

Public Comments -- Storm-Water Assessment

During public comments on the proposed 100% increase in the special assessment for the Storm Water utility fund John Thompson said he again thinks this an improper, inequitable, and possibly illegal tax. He pointed out that under Florida state guidelines, based on court decisions, one requirement for a special assessment is that it "must be fairly and reasonably apportioned among the properties that receive the special benefit." Thompson said he fully supported the concept of a Storm Water Utility Fund to maintain and improve the Town's drainage system. But according to the proposed budget document, the lion's share of planned expenditure from the Fund next year -- and indeed for the next four years -- is for installation of NEW storm drains on Terra Mar Island, where none now exist, which Thompson found essentially different from "maintenance and improvement." Next year \$1,233,355 is budgeted to **install** new storm drains on Terra Mar, but only \$79,177 for **maintenance** throughout the entire Town. 65% of the proposed budget **for the next four years** is for the Terra Mar installation. On that basis alone, Thompson submitted, a \$7.00 fee for every property throughout the Town can in no way be considered "fair and reasonable."

Even worse, according to the retired diplomat, was the Commission's agreement at their previous meeting to borrow \$1 million (which would not be required for simple maintenance and improvement of the existing system) in order to fund the Terra Mar installation. Interest over the 15-year term of the loan will be over \$350,000, and debt service costs of over \$90,000 annually will consume about 90% of the proceeds from the increased \$7.00 fee, forcing the Town to maintain that fee for the life of the loan, but leaving only a miniscule portion of the proceeds for *bona fide* maintenance and improvement of the existing drainage system. Therefore Thompson urged that, **at a minimum**, residents of Terra Mar Island be asked to pick up half of the installation costs through front-foot benefit charges, which is the way such utilities are traditionally funded across the nation.

Jim Silverstone pointed out that another disadvantage of special assessments, as compared with *ad valorem* taxes is that while the taxes can be deducted for federal income tax purposes, special assessments cannot! Regardless, the \$3.50 proposed increase in the Storm Water special assessment to \$7.00 was passed by a 4-1 vote of the Commission. Only Commissioner Wessels felt that perhaps the additional \$3.50 should be funded from *ad valorem* taxes, because "special assessments are getting out of hand!"