

June 27, 2018

RE: Tabled Agenda Items from the Regular Commission Meeting held June 25, 2018, and Public Hearing Questions and Comments

Dear Residents within the James Island Public Service District:

Prior to the Public Hearing and Regular Commission Meeting on June 25, 2018, the following four items were added to the agenda as suggested amendments to the proposed Fiscal Year 2018-2019 budget. During the Regular Commission Meeting these items were tabled, and I would like to provide further information.

Agenda Item #9 - Intergovernmental Agreement with the Town of James Island to Reduce JIPSD Property Tax Burden

On June 10, 2018, the Town of James Island made a proposal to give JIPSD money to offset taxes collected by JIPSD in exchange for the services JIPSD already provides residents. The source of said money would include Local Option Sales Tax (LOST) revenue.

The proposal from the town includes the opinions of its own attorneys that what is being proposed is “novel” and “not settled law”; thus, the legality of the proposal is in question.

JIPSD has no interest in being a party to settle the questionable legality of another entity’s proposal. If JIPSD accepted the proposal, there could be a legal and financial fallout that would adversely impact JIPSD and its customers. JIPSD could find itself in a position of paying the funds back to the Town, negatively impacting the JIPSD budget and tax and fee structure for years to come. Furthermore, there could be personal liability for the JIPSD’s elected officials and perhaps even the JIPSD personnel implementing the proposal.

The Town should seek a declaratory judgment action to settle the questionable legality of their proposal.

Agenda Item #10 - House Bill 3669 Clarifying the Meaning of Contiguity within Special Purpose Districts

House Bill 3669 would have provided those residents living in the unincorporated areas of the island but within the JIPSD, the option to annex into the Town of James Island. The Bill has expired and has not been pre-filed according to its sponsor, U.S. House Representative Peter McCoy.

In the past, this matter has been opposed by a multitude of parties (both within and outside government) including bond attorneys, the South Carolina Special Purpose District Association and various utility organizations. JIPSD has been informed that the City of Charleston would oppose the Bill if it is refiled. JIPSD has been advised by U.S. Senator Sandy Senn and Representative McCoy that a Bill will not proceed until all entities affected by it agreed on the Bill's terms.

Agenda Item #11 - Sale of Surplus Property to Limit District Debt and Debt Millage

Surplus property (meaning equipment and vehicles) is always sold online at Govdeals.com.

The only real properties JIPSD currently owns that do not already house essential facilities (ie. Wastewater Lift Stations, Fire Stations) are properties fronting Dills Bluff Road, close to Camp Road, and a property fronting Folly Road, close to Signal Point Road.

If the Dills Bluff properties were sold for their last appraised value, the proceeds would be required to be placed in the JIPSD operating funds as opposed to being applied toward long-term, low-interest secured debt. A one-time influx of equity would be of little consequence toward reducing the long-term needs of JIPSD to maintain appropriate levels of service revenue. Furthermore, the Dills Bluff properties were obtained at no cost to JIPSD and have no significant holding costs. JIPSD proposes to develop the property in the future as it is centrally located to serve all of James Island. If JIPSD sold the property, there does not appear to be an equivalent replacement property at an equivalent cost available on the Island.

When the new Fire Station 1 is operational and when administrative and service facilities are completed at the Dills Bluff properties, the old Fire Station 1 (located at 1622 Camp Road) and the Signal Point Road offices may be placed for sale. The potential proceeds could then be used to defray operating or capital costs, as appropriate, under generally accepted governmental accounting standards.

Agenda Item #12 - Authorization to Seek Partners to Share Cost and Ownership of the New Fire Station

JIPSD does not share ownership of any capital facility with any entity. To do so would be extremely complicated, as JIPSD has responsibility for an entire service area while any conceivable partner (City of Charleston, City of Folly Beach, Town of James Island) each overlay a smaller, distinct set of customers. Likewise, cost-sharing is not possible given the disparate clientele.

Under the current budget year, JIPSD has already conducted the necessary studies and purchased best use properties for a Fire Station 1 replacement. Engineering, architectural and purpose planning studies have begun for the facility there. A budget has been set to support operating and capital funding for the project.

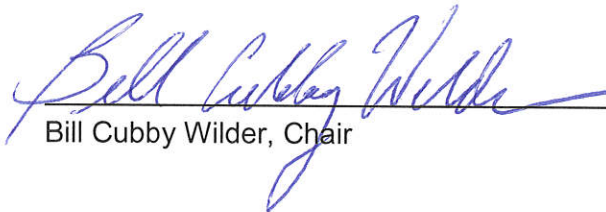
Public Hearing

I would like to thank each of you for taking the time to present your concerns at the Public Hearing regarding the Fiscal Year 2018-2019 budget. While it may seem your voices went unheard, the very items you mentioned were some of many the Commission already thought carefully about throughout the budget process. JIPSD and its Commissioners strive to ensure all factors are considered and do not take decision making lightly, especially when it comes to proposing tax changes.

All questions and comments received during the Public Hearing have been compiled and are being reviewed by each department head at JIPSD to ensure all items are addressed accordingly, and a public response is forthcoming.

Every resident of the Town of James Island is important to us, and we strive to ensure you receive the best possible services we can provide. Please do not hesitate to reach out with other questions or comments, or for clarification on anything you have read.

Commissioners Bill Wilder (843.276.8707), Sandi Engelman (843.795.8095), Donald Hollingsworth (843.795.4857) and Kay Kernodle (843.795.5543) are willing to answer any additional questions you may have.

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Bill Cubby Wilder, Chair

_____ 06/28/18
Date

