

Charter Review Commission Meeting

January 20, 2016

The Charter Review Commission Meeting was held at Charlotte County Administration Building at 18500 Murdock Circle, Room B-106; Port Charlotte, Florida.

The meeting was called to order at 3:30 p.m.

Roll Call

The following Commission Members were present:

William C. Abbatematteo	Paula Hess	W. Kevin Russell
Katherine D. Ariens	John Hitzel	Thomas J. Thornberry
Jim M. Brown	Julie Mathis	Stephen J. Vieira
Thomas (Skip) P. Conroy III	Donald McCormick, Vice Chairman	Frank C. Weikel
William Dryburgh, Chairman	Thomas J. Rice	

Attorney Robert Berntsson was also present.

Member Jerry J. O'Halloran was not present.

Alternates Raymond A. Corcoran and John M. Davidson were not present.

Citizens:

Joanne Mulvaney
Dave Kesselring
Susan Hutt
Bill Bigelow
Gary Roberts

I. Citizens Input

Bill Bigelow gave a summary of handout he provided and is Attachment #1.

Joanne Mulvaney – I am a District 5 Tax Payer and I would like this committee to please consider changing the County Administrator to an elected position. He is responsible for a large budget, he is the only position that can direct staff; the Commissioners cannot interfere at all so this position has a lot of power. If there are issues with this person; we are not dealing with the Board of County Commissioners that may think they do not have a problem with him, but it is the people that should have the voice in a position with this much power. I have spoken to Commissioner Doherty about my issue with the County Administrator's position not being where I can go and vote him out of office because he chooses not to meet with certain tax payers. Commissioner Doherty stated the County Administrator answers to the Board of County Commissioners. As a tax payer I am paying his salary, benefits and retirement package, he should make himself available when time permits to speak to me, but he has refused many times. So my only way as a voter to deal with this is to have the County Administrator an elected position. We have a public servant that refuses to meet with me and certain other people. Please consider changing that so the people's voice can be heard within this position. I also agree to change the petition from 10 percent to 5 percent. With the amount of registered voters it would be around 12,000 signatures, with about 10 percent being kicked out due to signature problems. Please consider reducing it to 5 percent; that would give the people that rule the government and all the entities within, a little bit more power to have our voices heard. Thank you very much for your time.

Susan Hutt – I live in District 4 and I am here because I believe that local government is as close as the people can get to their government and people should have more control. The constitution provides for consent of the governed. There is an air of distrust among many of the tax paying citizens in Charlotte County because they feel their voices and opinions are not considered by the board. Some of the suggestions would help give the people more input. I agree with the MSBU/TU's, I would not have a problem at all if the people had any say in it. It seems to me that if you are going to pass it, it should be passed with a majority of the vote. I agree that taxing the churches is double taxation. Provide the County tax paying citizens with more influence in the establishment and amendment of County codes and ordinances. I agree with changing it to 5 percent in order to get something on the ballot. I would like for the County Administrator's position to be elected because we do not have access or control of government. I would like to make another request that you consider having Commissioner's run for specific districts instead of running at large. I feel that would bring our Commissioners closer to the people in their district. They would represent the people more directly, rather than the entire County. I think it would make more representation and communication between the people and the government. Let us please keep in mind the government is ourselves and not an alien power over us. The ultimate rulers of our democracy are not a president, senators, congressmen or government officials, but the voters of the Country and County, whatever jurisdiction. Ronald Reagan; "Government's first duty is to protect the people, not run their lives." Abraham Lincoln; "No man is good enough to govern another man without that other's consent." Thank you.

Dave Kesselring – Charter Review Boards have been in place since approximately 1986, it is made up of only 15 members out of the entire population of the County plus some alternates. From the research I have done at least 3 people have been on this board for almost 24 years. Almost half of this year's Charter Review Board was on the same board 6 years ago. This is not acceptable for a representative form of government. There appears to be a very small group of people that steer this very important document called the County Charter. My proposals are the Charter Review Board needs to be an elected body. It is clear the appointed process is biased and flawed. An elected board would publicize the event, increase participation and allow those that are not political insiders a chance to steer this County in a positive direction. To have the same people year after year on these committees appointed by the Commissioners, then statements are made by some Commissioners there is no participation; well of course there is no participation. I am proposing Section 4.2 C. (1); be amended to; a Charter Review Commission consisting of 15 members and 3 alternates shall be elected countywide by the voters of Charlotte County at the general election prior to the year of review. There must be Term Limits on Charter Review members. I am proposing that Section 4.2 C. (1) also be amended to limit the appointment to the Charter Review Board to no more than 2 terms. I support changing the appointment by Commissioners of the County Administrator to an elected position by the people and requiring the majority vote of the residents of the containing area on the establishment of MSBU/TU's. Section 2.2 G. (1); states in part; the people of Charlotte County shall have the right to initiate County ordinances in order to establish new ordinances and to amend or repeal existing ordinances upon petition. The Charter section refers to this is a RIGHT. There is a cost per petition, which is a major barrier to this right. Where does the authority come from to force us to pay to exercise our rights? I support the proposal to amend 10 percent to 5 percent and would like to impose the addition of; at no cost to the people. Thank you.

II. Minutes of December 16, 2015 Meeting

Chairman Dryburgh – The minutes were emailed to everyone, are there any corrections or additions? They were motioned for approval and Paula Hess seconded. Any discussion? All in favor say I. Everyone said I. Opposed (None)

III. Approval of Expenses

Chairman Dryburgh – You should have a copy of our expense report. Julie Mathis motioned for approval and several members seconded. Any discussion? All in favor say I. Everyone said I. Opposed (None)

IV. Old Business

Chairman Dryburgh – We have the subcommittee final reports; Other Board and Agencies.

Thomas J. Rice – Our subcommittee has prepared a final report, I want to thank T. J. Thornberry and Kevin Russell for serving on the subcommittee as faithful members beginning to end. Our subcommittee met a total of 9 times. We met with representatives from 8 different organizations and citizens were provided input at each meeting. Based on the interviews and responses we received, here are the recommendations we propose to the full CRC for consideration:

Amend Article II; Section 2.2 G. (1) as follows: “The people of Charlotte County shall have the right to initiate County ordinances in order to establish new ordinances and to amend or repeal existing ordinances upon petition by a number of electors equal to ten (10) seven (7) percent of the number of electors qualified to vote in the County as a whole in the last preceding general election.

Rationale – In 1986, when the Charter was first adopted, 10 percent of the elector voters represented 5,279 petitions required. With the increase in number of electors in 2014 that number is 12,003. A document our Commission received when we started was a review of what the other Charter counties in Florida do now. Of the fifteen (15) counties that specify a percentage of electors required to change an ordinance, the most common percentage selected by other Charter counties was seven (7) percent selected by seven (7) other counties.

Amend Article II; Section 2.2 H. to include the following sentence “..... The ordinance shall provide the terms of the board of advisors and for the responsibilities of the board of advisors to request such services and facilities as deemed necessary to serve the residents of the MSBU’s or MSTU’s. Each advisory board shall submit an annual report to the Board of County Commissioners on the MSBU’s or MSTU’s activities, objectives and funding requests.”

Rationale – The topic of MSBU/MSTU’s was one of the most popular discussions we heard. It was clear if you have an active local advisory board, then they tend to work effectively going forward. So we decided to add language that the advisory boards submit annual reports.

A second change related to MSBU/MSTU’s, we could not figure out the reason why it was there to begin with. The last sentence of Article II; Section 2.2 H. shall be amended as follows “..... The Board of County Commissioners may abolish a board of advisors after a public hearing(.) and, upon abolition of the board of advisors, no new petition for the creation of a board of advisors, shall be considered for a period of two (2) years.”

Rationale – If the advisory board is appropriate; why wait 2 years before you appoint a new board. If you have an ineffective board that needs to be replaced should the County Commission wait 2 years before they appoint another one. As a sideline the Board of County Commissioners should not be running MSBU/TU’s and they have taken it over in some cases. Therefore; the quicker they can get these entities back under advisory boards the healthier it will be.

Next; add a section under Article III, to be Section 3.3 as follows: “Elections for the offices of sheriff, property appraiser, tax collector, clerk of the circuit court and supervisor of elections shall be non-partisan.”

Rationale – Also in the comparison data there is precedent with 4 other counties allowing for non-partisan elections for constitutional offices. It seems like supervisor of elections is one of the more frequently noted topics in positions that are non-partisan and several are appointed by the County Commission, such as the sheriff. We oppose at least for discussion that these positions be non-partisan. In the discussion with the people that came to us about the Board of County Commissioners they were not interested at all in those races being non-partisan, but there was a fair amount of support amongst the others.

Also; several recommendations came up during the interviews that may not merit inclusion in changes to the Charter, but merit consideration by the Board of County Commissioners and County staff:

In regards to Article II; Section 2.2 J. Debt policy and K. Reserve policy; The Board of County Commissioners should review the "best practices" issued by the Government Financial Officers Association when developing the County's budget, financial reserves and setting debt limits; which they may already do.

Then we had several recommendations of changes based on typographical errors in the current Charter, these corrections are included in the final report.

Chairman Dryburgh – Are there any questions?

John Hitzel – I would like to ask about the recommendation to change petitions from 10 percent to 7 percent. Did you find in the last 5-10 years somebody trying to get a petition going and their experience?

Thomas J. Rice – None of those examples were given to us if that has been a problem. We did have several interviewees that said it is a tall order to get 12,000 signatures on a petition.

John Hitzel – It seems to me it should be a tall order to put something before the board.

W. Kevin Russell – And we agree it should be a tall order, but just by the growth of the County it has gone from approximately 5,000 signatures, when the Charter was first adopted, to now it is 12,000 signatures and will continue to grow. Just because the electors are going to grow. If it is going to have any effect it is just getting more and more out of reach. We felt it was time to reset the clock back to what it was when the Charter was first adopted.

John Hitzel – You are talking about what it was in terms of numbers not percentage.

W. Kevin Russell – Right, but the numbers were always up. Soon it will be 15,000 and you do have to pay 15 cents per signature to the supervisor of elections that is provided by Statute.

Paula Hess – Isn't it an initiative to referendum rather universally 10 percent throughout the United States; we will have to look into that.

Robert Berntsson – I want to get your input if you looked at it this way. I read Section 2.2 H. as an additional ability for an advisory committee to be created. I believe the Board of County Commission can create the advisory committee for any of its MSBU's. This section as I read it was put in if you did not have an advisory committee and wanted one in your area. This was an ability to come in if you got a petition of 30 or more electors, then you could have them request that this be created. I just want to be clear of what you are suggesting would apply to all MSBU advisory committees.

Thomas J Rice – Yes, it might not be the best language to use. We heard some testimony that strongly supports it, MSBU/TU's that are working well in their areas. A common element is if the advisory board is not in place or not functioning, then it is going to fall back on County staff or the Commissioners.

Chairman Dryburgh – Next we have Constitutional Officers final report.

Katherine D. Ariens – Since we will be receiving each subcommittee's final reports, I will not discuss in length. Based on the interviews, as we have already discussed, our subcommittee has no recommendations or changes for the Charter. However; I would like to discuss as a group if the full Commission and attorney would want to make the

administrative recommendation by Paul Polk, Property Appraiser regarding the Geographic Information Services (GIS). Mr. Polk suggested having it within his office. I have tried to find out how it works now, get some information regarding the pros/cons of why this would or would not work. We did not get to have a final subcommittee meeting to discuss as a group. So we need to continue our research and determine if we want to discuss with the full Commission. I personally do not think it should go before the County Commissioners. That is my opinion based on my research, but I would like to present for further discussion.

Frank C. Weikel – At the meeting when Mr. Polk suggested this, he thought it could be done within his own office without becoming a ballot question.

Chairman Dryburgh – This was not a ballot question; it was going to be a footnote in our recommendation.

Frank C. Weikel – Mr. Polk said he thought it would be administrative.

Katherine D. Ariens – As a group we would be sending that forward to the full Commission to see if that is something we all would like to recommend after everyone heard the information and research.

Robert Berntsson – The subcommittees do the ground work in the various areas, but before anything goes officially from the Charter Review Commission it is based on a vote of the whole Commission.

Chairman Dryburgh – We are going to start getting in depth next month and Tammy will be sending the final reports to each of you.

Paula Hess – Once everybody gets circulated all of the reports then we will know what we are discussing. Our subcommittee is meeting briefly after we adjourn to discuss our final report draft; Attachment #2.

V. New Business

Chairman Dryburgh – Regarding discussion of MSBU/TU's, we have with us today our Budget Director, Gordon Burger, Commissioner Ken Doherty and County Attorney, Janette Knowlton. If you have any questions, please ask them now.

Thomas J. Rice – How do you determine if MSBU/TU's are working appropriately or if something needs to be done to them?

Commissioner Doherty – The first aspect of the system is the fact that not all of the MSBU/TU's have citizen advisory committees. I cannot remember the year the proposal was made by the Charter Review Commission to actually specify if a certain number of residents in a particular MSBU/TU wanted to form a committee, the language is in the Charter. What we found after I got elected, there was quite a few MSBU/TU's that had no representation. That seems to be the aspect which created some of the MSBU/TU's we are having problems or at least precede problems. The work programs were not getting a citizen neighborhood review. As an example, Punta Gorda Non-Urban, Ridge Harbor, Palm Shores, Charlotte Park, it is a mixture of subdivisions that were platted decades ago, that had no nucleus of a group to provide guidance to public works. I am not talking about primary road and drainage MSBU/TU's right now. When you go to Deep Creek, Harbour Heights, Rotunda or northwest Port Charlotte they have very active citizen advisory groups that provide input to staff continually and meet quite frequently. As to the budget, the work programs they want to see, propose what services they want to have, resurfacing or whatever. Essentially the MSBU/TU's that are working well seem to be the ones that have citizen advisory committees. So what we did about 2 years ago, until there are citizen advisory committees for these MSBU/TU's, the Board of County Commissioners needed to function as that group. So we went through a very exhausting process this last budget cycle, working with staff and decided what types of programs we were going

to initiate. One of the things that have been grossly neglected over the last 20 years is resurfacing in a lot of the MSBU/TU's. The roads were falling apart it was embarrassing, so we took that role. I do not know if that answered your question, but that seems to be what I am seeing. If you have a citizen advisory committee, it seems to be running along reasonably well because they are able to invent programs and public works.

Julie Mathis – Are you trying to get citizens involved with those MSBU/TU's?

Commissioner Doherty – During the public hearings, yes; we are strongly encouraging them to get together and get some neighbors involved, but you cannot force people to do that. So my colleagues have decided as a board if we do not have committees, we will function as the de facto citizen advisory committee. We ultimately have that responsibility anyways to approve the budget. When we have a citizen advisory committee it helps us a lot because they carry the bulk of the load in making sure the programs are what they want.

Janette Knowlton – Actually, if I may be a little more specific to follow-up on what Commissioner Doherty said. Within the last 9 months in my office and we are expanding that, we are looking at the whole MSBU/TU's process. We started by doing away with 9 advisory boards that were inactive. Because for over a year, some were 5 years, we could not get a single citizen in that group to step up and be a part of an advisory board to provide input. So we did away with those and the board took them over. The other thing we did in the last 6 months was went back and 4 of the inactive MSBU/TU's or those that had accomplished their stated purpose, we sunset those. The final thing we have already accomplished was revamped the Board Rules of Procedures for all of the MSBU/TU advisory boards. So they all are operating under the same rules of procedure, provides continuity and fairness to all of those boards. We are still going through a review process and working with the foremost state experts on these issues to take a look at our process to see where we can make improvements. Whether it is the methodology we use, to help on some specific issues and advise in those areas to make sure we get everything done correctly. I would say where you said they were problematic; the work programs were reviewed and developed by staff even if it was not done by the board. The problem was we did not have a citizen advisory board to provide input and buy-in to the work programs, but the board has taken over that burden now.

William C. Abbatematteo – Regarding MSTU's has anyone ever challenged the legality of that, because if State law says that you cannot raise taxes more than 10 mil; I question how you can create this entity, which you self-created.

Janette Knowlton – State law provides that you can.

Gordon Burger – Municipal Service Taxing Units/Benefit Unit the key is municipal. So if you were residing within a city such as Punta Gorda you would have 2 layers there. Same type of thing, but the County is providing municipal services so therefore a structure is set up to allow them to provide municipal services. Without that extra burden of having to take it all out of the other things the County has to do. It is because the lack of incorporated areas that we have.....

William C. Abbatematteo – I understand the rationally, but I am wondering the other implications to say that sheriff or fire rescue services are city services; so we can take advantage of State law and exceed 10 mil, is that how we want to govern. I listen to the people that comment and I am sympathetic to the citizens. Why isn't it just part of the tax base?

Commissioner Doherty – That is a great question, but it is important that you understand what was going in the mid 70's. I am talking about road and drainage maintenance right now, not utilities and other types of assessment opportunities. The County had already established for the local residential streets, what they called the Charlotte Street Unit; MSTU's leveed a 2 mil tax on all properties for the local road system. This is the problem across the County there were areas that had reasonably good tax base where 2 mils would provide enough revenue

for the type of maintenance programs you needed for roads and drainage. If you got outside of those areas that were densely populated, we had predominantly vacant lots valued at about \$1,500 dollars apiece at that time, at 2 mils they were producing \$3 dollars a vacant lot. Rule of thumb with the general development type subdivision you have about 100 lots per mile generate \$300 dollars a mile. The need in 1980 was \$5,000 dollars a mile. You did not generate enough money from those vacant lots to have a decent road program. What you had was the affluent areas that had a good tax base which completely subsidizing everybody else. It was unfair and as a consequence nobody was getting a reasonable road program that is the reality of it. Ad valorem was not working; there was not enough value per mile. That is the key you need to have a certain threshold of value per mile for it to work. So in 1980, Port Charlotte was broken up into over 100 subdivision sections and they were under construction. We wanted a program of transfer for those roads to the County for maintenance because people were calling up wondering who maintains our roads. The tax payers were in total confusion. We decided to work on an agreement with General Development for a road acceptance program. So we had to have a methodology to maintain over one hundreds of miles that had no tax base. That is really what the catalyst to the original MSBU's was. What we did was setup a boundary around the areas in Port Charlotte, West and South County that did have enough value per mile to exist on 2 mils. We called it the Port Charlotte Urban, West Charlotte Urban Taxing Unit/MSBU and the South Punta Gorda Urban at 2 mil and they worked. After I left 10 years later the County completely converted everything to MSBU's, I do not know why they did it. It was the County Commission and people in Administration at that time.

W. Kevin Russell – How many MSBU's are there versus MSTU's?

Commissioner Doherty – Back then we had fewer than a dozen, Gordon.

Gordon Burger – Do not quote me exactly somewhere around 80 MSBU's and about 6 MSTU's. If I can add to what Commissioner Doherty said because it was a situation then and it is still very much a situation now. If you look at just the plain numbers; somewhere around 220,000 platted lots, 2,200 miles of roadway, and 170 miles of canals. In order to maintain those we estimate somewhere between 60 and 70 percent of the County is still vacant. So you would have 30 to 40 percent of the County those who homestead here that would be paying the bill for all 2,000 miles of roadway. If you take an extreme example which would be Northwest Port Charlotte where you got 15,000 vacant lots they are currently paying for the street drainage, \$218 dollars per year residential units regardless of what is there. If we converted that to a MSTU, raised the same amount of money, you have a house valued at \$200,000 dollars, homesteaded, so you are paying 150,000 taxable value; your bill would go to \$2,400 dollars, which is 11 fold. To those 2,000 people who have homes there as opposed to the 17,000 lots, for fire services currently residential units is \$156 dollars. Again same example, same home; that amount would double.

Commissioner Doherty – The point is ad valorem still does not work for those types of services. In 1981 the concept was as development continued it essentially would move out from the urban core. Then on an annual basis we would review the values per mile and begin effectively annexing in more and more roads into the ad valorem taxing unit. No one can really pin down when it occurred, the MSBU's of course, the assessments to churches and things like that. Most of the churches were in the urban taxing units back in 1981, we did not have a problem. So this is one of the casualties of the conversion. Now to try and give you some idea of where Gordon wants to go is to look at, over time, the conversion of some of these MSBU's to ad valorem MSTU's, with something between 2 and a half mil. We are looking at that right now for Lemon Bay, street and drainage unit. Their MSBU assessment was going up considerably for paving. It gets very complex; the law concerning a MSBU paving program has to be accomplished in a certain period of time. If it is a taxing unit you can actually spread it out over time. It gives you more flexibility under ad valorem. My personal feeling is the original concept of once we have enough value per mile, converting some of these to MSTU's will be the right answer. I do not know how long it will take.

Paula Hess – You asked if we had questions to submit them to you and I asked; How many areas who have MSTU's would be affected if the churches were tax exempt?

Gordon Burger – If I look at the street and drainage, if you factored out the churches and spread the cost to everyone else it ranges from a minimum of 10 cents additional per year, per home to the highest being \$1.80. In the fire MSBU they are charged at the commercial rate so that would be an increase of 1 percent. If you spread it just to the rest of the commercial, it would be an increase of about 5 percent.

Janette Knowlton – If you are going to do that, Rob can explain that to you, if you exempt just churches I believe you have to exempt all of the non-profits. It is problematic you cannot do it just for churches.

John Hitzel – This question may be for Gordon or Commissioner Doherty; If a home is homesteaded and gets the \$50,000 dollar exemption and pays no ad valorem taxes because of the value of the home. Don't they still pay the MSBU/MSTU's?

Commissioner Doherty – They would pay the MSBU, on the ad valorem they would not have any taxable value.

John Hitzel – If you went back to ad valorem tax for roads and do away with MSBU's then those properties would pay no tax.

Commissioner Doherty – That is exactly right.

John Hitzel – Do you have any idea what the effect of that might be?

Gordon Burger – I thought I would bring in the scenario for Lemon Bay; we are bringing that back to the Commissioners in February. Yes, there is a very large shift about 25 percent of the population would not pay anything, that is just Lemon Bay.

Paula Hess – If you have seawalls and canals in some areas, is that a MSBU or a MSTU to maintain?

Commissioner Doherty – MSBU, the ones that we have. Not all of the canal systems in Charlotte County are taken care of.

Paula Hess – So is it done with ad valorem taxes when you dredge, deepen and fix seawalls and canals?

Gordon Burger – Currently the way it is done, an area where there is a need for dredging and it is typically coming from a request from the citizens. We create a MSBU by their consent and then allocate the cost back out to citizens. That is the way it is happening right now.

Paula Hess – And the citizens maintain their own seawalls.

Janette Knowlton – Yes.

William C. Abbatematteo – Non-ad valorem; is that the taxing unit?

Commissioner Doherty – MSBU; Municipal Service Benefit Unit, is a special assessment, it is a non-ad valorem. The methodology could be residential unit, could be theoretically; acreage, could be per lineal foot. The County was pro-lot back in 1981. We had to get the amount of money per mile, like I said those dollars back then, \$5,000 dollars a mile was what roughly it was producing with all vacant lots, about \$300 dollars a mile. So the

number with 100 lots per mile, \$50 dollars a lot. It was called the vacant lot tax/assessment back in 1980-1981. Having the vacant lots help with the maintenance of the roads, the key is it has to be a direct benefit to that property. If they did not have a road in front of their house, did not have it mowed, did not have the signage, they could not even find their lots to build their new home. So that was why we rolled with it because it was impossible, \$300 dollars a mile you could not do anything. The key looking way on down the road is probably conversion to ad valorem with multiple MSTU's, because again, in my opinion, you are redistributing the dollars from the affluent areas to less affluent areas. When you have a Deep Creek or Rotunda for example, your values are going to be pretty much the same across that neighborhood, so if you levee a 2 mil everybody is going to be paying a board of magnitude of about the same.

William C. Abbatematteo – In listening to the citizens who are concerned with the increased competition for money possibly for budgetary needs, Is there anything in the law that prevents let's say converting County staff to a taxing unit, so we can exceed the 10 mil. The Fire Department now is a taxing unit or if we wanted to make the people of Public Works a taxing unit, staff or the cost of another part of County government.

Commissioner Doherty – The requirements for a special assessment which is what a MSBU is there has to be a special, direct benefit to real property. The taxing unit is an ad valorem tax; that is different. You would not necessarily have the same requirements of benefit. That is one problem with ad valorem taxation, my personal opinion, it is not fair. So is it better to form a MSBU and everybody pays the same.

W. Kevin Russell – The shift with the benefit units was an attempt to get the vacant lot owners to pay their proportional share of the cost. Because they did not have the taxable value; so if you applied the same mil to my house versus the vacant lot next door it is not going to generate. With all of our vacant lots, MSBU's is just an attempt to get them to pay their share.

Jim M. Brown – The key to MSBU's operating well is advisory committees. If you have a good advisory committee then your MSBU will run right. We have 2,069 vacant lots.

Commissioner Doherty – I agree, the success is going to be dependent on citizen participation and hard work. If you are willing to get involved you can see your money staying in your neighborhood and you have a say in your work programs and services.

Chairman Dryburgh – Any other questions for our panel.

Donald McCormick – Thank you Gordon for your expertise and calculating the information for us.

Commissioner Doherty – If I can comment regarding the concept of a referendum for MSBU/TU's. I would simply ask again that your attorney look at that. Because when I read Florida Statute 125.01, I believe it speaks to that and the fact the power to establish MSBU/TU's is given to the governing body by the legislature. I do not think the proposal lines up with State law. (This was further discussed in Other Board and Agencies Subcommittee meeting of October 23, 2015.)

Janette Knowlton – Florida Statute 125.01; subpart (q) and (r) both speak to the issue about sun setting or referendums. The language is that the BCC has the power to create, merge or abolish MSBU/TU's and (r) says no referendum shall be required.

Commissioner Doherty – The actual language is; there shall be no referendum required for the levy by a County of ad valorem taxes, both for County purposes and for the providing of municipal services within any municipal service taxing unit.

Janette Knowlton – I would defer to your attorney to advise you, but my advice is I do not believe that you can by Charter, who serves the board's power that they have statutorily been given.

Paula Hess – Would that also pertain to inserting language for periodic review?

Janette Knowlton – No, I do not think so.

Paula Hess – Because that is what the Commission is doing now, but it is overdue, it has not been done regularly.

Janette Knowlton – You could put in language about doing a periodic review, just like you did with the fiscal policies. I would say we do that on an annual basis, every year at budget time. Not only do you have the public hearings for newly created MSBU's or where territories are being added; or where it is going over the maximum allowable rate. All of those require public hearings so definitely you hear it then, but also in the budget process in the resolutions that go before the board. It has the rates for all of the MSBU's, the ones that do not require public hearings. So it is all there and the board gets all of the backup data. Now the public may not be aware of all the backup data that is there, but it is reviewed annually.

Paula Hess – Are you sun setting at that time also, those that are no longer needed or wanted?

Janette Knowlton – We could, that is part of the process we are going through right now and may be recommending we separate out the capital and the maintenance maybe more definitively. Also talking about when the program is over and when the purpose has been served, that we should sunset those.

Frank C. Weikel – I just wanted to thank the 3 staff members for coming, it was very informative.

Chairman Dryburgh – Thank you all for coming.

VI. Discussion

Chairman Dryburgh – At the last meeting the following question was asked and information provided.

What was the percentage of the votes in 2010 that changed the Economic Development Director under the Board of County Commissioners?

YES – 29,427

NO – 25,756

Over votes – 24

Under votes – 5,248

Paula Hess – It was not overwhelming in favor of. The subcommittee had some questions about if that was the best way to go, so we put that in our recommendation for discussion to go back to the way it was before 2010. The Board of County Commissioners told us they liked it the way it is; reporting to them.

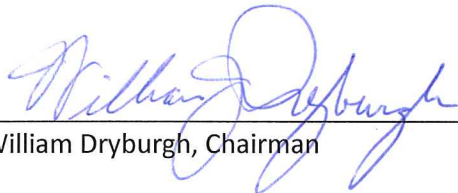
As requested by Julie Mathis, we have invited Lucienne Pears, our new Director of Economic Development and she will be attending our next meeting on February 17, 2016.

Chairman Dryburgh – Any further discussion? (None)

VII. Citizens Input

Dave Kesselring – We have asked for 5 percent on the petitions. We are comparing against other counties, but we are not another County. We are Charlotte County and you all can do the right thing here. I realize that it should not be an easy task, but 5 percent will make it a little easier for people who are trying to make positive changes in the County. Please consider 5 percent instead of 7 percent. Thank you.

Committee adjourned at 4:52 p.m.



William Dryburgh, Chairman

ATTACHMENT #1

Good afternoon. I am Bill Bigelow, a Charlotte County resident and taxpayer since 2008. I had over a 40 year career in commercial banking and corporate consulting specializing in capital procurement and business and economic planning.

Over the past 6 years, I have devoted significant time to the area of local government oversight and many people consider me an activist. I ask that the prepared remarks I am about to make be made part of the minutes of this meeting.

The official title of the document, which this Committee's voting members are being asked to consider amending, is entitled the Home Rule Charter and the Preamble starts with the following words; "The citizens of Charlotte County..." In other words this document is the county "citizens" document, it is not the county government's document. Therefore, during this periodic Charter review time, as provided in the document, the Charter Review Committee has the responsibility to seriously consider and approve amendments submitted by Charlotte citizens if such amendments directly deal with the governance of Charlotte County and are presented to you in a detailed manner backed up by facts, which strongly support and justify the changes being submitted.

Several county taxpayers, for whom I am representing today and whom I am totally in agreement with, believe the Charlotte County Charter and our citizens' right to vote represent the only two viable ways for the county taxpayers to exhibit meaningful influence over the decision making process of county government. Unfortunately, circumstances occurring currently in both of these two areas of citizen influence are limiting our citizens' ability to act in an effective manner to further and protect their best interests and constitutional rights.

For example, in the up-coming November election, two of the incumbent County Commissioners will be running without opposition for reelection, so voters will have no power of selection. Additionally, the group of taxpayers I work with believe the County charter currently does not provide county citizens sufficient ability to weigh in on critical issues of taxation and governance even though, as I stated previously, the Charlotte Charter is the people's Charter, not the government's Charter.

Hence, over the past month, I have sent each voting member and non-voting alternative member of the Charter Review Committee detailed presentations on why three changes in the Charter we are proposing should be approved and, which if approved and implemented, will arm county citizens with

the proper, expanded ability to seek needed change in county government, which is the government of the people.

I would like to now discuss the three areas of change in the Charter we are proposing this Committee approve.

(1) We are proposing Section 2.2 (H) of the Charter be amended to **require the Board of County Commissioners ('BOCC') before it establishes any new M.S.B.U. or M.S.T.U Equivalent Residential Units ("ERU's) to obtain approval via election ballots or supervised executed surveys of a majority of all citizens residing in the area to be serviced by the proposed new ERU.**

Additionally, we ask the above Charter amendment would also be amended to: (a) require, in the 2018 county election, that the ballot will include a provision whereby all Charlotte voters would vote to **ratify or not ratify the continued existence of all existing M.S.B.U's and M.S.T.U.'s.** If the current Special Taxation system is struck down by a majority of the voters, the BOCC would then be required to convert the county to a 100% ad valorem tax system, which system would become effective on January 1, 2020 and (b) provide for an exemption from Special Taxation (i.e. M.S.B.U.'s and MSTU's taxation) for all churches in the county for such levies represent double taxation and very few other counties tax their churches in the manner Charlotte County does.

How do we justify such changes? Please refer to the detailed position paper I e-mailed each of you on December 4, which covers the history of Special Taxation in this county and the improprieties connected to that taxation system. Special Taxation has now morphed far away from its original purpose of road maintenance only to where it is now a system now covering a multitude of services which is too expensive to operate; creates great animosity between the government and the many citizens subject to the taxes being levied by now over 60 ERU's; and allows our county government to significantly exceed the 10% mill limit on ad valorem property taxes assessed in the state of Florida. I have pointed out to you the 40-year old government oversight company, Florida Taxwatch (funded by citizen contributions), places Charlotte taxpayers in the top 10 highest taxed counties of the 67 Florida Counties and we are also rated the number 1 Florida county in per capita Special Taxation levies, the second Florida county having its citizens taxed annually at 50% of the Charlotte taxation amount.

I then provided each of you a spreadsheet analysis of Charlotte County family income levels for 2015, which shows 45% of all Charlotte families have annual incomes of less than \$40,000 and 56% of

families have annual income of less than \$50,000. A large percentage of these families are living on fixed incomes and are, as cited in many press reports, currently struggling to make ends meet. Add to our high tax burden the fact that the water rates of Charlotte County Utilities, the county-owned water company, also rank among the group of water companies having the highest rates in Florida plus our Commissioners last year approved additional annual water rate increases for the next 3 years.

Furthermore, the county's tax base calculated on a **real inflation adjusted basis** has been not increasing for several years. The county tax base will be negatively effected over the next 5-10 years as additional acreage of perceived "preservation"/Scrub Jay habitat committed county/NGO owned land is purchased by tax exempt buyers and therefore taken off of the tax rolls thereby driving the percentage of county land exempt from property taxes moving upward from the current 38% to over 50%. When that happens, the remaining taxpayers will be expected to cover the negative tax collection gap, thereby created.

Add to this high tax/water rate expense burden the following huge capital expenditure probabilities, which are now on county government's plate: (1) the county's new 20-year capital improvements budget totals about \$1B of which County Administration admits **\$642M** has no defined sources of funding; (2) CCU has now estimated the BOCC' sponsored sewer expansion construction project plan will cost **\$200M** plus CCU has just advised the BOCC that a large portion of its sewer pipes throughout the county need replacement at an estimated cost of **\$160M**. Such estimates will undoubtedly be very low given CCU's original construction cost estimate for Spring Lake Sewers was \$10.6M and the latest cost estimate is \$27M, but that figure does not include a big section of the project the low bid which was thrown out totaling \$9.6M and will be rebid, plus additional expenditures for insurance, loan interest, MSBU fees and administrative fees. The probable cost of Spring Lake sewers will exceed \$40M up 400% from the original estimate; and (3) the BOCC has committed to take on the \$36M cost of the PG Justice Center addition and have already committed to fund about \$9M of up front costs **even though they have no idea what will be the funding source(s) of the expansion**. There are other "pet" projects of County Administration in the offing which could approach \$20M. None of the above unfunded projects totaling about \$11B are connected with the projects being funded by the 1% sales tax revenues.

You readily can see, from the county's enormous need for funding dollars over the next 5-10 years, **our middle class dominated tax payer base is being set up to incur massive tax increases**. Out of self

preservation, this growing problem has to be addressed by the citizens of this county for BOCC actions show they appear to be oblivious of the on-coming financial freight train coming now at us at full speed.

Therefore, the power of the people in this county must be enhanced to create means of greater, meaningful influential input in solving this major problem. The peoples' Charter must be changed to address the county's dysfunctional Special Taxation system, as we are proposing.

(2) To provide county citizens/businesses/organizations more influence in the establishment/changing of county codes and ordinances, we are proposing for Charter Review Committee approval, an amendment to Section 2.2 (G), changing the required 10% currently required in subsection (1) to 5%.

Many taxpayers in this county believe the current codes and ordinances, as changed in 2014 by the BOCC, are still predominantly anti-business and anti private property rights. We further believe the combination of high taxation in this county plus the highly restrictive codes and ordinances collectively contribute to the incidence of anemic economic growth this county has experienced for several years. The proposed change for a reduction in the number of signed voter petitions required by anyone seeking new or amendment to codes and ordinances, if approved, could result in our county tax base increasing in the future by enhanced economic activity, rather than staying in its current dormant state.

Finally, we are proposing a third Charter amendment, as follows:

(3) We request Section 2.2 be changed to eliminate the language which cites the County Administrator is an "appointed" office and replace that language with the statement which will make the County Administrator position an elected office, which will be filled every four years by the voters of Charlotte County (subject to the exception cited below in this paragraph). If the voters approve this amendment in November 2016, then the first election to fill the job as County Administrator will be held in a special election in November 2017 **with the new Administrator required to stand for reelection in 2020.**

The reasons for Committee approval of this very important Charter change are many and were outlined in my e-mails to each voting and alternate members of this committee on January 4 and January 12, 2016. Time does not allow me to go through the entire factual reasoning presented to support the

approval of this Charter change. However, one of the primary reasons is that the appointed County Administrator is totally inaccessible to citizens who have legitimate gripes concerning County Administrative activities and this situation is unacceptable for we believe at least 75% of what ultimately ends up as law in this county is generated by the County Administration, not the BOCC. Therefore, the citizens have the right to demand the Administrator stand for election and in the process answer citizen questions, just like the five Commissioners and the Sheriff have to when they stand for election.

For the record, I am attaching to these prepared remarks, as Exhibit I, the reasoning for an elected County Administrator as I submitted to you in the above two cited e-mails. Additionally, I have attached Exhibit II. which outlines the makeup of the process we are proposing to be used by the county to assure qualified candidates for the job of County Administrator will fill each election ballot.

In summary, the Home Rule Charter of Charlotte County is a “citizens” document and hence it must be flexible enough for citizens to better participate in county government decision making in the key areas of taxation, codes and ordinances, and whom the citizens, not the BOCC, want occupying the chair of the County Administrator. We have taken substantial time to **factually** present the many valid reasons why each of these three Charter changes should be approved by the Charter Review Committee.

The citizens of Charlotte county need more influence on determining the direction of important county actions, which will impact positively or negatively our lives. Our ability to vote every four years for County Commissioners seats has proven over the years to be inadequate, so changes in the Charter to improve our influence in crafting the future of this county is mandatory and justified.

Approval of these three changes in the Charter will in combination solve the major financial problems Charlotte County will soon experience because conversion to an ad valorem tax system will cause necessary reductions in the size of County Government, which will then provide the funding necessary to properly handle the many infrastructure projects that are on our plate, and in the end will allow tax reductions once these major projects have been completed. This is a win, win for everyone in the county so we expect your approval of the changes we have submitted.

ATTACHMENT #2

Charter Review Commission
BCC Subcommittee Meeting, January 20, 2016
Present: Chair Abbatematteo, Hess, Conroy, Brown

After the meeting of the CRC adjourned, this subcommittee met to discuss preparation of the Final Report by the Subcommittee Secretary Hess for the Chair's signature.

It was agreed to use the Interviews Summary Report presented by Hess at the CRC December 16, meeting as the basis for the report.

All agreed on the following recommendations to be included:

- *Continuation of the present form of government as prescribed in the Charter.
- *Examine the 2010 change in Economic Development Director responsible to the BCC instead of the County Administrator.
- *Discuss addition to language regarding MSTU/BU & research ramifications of exempting Churches.
- *Explore adding scheduling of periodic Citizens Forum.

No further Business – Meeting adjourned.

Paula E. Hess