

MSBU BUDGET WORKSHOP

BOARD OF COUNTY COMMISSIONERS

MAY 16, 2007

A workshop was held at the Murdock Administration Complex in Room 119, Port Charlotte, Florida. The following members were present: Chairman Loftus, Commissioner Duffy, Commissioner Cummings, Commissioner D'Aprile, and Commissioner Moore. Also in attendance were County Administrator Loucks, Deputy County Attorney Gallagher, and Deputy Clerk Mitchell. The following members were absent: None. The meeting was called to order at 2:03 PM, followed by the Pledge of Allegiance.

MSBUs With Rate Changes Requiring A Public Hearing

Ray Sandrock stated at the request of the Board meetings have been scheduled with each of the departments including the Constitutional Officers starting May 29, 2007 through June 5, 2007 to review budgets at the line item level. Mr. Sandrock advised June 8, 2007 will be the first workshop with the Board to look at the major funds to see where they are at that point; and there will be many workshops and presentations leading up to the final budget hearing on September 27, 2007.

Mr. Sandrock explained today they will review those MSBUs where they are looking at rate increases or adding properties for the first time for the Fiscal Year 2007/2008 proposed budget, based on today's review staff will bring forward a budget agenda item at the Board's next regular meeting to set maximum rates for the public hearing notices that will be mailed on June 22, 2007; there will be public hearings on those particular MSBUs on July 16, 2007 and July 17, 2007; rates set today can be lowered at any time through the budget process but they can never be raised again; commented on appointing formal MSBU committees, on the ongoing MSBU study including a regional approach to paving, and on standardization of the methodologies of the ERUs; and stated the goal is to have community approval of a proposal before bringing it to the Board.

SECTION 1 - Increases Above The Maximum Rate

A. Increase Due To Paving/Drainage Programs

1. Northwest Port Charlotte Street & Drainage Unit

Mr. Sandrock stated the current rate was \$50 for Vacant and \$43 for Occupied and the proposed increased is \$75 for both Vacant and Occupied.

Dawn Harrison stated the proposed increase to all properties is \$75 per ERU, and reviewed the proposed work programs which are supported by the committee and a majority of the property owners.

B. Increase Due To Overall Work Program/New Work Programs

2. Gulf Cove Street & Drainage Unit

Tara Musselman stated the proposed increase is \$50 for Occupied and \$59.93 for Vacant, and reviewed the proposed work programs which are supported by the committee and a majority of those who attended the town hall type meeting.

3. West Charlotte Stormwater Unit

Mr. Sandrock stated the unit of measure was by acre, and the proposed increase was \$22.75 for Vacant and \$25 for Occupied.

Ms. Musselman reviewed the proposed work programs, stated the average property size was one-quarter acre, the turnout for the town hall meeting was nine, and the proposed increase is the same as last year.

C. Fire Assessment Increases

4. Residential, Commercial/Industrial, RV Spaces, Vacant Mobile Homes Lots, Vacant Lots, Acreage in Developed Areas, and Acreage in Undeveloped Areas

Mr. Sandrock stated the proposed increases are by category and ranged from \$23.80 for Residential down to \$0.20 for Acreage in Undeveloped Areas, this is part of the five-year strategic plan, and it incorporates all the capital programs.

Hector Flores explained the increase is just to cover the cost of the personnel, operating and capital costs of the department, and finalizing some of the renovations from the hurricane.

Chairman Loftus said even though this was in the strategic five-year plan, due to state funding cuts they may need to cut back on that plan.

Commissioner Cummings asked how much of their budget was funded by General Fund ad valorem. Mr. Flores said the total EMS budget is about \$11 million, about 60% of that is ad valorem funded which is required by law with the balance coming from transport revenues, and clarified the MSBU rate increase they're looking at today is to fund just the fire suppression or fire rescue side.

(Board and staff discussion regarding the use of emergency personnel and types of equipment sent out on 911 calls.)

SECTION 2 - First Time Assessed

A. Properties Added To Existing MSBUs

5. Greater Port Charlotte Street & Drainage Unit
6. Placida Area Street & Drainage Unit
7. Rotonda West Street & Drainage Unit
8. Rotonda Sands Wastewater
9. Rotonda Meadows Wastewater

Mr. Sandrock referred to items 5 through 9, explained during their review staff identified properties that should be added to a particular MSBU, and those will be assessed for the first time.

B. New MSBUs

10. Charlotte Harbor CRA Wastewater

Mr. Sandrock stated the new proposed rate is \$325.52 for both Vacant and Occupied.

Deb Smith explained this new MSBU will allow CCU to expand its sanitary sewer system to serve properties in this area, Community Development Block Grant (CDBG) funds of \$1.7 million have been

allotted to be applied against this MSBU to help support the installation of the sewer system, and there is also future money available to help low-income people pay for part of their connection fees and also part of their MSBU.

Chairman Loftus asked the connection fee. Jeff Pearson responded \$3,770 per connection for wastewater; and the residents would also have to pay for their own low pressure sewer (LPS) tank, pumps, and associated appurtenances to connect.

Chairman Loftus asked the total cost over the 20 year period. Ms. Smith responded in total with interest a customer would pay \$6,510; and there is a prepayment option in the second year of the MSBU as written in the resolution that would provide a savings of about \$2,000.

Chairman Loftus asked the overall total cost. Mr. Pearson said in addition to the \$3,770 for the connection and \$6,510 over 20 years, the cost for the residential LPS is \$1,800 per the current rate resolution.

Chairman Loftus asked the installation costs for an electrician and plumber. Mr. Pearson said between \$300 to \$500. **Chairman Loftus** summarized that's about \$12,500 over 20 years for one sewer connection and that's quite a bit of money.

Commissioner D'Aprile asked if a customer could use their existing septic system. Mr. Pearson said post-1993 septic tanks can be retrofit which can provide some savings.

Chairman Loftus said his concern is this is a low-income area and suggested using some of the TIF monies for this infrastructure.

Ms. Smith reiterated there was over \$1 million set aside for low-income assistance and advised that Deborah Forester was looking at using TIF funds to make up the difference between the total connection fees to basically pay the impact fees

Commissioner Moore said they need to watch setting precedent with this CRA.

Commissioner Duffy stated she felt that was an exorbitant amount of money to expect people to pay, she didn't know where these people were going to get the money, and we're making it mandatory.

Commissioner D'Aprile said the grant was only for those who live there. Ms. Smith clarified a person must own and reside full-time in their single-family residence in the CRA area in order to qualify, and any excess monies from the \$1 million could be transferred to help lower the MSBU cost to the total area.

Commissioner D'Aprile agreed with the Chair that TIF monies were designated for infrastructure.

11. Rotonda Villas & Springs Wastewater

Ms. Smith stated this MSBU should read Rotonda Villas & Springs Water and Wastewater, this new MSBU will allow CCU to expand into that area to provide water and wastewater systems, the homeowners' association has requested CCU move forward with this MSBU, and the new proposed rate for Vacant and Occupied is \$373.73 for a period of 20 years.

Commissioner Cummings asked the number of units out there because he thought no building was permitted without sewer. Mr. Pearson said 3,328.8 ERUs.

Commissioner Cummings said there's a whole lot of infinite roads out in this area and not one single house, and opined if they extend sewers out into this area they could be encouraging more development in an area that needs a lot of refitting.

Commissioner Moore added there are actually three sections out there so you're talking about people possibly wanting to move onto 7,500 units.

Chairman Loftus agreed with the Commissioner's concerns.

Commissioner D'Aprile agreed with the Commissioner because there could be issues with drainage and making sure all roads are up to grade, and opined preplanning is needed in this area.

Chairman Loftus suggested this be coordinated with Public Works projects.

Commissioner Cummings opined this also needs to comply with the Comprehensive Plan. Mr. Pearson responded he would coordinate everything with Community Development and Public Works

MSBUs With Rate Changes Not Requiring A Public Hearing

SECTION 3 - Rate Changes Below The Maximum

A. Increase (Decrease) Due To Overall Work Program

12. Greater Port Charlotte (Capital/Hollis Ave)
13. Lee Branch Creek Area Waterway Unit
14. S Gulf Cove Waterway Unit - Village of Holiday Lakes
15. S Gulf Cove Wastewater - All Phases
16. West Tarpon to Orange Drive Wastewater

Mr. Sandrock said all but two of these rate changes represented decreases in rates or the end of the assessments as the projects are complete.

Ms. Musselman addressed the Village of Holiday Lakes, explained last year when the Board approved adding in the dry lots the water access lots were inadvertently reduced from \$50 down to the dry lot rate of \$25, and the Waterway Committee has requested that the water access lots be put back up to the \$50 they had been paying previously.

MSBU That May Require A Public Hearing

SECTION 4 - Rate Change Options

A. Increase For Maintenance And Possible Pavement Resurfacing

17. Greater Port Charlotte Street & Drainage Unit - Committee will meet May 17 to vote

Mr. Sandrock stated that Greater Port Charlotte may or may not require a public hearing depending on which option is used.

Ms. Musselman explained there will be a committee meeting tomorrow morning during which she will review all three options and ask the committee to approve one that will be brought forward at the July public hearings, and reviewed the three options as detailed in the packet material.

Ms. Musselman said several of the committee members asked why she wasn't bringing forward the same \$225 proposal as last year because they understand they need to get into a program for road paving.

Chairman Loftus said he didn't know if that would be acceptable to a majority of the people, he felt they need to move forward with the three areas that need to be repaved, especially Charlotte Harbor which hasn't had a complete repavement of the area since it was formed in 1992, and good community outreach programs are needed in all the areas.

Commissioner Moore asked if this would be a good time to use the internet. **Commissioner Duffy** said having people respond via the internet was a great idea, and she felt some type of increase was necessary.

Ms. Musselman said education is key.

Commissioner Duffy stated she would bring this up at her Town Hall Meeting on May 29, 2007. Thomas O'Kane said both he and Ms. Musselman would attend.

Commissioner Cummings opined their focus needs to be on making sure the people know what they're going to get for the money they're being charged.

(Discussion continued between the Board and staff on which roads were part of Option #3.)

Chairman Loftus and **Commissioner Moore** commented on areas that had gone ahead and charged themselves for work programs to get the road and drainage work done and now those communities were happy.

Mr. O'Kane updated the Board on the Deep Creek area where that the board voted not to do any capital projects next year but they

still want to keep the assessment the same, said he didn't know the rationale behind that decision, and he was told by some of the members that the roads and drainage were fine but he didn't agree with that analysis.

Commissioner D'Aprile said he wants to see an overall view of this as far as what all the residents think not just a few of the committee members, he didn't want the assessment lowered, they need to keep a reserve because work will be required in the future when they finally decide what's going to be done with this particular area, and requested staff set an informational type meeting with the property owners of this area.

Chairman Loftus agreed on the need for input from the property owners in Deep Creek.

Commissioner Duffy suggested taking the town hall meetings on the road. Ms. Musselman noted last year they had over 450 attend the Deep Creek meeting.

Commissioner Cummings said people should not be lead to believe that maintaining roads and infrastructure are optional because they aren't.

Mr. O'Kane reported as a result of the review of the MSBU study each of the departments will be putting together a draft of the absolute minimum infrastructure requirements, it will be provided through the Budget Department, and opined this will provide a good baseline in various areas of the County.

Mr. Sandrock summarized next week he will be bringing back for Board approval an agenda item of these rates for advertisement.

Chairman Loftus asked if they will have something for Greater Port Charlotte next week.

Ms. Musselman responded she will send an e-mail out to everyone as soon as she's done meeting with the committee advising what the committee would like to bring forward.

ADJOURNED: 3:50 PM

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May 16, 2007

Signature on file in Commission Minutes
Chairman

ATTEST:

BARBARA T. SCOTT, CLERK
OF THE CIRCUIT COURT AND
EX-OFFICIO TO THE BOARD
OF COUNTY COMMISSIONERS

By: Signature on file in Commission Minutes
Deputy Clerk

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