
REMAPPING DEBATE

Asking "Why" and "Why Not"

Paying the cost for paying the costs

Original Reporting | By Diana Jean Schemo | Government services, Taxes

November 9, 2010 — In Miami-Dade County, a property tax increase, coupled with raises for civil servants, lit the fuse of voter ire, sparking two recall efforts this year to oust Mayor Carlos Alvarez. In Chattanooga, a hike in the storm water fee, to comply with a federal order to remedy pollution, triggered a recall petition drive against Mayor Ron Littlefield. In Livingston, California, where the water flowed brown from taps and poured toxins into the Merced River, residents forced out their mayor for raising fees to clean the water. It was the first increase in 15 years.

“Local officials, because we’re the ones who have to deliver the services, are finding it very difficult to do our job without running into these recalls,” said Miami-Dade Mayor Carlos Alvarez.

In an era of high unemployment and rising discontent, attempts to oust elected officials mid-term no longer represent a last resort for voters fed up with egregious acts of corruption, but an increasingly common response to elected officials who make unpopular decisions. Often those decisions involve raising taxes and fees that pay for public services like police, fire fighters, and clean water.

The recall fever poses a new set of challenges for elected officials, some of whom swept into office on pledges never to raise taxes. How to make the case that tax or fee hikes are needed now, especially when many voters are themselves struggling to make ends meet? What is involved in the effort to convince a skeptical public that the costs of not having public services are higher than the costs of maintaining those services?

Some cities aren’t trying, and have taken a distinctly different route. Last year in Colorado Springs, for example, voters turned down, by a margin of two to one, a referendum to increase property taxes. Now, the city does not turn on its streetlights after dark. The police force sold off two helicopters. Swimming pools and parks closed, and in those that remained open, restrooms were shut to save on maintenance.

But some mayors under siege have argued that dissatisfied voters lash out at them as simply the closest targets at hand, divorcing expectations of city services from the need to pay for them, and crowding out the space for reasoned debate of policy choices.

“Local officials, because we’re the ones who have to deliver the services, are finding it very difficult to do our job without running into these recalls,” Miami-Dade Mayor Alvarez said in an interview.

Mayor obeys pollution abatement mandate, stirs recall attempt

In Chattanooga, Ron Littlefield became mayor in 2005, campaigning on a platform of honest, efficient government after 40 years as a city planner. He managed to avoid raising property taxes through his first term, but was contending with the need for increased services. “We’re a growing community,” Littlefield said. “We had to hire more police and firefighters.”

On July 1, Littlefield’s administration raised property taxes 19 percent. He also raised storm water fees to pay for pollution abatement that had been ordered by the federal Environmental Protection Agency. Residential homeowners saw their storm water fees more than quadruple to an average of \$150.

These decisions set Littlefield at odds with the local supporters of the Tea Party movement. They accused the mayor, barred by law from running for a third term, of shedding his past restraint in not raising taxes. They organized a recall petition in June, aimed at gathering thousands of signatures by late August. (There was some dispute about just how many signatures were needed.) Littlefield had been elected to serve through April 2013; if the recall drive succeeded, he would have had to run for re-election this November.



Mayor Ron Littlefield of Chattanooga, Tennessee

Littlefield said he found the atmosphere poisoned when he tried to justify his choices. Opponents, he said, went door-to-door making “outrageous claims” of mismanagement and implying corruption.

In connection with the increase in storm water fees, Littlefield’s opponents accused the mayor of imposing a gratuitously steep fee hike without considering alternative plans. In fact, Littlefield claimed, the decision was reached “after weeks, if not months” of discussion, and the repair schedule was ultimately modified to contain costs by phasing in fixes over several years.

“It’s a campaign you cannot respond to,” Littlefield said, one aimed largely at intimidating elected officials and disrupting government. “It’s so diffuse. It’s like a whisper campaign. You don’t really know what even to respond to,” the mayor said. Most importantly, he added, responding publicly would only magnify the allegations, spreading them and giving them more credibility.

The mayor’s son, Zack Littlefield, wrote an essay in support of his father in the *Chattanooga*, an online newspaper. In an interview with *Remapping Debate*, he said his father had approached the Tea Party supporters, inviting them to “bring your accountant and we could go through the budget line by line [but t]hey just wouldn’t do it.”

When Remapping Debate asked Mayor Littlefield how he tries to convey the choices the city faces, he seemed perplexed and frustrated at once. “I don’t know of any way. Anytime you have to step up and do necessary things, raising taxes or fees to clean water, it is never appreciated by the people who have to pay the bills. In the current Tea Party environment, it makes you a convenient target.”

He also said that cuts in the staffs of traditional newsrooms, and the death of one of Chattanooga’s two newspapers, had lowered the level of political debate in the city, and frayed the civic fabric.

Until a few years ago, city officials could call a press conference, and gather reporters from three or four local news stations and two newspapers. “It was a relatively focused news environment,” the mayor said. Now, he continued, there is only one newspaper, and it has a threadbare staff. The television stations might or might not have a reporter available for a press conference.

“The whole process of communication has become so shattered,” Littlefield said. “Now, people pick up their news from just about anywhere.” The void is filled with bloggers, who mix opinion with fact, and seldom check the latter, he continued.

Jim Folkner, a local Tea Party supporter who led the recall effort against Littlefield, defended the use of recall petitions generally, and his in particular. “In this day and age, every penny that government spends has to be explained, and allocated in a transparent fashion,” he said.

Folkner went so far as to liken the tax increases to stealing, and said he did not believe holding taxes steady would have eroded the quality of life in Chattanooga. “When your family doesn’t have the money, what do you do? Do you go and steal it? No,” Folkner said. “We want the government to do a better job, with less money. It has nothing to do with essential city services.”

Ultimately, the recall effort against Littlefield failed. Littlefield sued the Election Commission over the petition, which had gathered 9,300 signatures. The court sided with the mayor and halted the recall in early September, saying that the language on some of the petitions had not been approved by the Election Commission, and many of the signatures, in violation of election rules, were undated.

Brown water better than higher water fees?

In not recognizing that the provision of a service so basic as clean water is linked to the need to pay for that service, Chattanooga’s residents were hardly alone. In tiny Livingston, California, population 13,000, voters yanked Mayor Daniel Varela Sr. from office at the end of August, two months before his term would have expired anyway. His offense? In a move he now calls “political suicide,” Varela raised water fees to update a well system whose galvanized pipes dated back to the 1920s, and that was producing brown water. At “notorious Well 15,” Varela said, water carried a “yellow taint,” and levels of manganese that exceeded state safety levels for drinking water.

Upon taking office in 2008, Varela, who had campaigned on a pledge to clean up Livingston’s water, received all the work his predecessors had done on the water issue, including consultant reports and recommendations, state environmental studies, and orders for clean up. Prior administrations had documented the problems, but failed to do anything about them.

In Livingston, water rates were based on a flat fee — \$58 per month per household — regardless of usage. The rates hadn’t increased in 15 years. That left the city without enough money for maintenance and upkeep. The city subsidized water costs with money from its general fund, which would otherwise ordinarily cover services like police and fire, and parks and recreation facilities. The diversion meant the city had to cut back on services, and to shelve plans to build a new firehouse.

In the spring of 2009, Varela proposed a plan to raise rates based on usage, phasing in the increases over several years. In line with California’s Proposition 218, he sent residents letters notifying them of three proposals for raising water fees, and inviting public comment.

Resistance was initially limited. A petition to block the council from passing the increase, which would have required 1,500 signatures under Proposition 218, gathered only 400 names.

But the proposed increase faced other challenges. The five-member City Council lacked the super-majority of four votes that the city attorney said was needed to approve an increase as a city ordinance. Eventually, the city fired that attorney, and passed the increase as a resolution, instead of an ordinance, with just three votes, in June 2009.

In short order, the city’s main employer, Foster Farms, a poultry farm, challenged the increase in court, saying that the city had not followed proper procedure in adopting the change.

Varela said he had tried from the beginning to explain the need to increase fees to voters, who were already hurting with a slow economy. He said he intensified his efforts once the increase went into effect, but asserted that many Livingston residents were in no mood to listen. To some, an increase in water fees was a hardship. “I know a family, their children moved back in with them. You got 11, 12 people in the house, you’re going to use more water. They’re upset. They’re going to have to pay for that water,” Varela said. “These folks don’t understand what happens to the water you flush down the toilet. It’s out of sight, out of mind.”

At a Town Hall meeting in November 2009, there were 400 people on hand—most of them angry. “I said, ‘Look, folks, we don’t want brown water. We want clean water. Every day at recess our children are drinking this water,’” Varela recalled. In fact, he reminded residents, the water rates were so low that the state refused Livingston’s request for financial help. Instead, the state hit Livingston with daily fines for failing to remedy the high level of manganese at the well Varela had described as “notorious.”

I said, “Look, folks, we don’t want brown water. We want clean water. Every day at recess our children are drinking this water.”

But the meeting devolved into personal attacks. A woman who stood to defend Varela's position said, "Look, you folks have gotten off saving money when other communities are paying for clean water." She was hollered down, as was Varela. One critic of the fee hike held up a jar of brown water, declaring, "We're not going to pay" to clean this up.

"When you've got these folks hounding you, insulting you, it's impossible to talk," he said. "They're just local citizens that act like thugs."

In late August, voters in a special election came out three to one in support of Varela's recall.

In February of this year, the court ruled in favor of Foster Farms, holding that City Council needed to have passed the measure by a two-thirds majority, and that the City should have provided advance notice to residents of the proposal that was ultimately adopted (a smaller increase than the proposals initially circulated). The increases, though, stayed in effect while Mayor Varela pursued an appeal of the court ruling.

In March, opponents of the rate increase began an attempt to recall Varela from office. In late August, they succeeded, as voters in a special election came out three to one in support of Varela's recall. (His name was on the ballot once again in November, and again, he was rejected three to one.) Varela's replacement has abandoned the appeal, rolled back the increases, and halted the improvements to the water system. The city is facing possible bankruptcy.

"You'd be surprised, that people would be okay to drink or bathe in brown water when they see they have to pay a difference for it," Varela said. He likened the disconnect to a person who has been relying on government aid, but then dons "a shirt on that says, 'Screw the Government.'"

When real estate prices tank, can property taxes still pay the bill?

Not so very long ago, Miami-Dade's Mayor Alvarez used the petition process to expand the power of his office, firing up voters in 2007 for what came to be known as the "strong mayor" referendum. A former police chief, Alvarez campaigned on a platform of efficiency and fiscal restraint, taking aim at a county commission that he portrayed as wasteful and corrupt. "You have to have one person elected to be responsible for the actions that take place in county government," Alvarez said after the vote. He reorganized his office, promoting his staffers and increasing their salaries substantially.

Months later, the recession hit. The bursting of the real estate bubble hit Florida worse than almost anywhere in the nation. Bankruptcies and foreclosures climbed, while tax revenues from gasoline and sales of consumer goods plunged. Home values in southern Florida fell dramatically, shrinking revenues from property taxes alone by \$248 million between 2008 and 2009. Without an increase in tax rates to restore some of the lost revenue, the county would lose nearly a half billion dollars from shrinking property taxes between 2008 and 2010.

In that environment, the salary increases Alvarez had granted to his staffers fueled voter outrage, prompting the first unsuccessful effort to recall him in December 2009. It was led by Lazaro Gonzalez, a retiree who spent his days researching municipal records. Gonzalez told Remapping Debate that in flush economic times, voters did not focus on how politicians spent taxpayer money, and whether it was necessary to raise salaries and expenses. “In his first term, it wasn’t noticed, because people had a good economic situation,” Gonzalez said. “If they have money to pay, they understand you have to contribute to the government.” But by 2009, people were hurting. Gonzalez criticized the salary increases and the size of the mayor’s staff, calling the double digit raises “disrespectful” to voters.



Mayor Carlos Alvarez of Miami-Dade, Florida

In contract negotiations with municipal employees in 2008, Alvarez reached a three-year agreement that, he estimates, saves the county \$90 million a year, by getting civil servants to pay 5 percent of their salaries toward their health insurance — a first. The agreement suspended merit and other salary increases for the second year of the agreement, but those increases are coming due in the current fiscal year — and voters are balking.

Gonzalez argued that the mayor did not drive the best bargain he could in contract talks with county employees. The increases Alvarez had

granted his own staff cost him the moral high ground, Gonzalez said, making it hard for the mayor to demand sacrifices from public employees. Nevertheless, Gonzalez’s recall petition fell 5,000 signatures short of the 52,000 required.

The stage for the current challenge to Alvarez was set in September, when county commissioners approved the current budget in a 10-hour marathon meeting, under the explicit threat of a recall. The \$7.3 billion budget shrank operating expenses by one percent, and laid off 941 public employees. But it also included \$132 million for contractual raises due civil servants, including 13 percent salary increases for police.

At the same time, the controversial budget raised the property tax rate 12 percent. The rate hike brought the county an additional \$178 million in revenues, but still fell \$50 million short of receipts from the previous year. In other words, if the tax rate had stayed what it was, most homeowners would have had the amount of their individual property tax bills go down this year, and Miami-Dade tax collections overall would have actually been reduced more than \$200 million as compared with the previous fiscal year.

Instead, even though a substantial percentage of homeowners saw their bills stay flat or decrease, 40 percent of all homeowners, and 60 percent of those who use their house as primary residence status, did see their taxes rise (about \$120 on a median valued home).

County services were kept largely, but not entirely, intact.

Supporters abandoned Alvarez in droves, according to a [CBS4 News/Miami Herald poll](#) at the time. Only 19 percent of those polled felt he was doing a “good” or “excellent” job, and 58 percent said they would vote against him if it came to a recall.

In politics, it is a given that unpopular choices, or even good choices poorly sold to voters, leave a politician vulnerable come Election Day. But Alvarez cannot run for reelection, and voters were in no mood to wait two years for him to leave.

Weeks after the budget was approved, Norman Braman, a wealthy car dealer and former owner of the Philadelphia Eagles, took up the recall where Lazaro Gonzalez had left off. By Oct. 25, two weeks after launching his effort, Braman claimed he had collected 90,000 signatures. County election officials will now confirm the validity of the signatures, and — presuming at least 52,000 of them are cleared — schedule a referendum, probably in early 2011, on whether to boot Alvarez from office. If Alvarez loses his post, there will be a special election to determine his successor.

“In my case, a flat budget would have been extremely irresponsible,” said Alvarez. “It would have meant drastic cuts in public safety and social services.”

Though Braman had initially clashed with Alvarez over a controversial plan to build a stadium for the Dolphins, he told Remapping Debate that it was the property tax increases — not opposition to the stadium — that prompted so many voters to sign the recall petitions. (The county’s share of the stadium cost is being paid for by tourism revenues, and cannot be used to offset the cost of municipal services unrelated to tourism.)

Still, the mayor stood by his choices. “In my case, a flat budget would have been extremely irresponsible,” said Alvarez. “It would have meant drastic cuts in public safety and social services.” In a later e-mail, he defended the raises for his staff, saying it was important “to look at the big picture.” He had reorganized his office, giving employees additional responsibilities. Overall, he said, he had trimmed the County Executive’s budget by 14 positions and saved \$3.6 million over the last three years. “These facts have not been widely reported,” Alvarez wrote. “In the private sector, this would be called streamlining the organization.”

With 87 percent of public sector employees under union contracts, Alvarez said in the interview, he had negotiated a three-year contract that saved Miami-Dade \$224 million, with most of those savings achieved last year. After that year, merit raises and other contractual benefits resumed.

“That was portrayed as me giving them raises,” the mayor noted.

Alvarez said he tries to seize every opportunity to explain his choices to the public, and feels mostly frustrated, as if he is not getting his message across. “You go and you talk to as many people as you can — as many chamber groups, as many consumer groups,” he said. “It’s time-consuming. And you do your job. That’s reality. We have to deal with it.”

He complained that the media slanted reports to undermine his efforts. “I wouldn’t say they’re untruthful, but they definitely leave out things that are important. Sixty-two percent of our population is Hispanic, and Hispanic radio has been relentless on no tax increases.”

“There’s an overall sense that no matter what the reasons are, no matter what reality is, under the circumstances that we’re in today, the high unemployment, the foreclosures, there is no way government can operate the way we’re doing without laying off people, breaking contracts,” Alvarez said. “We do pick up your garbage. When you wake up in the morning and turn on your faucet, our water comes out of it.”

“At this stage of my career,” the embattled mayor said, “I never thought I’d be trying to convince people of the role of government, and the role that government plays in their everyday lives.”

This content originally appeared at <http://remappingdebate.org/article/paying-cost-paying-costs>