



## Chatham County Board of Commissioners

124 Bull Street, Savannah, GA 31401

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# NEWS RELEASE

For Immediate Release

December 8, 2022

### LOST Mediation Fails After Municipalities Reject Multiple Offers

**Chatham County, GA (December 8, 2022)** – Yesterday, Chatham County representatives attended a mediation session, in a good faith attempt to resolve the distributions of the Local Option Sales Tax (LOST), between the County and its eight municipalities. Chairman Chester Ellis, Vice-Chair Kenneth Adams, Chairman Pro Tem Helen Stone and Commissioner Aaron “Adot” Whitely represented Chatham County’s interests accompanied by County staff. Municipal representatives included staff from the City of Savannah and Pooler, as well as Mayor Van Johnson. The mediation failed to produce an acceptable distribution formula for all parties involved.

The County’s proposals were based on the action taken by the Board of Commissioners on December 2, 2022, which offered a 31/69% County/Municipality percentage over the ten-year term. The County’s 31% share resulted from personal discussions between Chairman Ellis and Mayor Johnson. Additionally, the County accepted a proposal from Mayor Johnson’s letter dated December 5, 2022, that set 26% as the 2023 County’s initial revenue share. The County’s proposal offered a three-year timeframe over which the County’s distribution percentage would increase from 26% to 31%.

Yesterday, the municipalities offered an initial LOST percentage of 23% with incremental increases over eight years until the County reaches 31% share. The municipalities also added a condition that the County provide annual funding to the City of Tybee of \$300,000 per year for “beach renourishment” over a ten-year period resulting in a \$3 million payout to the City of Tybee Island.

Since neither party could agree on the offers as presented, the County delegation felt no further progress could be made today and left the mediation.

Chairman Ellis said, “The County is required to provide legally mandated services to all Chatham County residents at a cost of \$163 million a year. The offers from the municipalities did not come close to covering those costs. The \$102 million, referenced by Mayor Johnson, breaks down to about \$10 million a year and still does not get us close to the numbers we need.”

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