

**CITIZENS ADVISORY COMMITTEE ON SOLID WASTE
BOARD OF COUNTY COMMISSION STAFF CONFERENCE ROOM
MAY 5, 2008
6:30 P.M.**

PRESENT:

Ms. Pat Curtis, Vice-Chair
Ray Walke
Harold Carter
Ms. Debra Chatham
Michael Knight
Ed Allen (Late)
Anthony Powell, Staff
Rick Hoffman, Staff
Robert Presnell, Staff
Lonnie Groot, Asst. Co. Attorney
Jean Chesser, Deputy Clerk

ABSENT:

Jack Malloy, Chairman
Larry Clayton
Sam Palmer

GUEST SPEAKER:

Dale Summerford, Tax Collector

CALL TO ORDER:

Vice-Chair Curtis called the meeting to order at 6:30, with a quorum present.

APPROVAL OF MINUTES:

UPON A MOTION BY MR. KNIGHT AND A SECOND BY MR. CARTER TO APPROVE THE MINUTES OF THE APRIL 14, 2008 MEETING AS PRESENTED, THE COMMITTEE VOTED 5-0 IN FAVOR OF THE MOTION.

Mr. Hoffman said he had sent the committee's approved recommendation for review of the existing Ordinance to the County Attorney, and stated Mr. Groot was present for any discussion or questions from the committee.

Vice-Chair Curtis then introduced Mr. Summerford and turned the program over to him at this juncture of the meeting.

Mr. Summerford gave a very in-depth presentation/discussion of the Non-Ad Valorem Assessment as a possible method of collection on the solid waste issue as shown in the attached Agenda packet. He said his main purpose in being present was to open everyone's eyes and to share his knowledge of what would be involved in placing it on the property tax bill. He distributed copies of FS 197.3632 (Uniform method for the levy, collection, and enforcement of non-ad valorem assessments). He presented a brief summary of the positive reasons for having the Non-Ad Valorem Assessment on the tax bill and some of the negative reasons. Mr. Summerford shared

some of the past experiences the County has had in reference to the solid waste (mandatory garbage) existing Ordinance which was passed in 1988. He said when the Board approved the Mandatory Garbage Ordinance (even though it was well intended) they did not have the non-ad valorem assessment option available to them. He said they could have gone to it a year or two after the original enactment but politically it had turned into such a nightmare and a lot of mistakes were made – very little education, problems with contract signed with Waste Management, on and on and on for a period of four to five years.

Discussion continued from the Committee and Mr. Summerford said even those people that are exempt (approx. 15%) from property taxes would still receive the tax bill showing the non-ad valorem assessment and they would wonder what that was for. He said that he has heard for years that only about 30%-40% of the property owners pay taxes; and in fact, Gadsden County has 85% of their property owners paying. He said in number of parcels (County-wide) there are 1,700 homesteads that are completely exempt, but that includes the municipalities. He also said the delinquent property taxes are at an all-time high in the County – a 19% increase in the number of delinquent parcels advertised for 2007 (3,200 parcels delinquent = \$1.8 million). He said the County will get most of the \$1.8 million back when the tax certificates are sold at the end of the month. Mr. Summerford said the County's track record (not only this County, but most of the small counties political process) has not been very good in terms of any type of additional tax or assessment. He said the previous garbage issue almost brought the County's government to a standstill. Mr. Summerford said the number of parcels on the total tax roll is about 30,000 and with the bills that he sent out for 2007 and rounding up that number, those bills totaled 25,000 which included everything including the cities. He said over the last 10-15 years he has advertised on an average 2,600 – 2,700 parcels, and this year it increased by 500; and part of that is due to some of the sub-divisions in the County where the housing market has gone down – bankruptcies and people that simply can't pay their taxes right now. He said the County will get most of that back with the certificate sale, and the investors will have a field day with having an additional 500 parcels to bid on. He also said he has more tax deeds going on than he has had in the past 20 years – has about 250 now, and of the 250 some are homesteads, and the people are in jeopardy of losing all of that.

Mr. Summerford (as an individual tax payer) agreed with the Committee that things are certainly better than they were 20 years ago and if it had been put on a referendum and the people educated, then it might have gone – said it may be that the Ordinance needs to be re-visited.

In response to comments from the Committee on some type of exception for the people that have the inability to pay their garbage bill and possibly piggy-backing off of whatever system there may be for someone that is exempted from paying their property taxes, Mr. Summerford said all of the exemptions from tax bills are strictly from properties that are valued at under \$25,000 – not on their inability to pay – could not piggy back off of that.

Mr. Groot said Mr. Summerford's presentation was the best he has ever heard on special assessments, tax deeds and tax certificates. He said the point there is they are talking about a benefit and the benefit being apportioned to all those who benefit equally; it may be different, but equal. He said unlike the exempt status of property that gets homestead exemption is the special benefit, whether rich or poor, old or you, veteran, or whatever, and that they get the benefit from

having their garbage removed and that is where you would fall into the potential trap that was described in the prior litigation. If you try to rate one group more because of wanting to protect another group from payment, you then jeopardize the whole system; not that it isn't a good thing to do, but the whole system is jeopardized.

Mr. Summerford said that was the problem the Board of County Commissioners had with the fire assessment because the experts said one group could not be exempt. It had to be levied all the way across the board. He said no latitude was given for any hardship cases because the experts said the County could not do that.

Mr. Groot agreed and said when you try to have compassion in government; you sometimes pay for it in the long run. He said of all the cities and counties he has represented the only one that worked was the City of Sanford where they had a program that allowed someone to come in and prove they were basically impoverished. He said what then happened was the City paid the bill. The City would appropriate funds into a certain account to deal with the hardship situations and if the waiver was granted it was only for a limited (believes it was three months, had to make a half payment, certain criteria had to be met) time but once those funds were gone, there were no more waivers, the funds were simply gone. He said, otherwise, if you say you will have hardship cases, veterans, etc., then the whole system becomes shaky and it becomes challengeable. He said all someone (i.e. St. Joe paper Company) would need is to see one small defect in the system and then say the system failed because of that – not because they want a break, but simply because the system is defective. He said in the City of Deltona the garbage bill is part of the tax bill and in the City of Sanford it is part of the utility bill and in Palm Coast it is part of the utility (water/sewer) bill.

Mr. Walke said everyone keeps talking about garbage and what the committee is trying to do is reduce the amount of garbage by recycling, and there must be something incorporated into the system for recycling; people must be educated and given an incentive for recycling.

In response to comments from the Committee, Mr. Hoffman said he had contacted Talquin Electric on the possibility of them including the garbage fees on the utility bills and Talquin is not interested. (Letter from Talquin also included in the agenda packet.)

Mr. Presnell said he had contacted Waste Pro and Waste Management for an estimate of what their companies would charge for curbside pickup of household garbage and separated recycling items. The figures were based on 9,431 dwellings in the unincorporated areas of the County but are not to be considered a formal quote. Waste Pro indicated a rough estimate of \$17/month for the 9,431 dwellings with required participation and Waste Management provided an estimate of \$16 - \$18/month for mandatory service, with contractor billing, or \$15-\$16 range if the County billed by the tax roll. Mr. Presnell explained this could be put out for bid (RFP) and all of the County's specifications/requirements would be included in the bid proposal requirements. (Copy of letter included in agenda packet).

Mr. Groot agreed with the Committee that the original Ordinance definitely needs some work. He said if the County is going to use a franchisee, the Ordinance must be written with care and precision and if the County wants to create an obligation upon the citizens to have a mandate for solid waste services, that has to be very clear, also. He said the important part of a franchise

agreement is that the provisions are very specific and that the provisions of the contract/agreement be enforced. Another important issue to make certain the Ordinance has provisions that make certain things unlawful; not only that the contract be enforceable with the franchisee, but also that certain types of conduct in solid waste activities would be unlawful. For example the county may have a residential franchisee but also have a non-exclusive contract for commercial (could have several franchisees). County would want their conduct to be able to be not just an Ordinance violation, but also a contract violation. If it is mixed and tailored for the community, then the County would have a very good system that could work well. Mr. Groot said one thing the County would have to address in a franchise agreement is the fuel adjustment cost provision in the agreement which is stand practice for all vendors.

Vice-Chair Curtis asked for any suggestions or recommendations to the committee's proposed list of recommendations as voted on at the April 28 meeting in light of the new information given tonight.

UPON A MOTION BY MR. KNIGHT AND A SECOND BY MS. CHATHAM TO DELETE THE WORDS TALQUIN ELECTRIC IN 1.B AS SHOWN IN THE APRIL 28TH MINUTES, AND CHANGE THE WORDS PROPERTY TAX TO READ NON-AD VALOREM ASSESSMENT OR SOME OTHER METHOD, THE COMMITTEE VOTED 6-0, IN FAVOR OF THE MOTION.

Discussion followed concerning the committee's recommendation that a waiver be placed in effect to address hardship cases, and because of new information given tonight, that recommendation could possibly cause problems. When the County's funds set aside for hardship cases runs out, they could not simply exempt someone from paying the fee because no additional funds were available – cannot do that. It works just like an impact fee and one group cannot be exempt without another group challenging it.

Mr. Summerford explained the County could not bump up the assessment of \$180./yr to \$200./year to help cover the indigent/hardship fees because of the legal question of it being fair and apportioned to that certain piece of property. He said when putting anything on the property tax bill, they are getting into an area that is very technical. Must be very careful in not saying "garbage service", "recycling service" because someone will challenge whether it is an actual service charge or whether it is a true benefit to the property.

Mr. Groot agreed with Mr. Summerford and explained everything that is done in this type system and everything that is done in the impact fee system is very technically based, and that is where the apportionment comes in. He said the more it becomes a "political judgment" as opposed to a technical calculation, the less defensible the whole system is.

Mr. Summerford said in looking at the way the garbage situation was done previously is that it was done very poorly. He said the committee is talking about educating the public and bringing them up to the times – with gas prices as high as they are, individuals may want the garbage pick up now as opposed to hauling it somewhere themselves. He also stated there would be some people that would oppose it; always will be some that will not support it.

Mr. Knight said he could only see two other avenues available if the County doesn't go with the non-ad valorem assessment; either the contractor is responsible for the billing, or the County does it in a totally separate bill. In response to questions concerning the contractor billing for mandatory service, Mr. Groot explained what a contractor would require in a contract would be that the word "mandatory" would be just that – mandatory for all 9,000+ households and that the County would agree to enforce the Code through some process. He said it would be a contractual obligation from the franchisee against the County saying the County was in breach because they were not enforcing the Code. (example – the proposed estimate of \$18 monthly for the service as shown in Mr. Presnell's letter – say $\$2 \times 9,000+ \times 12$ or approximately \$250,000 – that is what the contractor would expect their losses to be per year in non-collection. He said the county would not be obligated to pay that \$250,000. The contractor would probably sell those bills to a collection agency for \$.10/dollar and continue to dun the people and probably would end up getting, maybe, \$.20/dollar, but that is the way it works).

Mr. Summerford said on the previous Ordinance and with it being mandatory, the County signed a contract with Waste Management for a ten year period. He said that was one of the main "sticking" points with the public because they felt like the County Commission had sold out to Waste Management. He also said every angle one could think of was brought up or stirred up and then when the County tried to put it on a referendum it was too late, the damage was done.

There was a brief discussion on the alternative of adding additional rural sites, improving them and the additional cost that would have to be incurred by the County that the County doesn't have.

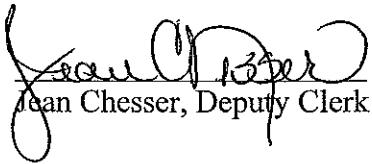
Vice-Chair Curtis very briefly went over her proposed statement for the Board of County Commissioners which she will be presenting at their meeting on May 6th and explained it would be very "generic", basically bring the Commission up-to-date on what has transpired with the Committee thus far. She said one of the things the committee must do in preparing for the workshop is address the fiscal impact issue and have some figures for the Board of County Commissioners, even if estimated costs.

The next scheduled committee meeting will be on Monday, May 19th, 6:30 P.M.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMITTEE AT THIS TIME, THE MEETING WAS ADJOURNED.

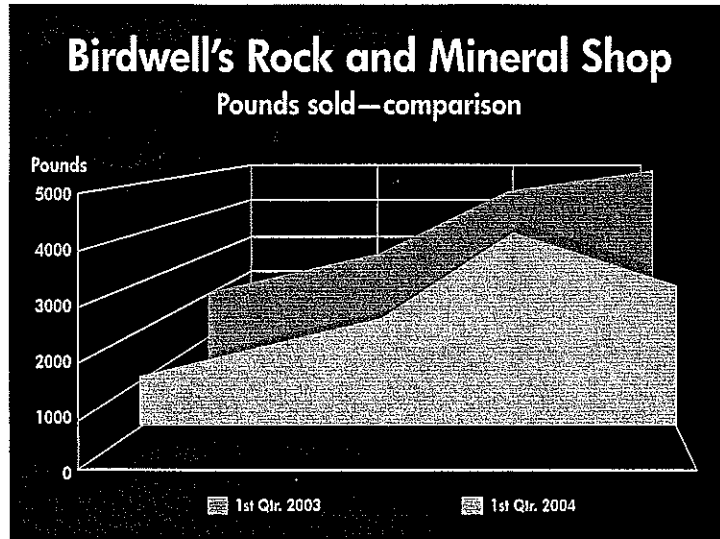


Ms. Pat Curtis, Vice-Chairman



Jean Chesser, Deputy Clerk

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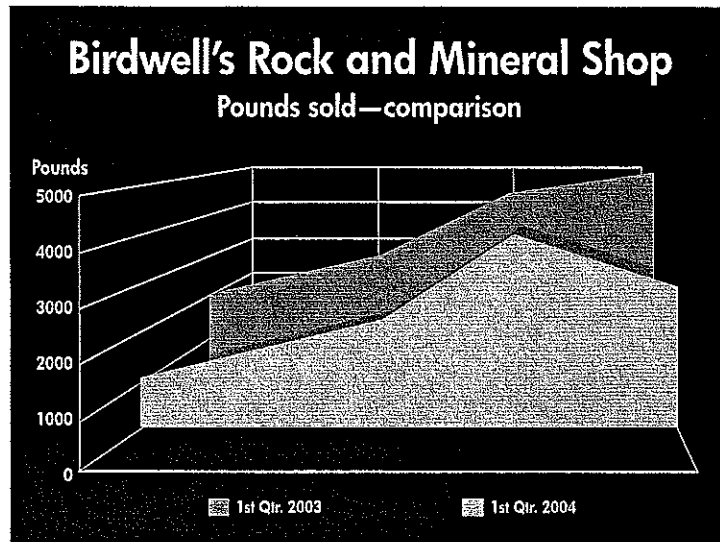
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