

GET THE WORK DONE

NOV. 5, 2024

City Charter Referendum



What is the Nov. 5 Referendum?

The Nov. 5 referendum question will ask voters to amend the City Charter to allow City Commission to issue debt without prior voter approval for the following:

- To respond to a declared emergency or disaster.
- For safety or public health projects, up to \$15 million per project.

The proposed charter change applies to revenue bonds (to be paid from identified revenue streams) and not general obligation bonds that are paid with property taxes.

Why change the charter?

Based on research completed by our team and outside financial advisors, North Port is the only city out of 411 in the state of Florida whose charter prohibits the borrowing of money or incurring any debt without voter approval. Our sister General Development Corporation cities in Florida all updated their charters decades ago to remove the restrictions about borrowing money. Every other Florida city and county routinely relies on borrowing – in the form of bonds, loans, leases or other borrowing instruments – to pay for growth and infrastructure needs and keep their community going.

How do current charter limitations impact North Port's infrastructure?

Our charter limitations mean that each time we need to borrow money to pay for a large infrastructure project, the City has to prepare a voter referendum and get approval from a majority of North Port voters in a general election occurring every two years, or in a special election at an added cost of \$100,000 or more. These restrictions can delay the City from addressing emergencies or critical needs and can lead to higher costs.

Also, due to our charter's restrictions on borrowing, the City has not been able to meet timelines for state, federal or similar loans that had very low to no interest rates. We are missing out on opportunities for "free money" that could be used to pay for expensive infrastructure projects.

With the ability to borrow money in order to respond to an emergency, fix essential infrastructure or meet regulatory requirements, the City could invest in these projects and address current needs in a timely manner without adding burden to our taxpayers. The costs can be spread out among current and future residents.

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For more information and Frequently Asked Questions, visit NorthPortFL.gov/Referendum, or scan the QR code.



How did we get here?

Since North Port was incorporated in 1959, the City Charter has prohibited the City from borrowing any money without voter approval. This led previous City leaders to take a “pay as you go” approach to our capital projects and infrastructure needs: Save up the millions of dollars needed to fully fund a project before starting it.

This has caused projects to stretch on for years and balloon in costs. A good example is the Price Boulevard Widening Project. The community and City leaders have argued for many years that this project has been needed. However, as the City worked to save money for the improvement, the project costs continued to rise. Initially, the widening project was estimated to cost less than \$3 million, but a decade later, the estimate has grown to \$80 million. Congestion on Price Boulevard has been an ongoing issue, but we were not able to address it until voters approved up to \$80 million in bonds to pay for this project in November 2022.

It's true that the City could borrow money to pay for a specific project with approval from voters in a referendum, but that isn't ideal. Referendums typically only occur every two years with the general election cycle. This can delay our ability to address critical needs, especially during an emergency. Off-cycle elections can be expensive for taxpayers and run the risk of lower voter participation.

'Pay as you go' problems

The “pay as you go” approach is a lot like a family having to save up to pay for a new house in full up front instead of taking out a mortgage and spreading out the cost over many years. There are a few problems with the “pay as you go” method:

- It's not sustainable for a growing city.
- It's expensive due to rising costs.
- It places the burden on current taxpayers, rather than including future residents.
- It causes delays in projects.
- It leads to aging infrastructure and deferred maintenance.

As North Port has grown, so have our needs. We have many essential capital projects that are needed over the next 15 years but are currently unfunded. With the ability to borrow money as it's needed, the City can start to get the work done.

Is this referendum giving the City a blank check to spend money?

No. The City would still follow a rigorous process to ensure responsible borrowing and debt management. Any borrowing or incurrence of debt would need to be approved by a majority of the City Commission in at least two public hearings, creating transparency and accountability. The City's independent financial advisor and its debt management policy will provide further guardrails to ensure affordable use of debt financing for our capital needs.

Will the referendum allow the City to build a new police headquarters?

No. The cost of a new police headquarters is expected to exceed the proposed \$15 million borrowing cap per project. That project would require its own voter referendum and will be discussed by the City Commission publicly in the future.

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