive plan simply states that these are the things you do when you do a Project (bike, pedestrian). It doesn't say and pay for them out of impact fees; it just says you have to find a way.

Bud Beucher:

We can take a project like Cherry Lake that I think was paid for out of impact fees and the capacity increases were based on the turn lanes. It was a two lane road left as a two lane road.

Jim Stivender:

Basically, there wasn't a need to four-lane the highway; there was a need for safety improvements.

Bud Beucher:

So, if the turn lanes were installed first and foremost for capacity and they increased capacity, then I can say, yes, road impact fees should pay for those turn lanes. But, the balance of the project shouldn't be charged to me as a citizen, not to some future person as an impact fee. I do think we need to defend the fact that we have to have road maintenance. We do need to be true to the spirit of the law and we need to do what's right to make impact fees pay for my road when I'm not paying for my road is just not right.

Bennett Walling:

We've discussed the fact that all studies were based on all new roads, there is already capacity there.

Virgil Clark:

The roads are all rated, if you have a road that is rated absolutely stellar, and then you come in and say, now we're going to make this a four-lane road, and you have to go in and tear that road up, you should be able to pro-rate those, based on the condition of the road that is there.

Jim Stivender:

When you build a four-lane highway, the entire old road disappears. It is never the same grade. When we enhanced a road like 48, we were able to use the same grade. You can keep a two-lane road and enhance it. The problem with a four-lane is that there is no old road to go with.

Virgil Clark:

So, you have to tear it up and that is not the responsibility of the taxpayer?

Jim Stivender:

It is either way.

Ron Jacobs:

In a PD&E in Virgil's example, if it was almost a new two-lane road, when they came in to the PD&E on the four-lane, couldn't they specify?

Jim Stivender:

First of all, the chances of that happening are slim to none. There is only one road we are studying now that was widened and resurfaced in the last ten years.

Bennett Walling:

CR 466 is going up to The Villages – they started construction on that, there was a two-lane road that is in the serviceable condition.

Jim Stivender:

That road is beyond resurfacing.

Bennett Walling:

If I was you all and I was looking for money and ways to do things, I am quite certain that an overlay on that road would give it another ten years. It may not meet the standards, but it would sure save the taxpayers a lot of money.

Bud Beucher:

At this point, don't you think that's what our recommendation, especially in these tough times, and even before these times, we needed to evaluate trips, distance and standards?

Jim Stivender: (to Bennett Walling)

We did it that way in the 1980's, and times were right in the 1980's, it was just a matter of doing it. The problem was, within five years, the maintenance shot up again. So it was a very quick fix, and that was with 2,000 – 3,000 cars on the road. I don't get five years out of it today, not with an inch or two inch overlay, it just doesn't last.

Bennett Walling:

Well, you can do it again after three years.

Jim Stivender:

But then I'd have to come up with the money again. Putting a patch on a patch is not as good as doing it right the first time.

Bennett Walling:

I would have to look at all the spreadsheets to see where the break point is.

Jim Stivender:

What we are trying to do with construction and maintenance is to do it right or not do it at all. There is not any in-between because in between doesn't really get you anything.

Bud Beucher:

Described a project at Mission Inn that needed to be done in stages.

Jim Stivender:

For example, Radio Road out by the Mall, I overlaid it and the problem went away. We have actually deferred the project, but I have 4,000 cars a day versus 18,000. Yes, you pick and choose and I was doing that without the economic crisis. We pick and choose based on the economic conditions at the time.

Bud Beucher:

Based on what we've learned about your maintenance budget, you probably run cheaper than anybody has.

Virgil Clark:

Going back to impact fees, which is the reason we're here. When you really look at it, impact fees are not a factor. They are not going to be, and we've already talked about it. But, if you were able to leave the impact fees where they were, and I understand there are legal aspects and everything to go along with this. Why doesn't somebody work the system where you can change it such that if you build one house, which has little impact and the taxes catch right up with it, then you leave the impact fees where they are? If you build five houses, then add a \$1,000 to it. If you are building 50 houses add \$2,000 Because it is the big developers that come in who create the problems, it's not the local people. I may get corrected, but there have been some of them coming in and putting 500 to 1,000 houses, and that's the reason we're here today. That's the reason they couldn't make a decision, that's the reason why we're short monies to do the roads that need to be done now, at least the capacity stuff. So, is there a way to go back and readjust? I'm sure the building industry will say no, because everything should be equal, but I don't think so.

Jim Stivender:

I think I can answer that. When we were asked to talk about the tax system, you heard me say what I thought was wrong with the whole tax system, too many to add on and too many to take away. Somebody gets a deal and somebody doesn't get a deal. I am trying to avoid that with any of these fees. So what my recommendation was last time was to take the study that was done based on a different economic time and a different cost of construction and have it re-assessed. Say construction is down 40%; put that back in the formula, whatever the number would be. Whatever the number is regardless of economics is what it costs to do business. At the same time, from an economic incentive program, your recommendation to do this is then another topic. But, try not to cross those streams where this math or this formula is sound for whatever it is. But then at the same time, decision to collect those fees or not would come out of another topic altogether.

T.J. Fish:

I am going to address the Chairman's opening statements. This ties back into what we're talking about. The reality is with all the work that's done, I agree with you. I was trying to get some thoughts. You will get this in email tomorrow and I apologize for the delay. I want to give this back to you and individually you can send me email comments.

I don't mind if you type right in the paragraph what your thoughts are. We will make it work. What I would recommend is that this needs to be the second to last meeting, so come back in November and finalize this document. Let's make sure that everybody feels like this is theirs. Let's get it packaged and sent to the Commission, maybe by January or February. There may be an opportunity for them to actually discuss some of this, maybe in a workshop setting.

There is a time coming that.... I don't share my political views, but I will tell you one thing I feel strongly about and why I chose my career as government. Government has a purpose and sometime we lose sight of what that is, but I will always say infrastructure is part of its purpose. Right now, it is clear we are not doing a very good job with infrastructure, our economy is about to make that so painfully clear to Lake County residents. There is going to be uproar, and they are going to ask "what were you thinking"? I think everything that you have learned and experienced you see, and sometimes as staff, we get so deep, yet we know what the problems are, but it takes an experience like we've had, because I feel better educated. I've worked with you since January and with this economic crisis, you are the first person, you won't hear from the talking heads on television, and you are certainly not going to hear it from the political candidates, but you are the first person I have heard to use the term depression.

I now understand what depression is like, you don't have this many things go wrong, this broad based and it turn out ok in the end. We are in for some tough times, and you are right, the County is going to have to go back and all the fourteen cities, HOA's and businesses and families and really takes a tough look at what we are doing. Things are going to get cut out of pure attrition; there is no way around it.

Bud Beucher:

The County might want to offer to lease parking spaces in the new parking garage to businesses in the downtown area.

T.J. Fish:

All the stuff you have talked about, I have tried to hit everything. I have gone back and edited this whole thing. On page 2 “Appropriateness of Source to Purpose”- I have tried to at least touch on so you can expand upon the things about what impact fees should go to and shouldn’t go to – “the blending of funds”.

On CR 44, where Dura Stress is located, is heavily traveled – we have capacity concerns, but it is falling apart. Jim looked at his checkbook and said we can’t afford what needs to be done, so we are going to do what has to be done. I am going to add the safety improvements, do the resurfacing where it is falling apart. He only has a couple of funds to pull from, the system you recognize as flawed is still the system that’s in place and he is doing the best that he can. CR 466, if resurfacing were the answer, we would have already done it.

Bennett Walling:

I was trying to figure out why 100% impact fees are paying for that road when it has not lost all serviceability according to you, so it really should have been 50% impact fee and 50% other.

T.J. Fish:

You have anticipated the depreciation affect that I didn’t put into the paper. I like that, especially if it is a 20 year old improvement. On Page 2, I tried to pull out the stormwater, bike and pedestrian and all that. I am going to put in about maintenance versus capacity.

Bennett Walling:

Also, substitute eliminating for re-examined.

Bud Beucher:

Put in getting rid of impact fees for the next five years. Be so radical as to eliminate impact fees Countywide.

T.J. Fish:

One of the things it would help to do is if you have no impact fees, we have to think about what we are doing to maintain what we’ve got and that forces the paradigm to shift.

Bud Beucher:

Whoever has chosen the method of accounting that's being chosen, where impact fees are being paid for what I should be paying as a taxpayer, I just don't think it is right. I think, if, you didn't have impact fees, it would be a long time before you would find the demand got to be so that you would worry about how you are going to pay for the ambulance, or the seat in the library, the fire truck or even the road.

Ron Jacobs:

If we waive impact fees, and I happen to agree with you, I think there needs to be a rationale for it. Part of the rationale is to stimulate more growth.

Bennett Walling:

We could justify it by saying it would stimulate growth. However, the fact is, we are no longer growing. People are leaving, and impact fees are for new growth.

Bud Beucher:

A \$300,000 house just went up on the auction block for \$120,000, an \$180,000 spread. Had we accepted the original impact fees, along with what the County already loads, you're talking \$50,000. The existing house would have a \$50,000 advantage so all we are doing is leveling the playing field. You can't replicate that house that just sold for \$120,000 today for \$120,000 under new construction.

Virgil Clark:

You're talking about impact fees; you are only talking about road impact fees? Let's get rid of them?

Bud Beucher:

Let's be so radical – we say in our business, that desperate times require desperate thinking and desperate action.

Virgil Clark:

Let me ask another question, looking at it from a different standpoint. We have all these vacant houses, we've got all these people leaving, so here comes somebody in and says, I am going to build a new house. Why in the world would you want to build a new house, and if you can afford to build a new house, as far as the road, what is \$2,100 in impact fees when you go in and you pay \$50,000, \$100,000 or \$200,000 or more for the lot, and then spend another \$150,000 to \$250,000 for the house, and we are talking about \$2,300 in impact fees to keep roads going.

T.J. Fish:

I've talked to developers in Lake and Sumter counties. There are 7 DRI's in the process in Sumter County. I don't take any of them seriously except for The Villages. They are all there to get entitlements for future land use. Nobody is actually planning on building a subdivision right now.

Cindy Hall:

I think you're right. At this time and point, I don't know who would want to come in and build homes, but in the commercial industry, there is room for growth. Those are the types of growth we need to attract into the County. As far as eliminating impact fees, and legally you can't do for one industry and not another. The purpose of eliminating impact fees would be for those types of commercial industries as an incentive for them to come into the County. Not so much the homes, they almost become a by-product.

Bennett Walling:

We are almost tending to lean your way. Maybe it would give an incentive to sell a house that is vacant.

Bud Beucher:

I'm suggesting we think outside the box. Let Ms. Hall go and have the only county in the state that has no impact fees, none for schools, roads, or ambulances. It would make our County ripe for people to come and share the quality of lifestyle that we have. It's about sales at this point. It is about trying to find a way to see our product. At this point the products we have are a lot of homes and vacant lots.

Bennett Walling:

What we're discussing here is different than what we were tasked with, which was to review funding options available to Lake County. To improve transportation infrastructure in Lake County, specifically funding necessary to provide the transportation improvements identified in the Long Range Transportation Plan. I think a lot of what we are talking about, we are going to have to preface in a narrative because of the on-going climate, then follow-up with some brief comments on what we concluded. I want to try to wrap this thing up as quickly as possible, because things have changed.

T.J. Fish:

Do you all agree that one more meeting and we are done?

Bud Beucher:

My comment is I would like to be done with one more meeting, if we can make it right, because I will be honest with you, this could be something that literally steers the program for years to come.

Cindy Hall:

The comments will have to be done individually, or you will get into sunshine issues.

Bennett Walling:

Cindy, have you had conversations similar to this with any of the other departments in the County? Have they talked about the economy?

Cindy Hall:

Probably, the severe downturn that has happened in the last two to three months has caught us somewhat off guard. The budget that was approved last month, it was begun when this task force was begun; when we were under the assumption that there was a decline but not to the extent that has happened in very recent times. There is no doubt that we could be in trouble in some of the funds. I think we could be in trouble in some of the revenues budget for the next year. We are going to have to start looking at how we play out this year.

Bud Beucher:

Here is my chief comment to you. If you can save a buck, starting with the first month of the budget, it really helps you, as opposed to waiting until the end of the fiscal year.

Jim Stivender:

One of the things I mentioned in previous meetings is if you take in the first six month of the year, we have projected a short this last year of about a million and one half dollars. If you take the last four months it would be four million dollars. That's on impact fees; that's a capital program. It doesn't affect maintenance or day-to-day operations. You either do a project or you don't do a project. We have always done it that way, we never try to borrow or anticipate. It is just a matter of cutting programs, it is just going away. We will just roll that money out so that it ends up just not being a funding source to do the projects.

Bud Beucher:

Your hope is that it is not only the new buildings that will be built and provide revenue. It's the fact that you may be able to stabilize the falling of values. If I was in your shoes, I would say to myself, if impact fees were eliminated, I would use it as a marketing tool to differentiate myself from my competitors. Instead of saying I'm giving something, I would say, what am I gaining? Hopefully, I am gaining tax revenue, meaning new construction, even if it is not homes, but if I can sell some homes, I may be able to shore up values, which in essence, helps me minimize my losses.

I think the challenge is from Cindy's side; is the management of the income because she will have to say to herself that any growth we get, I am going to have to earmark money for capital projects. She is going to have to say, that even though I'm in a declining situation with revenues, I am going to have to earmark monies not only for maintenance, but for capital projects as well. We are still going to have to change our standards and lower them. We are still going to have to run them out longer. As a citizen, I am going to have to learn to wait in line. You'd better react quick and harshly.

Bennett Walling:

I hope that the \$1,000 raise that everyone was promised at the end of the year is no longer on the table.

Cindy Hall:

It hasn't been cut out of the budget yet. I would be able to make a recommendation, but it would not be my ultimate decision.

Bennett Walling:

Commissioners are not really doing the day-to-day activities. It is staff's responsibility to tell them what they need and what they can do. You should tell them that we need to prepare for this time, and here are my suggestions.

Cindy Hall:

Let me assure this committee that every department cut their budget for this year. I don't want the committee to think that we are out their spending willy-nilly. The budget was cut based upon the recommendation of each department through my office and to the Board. There isn't one department that hasn't been reduced by personnel and money from last year.

Jim Stivender:

My funding was down 25%.

Bennett Walling:

Would that be indicative of every department in the County?

Cindy Hall:

They vary.

Jim Stivender:

I checked as of August, I don't have September's numbers yet, but we are at the 2003 level on gas tax. What has happened is that at the peak of those years, we had people running around constructing things that has been cut out. You still had the fundamental person driving here and there. I will decline a little more, but people have to go to work and to the store.

Virgil Clark:

Talking about economics, and eliminating impact fees, how would you go about attracting those businesses, if say, we do this? We should get XX benefit out of it. We should be able to bring businesses in to increase the economics in Lake County. If you can't do that, and you can't come up with a half plan as to how you are going to do that, why bother?

Cindy Hall:

We have a pretty aggressive Economic Development program going on. There are five types of industries that we would like to seek out. As far as how we are doing that – there is the Economic Development department in the County, which is fairly new. It has grown in the last couple of years. As to what the programs are, and to its outreach, the effort is not only in our community, but externally also. They and the firefighters are the only departments that did get extra positions in this year's budget. Economic Development did grow that department by 25%, which was one person. There is also the Mid Florida Economic Development Commission which is in the process of hiring a Lake County representative who will be working with our office, and who will be marketing the County.

They also are in the process right now of putting together an advisory group, consisting of around nine people, one representative from each of the targeted industries, and some other categories also. Those people will be advisory volunteers and will have additional sub-committees that will be out in the community looking for opportunities. The County is well aware that economic development is the answer.

Ron Jacobs:

There has to be new incentives to new companies that wish to move in. Rolling back impact fees is nice, but I think you have to figure some sort of tangible benefit. There has to be something, not only do we have impact fees; we have a lot of property for sale. We have excellent opportunities, and a pretty stable population. But, if you come and build your business here, here's something you can build into your first year plan; something that can be given and offered by the County. That can be marketed.

Cindy Hall:

As part of the budget for this year, as part of the reserves, 3% of that, which is around three million dollars is set aside for exactly that.

Ron Jacobs:

But, who knows that?

Cindy Hall:

That will be one of the things that is marketed. It was approved in the budget last month. As of October 1st that is available. That money can help them if there needs to be hookups to utilities, if there needs to be infrastructure development, that is what the money is for.

T.J. Fish:

It is great to have desirable industries that you would like to have come to Lake County, but meanwhile, there is another discussion going on about the people already here. What can we do to stimulate the investment from the people that already live here, already own a business and would like to put on that addition, but can't right now, or like the City of Tavares that talked for years about what can be done about the dead downtown. Finally, one of the things they decided was to waive impact fees for downtown. Because all of the restaurants they want to see come in, can't afford the water and sewer impact fees to put in the new fixtures. Now suddenly, there is interest. Right now, you have to go to remember, it is great to have this discussion, but I see an opportunity long-term, even after this cycle, no matter how long it takes, that we come up with some good policies and strategies now. Suspend, hold at bay, or reduce impact fees, but you still have to pull dollars from somewhere, just to maintain what we've got, let alone, if we do have some needs where capacity is required.

It is not just how we spend our money, but who we spend our money with. If we are going to do projects in Lake County, are we putting Lake County residents to work? If you are going to talk about a radical shift, let's complete the whole picture. We can't just say this is what we're going to do away with and not say how we are going to pay for what government is responsible for.

Virgil Clark:

In addition to suspending rather than waiving impact fees, how do we propose to do all of the things you are talking about?

Cindy Hall:

We do not specifically have local preference written into our bids unless there is a reason. If you get into that you risk having the price go up if you let everyone know you are taking only Lake County contractors.

Bud Beucher:

I agree with Cindy, I don't think you should restrict bidders to Lake County. But, if you choose Lake County contractors, you are recycling money back into Lake County.

Cindy Hall:

We are conscious of that; it isn't something that we have specifically written in just because it does seem there could be some cost and inefficiency if we actually put it in.

Bud Beucher:

I recommend that we all respond to T.J. via email back to him. Hopefully as of tomorrow, we will have them, and he can get it back to us if we want to end on time. We need to see what a draft cover letter looks like, which could in and of itself be a couple of pages and then the report.

Motion by Bud Beucher to send responses back to T.J. and adjourn at the same time. It was seconded by Virgil Clark.

The meeting adjourned at 5:20 p.m.

