

CHESTER COUNTY COUNCIL WORKSHOP MINUTES

R. Carlisle Roddey Government Complex

1476 J A Cochran Bypass, Chester, SC

Monday, July 2nd, 2018 at 5:00 PM

MINUTES

Present: Chairman Shane Stuart, Vice Chairman Joe Branham, Council Member Alex Oliphant, Council Member Mary Guy, Council Member Archie Lucas, Council Member Pete Wilson, Council Member Brad Jordan, County Attorney Joanie Winters, Clerk to Council Karen Lee, Treasurer Tommy Darby, Attorney Michael Kozlarek, Karlisa Parker Dean, Jeff Burgess and John Agee.

1. Call to Order-Chairman Stuart called the meeting to order at 5:00 pm.

2. FILOT Workshop Discussion for Fire Districts and Economic Development

Chairman Stuart stated Council wants to make sure funds are set aside for economic development and fire districts moving forward for future projects in fee of lieu of agreements. Council Member Jordan stated as more industries come to the County there will be greater needs for police, ems and fire protection. The money to be allocated from the fee in lieu would help with a small part of that. He had suggested four percent across the board which was his original proposal, but also in the past five percent had been talked about for economic development.

Vice Chairman Branham asked if anyone knew how the impact fee could be utilized. Chairman Stuart stated it could be used for big ticket items, fire trucks, fire stations, ambulances, land and other things and must be used in a certain time period. Vice Chairman Branham stated there should also be relief from the impact fee also. Council Member Oliphant asked if they were talking about the entire percentage of the fee in lieu or the Counties portion of the fee in lieu, since Council has the ability to alter it.

Treasurer Tommy Darby stated the history for the 2017 numbers are currently 23 fees, 14 of them are pre-gateway fees and split based on the millage of the entities. The splits are county, school, libraries, York Tech, fire districts where ever they are located. Council Member Wilson asked how much does the schools get from that. Mr. Darby stated about \$1.4 million, six fees are pledged to the gateway, after the gateway four fees are in a 70/30 split. The fire districts get a portion of the 14 fees, in 2017 around \$2.1 million that was split between all entities. Among the fourteen fees they were split with these entities Richburg received around \$28,000, Lando around \$2600, Chester Fire around \$125,000, York Tech \$11,000, Library \$32,000 and Solid Waste \$33,000.

Mr. Darby stated the discussion is how do we split the 70/30 agreement to accommodate the fire districts. Council Member Oliphant asked what four were in the 70/30 split. Mr. Darby stated Outokumpu, Haddon House, Footprints and Chester Wood Products. Council Member Jordan stated his question was can they go back and pick these up. Attorney Michael Kozlarek stated not the way the ordinance was drafted. Council Member Jordan stated the way the funds are now they are pledged for something else. Mr. Darby stated they were being used to balance the general funds budget. Council Member Jordan asked what could be done to pick them back up. Mr. Kozlarek stated that was a financial issue more than a legal issue. Legally the ordinance could be drafted to pick up any revenue stream the county wants except for the ones that are

pledged to the gateway. The county could draft an ordinance to say every fee in lieu of tax revenue, except for the ones pledged to the gateway until they are no longer used on the debt service on that facility, but it's a financial issue.

Chairman Stuart stated the 70/30 split moving forward since there is a master agreement in place. Mr. Kozlarek stated the agreement is between who and the county you are partnered with, you don't have to ask the other county how you will split up your own revenue. Chairman Stuart stated so the counties we are splitting with get 1 percent, the other 99 percent is split 70/30 on those agreements. So where will the four percent come from. Mr. Kozlarek asked if they wanted to change the entire split, do they want to keep more of it, or less of it, do you want to give the school district 20 percent or give them 60 percent since they are potentially options. Legally they don't give him concern for a physical conversation.

Council Member Oliphant stated on the 14 pre- gateways do nothing, on the four 70/30 take out four percent for the fire districts out of the 70 percent and leave the 30 percent alone, economic development is a separate issue. Moving forward and any new ones it would be a separate formula since the other ones have been set up it would be separate and an easier route.

Council Member Jordan stated his original proposal was to take the four percent out of the 70 percent that the county gets, rather than mess with money allocated to the school districts. County Attorney Winters stated right now we have growth and activity, her concern was when the county doesn't have it. Could there be a way to draft the ordinance to be more flexible, if the economy takes a down turn could the county suspend or take a piece back. Mr. Kozlarek stated the way the ordinance was drafted was very different from the gateway scenario, the reason the gateway revenues are pledged, there is a pledge agreement that states Council promises to give the money to the projects, this would be an ordinance that governs the Council as to the way the Council handles itself. A year from now or five or ten years from now County Council changes their minds by changing the revenue split to end they would have the right to do that.

County Attorney Winters stated Council wants to be sure this is what's right for everybody including fire, but also for Council and the County if anything went wrong such as what happened with Southeastern. Council Member Oliphant had stated previously "up to" but retracted that, need to keep the ordinance clean since it can be changed within three readings, it gives the fire districts and economic development more security. Council Member Jordan stated he did not like the language in the ordinance where it stated "the lessor of four percent or the pro rata share. He asked Mr. Darby what his thoughts were if they went back and allocated the three from the general budget standpoint. Mr. Darby stated it would be more complicated trying to manage it, that would be his concern.

Council Member Jordan asked would it better to manage through budget or pro rata share, Mr. Darby stated through the budget, instead of trying to break out allocated fees. Council Member Oliphant stated historically the Council makes grand plans of doing this and then our minds change. When it's put in the fee in lieu it feels more secure and more amped to continue, but when the budget is extra tough and tough decisions needs to be made you have to start chopping.

Mr. Darby stated \$ 119,000 dollars has not been used from the sale of property, the money was set aside for economic development. Karlisa Parker Dean, Economic Director stated if she had realized those funds were there she would have used them for product development. As a tier two county we're ranked number eight for product development which is good. It has helped sale what has been accomplished, but if you prefer economic development to budget the money, now it's too competitive to get the funds.

Council Member Oliphant stated he would rather have a million dollars setting in a bank account that's not being used, so when the right industry comes it could be used. Council Member Wilson stated that's good if

Chester County was wealthy but were not, why not use it now instead of sitting in a bank. He sees better things to do with the money, he's not against product development. Council Member Lucas asked if the monies would go to fire departments only, or if sub stations were included. Mr. Darby stated in would include them all.

Council Member Oliphant suggested to Council to do the fire district now and do economic development later as a separate issue. He stated he was in favor of taken the 4 percent of the 70 on the 4 post gateways and all future, with no formulas. Council Member Guy suggested going ahead with the 4 percent. Council Member Jordan stated the ordinance would need amended, take out the word "lessor of". Attorney Kozlarek stated he could red line the ordinance so if any other changes were made at the third reading it could be adopted as an amended ordinance.

Council Member Oliphant motioned to do first reading in title only on the four-existing post gateway fee in lieu 70/30 allocate 4 percent of the Counties portion of the 70 percent to the fire districts from the industries of Boise Cascade, both Outokumpu's Haddon House and Footprint, second by Vice Chairman Branham. Vote 6-0 to approve.

Council Member Wilson stated he liked what was being done to help the fire districts but does not see the same need for economic development, it would be more appropriate to have in the budget a standard amount to go towards product development needs. He's not opposed to funding product development but does not understand why it gets first share of the money before other important county operations such as ems, police and schools. They will need more money also as the County grows, he does not want it to be more complicated for the auditor, treasurer and county council.

Mrs. Dean stated it never mattered to her which way it went, but an attorney suggested it that way many years ago. The reason there was near misses with projects since there was no sewer or water. It doesn't matter to her as long as it's not part of the budget that gets thrown away. Project development will always be the key to Chester County. Vice Chairman Branham stated economic development feeds Chester County. Council Member Wilson stated ninety five percent of the six fees go to economic development, it's not that it does not get funded and sees the importance of it but there are other functions that are just as important. Why are ems and the salaries for county employees are low and left out, product development should be budgeted.

Mrs. Dean stated if council wants to budget product development that would be fine, but she sells the County that includes the fire and ems and does not think they are unimportant. She thinks each department should make their case as to why money should be set aside and that's what was done in 2007. Product development needs to continue so the County will have the sites to offer to bring industries to the county. The York County Economic Developer told her they were sending clients to Chester County since they don't have the land anymore. The County is sitting in a good seat right now but needs to have the product to offer, another 1200-hundred-acre site has been identified here in the County.

John Agee, Richburg Fire Chief stated there is no ability in Chester County to increase the operation millage beyond 2.19 percent operations, the other way to get it is in growth, the only way to get additional money is through the fee in lieu of taxes that goes in operations. Jeff Burgess, Project Manager for Economic Development stated speaking from past experiences in a county that was trying to fill a bucket full of holes the water went out as fast as it was coming in. The budget process was good, but there was never a feed stream for the fee in lieu that went straight to the general fund, each year the budget was cut back.

Council agreed to have another meeting to discuss what percentage economic development and the school district would get at 4:30 pm on July 16th.

3. Adjourn

With there being no further discussion Vice Chairman Branham motioned to adjourn second by Council Member Wilson. Vote 6-0 to adjourn.

Pursuant to the Freedom of Information Act, the Chester News & Reporter,

The Herald in Rock Hill, SC, WSOC-TV, Channel 9 Eyewitness News, the Mfg. Housing Institute of SC, WRHI Radio Station, C&N2 News, WCNC News and Capitol Consultants were notified and a notice was posted on the bulletin board at the Chester County Government Building 24 hours prior to the meeting

K. Shane Stuart, County Supervisor & Chairman

Karen Lee, Clerk to Council

