

**CHARTER REVIEW COMMISSION
CONSTITUTIONAL OFFICERS SUB-COMMITTEE
Minutes of Meeting
February 18, 2010**

A meeting of the Constitutional Officers sub-Committee of the Charter Review Commission (CRC) was held at the Administration Complex, Room106-B, Port Charlotte, Florida.

Roll Call:

The following members were present:

Maureen Garrard (Chairman), Andy Dodd, Joseph Goggin, Suzanne Graham

The following alternates were present:

Patricia Kelly

Call to Order:

The meeting was called to order at 3:00 p.m. EST by *Chairman Garrard*

Agenda Items:

1. **Approval of Minutes** of January 28, 2010 Meeting: *Chairman Garrard* confirmed that all of the members present had previously reviewed a copy of these Minutes. There being no additions nor deletions the motion to approve these Minutes was made and seconded and the Minutes were accepted by unanimous vote.

2 **Interview with Vickie Potts, Charlotte County Tax Collector:** *Chairman Garrard* thanked Ms. Potts for her time in attending this meeting and Ms. Potts greeted the members present. *Chairman Garrard* invited Ms. Potts to begin speaking about her office. Ms. Potts stated that the office of the Tax Collector was a Constitutional Office, elected every four years. She described her office as being responsible to the citizens of Charlotte County and the Governor ; her Office enforces the laws of the State of Florida independently from any other local government; they enforce State laws locally and independently of any other influence other than any State agency for which they are an agent , ie., Department of Highway Safety & Motor Vehicles , Department of Revenue, fishing licenses. Her Office enforces the property tax collection because even though it stays local it is still governed by Florida Statutes. She described the Board of County Commissioners as a taxing authority and stated there are independent taxing authorities throughout the region, for example SW Florida Water Management District. Her Offices enforce the collection and distribution of those taxes also. *Maureen Garrard* asked Ms.

Potts about driver's licenses and commented that was new to her Office. Ms. Potts confirmed that although they had always been an agent of the Department of Motor Vehicles (tags) that the Highway Safety component (driver's licenses) was new locally since 2003. *Chairman Garrard* commented that had been an unfunded mandate. Ms. Potts responded that it was unfunded in a sense but not unfunded in another sense. She described that it was a good decision on the part of the legislators when they gave that authority to the Tax Collectors. There are sixty seven (67) counties in Florida, thus sixty seven (67) Tax Collector Offices, most with branch offices. She stated that the computer system was already in place, and this had been happening since the 1990's with some Counties sharing building space with the DMV. When the legislators wrote into law that the Tax Collector would be an agent to issue driver's licenses they gave the Tax Collectors a \$5.25 service fee to enforce it. In 2009 when all of the State fees were raised that was increased to \$6.25. Ms. Potts said that the State provides their equipment but there is not a big inventory in the State as cameras, printers, computer systems are always changing to prevent fraud. As a local Constitutional Officer Ms. Potts said she is not bound to buy equipment at State prices but can bid or buy at a better price. The State Driver's license offices that still exist do not have that ability. *Chairman Garrard* then asked Ms. Potts to go through her budget. Ms. Potts stated that the Office of the Tax Collector in all 67 counties in the State except one, submit their budgets to the Dept. of Revenue. The Dept. of Revenue then compares their budget to others in the State as far as size, population etc as part of the approval process. She stated that the Tax Collector is a fee officer, operating on the service fees that they charge. Ms. Potts stated that through State Statute there is a formula which is approximately two and one-half (2 ½%) of the first \$50,000,000 on the tax roll and three (3%) on the balance of the tax roll, and that is the fee that her office retains to collect and distribute all of the property taxes from the taxing authorities. *Andy Dodd* asked for clarification that this fee in on collections, not on the tax base and Ms. Potts confirmed. It is through those fees also that the Tax Collector's office operates. Ms. Potts stated that her annual budget is around \$5,000,000 per year. She referred to a line item in the Budget of the Board of County Commissioners for the Tax Collector's office, which is a calculated number from the tax rolls. Ms. Potts advised that her Office, as a fee officer, cannot spend money that it is not going to collect. At the end of each fiscal year, September 30th, her Office goes to a zero balance in all funds and any excess fees get distributed back to the taxing authorities in the proportion of the tax roll. Ms. Potts said that last year her Office distributed in excess of over \$6,000,000 to the taxing authorities (not to the County). Even though her Office collects fees on State registrations, etc., the State agencies do not participate in the excess fee distribution, so it all stays local. *Andy Dodd* asked Ms. Potts how much she collected last year based on the State formula described earlier. Ms. Potts responded that they did not collect the whole tax roll last year, she estimates about ninety seven (97%) percent was collected on a tax roll of \$452,000,000. From those figures *Mr. Dodd* estimated that Ms. Pott's Office was handling around \$450,000 per year in taxing from

the various taxing authorities. *Chairman Garrard* asked Ms. Potts to talk about the subject of tax certificates. Ms. Potts described that the tax year starts on January 1st, and that real estate owners are billed in arrears and collected in arrears. The Property Appraiser puts everything in the County on the tax rolls on January 1st and certifies the tax rolls to the Tax Collector. Likewise all of the other taxing authorities certify their millages and rolls and Ms. Potts' Office combines all of that information in a prescribed format and reports it to the Department of Revenue. Tax bills are mailed on or before November 1st of each year. She described the declining discount rate through March. Tax bills become delinquent on April 1st and there is a three (3%) percent mandatory interest charge at that time on any unpaid balance. On or before June 1st her Office will have a certificate sale on all of the unpaid taxes. The certificate sales must be advertised three times during May and this advertising is a big expense in her budget. Ms. Potts stated that she prefers to have the sales before June so that they can close on June 1st for interest purposes. She said that currently her Office estimates that there will be well over 25,000 parcels unpaid. She estimates that she still has 6,000 unpurchased certificates from last year. Ms. Potts stated that she has personally lobbied to have the newspaper advertising process eliminated. The concept was originally intended to attract bidders because when certificates are purchased it makes the taxing authority whole. Ms. Potts explained that a tax certificate is bid on at an interest rate and the bidder pays the unpaid taxes. Certificates are sold to the person who is willing to earn the least amount of interest. Bidding starts at eighteen (18%) percent and goes down in quarter increments. A delinquent tax bill can be redeemed by the property owner at any time. Ms. Potts said that when that happens her Office will then distribute the investment plus interest to the certificate holder. She explained that if a certificate is not redeemed within twenty four (24) months from the delinquency the certificate holder can either choose to keep the certificate and accrue interest for seven (7) years or apply for a tax deed. After seven (7) years the indebtedness is forgiven and the certificates are of no value. Ms. Potts also pointed out that County-held certificates have value for only seven years, at which time a year of taxes is forgiven. By Statute the County Commissioners only can apply for a tax deed if a parcel exceeds \$500,000 in value, and many lots in Charlotte County do not carry that value. Thus her Office was dropping a year and adding a year. Ms. Potts said that currently they are down in collections due to economic conditions. She said that at this time they do all certificate sales online and the cost, time and accuracy have been enhanced. *Chairman Garrard* observed that those same sales cannot be advertised online and Ms. Potts confirmed they must be advertised in print. Ms. Potts also pointed out that now they have bidders world wide. For clarification *Chairman Garrard* asked Ms. Potts to return to the matter of the Tax Deed, as it would apply if she owned a certificate and it was in the third year. Ms. Potts responded that a holder makes Tax Deed application, at which time it is turned over to the Clerk of Courts who sells the property at public auction. The opening bid is what is due the certificate holder, i.e., the amount of money they invested plus accrued interest. Upon application for a Tax Deed

the interest rate automatically increases to eighteen (18%) percent. Ms. Potts pointed out that bringing a certificate for Tax Deed sale does not guarantee you will get the land, she stated that in fact most investors do not want the land.

Chairman Garrard then referred to a list of questions which the sub-Committee had developed, and asked Ms. Potts as follows:

What is your opinion of non-partisan elections for Constitutional Officers?

Ms. Potts responded that she did not feel there was such a thing as non-partisan. She feels the public is misled as that implies a candidate does not want to share their true thoughts and political values.

What is your opinion on term limits for Constitutional Officers?

Ms. Potts stated that she was opposed to term limits but amended that to state that all officials are subject to term limits by virtue of an election every four years.

What is your opinion on changing the Constitutional Officers to an appointed position?

Ms. Potts indicated that she only knew of three Counties where that is the case. *Chairman Garrard* inquired if she thought that an appointed official was more or less accountable to the public at large. Ms. Potts replied that she thought an appointed official only has accountability to the person who appointed them. She replied that an elected official creates a public trust, and that having elected Constitutional officers has created a sense of balance in local government. She feels it also has created a system of checks and balances that make it harder for corruption.

Do you have any alternative forms of funding?

Chairman Garrard pointed out that this had been answered in the earlier statements by Ms. Potts. Ms. Potts did reiterate that funding for her Office is purely Statutory and her Office takes financial responsibility to the taxpayers seriously.

What are your observations regarding the relationship of Constitutional Officers and the Board of County Commissioners?

Ms. Potts responded that all work well together, each Office completes their function and passes on to the next. She also pointed out there are things in the County on which they all work together, without a duplication of services. Ms. Potts said she felt that people complain about their Government because they do not hear about the good things that Government does. She also indicated that much of this anger currently comes from the present economy. Ms. Potts says that her office is always working on ways to calm an angry member of the public. *Andy Dodd* inquired if her staff had special training in dealing with difficult people and Ms. Potts replied that they did. She stated that her staff is trained to be helpful and give good and correct information to the public

to ease their anxieties. Ms. Potts indicated that she also travels throughout the County to meet with the public and answer their questions.

3. Commission Comments:

Upon the conclusion of the formal questions that had been prepared *Chairman Garrard* opened the interview to other comments. *Andy Dodd* asked Ms. Potts what percentage of her staff time was "non Charlotte County" as far as the collection of taxes for other taxing authorities, issuing of license plates, etc. Ms. Potts responded that it depended on what time of year it is. She estimated that motor vehicles is at least sixty (60%) percent. She stated that in September when business licenses are renewable in Charlotte County a lot of the work is being done on business tax. In November the majority of the work is on real estate taxes. Ms. Potts indicated that motor vehicles never slows down, it is at a constant pace. *Chairman Garrard* remarked that this must create a difficult calendar to plan staffing. Ms. Potts agreed, indicating that vacations are scheduled a year in advance and all time off is blocked from November through January. Before ending the interview, Ms. Potts asked that the Charter Review Commission do no harm. She indicated that Constitutional Officers are very important and the checks and balances that have been put into place in the Constitution are essential to the separation of powers. *Chairman Garrard* referred to a quote from Benjamin Franklin that said "people get the quality of government which they deserve" and acknowledged Ms. Potts' sentiments. Acknowledging that the Office of the Tax Collector could operate independently, *Ken Doherty* inquired how Ms. Potts felt her staff salaries, from a taxpayers standpoint, compared to other departments. Ms. Potts replied that all of the Officers and Departments share their information with each other. As an example she mentioned that just recently she learned that she needed to hire a security guard for the Punta Gorda office and so she checked with Human Resources to ask what they currently pay that position. Ms. Potts stated that she thought the residents of Charlotte County were very lucky in that they have excellent representation by the current Constitutional Officers and they do share their information with one another. She further indicated that if there were inequities in that area the employees would find out.

Chairman Garrard indicated that this sub-Committee had no further questions and thanked Ms. Potts for her time. *Ms. Garrard* sympathized that it was necessary to hire a Security Guard for the Punta Gorda office. Ms. Potts agreed and pointed out that with the issuance of driver's licenses, the identification required and the security of the title paper and cards, each time an office was broken into or equipment was stolen it was necessary for that to be recalled and re-designed. She indicated that all of her employees must pass a background check and be fingerprinted. *Andy Dodd* remarked

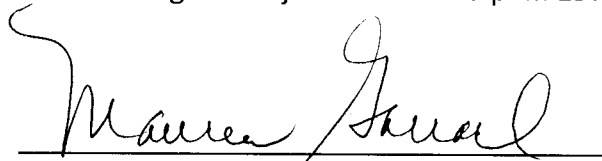
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that staff turnover in Ms. Potts' Office was minimal and Ms. Potts agreed that she had hardly any staff turnover.

4. **Public Input:** None

5. **Adjournment:** The meeting was adjourned at 4:45 p.m. EST



Maureen Garrard