

January 2012

Just like Paul Revere, your faithful Intelligence Report is here to inform you of important doings in our "Village By The Sea".

The Jan. 17 City Commission meeting is shaping up to be a barn-burner! We'd like to call your attention to two important issues that will be discussed during public hearings beginning at 7 p.m.

Issue #1: A New Tax (sorry, a Fee)

You should have received a notice from the City during Christmas week informing you of a new tax to pay for fire related expenses (not EMS). We like the poetic sound of the official designation: a Non-Advalorem Assessment Fee. As reported in earlier editions of the Intelligence Report, the city hopes to raise \$3.3 million via a new levy on all properties in Delray Beach. This would be a separate bill from your property taxes.

When the plan was originally discussed, it was suggested that the new revenue would allow the City to reduce the millage rate (and the taxes on real estate). It was argued that basing the tax on the square footage of a property was fairer than basing it on the market value. It would align the revenue to the cost of providing service. On this basis the City Commission moved ahead. But the devil as they say is in the details. After the City Manager unveiled how the tax would be structured, two Commissioners said they opposed the tax as now presented. That would be Tom Carney and Adam Frankel.

Mayor Nelson "Woodie" McDuffie and Commissioner Jay Alperin are said to be in favor. If true, that leaves Vice Mayor Angie Gray as the swing vote. Commissioner Gray says that she has received little feedback from the public and is waiting to hear from residents.

The fate of the new Fire Fee is important and raises several questions:

What happened to the original idea of reducing the millage rate to compensate for the new revenue?

Is it a problem that this new Fee is a regressive tax? (Lower value properties will have a larger percentage increase in their tax burden than higher value properties.)

On the other hand, there are many properties that pay little or no property taxes. Shouldn't they pay for fire service?

Since Commissioners "balanced" the budget by including the new revenue, what happens if it is defeated? (And how could the Commission anticipate the revenue before the vote?)

How will the new tax impact commercial property owners and Delray's ability to attract businesses? Commission candidate Christina Morrison has raised this issue at Commission meetings. The Delray Chamber of Commerce has been oddly silent on this issue.

Delray resident and accountant Ken MacNamee has been active on the issue. He recently wrote the following to one Commissioner:

“Delray operates inefficiently. The numbers don't lie. If the Fire Tax passes as proposed, we will have incurred a "de facto" 21.9% millage rate increase in 3 years of 'tough economic times'.”

He points out that the current proposal alone amounts to the equivalent of a 7% increase in the millage rate.

He has also observed, “See what happened to the new Boca Raton fire tax. It started at \$20 per household in 2007 and has increased \$10-\$20 each year and is now \$80”.

We believe that the pressure to increase revenue comes in part from large expenditures voted by the Commission this past year, including a commitment to spend \$350,000 per year for 20 years for a new tennis tournament and hundreds of thousands of dollars for a new press box/concession stand at Pompey Park. This at a time of declining property values and declining income to the City. Hence the new revenue will come without a reduction in the millage rate.

Commissioner Gray says she wants your input in order to make a decision next Tuesday night. She is up for reelection in March, so this is a good opportunity for you to weigh in. You can send her and other Commissioners your opinion using the email links below:

grava@mydelraybeach.com

mcduffie@mydelraybeach.com

carney@mydelraybeach.com

alperin@mydelraybeach.com

frankel@mydelraybeach.com

Issue #2: Extension of Commission terms

It seems an odd time for politicians to be asking for an extension in the length of their terms, but that hasn't stopped our Commission from proposing to lengthen term limits from a maximum of 6 years to 9 years, nearly a decade. If approved, it would take effect in the 2013 election, and it would apply to 3 of the current 5 elected officials.

In 1991 and again in 2001, the city commission established a citizen's charter review committee to look at the entire charter and suggest changes, revisions etc. Last year, despite suggestions to seat a similar committee, the commission decided against a citizen's committee, but agreed over the holidays to lengthen elected terms from the current maximum of 3 two-year terms to a maximum of 3 three-year terms – a 50% increase.

This action has caused a stir in the community and charges of the commission being “self-serving” which the commission has steadfastly denied. (Two of the current elected officials will not run again.

Two others say that they would get only one additional year in office. One would get an additional two years.)

DELPAC (Delray Economic Leaders Political Action Committee) has come out against the idea, urging the Commission to establish a citizen's review process that would encourage public input, enable further study of terms and allow for other sections of the charter to be reviewed. That call has failed to move the Commission.

The Commission meeting of January 3rd was one to remember.

Your Editor was in the audience. He has never seen the number of political heavyweights at one time in the Chamber. Lined up to oppose the extension of term limits were former Mayor Tom Lynch, former Mayor Jeff Perlman, former Commissioner Gary Eliopoulos, Chairman of Planning and Zoning Commission Cary Glickstein, Chairman of DELPAC and P&Z member Connor Lynch, and Commission candidate Dr. Vic. Many other notable residents were in the audience, and made clear their opposition.

At a workshop on the issue on January 10th, the public was admitted but not allowed to speak, angering many residents.

Luckily, the voters will have a final say on the issue which will appear on the March ballot—if the commission, as expected, approves the extensions at the Jan. 17 meeting.

Why the rush? Well...in order to appear on the March ballot, the commission has to vote Tuesday night and get the question to the Supervisor of Elections office immediately for printing purposes.

We first informed our readers of this surprising proposal to change the City Charter in an email in December. It has created more anger and feedback than any other issue we have discussed. Many of our loyal readers see no justification for increasing maximum terms to 9 years. Others think that it is bad form for Commissioners to vote to extend terms that would apply to themselves, regardless of the number of extra years. We will have a more detailed analysis in a future issue of the Intelligence Report.

At the same meeting Commissioners voted to reduce the number of signatures required to run for office, but that's another story for another time.

Bottom Line: On January 17th the Commission will vote on whether to increase our taxes by over \$3 million. Then they will vote to recommend that Delray residents extend the maximum time in office to 9 years for elected officials. It will be an interesting meeting. You might consider attending.

One thing everyone agrees on: it's never dull in Delray