

MUNICIPAL DISSOLUTION AND THE IMPACT ON COUNTIES:

The death of Cedar Grove



OVERVIEW

- Laws governing municipal dissolution
 - Cedar Grove residents vote to dissolve
 - The dissolution ordinance
 - The dissolution plan
 - Implementing the plan
 - The blow up doll and the Star Wars car
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THE FLORIDA CONSTITUTION

- Article VIII, Sec. 2(a) “municipalities may be established or abolished and their charters amended pursuant to general or special law; however, when a municipality is abolished, provision shall be made for the protection of its creditors”.

HISTORY

- 158 cities have been dissolved
- Ochesee in Jackson County, FL, 1846
- Great Depression – 42 cities were dissolved
- Boulogne, a speed trap, dissolved in 1963

*Source: Tom Cloud, Esquire

CHAPTER 165, FLORIDA STATUTES

- Governs formation, merger, and dissolution of municipalities
 - Regarding dissolution
 - The “charter of any existing municipality may be revoked and the municipal corporation dissolved” by
 - either a special act of the Legislature, or
 - an “ordinance of the governing body of the municipality, approved by a vote of the qualified voters”
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THE ELECTION

- Upon adoption of the ordinance the city must set a date of the election for “the next regularly scheduled election or a special election”
 - If not, the county “shall” schedule the election
 - Election cannot be scheduled until at least 30 days after the ordinance
 - Two weeks’ notice published prior to the election
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STANDARDS AND CONDITIONS GOVERNING DISSOLUTION

- “must not be substantially surrounded by other municipalities”
 - “demonstrably able to provide necessary services to the municipal area proposed for dissolution”
 - “equitable arrangement must be made in relation to bonded indebtedness and vested rights of employees of the municipality to be dissolved”
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THE COUNTY GETS ALL DEBTS AND ASSETS

- At dissolution “title to all property owned by the preexisting municipal government” is transferred to the county
- Counties “shall also assume all indebtedness of the preexisting municipality”
 - “unless otherwise provided in the dissolution plan”
 - No other discussion of a “dissolution plan” in the statute
 - Must protect “creditors”

REVENUES?

- Drop in gross tax revenues
 - County with insufficient revenues for municipal debts may levy and collect additional "ad valorem taxes . . . for repayment of any assumed indebtedness through a special district created for such purpose in accordance with chapter 189"
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CEDAR GROVE'S GRASSROOTS CAMPAIGN

- Took two years
 - Elected two pro-dissolution Commissioners
 - Majority on the Commission
 - August 28, 2008, Commission voted to adopt a dissolution ordinance and place a referendum on a special ballot
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- Special election held Sept. 30, 2008
- Ballot issue:
 - “I want to dissolve the Town of Cedar Grove and revoke its charter ___Yes___No”
- 33 percent of the town’s 3,610 registered voters went to the polls
- 723, or about 60%, voted to dissolve the town
- Supervisor of Elections certified on Oct. 3, 2008

THE DISSOLUTION ORDINANCE

“Ordinance Dissolving the Town of Cedar Grove, Florida Municipal Corporation and Dissolving its Charter”

Findings of fact:

- “58 percent of the town’s border, more or less, does not adjoin another municipality”
- The town is not “substantially surrounded” by other municipalities
- Bay County and Sheriff’s Office are “demonstrably able to provide the necessary services to the town, if its corporation is dissolved and its charter revoked”

THE DISSOLUTION PLAN

- Timing: before or after dissolution ordinance?
 - Requires coordination
 - County involvement implicates outcome
 - Statute silent on contents of plan
 - Chapter 607, Dissolution of Corporations
 - The Commission to meet within 30 days of election to begin “winding up the affairs”
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TRANSITION PERIOD

- Commission to remain in office to administer the dissolution plan and doing every other act necessary to wind up the affairs of the town, but shall have no other powers or duties
 - 90-day deadline to adopt dissolution plan
 - Mayor delegated right to sign closing documents
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ELEMENTS OF PLAN

- Employees
- Bonded and other indebtedness
- The town's assets
 - Bank accounts
 - Lists of personal and real property
 - Final audit
- Public records
- No new debt
- County Manager to make all financial decisions

THE EMPLOYEES

- 27 employees
- No employee had “vested rights”
- Provided for a severance package
 - Accumulated leave, FRS, health insurance
- Mayor and Commissioners, no severance package

PROPERTY

- Lands, easements, right of way, parks, buildings, personal
 - Locate, legal descriptions
 - Find the assets
 - A Star Wars car is in the barn
 - The copy machine
 - Water and sewer system
 - Locate the pipes
 - Lack of maps and drawings
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CLOSING

- Held Dec. 1, 2008
- Mayor executed vehicle titles, deed of transfers, bond assignments, etc.
- Bank accounts, cash transferred to Clerk of the Court
- Lingered issues:
 - Criminal restitution claim
 - Pending litigation
 - Promise to former a City Clerk
 - USDA loan
 - Audit
 - Stormwater and mitigation bank credits

UTILITIES

- Cedar Grove water and sewer system
 - Assumption of USDA and state loans
 - Rates setting
 - Creation of new service area
 - Street lights
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LAND USE

- Zoning and comprehensive plan repealed
 - 6,300 acre rezoning and comprehensive plan amendment
 - Development orders
 - Pending applications
 - Community Redevelopment Areas
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POLICE

- Fire the entire police force
- Police cars
 - Guns and ammunition
 - FDLE
 - Officer blowup doll
 - Pending criminal and traffic cases
- Sheriff jurisdiction transfers at dissolution
 - 4 new officers
 - Amended budget

CONCLUSION

- Where is Cedar Grove?
 - FDOT street signs
 - Maps
 - What is Cedar Grove?
 - The place exists
 - Governmental functions transferred to county through municipal dissolution process
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THE RESULTS OF DISSOLUTION.

- Taxes went down.
 - Level of Service went up.
 - People are happy.
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WHERE IS THE STAR WARS CAR?



WHATEVER HAPPENED TO
OFFICER BLOWUP DOLL?