



Richland County Council
Transportation Ad Hoc Committee
September 24, 2019 – 2:00 PM
Council Chambers
2020 Hampton Street, Columbia 29204

COMMITTEE MEMBERS PRESENT: Calvin “Chip” Jackson, Chair; Paul Livingston, Dalhi Myers and Chakisse Newton

OTHERS PRESENT: Michelle Onley, Eden Logan, Kimberly Toney, Michael Niermeier, Allison Steele, Quinton Epps, Christine Keefer, Rasheed Muwwakkil, Cheryl Cook, Nancy Stone-Collum, Jennifer Wladischkin, Leonardo Brown, Casey White, John Thompson, Tim Nielsen, Mohammed Al-Tofan, Tariq Hussain, Stacey Hamm, and James Hayes

1. **Call to Order** – Mr. Jackson called the meeting to order at approximately 1:00 PM.
2. **Approval of Minutes: July 23, 2019** – Ms. Newton moved, seconded by Ms. Myers, to approve the minutes as distributed.

In Favor: Jackson, Newton and Myers

The vote in favor was unanimous.

3. **Adoption of the Agenda** – Ms. Newton moved, seconded by Ms. Myers, to adopt the agenda as amended to include the Transition Update and to move Item 5(f): “Policy for addressing projects over the 2012 referendum amount” to an Item for Information, as Item 4(c).

In Favor: Jackson, Newton and Myers

The vote in favor was unanimous.

POINT OF PERSONAL PRIVILEGE – Mr. Jackson expressed his appreciation for the work staff has been doing, in a concerted effort, to make the transition as smooth as possible. He also expressed his appreciation for staff’s hard work in trying to ensure the projects that either underway, or in the process of beginning, continue with the appropriate support needed, so none of the projects will have to suspended, delayed or deferred. Finally, he would like to thank Mr. Beaty, the representative from the PDT, for the outstanding job he has done in this transition.

4. **ITEMS FOR INFORMATION:**

- a. **Legal Opinion on State Law regarding entities financial responsibility** – Ms. Pike stated the bill was for the purpose of establishing a manner in which expenses, with regard to the relocation of utilities, could be handled with regard to wet utilities only (i.e. water and sewer). This does not impact utilities with prior rights. This is just those that are within right-of-ways. The bill divides it

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into small public utilities and large public utilities. Small public utilities being those that have 10,000 or less taps, and serve approximately 30,000 people. Large public utilities have more than 10,000 taps, and serve more than 30,000 people. For your small public utilities, we will be responsible for the relocation costs. With regard to the large public utilities, we would be responsible for up to 4% of the bid construction costs. The one exception would be if we have to move the utilities of both a small and a large utility. In that case, it is up to 4.5%. We would pay for 100% of the small utilities relocation costs, and then those relocation costs would be subtracted from the 4.5% cost and the remaining part would be allocated to the large utility. If you have two (2) large utilities, those share 4% of the bid construction costs.

Ms. Myers inquired if this is in harmony with our 2012 ordinance, and what does that mean, as far as, what is an allowable cost.

Ms. Pike stated they have not looked at that, but they will.

Mr. Jackson inquired if we are making sure that where the cost should be bore by the City it is factored in.

Ms. Pike stated they have had discussing with SCDOT about these kinds of issues, and it is their position, as well as ours, that you would look to the IGA, when you have multiple entities that are sharing costs on a project.

Mr. Jackson stated it seemed like before there was an issue where it was clear, in the IGA, that the cost should be bore by the City, but that there was some prior right that they would not bear the cost, even though it was clear in the IGA they should.

Mr. Beaty stated the IGA says Richland County falls under the SCDOT requirements, for utility coordination and relocation. By that statute, any other utility that is within the SCDOT right-of-way, by encroach, that utility would be responsible for paying their own expenses to move. However, on this program, since the City is within the County, and their residents are paying for the Penny, this body has previously agreed, that any City relocations will be bore 100%, at the expense of the Penny. This change in the State law will not affect the program very much. The only project that would be immediately impacted is the Blythewood Road Widening Project.

Ms. Pike inquired if there is an IGA between the City and the County, with regard to the matter Mr. Beaty just discussed.

Mr. Beaty stated there is not a written IGA. There is a memorandum from a previous County Administrator detailing the path forward.

Ms. Newton requested a copy of the memorandum. She inquired, when you look at an agreement like this, where we have a statutory obligation who tracks what percentage we have paid, or committed to pay.

Mr. Beaty stated it is tracked through the utility coordination efforts, and a Utility Coordinator would look at the utilities that are within the project. The utility company provides their historical documents (i.e. plans, easements) and provide proof they were there before the road, which means they have prior rights, or a certain percentage was there. Based on that percentage, their total utility costs is pro-rated. For example, if they document 40% of their lines were there first, the County is responsible for that 40% and the utility is responsible for the remainder.

- b. **Blythewood/SCDOT Maintenance Agreement Update** – Mr. Niermeier stated the agreement between the two (2) bodies has been negotiated. Blythewood voted to unanimously approve the agreement. We are awaiting the parties to execute the document.
- c. **Policy for addressing projects over the 2012 referendum amount** – Mr. Niermeier stated staff has been independently reviewing all of the projects that were over the referendum for options in which we could shave costs, but still achieve the desired effect of the improvement. The preliminary analysis is included in the agenda packet, which will continue to be refined over the next couple of weeks, so they can present the final analysis, along with the cash flow plan, to Council. In general, they have found there are some projects that you cannot do anything to reduce costs and achieve the desired objectives. Council has given them some ability to remove Shared Used Paths, or some of the betterment activities, so they can save on those projects. Then, they will have to come up with a solid recommendation to determine if it worth changing. For example, Is saving \$200,000 worth having to potentially go back and doing some redesign work.

Mr. Livingston stated it would be helpful to be provided the detailed information associated with each project, so he would have an idea of the possibilities.

Ms. Myers stated, the way it is laid out, we have differing information under each one, so there is no way to do an apple to apples comparison. She requested like traffic analysis for each project. She stated, as a novice, there is no way for her to understand how to make comparisons as to what is necessary, and what would just be helpful.

Mr. Niermeier stated, on some of the studies, there were different types of testing or analysis done. Some do not even have data, but relies on safety data.

Ms. Newton stated, as staff works on refining this, what do they anticipate working on or changing between this version and the proposed final version.

Mr. Niermeier stated they will have the ability to look deeper into the utility alignments.

Ms. Newton inquired if there any significant dependent variables or external factors that staff anticipates originating outside of the Transportation Department that would be hard for them to get to complete this information.

Mr. Niermeier stated nothing comes to mind. They were going to coordinate this with Economic Development and Planning and Development because the premise was transportation improvement for economic development and quality of life.

Ms. Newton stated it would be unfortunate if we made decisions that did not take into account how our County is growing and how people are traveling.

Ms. Myers requested staff to include information on which projects we have purchased rights-of-way and the amount expended. Once we have made investments, it would be helpful to know prior to us deciding to abandon a project.

Mr. Niermeier stated this has been a significant discussion among the group, and they are just waiting on getting that data compiled.

Mr. Jackson requested Mr. Niermeier to add some editorial notes, as he puts the final proposal

together. He stated there are some projects where there is strong community sentiment that they do not want them (i.e. Polo Road Widening). He would like to hear staff's thoughts on whether we proceed, regardless of what the community wants, or is that something we want to think about because there is not a desire for the community to have it. In addition, there are a couple of greenways, which lead to nowhere, but are still in the mix right now. Finally, any of the changes that have occurred in the landscape, that now make us give pause to the idea of proceeding or rethinking those projects that are at a high end that we may no longer need.

- d. **Transition Update** – Mr. Niermeier stated since we last met there has been a lot of activity. The PDT has turned over a substantial amount of the projects. All of the project management minutiae and financial data has been turned over. The backup server will be picked up and installed in their offices this week. A FTP site will be set up to start moving large chunks of other data. Last week, they closed and opened up 18 bids for OET contracts. They are currently in the evaluation process. Additionally, the staff augmentation contract is out and will close at the beginning of October. Finally, they have the Construction, Engineering & Inspection RFQ, which is out. They have hired 5 of 6 Engineer Program Managers, and their final CEI Inspector will be starting on Monday. The Inspectors have been prepping some of the projects. They are inspecting, and are doing a really good job. The Project Managers have been extremely active.

Mr. Livingston inquired if we have hired any licensed Engineers.

Mr. Niermeier stated we have several professional engineers on staff.

Ms. Myers thanked Dr. Thompson, Mr. Niermeier and Mr. Brown for getting the staff going. There was patch in there where there was a lot of doubt as to whether you could get that done.

Mr. Livingston stated, one concern of his was, because of the nature of the impact of SCDOT roads with our projects. He inquired if we feel comfortable, in terms of the transition, with staff being able to work directly with SCDOT.

Mr. Niermeier stated the staff has either worked for SCDOT, in the past, or worked with them in various capacities. The point of contact turnover began in September.

Mr. Jackson stated, with all the work that has previously been done, to expect to continue at the same pace, with the number of people being relieved of their duties versus the number we are bringing on, and how long it could take them to get up to speed, a smooth transition may not be a realistic expectation. He requested Mr. Niermeier to be candid and honest, without fear of retribution by Council, in updating us on where we are, with regard to this transition, once we have transitioned. He stated talking about, and bringing people in, and them anticipating the workload, is one thing. Once they get on board and have to work with SCDOT using the criteria they are being challenged to use, which they may not be as familiar with, may impact the level and volume of work that gets done. He stated he and Dr. Thompson have lengthy conversations, in the past, about the possibility of whether we will be able to maintain the same pace. If we are not able to maintain the same pace, we are not able to maintain it, but he would like us to say that rather than let that be discovered. He requested this item be added to the upcoming Council agenda.

5. ITEMS FOR ACTION

- a. **Greenway Project Funding Alignment** – Mr. Niermeier stated before the committee is the briefing document, as well as the documentation that was provided at the Greenways Work Session in July.

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Staff's recommendation allows them to complete as much as they can, based on the challenges of greenways to nowhere, or alignments that are no longer fiscally responsible.

Ms. Newton stated, according to our minutes, one of the things that was discussed, at our previous meeting, was the process for making changes. She inquired, if we wanted to accept the staff's recommendation would that require us to do three readings and a public hearing, per regular ordinance changes. She stated there are several projects where the recommendation calls for a new design, redesign or evaluation of design. In the current plans, she inquired as to who would do that design work, and the timeframe for that design work to be completed.

Mr. Niermeier stated the Lincoln Tunnel Greenway is the only greenway that has been completed, and the Three Rivers Greenway is under construction. Everything else is under preliminary engineering, with less than 30% design. He believes they can realize some cost savings because they could do some of the design work in-house. Others may be let to a new OET. He stated we have discussed changing the referendum ordinance, with three readings and a public hearing. One could take the approach that we are reprioritizing what is front of you, and simply moving others to the bottom of the list until funds are expended.

Ms. Newton inquired if we have definitively requested an answer on that question, and, if so, did we receive definitive guidance. From her perspective, this is different than reprioritization. Reprioritization says we are going to do all the things that we said, and that taxpayers voted for, we are just going to do it in a different order. Saying you voted on this, but we are not going to do it at all because it goes to nowhere, or 35 did not want it, so we are going to pull it out, is actually changing the agreement.

Mr. Livingston stated he does not think the referendum specified termini for greenways.

Mr. Beaty stated the termini was not specified in the referendum itself. Many of the termini were referenced in the original Parsons Brinckerhoff studies, which supported the referendum.

Ms. Newton requested a definitive answer on the process.

Mr. Jackson stated, once we get a definitive answer, we are going to move beyond that question. We have asked that question multiple times, and he has heard each time that the termini was not included. He stated Mr. Pearce got a letter from the community regarding the Gills Creek Greenway Section A. One side of the community decided not to have it behind their homes, and the other side said they wanted it extended. We made that adjustment, and we had the question asked then, if we could do that without three readings and public hearing. He thought the answer then was yes. All that was required then was a letter from the community saying they did not want the greenways behind their homes.

Ms. Newton stated that part of the question may have been answered, but with some of the things we are going to have to do from a budgetary perspective, it is going to come up again.

Mr. Jackson stated he would like to entertain a motion to move this item forward to Council, with the understanding that is a question that needs to be answered. The answer to the question will then determine whether we are able to vote on this.

Mr. Livingston moved, seconded by Ms. Myers, to forward to Council with a recommendation for approval, with the caveat that request a definitive answer on the issue of process.

In Favor: Jackson, Newton, Myers and Livingston

The vote in favor was unanimous.

- b. **Approval of Letter Recommending to Award bid for Greene Street Phase** – Mr. Niermeier stated on September 18th the four (4) bids received were opened. Staff is recommending going with the lowest responsive, responsible bidder of Crowder Construction.

Ms. Newton inquired, if we were to need the contingency, would that keep us in the referendum amount.

Mr. Niermeier stated, at the present state, it would stay within the referendum amount.

Mr. Livingston moved, seconded by Mr. Jackson, to forward to Council with a recommendation of approval.

In Favor: Jackson, Newton, Myers and Livingston

The vote in favor was unanimous.

- c. **Dirt Road Program Update** – Mr. Niermeier stated the separate document, which was distributed, is for information.

Mr. Beaty stated the request today is for Council guidance and approval for staff to move forward with designing 38 additional dirt roads, and then move into the design of 21 previously designed dirt roads. He stated the referendum had \$45M for dirt roads. The County maintains 596 individual dirt roads, which is a total of approximately 223 miles. To date, approximately 50 roads have been constructed, and there are 22 under construction. He stated about \$22.5M of the funds have either been spent in construction, design, right-of-way acquisition or has been committed to construction activities. There is a summary of the dirt roads that have been dropped from the program. In accordance with the dirt road ordinance, roads can be dropped through the consent/denial process. If 25% or more of the residents state they do not support the road, the road will be dropped. Oftentimes, if the project moves forward, and the design progresses, then when the right-of-way agents go out, to acquire the right-of-way, the residents may deny the right-of-way. Statistically, an average of 50% of dirt roads are dropped from the program, in a 5-year period, due to the residents' lack of support for paving the road.

Ms. Myers stated Goffman Road is listed as "Dropped, Refused by Property Owner". One of the 11 residents refused. The other 10 are under the impression that their road is on the list to be paved. She inquired what the process is for notifying Council when a road is taken off the list. She pointed out there was a timespan when people were going out to get the agreement, but they were not dressed in any identifying clothing, so the residents thought it was a scam; therefore, they refused to sign the agreement.

Mr. Beaty stated he does not believe there has been a process, to date, to notify the property owners that supported the road.

Ms. Myers inquired if there is a process to go back to Council, so we can move forward.

Mr. Beaty stated the only process, to date, which needs to be improved, is documenting it in the PDT's

monthly report and/or a Dirt Road Ad Hoc Committee.

Ms. Myers recommended, for the dirt roads that were in Years 1 and 2, that we revisit those and have some input by the Council members in those areas.

Mr. Jackson requested an explanation of what “dropped” means.

Mr. Beaty stated, when the PDT began their involvement in developing the dirt road program in July 2018, one thing they implementing, with staff’s concurrence, we had the On-Call Engineers send out the consent/denial letter to the homeowners before any design monies were spent. At that point, if 25% said “No”, then that would drop the road.

Mr. Jackson stated, if that is the case, based on Ms. Myers’ example, someone might have some misinformation because 1 out of 11 does not represent 25%.

Mr. Beaty stated that is one way a road can be dropped. If 25% or less say “No” the road moves on. If they do not respond, then we take that as a “Yes.” Then, the designer develops 30% plans, and we do a field visit. The designer modifies the plans according, and they become 70% complete plans that show the right-of-way. At that point, a right-of-way agent should send out letters and knock on doors. At that time, another owner could say they have changed their mind or they do not like the plans; therefore, they decide not to sell or give any of their right-of way. It is the County’s policy not to condemn for dirt roads. So, if the designers cannot move the road over or make any changes, one owner can kill the job by denying right-of-way.

Mr. Jackson stated he thinks it would be important to revisit those roads that were dropped, and document the method by which that determination was made.

Mr. Livingston requested a copy of the dirt road ordinance. He stated we might need to make some changes to it.

Mr. Beaty stated you spend a lot of time, and money, developing a project, only to have 2 opportunities for it to be killed.

Ms. Newton stated some of the constituents she has run into question whether they got a letter, and a lot of confusion about the process. She requested Mr. Beaty to remind the committee how many dirt roads are complete; if we had done all of the roads and they had not fallen off the list how many would we have done; and if we add these roads what is that number.

Mr. Beaty stated the construction cost to pave a dirt road is a \$1M a mile, but does not include design, right-of-way or any overhead charges that could be applied to that project. He estimates the additional charges are 30%, which would equate to approximately \$1.3M. If you divide \$45M by \$1.3M you could pave 37 – 38 miles. To date, 50 individual dirt roads have been paved, and 22 are under construction. Many more are in some phase of design or right-of-way acquisition.

Ms. Newton inquired, when you look at the \$22M have you taken out all of the cost that will be expended for the roads that are currently under construction, or as those projects continued under construction will that then deplete the remaining dollars.

Mr. Beaty stated the \$22M includes what has been built and what is under construction, which leaves approximately \$22.5M. They have estimated what you will spend in design and right-of-way, and

how many projects will be dropped. There are about 38 of Years 1 & 2 that have not been started, and they are asking the committee to approve the designers getting started. Then, there is 21 more that were previously designed by the previous dirt road program manager. Based on issues with those plans, and constructability, they need to be redesigned. They anticipate that 50% of the 59 will not go all the way through construction because of the drop rate, and they estimate, with the remaining funds, we would be able to complete those 30 roads.

Ms. Newton stated, for clarification, if we say to send these roads out to design, the OETs design them, and we send them out. How will that work with the PDT's contract ending in November?

Mr. Beaty stated the request today is that staff move forward and allow them to engage the designers to design these. He stated he would have to defer to Mr. Niermeier on whether he intends to utilize the current OETs or use the new On-Call list, which is currently being procured.

Mr. Niermeier stated he intends to wait on the new On-Call Teams. He stated we have 8 roads ready for the next package, but the responsible thing would be to wait for the new contracts to be in place.

Ms. Myers stated she and Ms. Newton will review the dirt road ordinance in the Dirt Road Ad Hoc Committee.

Mr. Jackson stated he wants the dirt roads to get the appropriate attention it deserves. He is encouraged by Mr. Beaty's statement that if things continue as they have in the past, 50% of the remaining roads unfortunately will not be done, that the remaining 30 roads will be done with the existing funding. He thinks, if that scenario plays out, we will be in great shape of getting the majority of the roads, for the citizens that want them done, completed with the funds we have.

Ms. Myers stated she slightly disagrees. The majority of the roads that are on this dropped list were from Years 1 & 2. There is some expectation, from many of these people that these roads are still under consideration. She is reluctant to move this completely out of the way and substitute them with the roads they are now suggesting without some analysis of the why, and if they should have been dropped.

Mr. Jackson stated he does not disagree, except that when we created the framework, which they used to determine whether a road remains on the list or is dropped, he is assuming they followed it. Therefore, he is not assuming that any on this list were dropped improperly, or illegally, according to the criteria that was established. If that is true, he is not sure what, by revisiting it, we are asking the officials to do if the road was dropped based upon the criteria. He is not sure how we can put the road back on the list.

Ms. Myers stated she thinks Mr. Jackson is right, but she has heard from many of the residents that she represents, when this was initially done, that they were reluctant to sign documents to get these roads paved because the people that were going out were not dressed in any kind of uniform. The residents were not willing to agree to have the road to be paved, or give up their rights, without some assurance that it was Richland County. She came back to the Transportation Director and requested specifically that we do something to send people out into the field, so that residents would know that it was Richland County coming and not just a random company, and that they were not losing some right in exchange for nothing. She thinks some of these may have been during that period, and that would have been dropped from the list because of that. She stated this is a health and safety issue, and she would not like these roads to be dropped because people were confused about what we were asking to have done.

Mr. Jackson stated he is not disagreeing with Ms. Myers. In many ways this is similar to the challenges she faced with the sewer problem, in terms of people's "lack of clarity" about what they would be charged versus what they would not be charged, so they chose not to do it, when what they were basing it on was not accurate information. We revisited it, and some of those same people are holdouts and do not want it. His point is, if we are asking them to go back and revisit these residents, and ask them once again, that would be a tremendous ask, because this list represents a significant number of roads that have been dropped, based upon the criteria. He inquired how long this process took to get to this point.

Mr. Beaty stated, prior to the Penny, the County had staff that initiated the dirt road program. There were 30 dirt roads that were designed prior to the PDT, or Dirt Road Program Manager, coming on board. He would estimate 6 - 7 years to get to this point.

Mr. Jackson stated that is big ask, but Ms. Myers is entitled to make it.

Ms. Myers stated she is making that ask because some things are so fundamental to what people pay their taxes for, and their expectation. When these people voted for the Penny, it was on a promise. The only promise that many of these people were looking for was that these roads are paved. They are not people that live downtown. They do not live near any of the Vista areas, or the other places where there have been hundreds of millions dollars of improvements. They are living in remote parts of the County, and the only thing they wanted in exchange for voting for the Penny was a dirt road paved. She would be reluctant to vote to move past all of these roads. In her district alone, there are at least 30, and some of them recognize because she consistently gets calls from people about these roads. They do not believe their roads have been dropped. Moreover, until today, she did not either. She would like to revisit, at least the ones where she is clearly aware that people are sitting and waiting for these roads to be paved. The only issue on Goffman Road, which is where the 93-year old lady lives, is the one person at the end of the road would not sign the right-of-way agreement because, when the people arrived, he was not sure that it was someone from the County. She requested Dr. Thompson to send someone back out in a Richland County t-shirt and the gentleman would sign. Some of this may be them protesting, but they protested because the contractor did not show up in a County vehicle or a County shirt. She stated she would have been confused by that too.

Mr. Livingston stated he understands Ms. Myers' concern, but you have no idea what process or criteria used to go back and revisiting all of these. He does not know about the time or cost to do it. He does not know how many years ago we are talking about. It just boggles his mind, in terms of how you do that with all these roads.

Mr. Beaty stated you would have to go back, beginning in 2015, when the Dirt Road Program Manager began. In Years 1 & 2, there were 100 roads dropped. If you chose to, you could identify all of the property owners, and you could redo the whole consent/denial process. Then, you would have to be prepared for the response. What, if those 100 turned into 50? Now, you have 50 new roads that want to be designed, so you would not have the funds to do the 59 we are talking about today. You would need to put everything on hold, while you revisit the 100 roads. You would want to allow 6 months to compile the data before moving forward.

Ms. Newton wondered if there might be a middle way. She understands the extraordinary work that it would be if we revisited this consent/denial process, and what revisiting is has not even been defined, so it could be large. With representing communities where there are life and death concerns about these roads and it is critical, she wonders what the time would be, if we revisited the whole process. Prior to this conversation, the ask, that was made, was can we look at the roads that have

been dropped, and a “grid” that identifies the criteria that was used to drop these roads. She stated before we agree to revisit all the roads, and we put the program on hold indefinitely, could we defer this until we have that information. There are several solutions she can think of that are not necessarily appropriate for her to bring to the floor here, where we might be able to address this more expeditiously.

Mr. Beaty stated they do have all the requested information. It is in a massive spreadsheet, so they would be able to tell you which ones dropped and why.

Ms. Newton moved, seconded by Ms. Myers, to defer this item until we have the opportunity to review the information the PDT has regarding the criteria used for the roads to be dropped.

Mr. Livingston stated, for clarification, we are deferring the recommendation to move forward with the design of the 38 new roads and 21 previous roads that need to be redesigned. He inquired, if these are roads, whereby the community did not deny the roads through the consent/denial process. He believes it is unfair to those people who met our criteria, at that given time. He stated, for clarification, if we move forward, half of the money would still be left for dirt roads.

Mr. Beaty stated about half of the dirt road funds has been expended. There is approximately \$22.5M remaining to move forward, which will get you about 17 miles. If you move forward with the recommended 59 roads, then all of the funds will be spent. Therefore, there will not be any funds to go back to the 133 that have been dropped.

Mr. Jackson stated he is not opposed to getting the information and deferring this, and though he is sympathetic with residents not being clear on the person knocking on their door and identifying who they were, that was after a letter was sent, which would have been very clear and specific. To suggest that the letter was not clear, the person coming to the door was not clear, and only 1 person out of 11 disapproving of the road being done, as a basis for this massive list of dropped roads, he has difficulty accepting that as a legitimate explanation. He is more than happy to defer until we get that additional information, but he wants to go on record saying he is not comfortable denying those that have gone through the process, the way it was designed, the right to have their road done. From the beginning, there was not enough money to do all the road widenings, in general. There has not been enough money to do all the intersections and greenways, specifically. Moreover, there has not been enough money to do the dirt roads, so this is not an isolated situation where all of a sudden only the dirt roads are coming up short. This entire transportation funding effort has been inadequate for the list of demands from day one.

Mr. Livingston inquired if the residents of the dirt roads in front of us, for approval, been anticipating that we were going to move forward on them.

Mr. Beaty stated the 21 roads, which are in need of redesign, the property owners have been contacted, they have approved the projects, and they have seen the surveyors do the work. The remaining 38, we have sent out the letters for consent/denial, and they approved the roads. Therefore, both parties would think that the project is moving forward.

Ms. Myers stated, for the record, that Ms. Newton’s motion to defer, and her 2nd was what was on the floor, but now we are debating it. She pointed out that none of the people on this dropped list is aware that their roads have been taken off the list. We have compounded the problem by not notifying them that their roads have been dropped from the list, and we have moved on to substitute a new road in its place. In large part, that is why she raised this issue. We did not send them a follow-

up letter to that effect. We just substituted another road.

Mr. Beaty stated many counties in South Carolina do not have the same design standards that Richland County has for paving dirt roads. If you chose to, you could modify your design standards so that you could get more dirt roads paved. For example, if you cannot get 22 ft. wide in totality, you could pave 17 – 18 ft. It would not be striped as a two-way road, but you could view it as maintenance. You could pave the road without moving the ditches or buying right-of-way.

In Favor: Jackson Newton, Myers and Livingston

The vote in favor was unanimous.

d. Recommendations for Remaining Years 3 & 4 & Redesign of certain Years 1 – 2 Roads – Ms. Myers inquired if we are starting from scratch on the redesign.

Mr. Niermeier responded in the affirmative.

Ms. Myers inquired as to which roads are being redesigned, how much have we already paid, and what are we planning to spend on the redesign.

Mr. Niermeier stated we are talking about the 21 roads on p. 96 of the agenda.

Ms. Myers stated we spent Penny funding on this once, so now we are spending Penny funding on it again. She would like to know why we are doing this again when we are clearly at a place where we do not have a whole bunch of money.

Mr. Beaty stated the quality of the plans, and the level of work that went into the plans, is not adequate to construct the project. If you were to go to construction, with these plans, you would have greater issues during construction than what you would pay to redesign them. You have spent tens, if not hundreds, of thousands of dollars to design these 21, and you are going to need to re-spend that same amount of money.

Ms. Myers inquired if there has been any discussion with Legal staff about how we recoup any of the funding.

Dr. Thompson stated there have been some discussions, in the past, about a lawsuit with that particular vendor. He stated this has been a hang up for the past 18 months.

Ms. Myers inquired, with regard to this list, why are these roads the priority for redesign ahead of wherever we are.

Dr. Thompson stated these roads went through the consent/denial process for construction; however, because a contractor, for Richland County, did not do an adequate job we find ourselves in this situation. From staff's perspective, it is only fair for us to go back to Years 1 and 2 to make it right for those citizens, on those particular roads.

Mr. Livingston moved, seconded by Ms. Myers, to forward to Council with a recommendation to approve staff's recommendation.

In Favor: Jackson, Myers and Livingston

Present but Not Voting: Newton

The vote in favor was unanimous.

- e. **Cash Flow Presentation – First Tryon** – Mr. David Cheatwood stated they came before you over the Summer to highlight a model they were putting together, in conjunction with staff, to look at the project cash flow schedule on the Penny Tax Program. Within that was built in different assumptions on interest earnings, sales tax growth, etc. The main purpose of it was to look at different options for taking out the \$175M bond anticipation note that is coming due at the end of February 2020. Since that time, they have gone back and looked at a couple different options. What they are looking for, from the committee, is discussion and guidance on how much of that \$175M to take out with a long-term bond, or how much funds on hand to potentially use to buy that amount down and take out the rest. Again, the end date that we need to issue a bond to pay off that BAN is the end of February 2020. In order to get there, they are going to have to have 2 – 3 months to prepare an offering document, get credit ratings, etc. to be in a position to sell those bonds in early February. They looked at two primary scenarios. The first one is using the existing project cash flow schedule from PDT. With that project cash flow schedule, you would need to take out the full \$175M BAN, with a long-term bond issue. The long-term bond issue would be for approximately 8 years, and would be a General Obligation Sales Tax Bond. With the bond sale, you will pay interest on those bonds. You would sell \$175M, and generate premium from that sale. Premium investors are going to pay you more than 100 cents on the dollar to get a higher interest rate, so under State law you use that premium to pay the interest. He stated he is going to talk about total interest and net interest. Net interest is the total interest that you pay on the bonds, less the premium that is available to pay the interest. You would fund the rest of your projects with the quarterly sales tax distributions. He stated the question was raised by Mr. Jackson, with the transition from the PDT to County staff, if there is some delay or pushback on some of these projects, and, if so, do if we need to take out the full \$175M or to use some of the funds on hand. The other scenario they ran is to take \$25M funds on hand and pay off \$25M of the \$175M. Then, we would have a long-term 8 year bond issue for the remaining \$150M. He stated we could look at various other options. You can go all the way to the extreme of using \$175M of funds on hand to pay the BAN off completely. However, if you do that you would dramatically have to pushback all your projects in order to accumulate more sales tax funds to pay for the projects. He highlighted some of the key assumptions they have built into this model. The model is only good as the assumptions we have in it. Inevitably, things are going to change, in terms of the growth assumptions on sales tax and the project amounts. He stated they are trying to track the different “buckets” and red flag, if we are over certain limitations. On a monthly basis, they will track the inflows (sales tax revenues and interest earnings) and outflows (debt service, principal and interest on bonds/BANs and projects). He stated you will not know how much premium you will receive until you sell the bonds. It is up to underwriters who are bidding on the bonds, but they have estimated about \$19.5M. If you issue \$175M, you are going to owe approximately \$210M. The net debt service will be \$191M, which means you are paying \$16M in interest. The debt service schedule would be largely principal the first couple of years. The 2nd scenario, where we take \$25M funds on hand and apply that to the \$175M BAN, which means we are issuing \$150M. The low point dips slightly negative in 2025. The Transportation Department did tweak the cash flow schedule because they recognized there might be some slow down with the transition. He stated you would not need Council approval, with three readings. You would simply need to pass a resolution with the amount of the bond listed.

Ms. Myers inquired if they ran any scenarios with us using a pay-as-you-go.

Mr. Cheatwood stated the only issue with that is that you have \$175M of debt outstanding, so you

have to pay that out. The pay-as-you-go scenario would be to use \$175M of funds on hand to pay it off, which would have a dramatic effect.

Ms. Myers stated we would spend all of our money and use the receipts that come in quarterly.

Mr. Niermeier stated he knows that was looked at early in the process. If the intent is not to slow down what we are doing, you could not sustain the amount of construction work that we anticipate in the next 18 months.

Ms. Myers stated she has voted no on every BAN. She is still not convinced that we should have had it. She would like an analysis of the pay-as-you-go.

Mr. Cheatwood stated we would simply shift the \$175M, in terms of paying off the BAN. As you would expect, your funds on hand will dramatically go down from the approximately \$200M you have now, so you are in the negative. The next step would be, which projects do we shift, and how far out do we have to shift them.

Ms. Myers stated, in looking at this chart, is this based on existing projects, planned projects, or a mixture of both.

Mr. Cheatwood stated it is a mixture.

Ms. Myers inquired as to what the minimum is we can borrow. She stated we have done back-to-back BANs, and we have only used \$25M of the 2nd BAN.

Ms. Hamm stated it is approximately \$55M.

Ms. Myers inquired how much has come in in Penny receipts.

Mr. Cheatwood stated, at the end of June, there was approximately \$200M of funds between the remaining BAN proceeds and quarterly collections.

Ms. Myers stated she knows that we are spending the BAN money first so we do not have an arbitrage issue. If we did not do that, with the money on hand that we have, and the receipts, as they come in, what would that do to the rate.

Mr. Cheatwood stated the question would be not stopping the ones that are currently under...

Ms. Myers stated she is not suggesting stopping anything. She is asking what it looks like if we use the cash on hand, that we have, and do a pay-as-you-go.

Mr. Hayes stated that currently we are using \$120M BAN, and \$40M current year receipts, to fund current projects. Any deviation from that will cause us to have to shift funds that are currently budgeted and push them out further.

Mr. Cheatwood stated you have to go forward with the ones that are under contract, so there is certain amounts that you are going to have to spend now. The ones that you have not bid out would be the ones you have to push back. That is something that they could run. With that, he would note in the current interest rate environment, they have seen rates hit all-time lows. He stated your all cost of money is under 2%, if you did an 8-year bond issue. You are earning around 2% right now, so that

interest cost is largely offset by your interest earnings.

Mr. Jackson inquired, if it is true, that we have not reached the peak of the volume of work, although we have spent an average of \$50M a year. He stated there was a chart he saw that shows, in the years to come, we are going to increase spending significantly, based upon where we are in the construction of projects that are now in the design phase.

Mr. Niermeier responded in the affirmative.

Mr. Jackson stated, if we got that level of commitment now, that we have to honor in 12 months, he does not see how we can honor it if we do not have the BAN/bond money to support it.

Mr. Niermeier stated that is a correct statement.

Ms. Newton inquired, if Mr. Cheatwood was referring to construction plans, when he mentioned the PDT's existing cash flow plan.

Mr. Cheatwood stated it is a quarterly cash flow model involving projects under consideration, which includes design, right-of-way and construction.

Ms. Newton stated, it is her understanding, that the interest that we are paying on our BANs is counted against our administrative costs, from a referendum perspective.

Mr. Cheatwood stated, it is bond counsel's interpretation that interest paid, on BANs and bonds, goes to the project amounts.

Mr. Jones stated they have looked at it very closely. He does think there has been some confusion. There is a single sentence in the ordinance, that if you read it by itself, you might draw the conclusion that the administrative expenses include interest, but if you read the ordinance together, as well as the minutes from the County Council meetings, at which administrative caps were discussed, the conclusion is interest expense is not included in administrative expenses.

Mr. Cheatwood stated, if you want them to come back to committee, with Ms. Myers' scenario, they could do that.

Mr. Jackson stated he would like to have this presented to Council. If we can bring this forward prior to the end of October.

Ms. Myers moved, seconded by Mr. Livingston, to forward this item to Council for discussion.

In Favor: Jackson, Newton and Myers

Present but Not Voting: Livingston

The vote in favor was unanimous.

6. **ADJOURN** – The meeting adjourned at approximately 2:45 PM.