

## **Town of Windermere Charter Revision Referendum March 14, 2017**

The current town charter was adopted by the Town and approved by the voters in 1970. It subsequently has been amended numerous times, subject to voter approval. Under Section 67 of the charter, the Town Council may appoint a charter review committee ("CRC") at least every 10 years for the purpose of proposing needed amendments and revisions. On June 9, 2015, the Town Council appointed five town residents to serve as a CRC.

The CRC has proposed a revision of the town charter in its entirety, but only for the following purposes:

1. To delete numerous provisions rendered unnecessary or ineffective by municipal home-rule powers and other Florida law; and
2. To update the style of the charter and to revise or eliminate archaic wording.

In its draft of a revised charter, the CRC is proposing no material change whatsoever to the council-manager form of government for the Town, to the duties and powers of the Town, to Town elections, to Town officers and elected officials, or to any other part of Town government. Instead, the proposed revision updates, modernizes, and shortens the charter and, the CRC believes, makes the charter easier to read.

Town Council has reviewed and discussed extensively the proposed revision of the town charter and, consequently, is ready and willing to offer it to Town voters for approval at the Town's general election in March, 2017. This is the question that will be on the ballot:

### **NEW TOWN CHARTER FOR THE TOWN OF WINDERMERE, FLORIDA**

Shall there be a new town charter for the Town of Windermere (i) that rewrites the current charter (adopted in 1970) by effectively removing from the current charter numerous obsolete or unnecessary provisions, removing provisions covered by state law, and revising archaic wording, but (ii) that makes no material changes to the Town's council-manager form of government, to the Town's officers and elected officials, or to Town elections, governing procedures, and duties and powers?

Yes \_\_\_\_\_

No \_\_\_\_\_

### **NUEVA ACTA CONSTITUTIVA DE LA CIUDAD PARA LA CIUDAD DE WINDERMERE, FLORIDA**

¿Debería haber una nueva acta constitutiva para la ciudad de Windermere (i) que modifique a la actual acta constitutiva (adoptada en 1970) eliminando de manera efectiva del acta actual distintas disposiciones obsoletas e innecesarias, eliminando las disposiciones cubiertas por la ley estatal y corrigiendo el vocabulario antiguo, pero (ii) sin hacer cambios sustanciales en el consejo de la ciudad, forma de administración gubernamental, en los funcionarios de la ciudad y funcionarios electos, o en las elecciones de la ciudad, procedimientos gubernamentales y deberes y poderes?

Sí \_\_\_\_\_

No \_\_\_\_\_

## **Section 49: Town Borrowing Limitations**

It is the judgment of Town Council that, since its approval some ten years ago, the borrowing limitation in Section 49 of the charter has proven itself to impede the ability of the Town to serve its residents and taxpayers timely and properly. As an example, capital improvements (such as road or drainage projects) the Town Council believes are necessary or desirable for town residents can often be undertaken without tax increases, even if the project must be financed with a loan or other borrowing. However, the Section 49 borrowing limitation can be a barrier, in the view of Town Council, to undertaking and completing a needed project in a timely and proper manner.

Town Council recognizes and respects the citizens' mandate that the Town exercise fiscal responsibility. Town Council believes Town voters should be offered the opportunity to decide whether to modify the Section 49 limitation in a way that Town Council believes will allow greater functionality and flexibility in Town projects without sacrificing fiscal responsibility.

Currently, Section 49 reads as follows:

The Town shall incur no non-emergency debt beyond twelve and one-half percent (12.5%) of the general operating budget unless the incurrence of such debt is approved by a majority vote of the citizens.

This means that if debt for a new project would cause total Town debt to exceed 12.5 % of the overall budget, either the Town voters would need to approve the project or the debt could not be incurred. The current Fiscal Year 2016-2017 ("FY 16/17") operating budget is \$4,830,526. Under Section 49, if a project would cause aggregate Town debt to exceed \$603,816 (12.5% of the current budget), that project would need to be approved by the Town voters via special election (or wait until the next annual election cycle) before the project could be started. For example, a project to repave main street requiring the Town to borrow \$625,000 or more would first require the expense and, perhaps, the delay of a referendum before such a project could be undertaken.

Town Council is offering to Town voters two options for revising the debt limitation in Section 49. Whichever option is approved by the voters will take effect. If they are both approved, only the first option will take effect (regardless of which option gets the most votes). If they are both rejected, Section 49 will remain in the charter as it now is.

## First Optional Amendment to Section 49 of Town Charter

### REVISION TO CHARTER BORROWING LIMITATION

Shall Section 49 of the Windermere charter be revised to (i) strike the prohibition against aggregate debt exceeding 12.5% of the current operating budget without voter approval and (ii) allow new debt if either (a) the resulting aggregate annual debt payments in any fiscal year will not exceed 10% of the current operating budget or (b) the voters approve the new debt? A “no” vote means the existing 12.5% debt limit remains in the charter.

Yes \_\_\_\_\_

No \_\_\_\_\_

### REVISIÓN DEL LÍMITE DE PRÉSTAMO EN EL ACTA

¿La Sección 49 del acta constitutiva de Windermere debería ser revisada para (i) eliminar la prohibición en contra de la deuda agregada que excede el 12,5 % del presupuesto operativo actual sin la aprobación del votante y (ii) permitir una nueva deuda si (a) los pagos de la deuda anual agregada resultante en el año fiscal no excede el 10 % del presupuesto operativo actual o (b) los votantes aprueban la nueva deuda? Un voto como “no” significa que el límite de deuda existente de 12,5 % permanece en el acta.

Sí \_\_\_\_\_

No \_\_\_\_\_

This revision would allow the Town to incur debt in an aggregate amount only up to the point the Town’s total annual debt-service payments equal 10% of the current annual operating budget. The current FY 16/17 operating budget is \$4,830,526. If this revision is approved, the Town would have the ability to incur new debt only up to the point the town’s aggregate debt does not require total principal and interest payments in any single year to exceed \$483,053 (10% of the current budget). Town Council believes that the approval of this revision would allow more flexibility in making fiscal and budgetary decisions and managing Town facilities, services, and activities properly. If this proposed amendment is denied by the voters (and the below optional amendment is likewise defeated), the existing 12.5%-of-budget borrowing limitation remains.

## Second Optional Amendment to Section 49 of Town Charter

### REVISION TO CHARTER BORROWING LIMITATION

If (and only if) voters disapprove the previous question, shall Section 49 of the charter be amended to (i) strike the prohibition against aggregate debt exceeding 12.5% of the current operating budget without voter approval and (ii) allow new debt for a capital project if the project debt either (a) does not exceed 30% of the current operating budget or (b) is first approved by the voters? A “no” vote means the 12.5% debt limit remains in the charter.

Yes \_\_\_\_\_

No \_\_\_\_\_

### REVISIÓN DEL LÍMITE DE PRÉSTAMO EN EL ACTA

Si (y solo si) los votantes no aprueban la pregunta anterior, ¿la Sección 49 del acta constitutiva debería ser modificada para (i) eliminar la prohibición en contra de la deuda agregada que excede el 12,5 % del presupuesto operativo actual sin la aprobación del votante y (ii) permitir una nueva deuda para un proyecto de capital si la deuda del proyecto (a) no excede el 30 % del presupuesto operativo actual o (b) primero es aprobado por los votantes? Un voto como “no” significa que el límite de deuda de 12,5 % permanecerá en el acta.

Sí \_\_\_\_\_

No \_\_\_\_\_

This revision provides that if new debt for a project exceeds 30% of the current budget, either the Town voters would need to approve the project or the debt could not be incurred. The current FY 16/17 operating budget is \$4,830,526. If the principal amount of new debt for a project exceeds 30% of that amount, or \$1,449,158, that project would need to be approved by the Town voters via special election (or wait until the next annual election cycle) before the project could be started. If both this proposed amendment and the above optional amendment are denied by town voters in March, the existing 12.5%-of-budget borrowing limitation remains.