

**Official Minutes of
MARION COUNTY
BOARD OF COUNTY COMMISSIONERS**

March 5, 2025

CALL TO ORDER:

The Marion County Board of County Commissioners met in a special session in Commission Chambers at 2:00 p.m. on Wednesday, March 5, 2025 at the Marion County Governmental Complex located in Ocala, Florida.

INTRODUCTION OF PUBLIC HEARING BY CHAIRMAN KATHY BRYANT

Chairman Bryant advised that the public hearing was scheduled this afternoon to consider an Ordinance to amend Chapter 16 of the Marion County Code related to the Solid Waste Residential Assessment

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the Flag of our Country.

ROLL CALL

Upon roll call the following members were present: Chairman Kathy Bryant, District 2; Vice-Chairman Carl Zalak, III, District 4; Commissioner Craig Curry, District 1; Commissioner Matthew McClain, District 3; and Commissioner Michelle Stone, District 5. Also present were Clerk Gregory C. Harrell, County Attorney Matthew G. Minter, County Administrator Mounir Bouyounes, Assistant County Administrator (ACA) Angel Roussel and ACA Tracy Straub.

PROOF OF PUBLICATION

Deputy Clerk Mills-McAllister presented Proof of Publication of a legal ad No. 11044498 entitled, "Notice of Public Hearing" published in the Star Banner newspaper on February 21, 2025. The Notice states the Board will consider the adoption of an Ordinance to amend Chapter 16 of the Marion County Code relating to the Solid Waste Residential Assessment.

The Deputy Clerk was in receipt of an 8 page Agenda Packet.

STAFF PRESENTATION

1. PUBLIC HEARING to Consider Adoption of an Ordinance Amending Chapter 16, Solid Waste, Article II-Municipal Service Benefit Unit for Solid Waste Services, Section 16-51 (codified as 16-73), Imposition and Levy of Solid Waste Assessment

County Attorney Matthew G. Minter presented the following recommendation:

Description/Background: This draft ordinance modifies Marion County Ordinance 07-35 regarding the Municipal Service Benefit Unit for Solid Waste Services. Specifically, it revises Section 16-51 (codified as 16-73), Imposition and Levy of Solid Waste Assessment, following a revenue sufficiency study conducted by Stantec Consulting Services Inc. The proposed ordinance includes setting an initial Solid Waste Residential Assessment rate at \$215 with adjustment of the maximum cap of the assessment to \$225. It also eliminates the language requiring annual

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CPI increases and allows adjustments to be made annually by resolution as needed.

Budget/Impact: None.

Recommended Action: Motion to approve ordinance.

Solid Waste Director Mark Johnson presented a 17 page handout to follow along with the PowerPoint presentation. He advised that he is present to discuss revenue sufficiency for the Solid Waste Fund, which has been driven by exhausting the County's airspace at Heart of Florida (HOF) Landfill and needing a new methodology relating to disposal options and how to fund them. Mr. Johnson commented on impacts from population growth, inflation and disposal options. He provided a recap of actions that have taken place, noting there has been a Revenue Sufficiency Analysis relating to both gate rates at the landfill, and the Residential Assessment. Mr. Johnson stated staff has put together a Master Plan for the Baseline Landfill looking at both continuing the current operation of transporting out of County or building or expanding at the Baseline facility. He advised that there have been numerous workshops relating to whether to build or buy, effects on the Assessment and there has been a request for proposal (RFP) for disposal to true-up costs in the Department's models. Mr. Johnson commented on one-on-one meetings staff have conducted with multiple partners including the Clerk's Office, Budget, Finance, County Administration and the financial consultant.

Mr. Johnson referred to a slide seen on the overhead screens, which depicts a timeline of benchmarks that need to be met to meet the cutoff for the Truth in Millage (TRIM) Notice.

Mr. Johnson stated the County has consumed 36 percent (%) of the airspace it purchased at HOF, noting the real takeaway is that the airspace is being consumed at an accelerated rate. He advised that over the past couple of years the County's tonnage has increased between 7% to 7.5% per year. Mr. Johnson stated at a projected growth rate of 3.5% the County will expire its HOF volumes by FY 2031-32; however, if Marion County continues to see the growth it has historically seen for the last couple of years, the lifespan at HOF will end in FY 2030-31. He provided a comparison of Operating expenses and Recurring revenues, which shows that since 2020 the County has been inverting revenues to expenses. Mr. Johnson advised of an anomaly in 2023, noting that there was a true up relating to liability for closure/post-closure. He stated the Department has been using some of its savings' account strategically and with purpose, but it is time to review. Mr. Johnson commented on the dramatic shifts in costs and services following the COVID-19 pandemic.

Mr. Johnson commented on the County's ability to keep rates the same since 2008, noting the cost has increased by just \$36.00 over 34 years. He advised that the \$87.00 Assessment Rate was adopted in 2008 and then the Great Recession hit. The County purchased the HOF capacity in 2011, and then the COVID-19 pandemic occurred in 2020, followed by ultra-high inflation in 2021. Mr. Johnson stated if the Department had just factored for inflation from the \$87.00 assessment, the rate would have been at \$184.00 today. He advised that this has saved taxpayers \$110,000,000.00 by not raising rates over that period of time.

Mr. Johnson stated there is no Solid Waste program that is exactly the same, noting some go to incineration, some go to transfer stations, some have landfills, curbside collection or recycle centers. He compared Marion County's rates to other Counties, demonstrating that even with the proposed increase, the rates remain relatively low. Marion County

stands in the lower median range of Counties surveyed despite proposing to raise the assessment.

Mr. Johnson addressed revenue sufficiency, noting the Department has identified the expansion of the Baseline Landfill as being the most affordable option. He advised that the Board has had discussion on one time rates versus (vs.) a phased approach, noting the approach to utilize is a question for the Board today.

Mr. Johnson addressed discussions relating to the Federal Emergency Management Agency (FEMA) during the last Board meeting in regard to what is and is not allowed. He advised that under FEMA policy one of the questions related to whether interest was reimbursable, noting it is sometimes. Mr. Johnson stated as staff dug into the law they found that interest relating to disaster cleanup is not reimbursable; however, if the County is rebuilding its infrastructure or buildings, etc., it can be reimbursable. He provided an overview relating to how other Counties fund disasters, noting 34.7% utilize a Reserve or rainy day fund, 15.5% have austerity measures, 9.3% use short-term loans, 8.3% bond the costs and 5.2% raise taxes.

Mr. Johnson advised that staff do not have an accurate way to determine the cost of borrowing in the future, but they took a real world snapshot. He stated the City of St. Petersburg recently borrowed \$50,000,000.00 for cleanup efforts relating to Hurricane Milton. Mr. Johnson noted the interest rate was 4.05% over 15 years, which means their interest impact is over \$23,000,000.00. He advised that their annual expense for that is \$4,000,000.00 a year. Mr. Johnson advised that staff talked to the City of St. Petersburg specifically about interest and questioned what their plan was to pay back the funds. He stated half the funding was going towards storm cleanup and the other half was going to rebuild infrastructure, noting because those dollars were sitting in an account drawing interest they were bumping into arbitrage issues where they were earning more interest than was accounted for due to only half being reimbursable. Mr. Johnson commented on St. Petersburg's commitment to use insurance dollars that came in for buildings to buy down principal. He stated when FEMA gave reimbursements it went directly to buy down principal, so they wrote in some unique provisions to allow them to buy down their costs quicker.

Mr. Johnson advised that in order to move forward, it is necessary to make adjustments to the County's Ordinance. He provided an overview of proposed modifications to the Ordinance, noting the cap is set at \$225.00 annually.

In response to Chairman Bryant, Mr. Johnson stated from a phased in approach there would be a ramp up over 3 years that would be \$150.00, \$190.00 and then transition to \$225.00. He advised that the \$225.00 rate would remain in place until 2035 and then increase to \$255.00. Mr. Johnson stated the one time approach moves the rate to \$215.00, which stays constant through 2035 prior to jumping to \$255.00 in 2036 and beyond. He advised that from an economic standpoint, long-term they generate similar revenues; however, the one-time approach at \$215.00 brings funds in for Unrestricted Reserves earlier. Mr. Johnson clarified if there is an event that requires the Board to cover unexpected costs, there would be more funds available. He advised that for FY 2026, the phased in approach for Unrestricted Reserves is \$8,600,000.00 and the one time approach would result in \$16,600,000.00. Mr. Johnson stated for FY 2027 the phased in approach would result in a total of \$7,300,000.00 and the one time approach would be \$21,300,000.00; and FY 2028 would see \$6,600,000.00 relating to the phased in approach and \$20,500,000.00 for the one time. He advised that the last storm cleanup was related to Hurricane Milton and cost the County approximately \$2,600,000.00.

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Chairman Bryant questioned the cost of clean up efforts for storm events prior to Hurricane Milton.

ACA Angel Roussel stated the County spent between \$25,000,000.00 and \$26,000,000.00 relating to Hurricane Irma in 2017/2018.

Mr. Bouyounes commented on the 2004 storms (4) the County spent roughly \$30,000,000.00 to \$32,000,00.00.

Commissioner Zalak questioned if there is a way to determine how much of the \$215.00 assessment is storm related vs. landfill capacity related in operation.

Eric Grau, Stantec, Salisbury Road, Jacksonville, advised that both plans correct the structural imbalance between revenues and expenses. He stated if the County chooses the one time approach, it will fix the problem in 1 year rather than 3 years, which allows for the buildup of the Unrestricted Reserves. Mr. Grau advised that in this case, in 2026 that is roughly \$8,000,000.00 of additional Unrestricted Reserves that could be used in the event of a storm.

Chairman Bryant questioned whether Mr. Grau was referring to the one time or phased in approach, noting the one time approach at \$215.00 in FY 2025/26 gets the County to \$16,600,000.00 not \$8,000,000.00.

Mr. Grau concurred, noting the phased in approach results in \$8,600,000.00 with a delta of \$8,000,000.00.

In response to Commissioner Zalak, Mr. Grau stated with the \$215.00 assessment, the County's fund balance at the end of the year is \$16,000,000.00.

Mr. Roussel clarified that in the current year the County would have an Unrestricted Reserve of \$18,900,000.00, noting when the next FY projected balance in this account is being discussed the figure is going down regardless of which approach is chosen. He reiterated that the Unrestricted Reserve in the current year is approximately \$18,900,000.00.

Commissioner Zalak questioned how much deficit spending is occurring per year. Mr. Roussel advised that based on the \$215.00 assessment the deficit is roughly \$2,300,000.00 and based on the \$150.00 assessment the deficit is approximately \$10,000,000.00.

Mr. Grau stated generally speaking, every \$5.00 of the assessment amounts to roughly \$10,000,000.00 for the long term in Unrestricted Reserves.

Commissioner Zalak questioned whether it would be correct to advise individuals that roughly \$5.00 a year of the assessment will build the Reserve. Clerk Gregory C. Harrell advised that the County is not building the Reserve until it gets out of the operational deficit.

Mr. Grau stated it is effectively the level of Unrestricted Reserves, noting it's a difference of \$10,000,000.00 dollars in available Reserves that could be used for a storm event. That's approximately \$5.00 of assessment.

Commissioner McClain questioned the difference between the one time and phased in approaches relating to how much it will cost a taxpayer on a parcel over the 10 year period from 2026 to 2036. Mr. Johnson advised that it is \$10.00.

Commissioner Curry commented on the benefits of having a strong Reserve, which would provide the County with the ability to address sudden financial needs, such as storm-related expenses, without resorting to borrowing. He advised that he is in favor of the one time approach at \$215.00.

Chairman Bryant stated it is not a matter of not supporting what the Board needs to do to make the fund whole, it is a matter of the other conversations the Board is having, noting

at the end of the day the tax bill is going to be higher. She commented on the likely increase in property values, this assessment and the fire assessment. Chairman Bryant expressed concern relating to the risk associated with the phased in approach (no Unrestricted Reserve). She advised that the Board needed to have all this discussion to be able to assure the public this has been looked at every way possible to make the best fiscal decision for the taxpayers of Marion County. Chairman Bryant commented on the rapid growth the County has experienced in addition to inflation.

Commissioner McClain commented on the good job the Board did over the years to get those inflationary savings for County residents.

Chairman Bryant opened the floor to public comment.

Joseph Walker, SE 54th Place, Ocklawaha, commented on an option for a 2-tiered assessment with homesteaded property owners paying a smaller dollar amount. He opined that "so-called" businesses that leave litter behind cans pay \$300.00 annually.

Mr. Minter advised that Mr. Walker's testimony is intriguing, but it is what is called anecdotal evidence compared to the very detailed and extensive studies Stantec has prepared for the County. He stated he does not think the anecdotal evidence is enough to change course right now, noting the tight timeline. Mr. Minter advised that there could be a legal issue whether the County can discriminate between property owners and individuals that rent. He stated somebody owns the property whether it is being rented or not and opined that if the County tried to focus on just the homesteaded properties there could be a lot of issues with the implementation.

Kearsten Angel, SE 50th Terrace, expressed concern relating to an increase in the Solid Waste assessment.

In response to Ms. Angel, Chairman Bryant advised that Commissioner Zalak did not enter into a deal with former Senator Charlie Dean, noting Marion County purchased landfill capacity at what was a new landfill at the time, located in Bushnell for a tipping fee of \$8.00 per ton. She clarified that the purchase allowed the County to save over \$100,000,000.00 from that point until now.

In response to Chairman Bryant, Mr. Johnson advise that today the tipping fee at HOF is \$30.00 and it will be in excess of between \$36.00 and \$38.00 by the time the County has exhausted its capacity.

Chairman Bryant reiterated that Marion County only pays \$8.00 due to a prepayment for 2.5 million tons of capacity in that landfill when it was being built. She advised that this purchase is what allowed the County to keep the Solid Waste Assessment at \$87.00 up to this point. She stated based on the County's Ordinance, the assessment was supposed increase 1.5 times the Consumer Price Index (CPI) for that year, every year and had the County not purchased that capacity and implemented the 1.5 CPI increase through the years the current residential assessment would be \$263.77. Chairman Bryant advised that staff thought at the rate the County was growing in 2011, the capacity should have lasted through the year 2036. She stated, due to the exponential growth within the County, that capacity has been used up more quickly than anticipated. Chairman Bryant advised that now the County is faced with siting another landfill, expanding the Baseline Landfill, or purchasing more capacity at HOF, which the County can no longer obtain at \$8.00 per ton. She stated the Board has looked at every scenario, held 2 workshops in the last 6 months and this is by far the most financially stable decision out of all the things the Board has looked at today to be able to continue to have a landfill. Chairman Bryant noted the County has to have a landfill; it is a service demanded by citizens. She advised that staff will be happy to meet with her and review all the scenarios the Board has considered.

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Chairman Bryant commented on the debate the Board has relating to the one time and phased in approaches. She stated that she initially supported the phased in approach; however, based on the amount Chairman Bryant commented on the lower amount of funds the County will have in Reserves relating to storm cleanup if the phased in approach is utilized. She advised that due to the lower Reserve, the County may have to borrow funds if there is a large storm event, noting the cost relating to the debt service. Chairman Bryant stated the one-time approach would ensure nearly \$17,000,000.00 in Reserves if there is a major storm.

Clerk Harrell commented on the buildup of the Reserve, noting it has been discussed primarily in the context of a Reserve for storm-related debris; however, that is not the only reason for having the Reserve in a Solid Waste fund. He advised that if the move is to build up the capacity at the existing landfill, the laws that relate to landfills are pretty specific and require the existence of Reserves to aid with the eventual close out. Clerk Harrell stated landfills run out of space at some point, noting Marion County has the luxury of having some additional space. He addressed the need for funds relating to the closing out and to be in a fiscally solvent position to finance any sort of Capital Improvements at the existing landfill. Clerk Harrell noted that while what was reported focused on storm-related debris costs, that is only one component of the overall picture.

In response to Chairman Bryant, Clerk Harrell advised that FEMA reimbursements can take a while, noting there are different qualities of disaster relief and if it is storm debris, FEMA is an Agency that is going to be looked at and arguably paired down. He stated any assurance that FEMA is going to be there to match dollar for dollar that every County asks for is not guaranteed.

Chairman Bryant advised that the Board is happy to make arrangements for anyone to sit down with staff to review all of the presentations the Board has seen and be able to fully understand the information that has been received up to this point.

Ms. Angel stated she would appreciate sitting down with staff and reviewing some of the numbers, noting she has a concern relating to the timeframe for the Board's decision.

Chairman Bryant advised that the Board is at the point in this process where they have deadlines to meet, noting the previous workshops that have been advertised and held.

Commissioner Zalak stated he did sell Busy Bee Waste Service after the passing of his parents, and he does work as a Sales Representative with Waste Pro; however, he does not get funds from the landfill or its operations. He advised that Waste Pro actually pays the landfill to dump and there is no benefit to him.

Chairman Bryant stated the company Commissioner Zalak works for will be paying the increase just like everybody else.

Commissioner Zalak requested Mr. Minter ensure he is within the ethical bounds of the Statute.

Mr. Minter advised that he does not have any issue with that. He stated the County has benefited from having somebody like Commissioner Zalak who has industry experience.

Mr. Minter commented on the initial skepticism surrounding the purchase but underscored how the decision ultimately resulted in significant cost savings for residents, having maintained low assessments for nearly two decades even amid rising inflationary pressures.

Commissioner Zalak advised that the purchase saved a tremendous amount of dollars for the community. He stated the reason this is occurring today is due to the need to construct the cells, noting the County will continue to ship until it has used up the capacity at HOF. Commissioner Zalak commented on the process relating to the Department of

Environmental Protection (DEP) permitting, which takes 6 to 10 years. He advised that is why Mr. Johnson is coming before the Board today. Commissioner Zalak stated the taxpayers have already made an investment in the Baseline Landfill, noting nearly the entire facility is pretty much permitted with the exception of a couple little spots. He advised that the other option is to continue shipping the waste to someone else at full price; however, that assessment came back closer to \$400.00.

In response to Commissioner Zalak, Mr. Johnson stated in year 1 it would be \$250.00 vs. \$215.00, noting in the outer years it is \$415.00 vs. \$255.00.

In response to Commissioner McClain, Mr. Johnson advised that the County will get 20 years of capacity from the HOF purchase.

Chairman Bryant advised that public comment is now closed.

A motion was made by Commissioner Stone, seconded by Commissioner Curry, to adopt Ordinance 25-06. The motion was unanimously approved by the Board (5-0).

Ordinance 25-06 is entitled:

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF MARION COUNTY, FLORIDA, AMENDING CHAPTER 16, SOLID WASTE, ARTICLE II-MUNICIPAL SERVICE BENEFIT UNIT FOR SOLID WASTE SERVICES; AMENDING SECTION 16-51 (CODIFIED AS 16-73) IMPOSITION AND LEVY OF SOLID WASTE ASSESSMENT; PROVIDING FOR FINDINGS; PROVIDING FOR RESOLUTION OF CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL; PROVIDING FOR INCLUSION IN THE CODE; AND PROVIDING AN EFFECTIVE DATE.

BOARD DISCUSSION AND CLOSING COMMENTS: NONE

There being no further business to come before the Board, the meeting thereupon adjourned at 2:50 p.m.

Kathy Bryant, Chairman

Attest:

Gregory C. Harrell, Clerk

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