TRANSPORTATION ALTERNATIVE FUNDING TASK FORCE COMMITTEE

MEETING MINUTES

Lake County Public Works Department
437 Ardice Avenue, Eustis, Florida

November 17, 2008

PRESENT: Bennett Walling, Bud Beucher, Virgil Clark, Duane Booth, Ron Jacobs, Fred Johnson and John Moore.

COUNTY STAFF PRESENT: Jim Stivender, Director of Public Works

LAKE-SUMTER MPO PRESENT: T.J. Fish, Executive Director

OTHERS PRESENT: Ray Goodgame, City of Clermont Council; Jim Bible, Home Builders Association

CALL TO ORDER: Meeting was called to order by Chairman Bennett Walling at 4:10 p.m.

CONFIRMATION OF MEETING NOTICE: Meeting was properly noticed by legal ad.

APPROVAL OF MINUTES:
Chairman Walling asked if there were any comments on the October 6th minutes; Virgil Clark advised that he did not agree with the statement on pg. 12 regarding Impact Fees & Road Impact Fees and would like to strike this from the record. Chairman Walling asked the committee if they would accept these minutes with the requested correction and Bud Beucher moved to accept the corrected minutes and Virgil Clark seconded; motion carried and minutes were approved.

DISCUSSION OF FINAL REPORT:
Background: T.J. Fish advised that he received comments from Bud Beucher, Ron Jacobs, Duane Booth, Bennett Walling and John Moore. Mr. Jacob’s comments were to add a cover page to the report and that the committee could add to it and format as they please. Mr. Fish advised most comments were from Mr. Beucher and Mr. Walling, and that some deletions had been recommended, but he did not delete the text as the committee had previously approved at the draft stage and would wait for final changes and approval by the committee. He advised that grammatical changes had been made and that topics and headings could be changed as well. Background of report includes the number of times the committee had met (corrected number changed) and initial concerns of the task force for appropriateness of funding source and its purpose, and maintenance vs. capacity. The committee can read about significant road information from MPO and needs vs. wants (which led to the committee’s recommendations).
INITIAL CONCERNS OF TATF:

T.J. Fish asked the committee to read the paragraph on page 2 of 15 for sufficiency and to advise him of any issues before committee votes. Jim Stivender suggested that the committee might want to go through each page and Bud Beucher stated he knows there is a desire to finish but he just received this document today, and after 10 months of working on these issues, he would like to have more time to review. Mr. Stivender stated that he received the document today as well and suggested to go through page-by-page, spending time on it today and thinking over remaining topics. T.J. Fish advised that this document is the same one from the October 6 meeting and the only changes made were from recent comments from Bennett Walling and Bud Beucher. Jim Stivender asked if the marked color changes show new comments and Mr. Fish advised yes. Mr. Fish advised that everyone else had shared their thoughts with him (Mr. Jacobs suggested a cover page, Mr. Moore did not have any other comments and most of Mr. Booth’s comments had been addressed). Mr. Stivender advised that a lot had been added to the document and Mr. Fish asked the group if they were comfortable with additional comments made by Mr. Walling and Mr. Beucher.

Chairman Walling asked the committee if they had a chance to review it and Virgil Clark advised he had scanned through but would like to go through it page-by-page. He read the original document and thought it was well written but has a few questions on recent changes, only because he has not had time to review and take it in, and would like to see some discussion on these. Jim Stivender suggested that to make sure verbiage is correct and complete, now would be the opportunity to do that. Bud Beucher asked T.J. about his previous comment that some sections within the report could be deleted and opted not to, and if he could advise whom the comments belong to when going through each page. Mr. Fish advised that Mr. Beucher’s comments were easily inserted, but Mr. Walling’s comments had concerns that some areas were redundant or areas that could be combined. He advised when reading the document it was like building a case and did not want to remove the text as it would change the meaning, but would point out to the committee. Mr. Fish advised that on the first paragraph, the rates of growth were logical, but that maybe ‘CPI’ should be spelled out. He also advised that Mr. Walling suggested to add ‘it was initially clear to the TATF members that relying solely on impact fees as a funding source was no longer feasible as new construction starts are down’.

Mr. Fish asked the committee if they were ok with these change and Mr. Beucher suggested to be more specific and to add that it was never feasible to use impact fees as a sole source the way they were doing it, as impact fees was used to repair roads and the only source of funding was impact fees. John Moore asked if this comment by Mr. Beucher should be added, as it is a more pointed reference that funds is being used for repair and not additional capacity. Mr. Fish advised the recommendation portion states the specific use on maintenance vs. capacity, and Mr. Moore stated that he believes these concerns should be in this section. Mr. Fish asked Mr. Moore how he would like to word it and Virgil Clark suggested reviewing later and Mr. Beucher suggested making a list of them.

Ron Jacobs stated that if recommendations are in response to paragraphs, he suggested placing a footnote for each recommendation and reference. Chairman Walling advised that his biggest concern is the flow of the letter and felt it was hard to get to the point. T.J. Fish asked if he would like to place the recommendations first and follow-up with background, and Mr. Walling referred the suggestion to the committee for their input. Fred Johnson advised that he would like to get to the ‘meat’ of the document.
INITIAL CONCERNS OF TATF – (continued):

T.J. Fish suggested that he could go back and forth with the sections and start the document after the cover letter with recommendations and do footnote approach and include remainder as backup. Ron Jacobs mentioned that when starting the background portion, a paragraph could be inserted that stated ‘each of the concerns covered in the background section will be dealt with in the recommendations beginning on page --- and still do the footnote, then there is no confusion or concerns not being answered later in the document. T.J. Fish advised that what he is hearing from the committee to go ahead and have recommendations upfront with the document. Jim Stivender stated that when he is looking at an ‘RFP’ he looks directly at the summary page.

Mr. Fish acknowledged that Bud Beucher had inquired several occasions on how the impact fee is calculated, and had intended to utilize the consultant to explain, but they are not able to do that at this point. Mr. Fish advised that the impact fee study could be broken down simply, since it is completely and directly related to the cost of construction, and that it comes down to the price of construction projects now. He advised that Jim Stivender, himself and the consultant agree that the recommended amount from August 2007 would be substantially lower now because of stabilization of construction costs. Virgil Clark asked if this statement is needed to be placed in the report and Mr. Fish advised there was the perception that the needs were driving the impact fee methodology and wanted to explain today that this is not the case, as the determining factor is the construction cost. Mr. Beucher advised that he is appreciative of the explanation, but was asking for the formula, as there were those that felt some of the assumptions (trip length as an example) were flawed. Mr. Beucher stated that the committee was looking into this to provide a fair and accurate look (which could be a change in assumptions). As a resident, they currently provide no money for the repair of streets, but if 8% were provided from general revenue, (making this one change in the formula) it would result in a different impact fee.

Mr. Beucher advised this is what he had hoped to get from it (as he does not have a formula, yet the impact fee is defended by the formula). Jim Stivender explained if the 8% (general fund) goes for capital it can be taken off, but if it goes for maintenance, the 8% is not taken off the formula. Mr. Beucher stated that he understood but what he does not know is what the ‘impact’ is on the impact fee calculation. T.J. Fish advised that the trip length is a factor, but how it affects the impact fee is the cost issue. He advised that the MPO is still using the same data for trip length and does not disagree with it, but what they do disagree with is the part of the fee where you are looking at the cost (as the MPO has no other costs for consultant to apply credits to), which will drive the fee up. Construction costs have stabilized to some degree, but a decision needs to be made before the impact fee comes back for hearing even when ‘tweaking” the formula; will anything else be put into place to lower the impact fee further (as some will say impact fee should do it all). Bud Beucher stated that he understands what he is saying, but was hoping to ‘flush’ the formula out to use this as a policy tool for growth / no growth.

Chairman Walling stated that responsibilities given to the Task Force under the ordinance were to review the funding options and not to review the impact fee. He advised the committee’s responsibility is to come up with a reasonable funding source, even though the impact fee may be a small funding source now (as there is no one pulling permits due to lack of development), and must come up with alternative funding. Virgil Clark asked if the added statement about impact fees is to be taken out and Mr. Walling advised that there is a need to state in the report the committee’s opinion that the impact fee formula is flawed.
INITIAL CONCERNS OF TATF – (continued)

Ron Jacobs suggested that there is a need to let the Board know that the committee looked at impact fees, but they are not a ‘candidate’ due to obvious reasons, as there is no construction, but need to address and tell them why it was discarded as a possible option.

T.J. Fish advised that he and Jim Stivender had tried a ‘formula’ type approach, but with no other funding going into the program, there will be a ridiculous set impact fee recommended. Jim Stivender stated that this far exceeds the condition of the economy (whether 2005 or 2008), as it is impact that an individual has based on other things being spent on the same product. Since nothing else was spent on that product for expansion of system, therefore, the burden is placed on this. There has been a discussion on supplementing from another funding source to bring down that number down, while construction cost has dropped 40%, so you have that cost, but is not a stable number even if locked in for now but will not stay that way. Ron Jacobs reported that another issue that is having an impact now is the cost of fuel, as it is going down, and how much it will continue to go down will have a cause on trips. Jim Stivender advised that according to October’s report, gas tax is up as individuals are driving a little more with gas prices dropping. $157,000 was collected in October for impact fees Countywide, which does not go far (with less building and therefore no revenue source).

Mr. Stivender advised he has been cautious about projecting numbers based on the construction climate. He also stated that over the next 5-years, over $7M in road projects was approved to be cut from the 5-year road program plan and that he is not planning for any growth. Chairman Walling asked what the percentage of this reduction would be over 5-years and Mr. Stivender advised approximately 30%. Mr. Walling asked how this compared to the general budget for downtown’s administration office and Mr. Stivender advised the 30% is from the capital budget and that he has only one (1) employee that is working on it and he is reimbursed the fund from it (if there are no funds then there is no reimbursement). John Moore asked if this $7M is based on current construction costs and Mr. Stivender stated yes. T.J. Fish advised that Dot recently notified himself and Jim Stivender that $12M had been cut from the new work program (2009-2013), and that Lake County did better than surrounding Counties. Mr. Stivender advised that would breakdown to approximately $2M a year over the next 5-years.

Ron Jacobs asked what Lake County’s portion would be (if DOT cut $12M) and T.J. Fish advised that $12M was cut from Lake County’s budget. He also advised that when he started with MPO, they were receiving $25M-$30M a year in projects and budget cuts at the state level were so bad, that the only news this year is that they are cutting $12M out. John Moore stated that the original number was based on a higher construction cost and Jim Stivender advised he factored a lower cost, but is using existing impact fee rate; taking existing impact fee rate and reduction in capital cost for building the projects, and therefore closer than they there were 2-years ago. He advised if you changed the impact fee formula that was presented to the committee, then that number would be higher than those numbers he is using. Fred Johnson asked if the cost dropped by 40% and Mr. Stivender advised yes; 40% of $25M is $10M and DOT cut $12M, so the true cost to construct is $2M.
INITIAL CONCERNS OF TATF – (continued):

Mr. Stivender advised that the true number associated with the impact fee is between $6,000 and $7,000 per unit (instead of $12,000) and thinks that this is a little high, at 100% adoption, which has not been done in a while. Chairman Walling suggested to list funding options: impact fees, and then list the others and have a page on impact fees (listing evaluation of impact fees), instead of jumping around and go through each funding source one at a time and have a section for each one and how the committee evaluated each one.

RECOMMENDATIONS ON FUNDING SOURCES

T.J. Fish advised that the report will begin with page 7 (will be page 1) which is Recommendations on Funding Sources and committee will go through each section and determine if any information should be added or deleted. Mr. Fish advised that Mr. Beucher added an area under this heading: “Additionally, the group felt in light of the disproportionate growth in county revenues and expenditures, the county needed to shift monies out of peripheral projects and refocus those monies on roads. The group suggested that adequate funding first be achieved for the health, safety and welfare before any funding of non-essential services. It was suggested that perhaps a business oversight committee be formed to analyze all budgets before presentation to the commission for adoption.”

General Fund

T.J. Fish mentioned that he placed this heading first since these issues flow into MSTU and Ad Valorem (as they are all inter-related, and that the general fund is funded by Ad Valorem). Mr. Fish advised that Bud Beucher had noted that a correction needed to be made in the section pertaining to the recommended percentage of general funds being dedicated to transportation, and that it should be changed from 10% to 8%. Jim Stivender advised that in reference to the offset of impact fees that Chairman Walling brought up, he stated staff has had discussions on easier ways to address and offset revenue source efforts and that it includes the cities. Gas tax has to be distributed in a certain method and staff is currently working through that method and what it will be in the future. MSTUs are unincorporated for people in the cities (which is half of the population) to pay impact fees to the common cause of transportation. The general fund kept coming up as a ‘countywide’ MSTU for transportation (as a supplement), so every individual would pay into this fund associated with the roads they travel on within the cities (‘opt in – opt out’ option).

Bud Beucher advised that he thought the general fund was not an MSTU and that the County would ‘lean’ its expenditures and would re-allocate 8% to maintenance and would happen without the creation of an MSTU. He also advised he thought the committee had discussed an option for new construction by creating an MSTU countywide incorporated and/or unincorporated for capacity creation. Mr. Stivender mentioned that when you say unincorporated for capacity, you are leaving all cities out. Mr. Beucher advised that he thought Cindy Hall had clarified that there was an MSTU for unincorporated and/or incorporated and in order for it to be incorporated, the cities had to ‘opt in’ and Mr. Stivender stated that is correct. T.J. Fish advised that he inserted page 8 under MSTU, “Also, discussed was the implementation of a countywide MSTU in cooperation with the 14 municipalities. It was suggested that cities share the need for road capacity and therefore should assist in the funding solution.”
RECOMMENDATIONS ON FUNDING SOURCES – (continued):

General Fund

John Moore mentioned under the general fund section on page 7, he did not remember the committee recommending the shift of general funds to occur over several fiscal years to result in 6%; as it makes it seem it will take five years to get to 6%, but thought it would be started at 6% and work up to 8% or %10 over several years. Bud Beucher agreed with Mr. Moore, but stated that he thought what Ms. Hall implied is that it might take her 4-5 years to get to 8%. Chairman Walling advised that he understood that it would start at 4% and Duane Booth mentioned that he remembered it starting at 2-4% and over 5-years get up to 8% and Jim Stivender agreed. Mr. Walling advised this would bring it back to what was historically done before. Mr. Booth asked if the recommendation could start at 2% and over the next 4 to 5 years up to 8% and Fred Johnson suggested to start at 2% with increments of 2% each year until meeting the goal of 8% and Mr. Fish advised he would make the necessary changes.

Municipal Services Taxation Unit (MSTU)

T.J. Fish advised of an addition of “Also, discussed was the implementation of a countywide MSTU in cooperation with the 14 municipalities. It was suggested that cities share the need for road capacity and therefore should assist in the funding solution,”; this is on page 8 which covers the unincorporated areas and what it is officially approved for, although not necessarily used for roads and trails now but could be legally. He also advised that the countywide MSTU with cities should be separated out, and expanded on further as it has more feasibility to it. Mr. Beucher advised to go ahead and add more to this. Mr. Booth referred back to the general fund and it being used for maintenance and wondered if there was a way to get the cities to help participate (especially if they wanted a county road improved that they had annexed around) and was advised that this had already been inserted within this document (page 9 – Municipal Role). Jim Stivender stated that the way the law reads is that it is by ‘mutual agreement’ and if the city does not want it, they do not have to take it. T.J. Fish advised that legislature created a new ‘service delivery boundary agreement’ between cities and County, which establishes growth utility areas and allows them to do non-contiguous annexations.

Jim Stivender advised of a more simple formula such as using a local 5-cent gas tax and it collecting about $6M, which half would go to the cities and 100% of our half would be used for resurfacing. He also suggested what if you were able to address to the Board for adoption that all cities and all county government would have the same rating system for all roads and bid out at one time, with worst roads being taken care of first (whether it be city or county that need to be resurfaced). Ron Jacobs asked if the municipalities would have to ‘buy-in’ to this option and Mr. Stivender advised yes. Mr. Stivender advised that we are trying to make our governments work more efficiently by using one bid. Ray Goodgame advised that he does not agree with placing all roads within the county under one bid, as he feels that we have too many contractors spread throughout as they are dependant on work. He does not mind the cities working with county on guidelines, but believes there should be a lot of local bidding. Jim Stivender advised there are not too many vendors that bid on work, but it could go either way – you need a comfort level. Fred Johnson advised that Howey-in-the-Hills paves every other year and ‘piggy backs’ off Lake County’s bid.
RECOMMENDATIONS ON FUNDING SOURCES – (continued):

Ad Valorem

Bennett Walling referred back to the Ad Valorem section and thought that the committee had talked about 100% of Ad Valorem taxes are for the first five years (page 8 – Ad Valorem). Duane Booth stated he had a note about suspending impact fees on commercial over next 5-years and the use of Ad Valorem for those projects. T. J. Fish advised that he had placed under Ad Valorem, as he had not heard a consensus from the committee (and asked for their clarification). He advised that Cindy Hall had concerns, but had a way of breaking it out and advised that if Mr. Booth wanted it clarified if he could.

Mr. Fish advised Ms. Hall was able to work with growth in the Ad Valorem sector without taking away from anything now. Duane Booth agreed and mentioned that the purpose was to give an incentive for new commercial growth and take Ad Valorem taxes from new commercial growth. Mr. Fish advised that is when you get into the problem that whatever you do impact fee wise with commercial, you must do the same with residential, as they cannot legally be separated out. Mr. Fish asked if there should be any expansion to “It was held that the commercial sector was the most appropriate to specify for a new policy committing or earmarking growth in Ad Valorem revenues to transportation,” and the committee stated yes. Bud Beucher advised to add the word ‘capacity’ and that ‘new funds’ are earmarked for new road capacity, which is above-and-beyond the 8%. Jim Stivender advised that he wanted to go a step further and wanted to be sure where the money goes – showing that revenue source going into the correct benefit district within the county for the next 5-years. T.J. Fish stated that within a 5-year period, he would add the following: above-and-beyond the 8% for capacity and funds would remain within the benefit district.

Bennett Walling advised there is a need to add that 0.25mil was dedicated to transportation until the 1980’s and when that went away, taxes were not reduced and money went back into general revenue. Jim Stivender stated that when he started in 1976, the county had federal revenue sharing and general fund and that they would try to do away with federal revenue sharing. Gas taxes began in 1984 (a transition from one to the other). In the beginning, the gas tax was a larger revenue source than was seen before. T.J. Fish asked if he should clarify in general fund, as he talked about the incremental 2% to 8% and did not mention that it was based on the 0.25mil from the 1980’s. Mr. Walling agreed as he had made a note that it needed to be moved to the general fund section. Bud Beucher advised that the committee should look at the sentence stating “This option would likely be in lieu of a general fund or MSTU approach.” T.I. Fish reviewed the sentence and advised if ‘in lieu’ is removed, it removes your option to double-dip in the general fund. Duane Booth advised that the 0.25mil Ad Valorem was used for capacity and the 8% for maintenance and Mr. Fish agreed and advised he would delete the sentence.

Fred Johnson mentioned that Jim Stivender made a point that revenue from gas taxes goes up (as it is more affordable) and speaks to the impact fee (the higher you make the impact fee, the revenue is going to go down). He believes the only way to get the Commissioners to understand this document is to have the Commissioners sit down with the committee and go through each section with them. Jim Stivender stated there is a need to put this document into a ‘format’ with a summary and detail points, and then these concepts would be easier to grasp. He also advised when this document gets to this point, the committee needs to decide how to present it to the BCC (turn document over to Chairman or present to BCC).
RECOMMENDATIONS ON FUNDING SOURCES – (continued):

Ad Valorem

Ron Jacobs advised that there are 10 recommendation points (general fund and on), and that a slide presentation be prepared with ‘key aspects’ at each point and then have a question/answer session. T.J. Fish advised that after turning off ‘track changes’, this document would be only 3-4 pages long, a background summary, and advised slides could be inserted as well. Mr. Jacobs advised he has seen this done before and is effective and could be a persuasive presentation. Bennett Walling agreed, but stated that someone needed to explain the presentation and how the committee came up with these conclusions. T.J. Fish advised the committee they needed to elect a spoke person and he would put together the presentation. Ray Goodgame asked where the venue would be and T.J. Fish suggested a workshop. Jim Stivender advised there would be three meetings: 1) presentation to absorb information; 2) workshop to debate & discuss issues; 3) if committee wants to have this presented within the next year, a lot needs to occur within the next 30-60 days, because the budget cycle starts February 1st. The gas tax issue is a June 1st date before it is implemented, therefore, the recommendations would not be implemented until January 2010.

Virgil Clark advised that the ‘need’ is missing in the recommendations, and there is a need to advise the BCC on why we need this, as well as, why we want to do this and what the conditions is that will create the need. He advised the document should be short and simple explaining to the BCC conditions that create the need. John Moore advised that the document should be a reminder, as the recognition of the need is what drove the formation of the committee. Jim Stivender advised that the Public Works Department provides two (2) annual presentations to the BCC yearly; one is the ‘State of County Roads’, which now shows capacity and age problems on our roads.

Ron Jacobs commented that he was impressed with one of the first summaries provided by Jim Stivender, which showed roads in need, related costs of roads and money available. Virgil Clark advised that if you do not start with that, the numbers do not mean anything. Mr. Stivender advised that the road summary would be available as an attachment to the report and/or any other summary requested. T.J. Fish stated that $100M in need for county road improvements should be in the 5-year road program, but cannot afford to put in there (which does not include state roads). Mr. Clark suggested that this be put into the summary page and keep it one page.

Impact Fees

Duane Booth referred back to the 2025 needs plan and asked if the impact fee was calculated separate and T.J. Fish advised it was. Mr. Fish advised the impact fee is not directly based on a needs plan; a needs plan is done and determined where money is coming from, a cost feasible plan is done and adopted, and those projects will eventually make it into the work program (5, 10, or up to 20 years), where construction costs drive it. John Moore stated that while moving recommendations to beginning of document, you do not want to lose policy issues related to levels of services, as well as, the need for a new study and wondered how to include that. Mr. Fish suggested that while going through the document, the committee could advise of format.
Impact Fees

Jim Stivender stated that what he is hearing is the need to ‘get to the point’ and ‘re-evaluate the impact fee study’. Virgil Clark mentioned that going back to the statement that the group never received the ‘formula’; either the committee needs to come to the consensus that they will not get it and take it out of the document or the BCC will ask why the committee did not receive it. Jim Stivender stated that the formula has been a ‘standard’, but what plays a big role is the cost factor and anything you do to that is a benefit to lowering it. Jim Bible advised there are two (2) ways to do an ‘impact fee study’ – 1) X number of cars on road and road costs (it does not matter how many roads need to be built, whether 1 mile is needed or 100 miles and 2) If you have $100M and 100,000 new cars generated by X number of residential and divided, then you come up with the formula; the first way was done with Lake County. Mr. Bible went on to say that the big numbers are the construction costs (half of these costs are fixing old roads going from 2-lanes to 4-lanes), trip length for parts of travel (average in State of Florida is 6 ½ miles and Lake County is 24% longer), so cost is 20% more; how many trips leaving your home daily (more trips in Lake County than average in Florida). This will capture 90% of costs and the other thing discussed is not to include State roads, as it is funded by the State.

Duane Booth advised that he does impact fees for water and wastewater for cities, looking at capital costs and Mr. Bible stated they are similar. Mr. Booth stated that there is not a calculation for water, as you must look at what the needs are and the year for projected growth, what timing those needs are on and what you generate to pay for them versus multiplying line on per mile. John Moore asked if you are looking at a need and Mr. Bible advised that it has nothing to do with calculation, as calculation does not say how we generate enough to build all roads. Mr. Booth stated that what Mr. Stivender was speaking about was to use impact fees for construction on how funds were spent. T.J. Fish clarified that some counties have ‘segment based impact fees’, whether by district or however structured; they specify projects they intend to build with fee and do cost estimates, total up, and divide. Lake County chose to do a ‘network’ base, which is a connection fee (when paying impact fee – paying to consume all capacity in network of your benefit district and that is why formula is different). Jim Stivender advised that while doing the sales tax pitch, projects were listed on what would be accomplished and all were completed but one, due to funding issues. Those projects had originally been on the impact fee plan and were taken off, as the capacity enhancements were minimal but had been the only funding source available at the time. The challenge has been to come up with an ‘intermediate’ plan. Bud Beucher stated that road maintenance has to be funded by the citizens of the county.

Bennett Walling advised that we have come full circle and now need to come up with possible funding sources and report to the BCC. As a committee, the impact fee is not an issue now, but there are some flaws with the methodology. John Moore stated that the recommendations should be in the front of the document, but should have explanations for them. He also suggested possibly to cutback on the background information. Bud Beucher suggested that possibly the cover letter should have bullet points (with no explanation) of alternative funds for transportation and provide background on what was done with detailed information of how they could be used. He also suggested leaving in same format as Mr. Fish had and add a summary/conclusion in the back of the document.
RECOMMENDATIONS ON FUNDING SOURCES – (continued):

Duane Booth stated that he has been working on a summary and would like to see it simplified more by new construction or new capacity and list sources and then list maintenance and show sources. Bennett Walling advised that there is a need to touch on a summary of each of these items and Mr. Booth and Mr. Beucher stated it had already been covered. Mr. Booth advised this is relating to new construction, countywide MSTU, moving some of stormwater and trails monies over from existing MSTUs, evaluating impact fee study, municipal role and private/public partnerships. He advised to go through them, but does not believe a fee should be associated with them; he wanted to include in the document the 8% in maintenance, 5% in gas tax, indexing fuel, up sales tax in 2016. T.J. Fish asked Mr. Moore what he would like to include at end of document and he wanted to add a ‘bullet’ showing other issues addressed such as looking at adopted levels of services, re-doing impact fee studies. Mr. Fish advised what he heard is a need for a letter with bullet points, followed by details and then a summary with capacity versus maintenance.

Bud Beucher asked how can you look at a paragraph and make it much less and get the message across (example: general fund on page 7) and Bennett Walling stated why is the section about toll roads on the document when it is not an option (under other funding sources). Duane Booth advised Mr. Fish that he is ok with page 7 through 10 in concept but might ‘tweak’ the language, but need all categories with explanation and ‘tweak’ them as well. Mr. Booth suggested either a conclusion or simple recommendation at the end of document and then advised he liked the background, initial concerns, appropriateness to source (maintenance), as well as the front of the document. He advised that it is more important to get pages 7-10 correct, have cover letter, and build the case, recommendations and a summary of recommendations. John Moore agreed and stated if using conclusion on page 11, it seems to focus more on budget only, and may need to add more language to restate the alternative funding sources. Bud Beucher added to change from conclusion to ‘summary’ and make modifications and include what Mr. Booth stated, but would also add funding for new construction and maintenance, and ‘re-align’ rating system of roads.

Ray Goodgame advised it would be good to get all ‘main items’ on front cover letter with notations on each paragraph (which will be more helpful). Mr. Goodgame advised that he would get with T.J. Fish on trying to get the Commissioners together for a workshop on these issues.

Duane Booth asked about Ad Valorem - page 8; Mr. Fish advised that when he mentioned expand on the countywide approach to the MSTU, he wanted to be clear that it was the capacity approach, and wanted the committee to know that all ideas that involve property tax, the one that makes the most sense is this. He advised that all projects that are not on the 5-year work program (but do not have money) are within the cities and from urban growth. Growth Management law says that you cannot approve new development unless you can show the ability to pay for the facilities with in 3-years or that they are already there. Cities legally have a bigger obligation to help solve this problem and this discussion must happen with them.

Bennett Walling asked if Ad Valorem is in line with general fund and possibly group them. Jim Stivender advised that groups should be under capacity or maintenance. T.J. Fish advised that he would list as follows:

- General Fund, Ad Valorem, MSTU, Municipal Role, Impact Fees, Public-Private Partnerships, Other Funding Sources, Cost Cutting Measures, Fuel Taxes, Sales Tax
**RECOMMENDATIONS ON FUNDING SOURCES – (continued):**

Jim Stivender reminded the committee that from 2014 - 2016, every 2-years, two pennies will drop-off fuel taxes unless they are renewed (as the 30-year renewal will be up) and does not know if it needs to be mentioned, as this generates $12M; Mr. Stivender suggested to list under ‘future’.

Bud Beucher asked if there is a need to possibly add to the document on re-evaluating standards for future roads, capacity criteria, and ‘learning to do without’, as these next years are going to be difficult times. Ray Goodgame advised that speaking on behalf of the cities, they have worked with the MPO and went through each arterial road within their cities and what they are willing to ‘live with’. T.J. Fish mentioned that the City of Clermont is participating in enforcing concurrency and have already lowered level of service on several roads, to accommodate more congestion as they recognized they were urban and should accept more. For example, SR 50 conditions were bad, law allows them major development but they have to pay proportionate fair share (in addition to impact fees), which helps solve a county road problem with Hooks Street and state problem with SR 50. Mr. Fish advised that the law be structured that if you do not keep up with needs and follow comp plans, someone will end up paying for it.

Jim Stivender suggested adding to document the following - ‘adhere to comprehensive plan’ and make sure everyone plays by the same rules, which is being done. In the early capacity, a lot were creating different scenarios – cities were benefiting themselves, some had different levels of service. Ray Goodgame advised that Clermont had become ‘lax’ on (but up-to-date now) updating new development levels and all cost levels. If a lot of sales taxes and fuel tax had been indexed, we would not be having these problems. Mr. Stivender advised that there are many rules that must be followed in the state of Florida which solve one problem, but create another. T.J. Fish stated to the committee that he had an idea with format, to do standard format and have each one on a separate page (and show detailed information on back of page – somewhat like a ‘baseball card’); the committee agreed and Duane Booth stated to categorize if capacity or maintenance.

Bennett Walling stated that he had a question on page 10 – Other Funding Sources, ‘Although the group embraced the concept of user fees to cover transportation needs, it was acknowledged that no new toll roads are being planned for construction in the near future’; he wanted to know other than him who thought it was a good idea. Duane Booth stated he thought the committee’s recommendation was to continue to explore the political environment of user fees if it were to come through legislation. T.J. Fish advised that he would go back and mention user fees being appropriate if structured properly. Mr. Booth suggested that maybe it should be stated that as this increases in popularity, this option might replace other funding sources that are outdated. Mr. Fish asked if he should reference toll roads and John Moore stated that the BCC should know that they were discussed.

Ron Jacobs stated there are techniques being developed that will help monitor every move of a vehicle, such as the transponder. Duane Booth stated this would do away with the gas tax, etc. and T.J. Fish mentioned the work study had come back very positive and emphasized it would need to be on a ‘large scale’ and would not work this early on a county basis. Ron Jacobs advised that States’ and Federal DOT are talking about it and currently using them on trucks. Jim Stivender advised that the transportation package that goes before Washington would have wording language in it. Mr. Jacobs also advised that there is a problem with the lack of inter-operability of transponders, as states share a border but do not share the same transponder.
RECOMMENDATIONS ON FUNDING SOURCES – (continued):

T.J. Fish advised that he will make the above changes and include following: Impact Fees - emphasize need to ‘re-evaluate’; Fuel Tax – sunset date for renewal; Sales Tax - no changes; Municipal Role - expand on municipal responsibilities; Public-Private Partnerships - no changes (other than what had already been inserted); Other Funding Sources – will insert recommended changes; Cost Cutting Measures – will insert ‘re-evaluate’ criteria for roads, and learn to do more with less.

Jim Stivender asked if Monday, December 1st would work with the committee to get back together with these changes and they all agreed. Bud Beucher suggested to Mr. Fish that the draft cover letter would have bullet points that reference each item (i.e. sales tax – page 6), so the reader of the letter could go right to the reference. Mr. Beucher also advised to add Mr. Booth’s summary. T.J. Fish asked the committee if they would like a physical signature on the letter such as all 7-members or just the chair’s signature. Jim Stivender advised that having a signature from all committee members would look good.

Bennett Walling suggested to T.J. to make an addition on page 4 – Maintenance versus Capacity, where it states ‘Property taxes were strongly supported’; it should read ‘existing property taxes’. Duane Booth asked if sales tax would be considered as capacity or for both and Jim Stivender advised it should be capacity, as it could not be used for maintenance but only capital. Mr. Stivender advised that sales tax could not be used for salaries or materials. Bennett Walling asked about page 5 – Needs versus Wants, if sentence beginning ‘that snapshot includes not just county road needs, but also state and federal facilities’, if it should be added that projects would be constructed by private developers when they build it, and T. J. Fish advised he would add.

T.J. Fish advised he would email the revised document to them by the end of this week and asked the committee if they are ok with meeting again on December 1 (and this being the last meeting) and they agreed. He referred to the suggestion by Mr. Stivender to provide the presentation to the BCC (without any debate) and let that lead into a workshop for further discussion and detail, and hopefully will turn into the BCC making their decision. Bud Beucher asked Mr. Stivender what would happen if the BCC does not accept any of the recommendations and Mr. Stivender advised that the BCC would use this report as a tool to discuss and debate over it. Mr. Beucher stated that was delighted to be selected and to serve on the committee, but hopes that something will come out it. Mr. Stivender advised that within the last few months, the price of construction has changed, which drives a lot of this factor regardless of anything else. T.J. Fish stated that he is confident (no matter what happens in the days to come), that if there is failure to change policy, it will ultimately be the voters who will need to decide. Jim Stivender advised that for himself, this has been a healthy experience to deal with all revenue sources and potentials and see where pitfalls are, and has been very helpful. Bennett Walling advised that he has also enjoyed sitting on this committee and that the county needs to realize that development is gone for the time being and there is a need to find other funding sources.

Chairman Walling moved to adjourn meeting. Motion was made by Fred Johnson and seconded by Bud Beucher. The meeting adjourned at 6:00 p.m.

The next Lake County Transportation Alternative Funding Task Force Committee meeting is scheduled for Monday, December 1, 2008 at 4:00 p.m. at the Public Works Department, 437 W. Ardice Avenue, Eustis, Florida.