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A series to inspire a recommitment to free enterprise and our nation's founding principles as the driving forces for economic prosperity and happiness for all in Sarasota County

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Part III

Time for New Priorities

Shrinking tax revenues are cause for policies that re-energize the private sector.

Less revenue for local government calls for downsizing. It will not be enough to snip around the edges of government spending.

There is not a meeting of Sarasota city and county elected officials where a loss of tax revenues is not a major part of almost every discussion. In most cases, the issues being discussed are talked about in isolation — from the overall taxation/revenue generation and expenses of the total governed jurisdiction. The result, in many cases, becomes an increase in fees or a decrease in service without regard to the long-term effect on the community.

That approach doesn't work.

Our elected officials should call a retreat, regroup. They should look at the communities they represent and reorder their rules of governance to reflect the economic realities that we are facing.

The present economy

First, we must face the reality of the present economy. We have consumers overleveraged with debt, bloated governments, and, until we develop better fiscal responsibility all around, we cannot expect the economy to show dramatic improvement.

Indeed, in this slow economic period, we can continue to expect real estate prices to decline, which brings down property valuations on which ad valorem taxation is based. Sales tax revenues are also falling. And in the war between Tallahassee and local government as to which is more spendthrift, local government continues to lose because all tax-enabling legislation is determined by the Legislature.

Bottom line: Local government revenues are going to be squeezed and reduced for the foreseeable future.

The only ways to stop the pain will be either to cut spending by local government or increase property taxes, or a combination of both.

Government in the margins

Government must change the way that it does business. Less revenue for local government calls for downsizing. It will not be enough to snip around the edges of government spending. For example:

1) The Van Wezel: Faced with a seven-figure operating loss, this venue should be operated by a non-profit organization or the private sector.

Local government must stop purchasing privately operated businesses and the land on which they operate. It doesn't matter if it is Snook Haven or the campground at Siesta Key, local government has no business buying property, only to remove it from the tax rolls and continue to operate the business as a department of government — an entity that previously was a tax-producing, private-sector venture. Just as a corporation divests itself of operations that do not work out, all our local governments need to examine and reduce taxpayer support from non-essential government operations.

2) Employee benefits. The city of Sarasota is faced with an unfunded pension liability of \$130 million. That is money that will be coming out of the pockets of taxpayers of today and tomorrow for services rendered yesterday.

This must end. We must change the benefits package given to government employees.

Based on the city of Sarasota's own estimate, by 2010 active city employees will account for 41% and retired city employees will account 59% of the city's total health-care costs. At a time when government salaries and benefits are better than the private sector, isn't it time we ask: Can we afford it?

Should we not move from a non-contributory pension system to a 401-K type of plan for all government employees, while freezing current plans? Can we afford such liberal health insurance benefits for all retirees and their dependents?

When taxpayers are losing their homes and their jobs and government revenues are declining, it is time that the largest cost of government — salaries and benefits — be examined and changed to reflect the realities of the current economy. If we expect to be able to continue to support essential services, we must make the most difficult decisions.

A vision for budget priorities

The Sarasota community has enjoyed a long run of prosperity. We have been able to do things that other communities wished they could do. "Sacrifice" is a word that has not often been used in the lexicon of

government services over the past 50 years. But we need more fiscal restraint. We must set priorities.

Local government charters that established our communities speak to police, fire, utilities and roads. These are the items that we need to fund. Also, projects such as the city of Sarasota wayfinding signage program and landscape maintenance should not be cut. Our core asset is our tax base, and the relatively small costs that polish the patina of the community, that maintain home and business owner confidence, that attract tourism with an identity different from other Florida cities will help preserve and enhance our tax valuations.

We need a "vision" for budget development. We must search for ways to re-energize the private sector, which in turn would generate greater government revenues. We need greater incentives for investment, not the disincentives of greater taxation.

The day is past when greater fees and tax burdens can be passed on without consequences. We have reached the point of diminishing return where each new fee and tax further erodes the economic base and people's eagerness to live and invest in Sarasota.

Sarasota has achieved its level of success based upon its natural God-given blessings and the responsible creations fostered by private ownership and private enterprise.

John Ringling built the museum and bridge to the barrier islands. The Arvida Corp. and subsequent followers built the homes. FPL provided electricity. GTE connected us by telephone. And thousands of other entrepreneurs provided us our food, clothing, medicines, etc.

There is a balance between too much and too little government. By challenging our community to build upon our success without the imposition of heavy-handed rules and taxation will lead us back to the road of success. But that will be done only by a serious re-examination of government spending.

Budgets need to be adjusted to the changed conditions. Reducing budgets goes to the root of renewing the strength of the Sarasota community. Our elected leaders must act now.

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