

MINUTES OF THE SPECIAL MEETING
OF THE
LANCASTER COUNTY COUNCIL

August 13, 2008

Chairman Carter called the special meeting to order at 12 noon on Wednesday, August 13, 2008, and offered the invocation.

County Council members present were Rudy Carter, Fred Thomas, Wesley Grier, Jack Estridge, Wayne Kersey, Bryan Vaughn and Larry Honeycutt. Also present were Steve Willis, Irene Plyler, Frannie Heizer, Mike Ey, Veronica Thompson, members of the Capital Projects Sales Tax Commission, several department heads and employees, several citizens, and two members of the press.

The following press were notified of the meeting by mail or by fax in accordance with the Freedom of Information Act: Lancaster News, York Observer, Kershaw News Era, The State, The Rock Hill Herald, Fort Mill Times, WRHI Radio, Cable News 2, Channel 9, and the local Government Channel.

AGENDA APPROVAL

MOTION was made by Wesley Grier to amend the agenda to include an executive session to received a legal briefing after the meeting. SECONDED by Larry Honeycutt. PASSED UNANIMOUSLY 7-0.

CITIZENS COMMENTS

Joe Ramsey, 224 Lodge Road, Indian Land, a member of the Capital Projects Sales Tax Commission, stated that he was in support of the referendum for the \$33.4 million to build a new courthouse with General Obligation Bonds, but was opposed to the installment purchase financing because he felt the installment purchase plan will add to the cost of the courthouse. Asked Council to oppose Resolution #646.

ORDINANCE #934 – CAPITAL PROJECTS SALES TAX REFERENDUM

MOTION was made by Fred Thomas to remove from the table Ordinance #934. SECONDED by Larry Honeycutt. PASSED UNANIMOUSLY 7-0.

Mike Ey advised that Ordinance #934 given to Council was based on discussions Council has had since the courthouse fire. It still provides for a 1% sales and use tax to be applied countywide. It would be subject to referendum in November. The ballot question states a 1% sales tax for no more than 7 years and will be used for the purpose of construction, acquiring, equipping a new courthouse including parking. He advised that the cost is not to exceed \$42,400,000 based on an installment purchase, which is different from 2nd reading. The courthouse is still being based on what would be the possible capital cost and construction cost of \$33 million for terms of computation. The actual scope and cost of the project will be determined by County Council. He advised that he and Frannie Heizer met with the Capital Projects Sales Tax Commission the day before, at which time the Commission did approve the proposed ballot question and ordinance presented to Council.

Mr. Charles Harrell, Chairman of the Capital Sales Tax Commission, advised that they met again and went over all the information given to them by the attorneys. The committee is in agreement to build the courthouse; however, one member had reservations about the financing methods. They did find out during their discussion that the county would be paying around \$1.5 million for the privilege of beginning the project earlier. The ballot question, as it is proposed now, would allow the project to continue even if the voters turn down the 1% sale tax option. Mr. Harrell noted that there was concern among the commission members that the referendum question doesn't give the voters a choice. It doesn't state that if the sales tax does not pass, that millage will be increased, so the voters actually do not have an option. Attorney Mike Ey had explained to them that it must be presented on the ballot as written and, through an educational process, the public will need to be informed.

Frannie Heizer advised that the additional cost associated with an installment purchase is because the county is starting the process 12-18 months earlier. Installment purchase does have some costs that aren't there with GO Bonds, but it's the fact that the county will be accelerating both the financing and construction. If the sales tax is approved, around \$42 million, it gets paid for in 7 years, and possibly sooner, if the amount needed for the courthouse has been realized. Payment would start at the end of 2008, but GO Bond payments wouldn't start until 2010 for 20 years.

Mike Ey advised that the installment purchase gives the county the assurance that the courthouse will be built. The other way, if the sale tax referendum is defeated, another method of financing would need to be found, which would cause a delay.

Steve Willis noted that the architect who did the original work on the projections was forecasting at 3% annual construction cost increase. At \$33 million, 3% per year is \$990,000. In other words, if construction and financing is delayed, the cost for construction could still be increased.

MOTION was made by Fred Thomas to approve 3rd reading of Ordinance #934 to impose, subject to referendum approval and pursuant to the capital project sales tax act, a one percent (1%) sales and use tax (the "tax") within Lancaster County for not more than seven (7) years; to order a county-wide referendum on the question of imposing the tax and to prescribe the contents of the ballot question; to specify the purposes for which the proceeds from the tax are to be used, the maximum time for the imposition of the tax; and to provide for other matters relating thereto. SECONDED by Jack Estridge. PASSED UNANIMOUSLY 7-0.

RESOLUTION #646 –

Attorney Frannie Heizer advised that this resolution authorizes the County Administrator and the financing team to move forward with the installment purchase. It makes it clear that County Council will make the decisions on the final scope of the project.

MOTION was made by Larry Honeycutt to adopt Resolution #646 approving the selection of certain professionals, companies and organizations to assist Lancaster County in connection with the issuance and sale of installment purchase revenue bonds; authorizing the County Administrator to undertake certain actions; and other matters relating thereto. SECONDED by Bryan Vaughn. PASSED UNANIMOUSLY 7-0.

EXECUTIVE SESSION

MOTION was made by Fred Thomas to go into executive session to receive a legal briefing. SECONDED by Larry Honeycutt. PASSED UNANIMOUSLY 7-0.

MOTION was made by Wayne Kersey to go out of executive session and back into regular session. SECONDED by Wesley Grier. PASSED UNANIMOUSLY 7-0.

As Council came out of executive session, Chairman Carter advised that Council received a legal briefing and a motion will be forthcoming as a result of executive session.

MOTION was made by Fred Thomas that the Sheriff's Department be authorized to move forward with an unspecified but finite reward with respect to receiving information leading to the arrest and conviction of the person(s) responsible for the courthouse and solicitor's office fires. SECONDED by Wesley Grier. PASSED UNANIMOUSLY 7-0.

MOTION was made by Wayne Kersey to adjourn. PASSED UNANIMOUSLY 7-0.

The meeting adjourned at 1:10 p.m.

Respectfully submitted,

Irene Plyler
Clerk to Council

APPROVED BY COUNCIL 09-08-2008

Wesley Grier, Secretary