

**CAPITAL PROJECT SALES TAX COMMISSION  
MINUTES  
NOVEMBER 16, 2009 – 6:00 P.M.**

**MEMBERS PRESENT:**    **Dave Waldrop, Chairman**  
                                 **Renee Joiner, Vice Chair**  
                                 **Phil Spotts**  
                                 **Lisa Toland**  
                                 **Jimmie Coggins**  
                                 **Bob McCartha**

**STAFF PRESENT:**        **Wayne Adams, County Administrator**  
                                 **Theo DuBose, Consulting Attorney**  
                                 **Laurie Renwick, Clerk to Council**  
                                 **Debbie Cromer, Finance Director**

**OTHERS PRESENT:**    **Darryl Hentz, Mayor of Pomaria**  
                                 **Bryan Alvarez, Newberry County Water & Sewer**  
                                 **Derek Underwood, Prosperity Mayor Elect**  
   **(Effective 1/4/2010)**  
                                 **Karen Livingston, Prosperity Administrator**

The meeting was duly advertised as required by law.

**1.        Call to Order – Dave Waldrop, Chairman**

Chairman Waldrop welcomed all in attendance and led the meeting with the invocation.

**2.        Introduction of New Commission Member**

Chairman Waldrop welcomed Dr. Bob McCartha as the newest CPST Commission member. He also welcomed the Mayor Elect of Prosperity, Mr. Derek Underwood, who will be taking office January, 4, 2010. Mr. Waldrop shared with Dr. McCartha that the County staff and Mr. DuBose will be available to update him and answer any questions that he may have.

Dr. McCartha stated that he spent some time with Mr. Adams on Friday afternoon and he got him up to speed. He said he has read over his CPST manual and will go from there.

**3.        Business/Action Items**  
                 **a.    Q & A for proposed project eligibility and submission**

Chairman Waldrop stated that tonight will be open for any discussions on the CPST process. We do not have any submitted projects, so if anyone has any thoughts or questions at this point, they can be addressed.

Mr. Underwood stated that they have discussed the criteria and have already started a list of projects that will need to go before their Council for approval.

Chairman Waldrop said he felt the Boeing plant in South Carolina could have a tremendous impact on Newberry County. There will be a lot of spin offs from Boeing and hopefully Newberry County will be able to entice those to locate here. He stated that the Commission will have a tough job in front of them; working hard in setting these projects and selling this to the public.

Mr. Coggins asked if Mr. Adams would brief the Commission on the Resolution passed by County Council.

Mr. Adams reported that County Council passed a Resolution to set the process in which they would consider projects requesting sponsorship by the County. He stated that every project will have to be sponsored by a CPST eligible entity. Council set in place its guidelines for how they will consider project they will sponsor. Their first meeting on this will be tomorrow night.

Chairman Waldrop said he felt it was important that there be some guidelines and a format to go by that would let the people of the County know that this was being done by the book. He felt the municipalities and entities needed to adopt a similar Resolution outlining a format they will go by and in a way that is proper. He commended the County for drafting up some criteria and guidelines and asked that the municipalities and entities do the same and submit them to the Commission at the January 18, 2010 meeting. This information will be helpful to the Commission.

Chairman Waldrop shared that he felt industry was going to be a key player in the selling of this. He said a lot of needs were satisfied by the last CPST and we need to get down to business with this one.

There was discussion about the next several Commission meetings being scheduled on a holiday and some discussion on Mr. Spotts trip. It was agreed upon by Commission members that the Chairman could reschedule meetings if needed.

Mr. Adams said that in the next couple of days, Piedmont Tech will announce that they are going to pursue a CPST project. They are in negotiations on an option for property and wanted the Commission to know that they are not assuming anything, but just wanted them to know about the announcement

Mr. Spotts asked if the Piedmont Tech project would go through the County.

Mr. Adams stated that if Council agrees it will be sponsored by the County.

Mr. Waldrop asked Mrs. Toland if she knew whether Piedmont Tech had completed all of the State requirements to proceed with this project.

Mrs. Toland stated that she did not know and would remain neutral at this time.

Mr. Adams said that by the time the Piedmont Tech project reached the Commission they should have satisfied all of the requirements. That is why they are moving along with the process.

Mr. Adams asked if Mr. DuBose would go over the revenue scheme and bonding versus pay as you go for the new Commission member because of the complexity of the matter.

Mr. DuBose stated that the estimate he came up with for new projects was 21.6 million dollars using the cash flow schedule which should yield approx. 18 million in principal. At this time, the Commission can approve 18 million in projects. Collections will need to be looked at as we go into next year to determine how much of a buffer will be needed in case sales tax collections drop off. We will also have to adjust our estimates (around 18%) when the new referendum is imposed because there will not longer be a sales tax on unprepared food.

Dr. McCartha enquired about how long the new tax would be in effect.

Mr. DuBose stated that the new law states that the tax has to expire on April 30<sup>th</sup> of an odd numbered year but not to exceed 7 years. The existing tax will go off on March 30, 2012, with the new tax will coming on April 1, 2012. The new tax will have to come off on April 30, 2017 to meet this requirement. The bonds from the current sales tax should be paid off in June or July of 2010. Any sales tax collected from July of 2010 to April of 2012, even though they are from the old tax, can be used for new projects.

Dr. McCartha asked if these funds would have to go back to the general fund.

Mr. DuBose said there was a change in the law that states if there is a new referendum, the funds will go to projects under the new referendum. If there is not a referendum, County Council will decide where the funds will be allocated as long as they go towards permissible CPST project listed in the statue.

Dr. McCartha stated that if the new referendum passes, we will have about 1 ½ years of revenue coming from the current CPST that can go towards new projects.

Chairman Waldrop stated that a General Assembly Panel has been discussing some exemptions to this statue and asked if this would have an effect on the CPST and what we are trying to do.

Mr. DuBose said he did not think so at this point; however, 2010 is an election year but he does not see that there will be any radical changes. He said he would keep track of this and report back any news.

Chairman Waldrop asked Mr. Adams what the Commission could do to help with this matter.

Mr. Adams stated a letter from the Commission or County Council to the Legislative Delegation sharing our concerns would be helpful.

Chairman Waldrop said that he would encourage each Mayor, Council, or entity affected by the CPTS to write a separate letter to the delegation requesting that they leave the exemptions the way there are.

Mr. DuBose volunteered to draft a model letter for consideration to be mailed out.

Chairman Waldrop asked Mr. DuBose to send the letter to Laurie and he would gladly sign it. He asked the Commission members if this was agreeable and all approved to send the letter to the Legislative Delegation.

Mr. Brian Alvarez asked if any of the Commission members would be available to speak on the CPST at a community meeting.

Mr. Waldrop asked when Mr. Alvarez would want someone to speak.

Mr. Alvarez said that after the projects have been decided upon; to try and sell it to the communities. He also said some communities are unaware that this is even taking place and it might be a good idea to speak with them and let them know what is going on.

Mr. Coggins felt the projects needed to be approved before the Commission tries to sell it, unless you are just trying to give them the nuts and bolts of the process.

Mr. Spotts stated he felt Mr. Alvarez just wanted the process to be explained.

Mr. Waldrop said he would be more than happy to speak with any group at any given time.

Mr. Alvarez asked that he receive a copy of the letter that Mr. DuBose was drafting.

Chairman Waldrop stated that we will make sure that every entity receives one.

Chairman Waldrop informed the Commission that the Mayor of Silverstreet had resigned and the Mayor Pro-Tem was Ms. Dale.

#### **4. Other Discussion**

No other discussion.

## **5. Public Comments**

Mr. Alvarez stated that he has spoken with folks in his community about the CPST and he was told that several CPST have been voted down around the Country. He said this was not good news to hear.

Mr. Adams said that in 2007, a referendum for a sales tax to reduce property taxes did not pass in Newberry County.

Mr. Waldrop said it will be a hard sale but he would not have accepted the position if it could not be done. Each member of the Commission, as well as anyone with a project in it, will have to sell it.

Mr. Coggins said he felt the key was to let the people know that this is a continuation of the penny you are already paying; not an additional penny.

Mr. Waldrop said if we work together, we can make it work. He said we need to make these monies available through the passage of the CPST to interlock industry. Industry is the key.

## **6. Adjournment**

The meeting was adjourned at 6:50 p.m.

### **CAPITAL PROJECT SALES TAX COMMISSION**

---

**Dave C. Waldrop, Jr., Chairman**

**APPROVED:**

---

**Laurie N. Renwick, Clerk to Council**