



MINUTES OF THE CITY OF MIRAMAR CITY COMMISSION WORKSHOP

JUNE 26, 2025

4:00 P.M.

A workshop of the Miramar City Commission to discuss the Fiscal Year 2026 Budget Planning was called to order by Mayor Messam at 4:00 p.m. on Wednesday, June 26, 2025, in the City Commission Chambers, Town Center, 2300 Civic Center Place, Miramar, Florida.

ROLL CALL/ANNOUNCEMENTS

Upon call of the roll, the following members of the City Commission were present:

Mayor Wayne M. Messam
Vice Mayor Yvette Colbourne
Commissioner Avril Cherasard
Commissioner Maxwell B. Chambers
Commissioner Carson Edwards

Members of staff present in the Commission Chambers:

City Manager Dr. Roy Virgin
City Attorney Jordan Gary
City Clerk Denise A. Gibbs

PRESENTATION

A. FISCAL YEAR 2026 BUDGET PLANNING

CITY MANAGER VIRGIN: Thank you, Mr. Mayor, Madam Vice Mayor, other Commission members, and members of the public. I'm pleased to present this budget workshop for the coming fiscal year. I want to begin by thanking the Commission for your continued leadership, and dedication to our city. Your oversight of our financial resources is vital to ensuring we responsibly allocate funds in accordance with our community priorities. This budget workshop reflects our commitment to fiscal responsibility, compassion, and

making wise investment for the future. We carefully considered the current economic landscape, and the needs of our residents as we develop this plan. The budget workshop focuses on maintaining essential services, investing in key areas of community needs, and ensuring long-term financial stability. This roadmap for the upcoming year guiding our efforts to build a thriving community for all. I am confident with your support, and the input of our community, we can achieve our shared goals, and create a brighter future for the City of Miramar. I look forward to the feedback, and opportunities after this discussion. At this time, I'd like to bring forward our Director for Management & Budget, Mr. Ralph.

Director of Management & Budget Rafael Sanmiguel, and budget consultant, Peter Napoli, Stantec Consulting, gave a PowerPoint presentation on the subject item, as detailed in the backup, noting the following:

- The proposed budget addressed challenges Miramar citizens faced, as recognized by city staff, working together with the consultant to develop innovative solutions
- The proposed 2026 budget review included a summary, and a presentation by Mr. Napoli on the Five-Year General Fund forecast, after which Commission input would be sought
- Following the subject meeting, in July and August, the City would receive the final figures for the State revenue to include in the budget; by July 1, the City would receive the final certified taxable values from the Broward County Property Appraiser (BCPA), giving the expected final ad valorem revenues for the City; these new numbers would be included in the tentative budget that staff would present in September; on July 9, the City would set the maximum millage rate, the fire and stormwater fees, and set the date for the first September budget public hearing; by August 23, the BCPA would mail out the Truth in Millage (TRIM) notice to all Broward property owners that included the proposed property taxes, and ad valorem taxes set during the July 9 meeting
- The first meeting to present the tentative millage rate and budget would be set for Monday, September 15, 2025; on this date, the Commission would also adopt the final fire, and stormwater assessment rates; the second budget hearing was set for Monday, September 29, 2025, and it would include a Capital Improvement Program (CIP) presentation; the fiscal year 2026 budget became effective on October 1, 2025
- Stantec provided a study each year, where they worked with city staff to update the previous study, as well as the financial model they built for the City's General Fund; it was a long-term forecasting model, but there was a five-year outlook that projected the financial sustainability of the General Fund.

MAYOR MESSAM: Thank you so much for the presentation. I'll just go down the line, as it relates to comments, and our discussion from the Commission, starting with Vice Mayor Colbourne.

VICE MAYOR COLBOURNE: Thank you. Rafael, I just want to say thank you very much, and I appreciate seeing you here today, and having you put this budget together for us.

I know your team works very hard on it, and I certainly appreciate the work that your team does, as well as the management team of all the departments, those who worked to put this together. So a sincere thank you to all of us. You highlighted during your presentation a number of things that really stood out in terms of engagement that so many of our departments are doing, and I know that it's very meaningful to our community. So appreciate those points that you presented. I did want Stantec to go over one of the items in the presentation, where it's red on the 2025, if you can just go over that again for me.

MR. SANMIGUEL: I can also --

VICE MAYOR COLBOURNE: And you can help him.

MR. SANMIGUEL: I can help him, yeah, because we actually had a discussion over email today about that particular item. So we passed a balanced budget; it was balanced for '25, so the question was why should we show a red in 2025 if we have a balanced budget.

VICE MAYOR COLBOURNE: Right.

MR. SANMIGUEL: The issue is the carry forwards of the permanent capital outlay monies that were not spent in 2024, so it's really just a timing issue, so those unspent funds were carried forward to 2025, so they're going to be spent in '25 not '24, so, basically, we are dipping into reserves, because there's no new revenue to pay for those expenses. And they are not new expenses; these are expenses that we had earmarked in '24 that we had opened POs for those expenses that we carried forward to 2025, so that is reason for that red in 2025.

VICE MAYOR COLBOURNE: So does that affect the budget presentation itself, or --

MR. SANMIGUEL: Not necessarily; that affects '25, so it's --

VICE MAYOR COLBOURNE: Is there something that we should have done differently?

MR. SANMIGUEL: No, no, no. There's nothing we could have done differently. The only thing that we could have done differently is we not carry forward those funds, and not allowed for those projects to be spent, but that's really a management decision. And, again, those are the permanent capital outlays, right, that they are just longer than one year, projects that just take time that we have earmarked in prior years that we just carry forward to the new year; that's all it is.

VICE MAYOR COLBOURNE: Can we anticipate something like that in this coming year?

MR. SANMIGUEL: Yeah. There's always going to be carry forwards, especially in the capital projects funds, especially when it comes to those big CIP projects, because they take many years to spend, so we can't really match the cashflows when we start to anticipate the expenditures for those projects on year zero, so we cannot say: Oh, we

tried to match the cashflows; basically meaning that we tried to fund the projects as best we can, trying to match what we think is going to be spent on those projects, right, but more than too often we overfund it, or the project gets delayed, so they're not spending the money as fast as we thought. So those monies that we assigned, that we give to those projects on year zero, one, and two, we have to carry to the other year, so they can finish those projects, so that's all it is. But those funds were really like assigned in prior years; it's not new monies, it's just monies that we didn't spend in the prior years, and I hope that answers your question.

VICE MAYOR COLBOURNE: It does. I did want to also follow up on -- you said the additional homestead exemption. Is that something that -- is that's what's being discussed, or is that just a way of showing some sort of reduction, even if it's not a full reduction in property taxes?

MR. SANMIGUEL: Right. So we kind of mulled over that particular question right there; it's a very good question, because Tallahassee, they have the property taxes on their radar, and short of getting rid of property taxes all together, which would completely decimate our revenues; as you can see, it's almost half of the General Fund revenues, right, so we're thinking what is the next move. So we don't know exactly what it's going to be, and we're not going to be affected for '26, right, so '26, we're okay. So we're trying to predict, we're trying to anticipate, and model some of the likely scenarios that may happen, right. So we know that, hopefully, the ad valorem is not going to be taken away completely, right, but maybe Tallahassee will come up with other scenarios. So this was just one way of us trying to show the public, and Commission one of the more likely scenarios that may happen, and how it would affect the tax revenues for the City.

VICE MAYOR COLBOURNE: And with that, I'm going to assume, not a good thing to do, but I will assume that management is looking at ways that they would offset those changes.

MR. SANMIGUEL: Right. And we're hoping that, for example, if Tallahassee takes away completely the ad valorem taxes, that they would supplement it with something else, like sales tax, or income tax, or something else that would replace those lost revenues. So they are looking at that; we're looking closely at the legislation from Tallahassee. We don't have -- nobody knows what's going to happen, but we are definitely looking at it very closely.

VICE MAYOR COLBOURNE: But in terms of our legislative priorities, I guess having that conversation with our legislators would definitely be on the top of it.

MR. SANMIGUEL: Absolutely.

VICE MAYOR COLBOURNE: That would be my recommendation. Thank you, appreciate it.

MR. SANMIGUEL: Thank you.

MAYOR MESSAM: Commissioner Chambers.

COMMISSIONER CHAMBERS: Thank you so much, Mayor. Mr. Rafael, good afternoon, sir. How are you? Good. Thank you so much for the presentation, and I want to thank your staff. You guys work very hard; the City couldn't do without you as a team, so we truly appreciate it. As far as the CIP projects, from year to year we announce these projects, and sometimes we might not -- the project might take a while, but also funding, the total funding might not totally available at the time, so each year we will assign an amount to that project. So that would be coming from each year's budget. Am I correct?

MR. SANMIGUEL: Right. So we used to have it so that we would fund it completely on year zero. So, basically, if we're going to do like a big building, on year zero we would like put the entire cost of the building there in the budget, and we knew that it was going to take at least three years, and it might have taken five years. So what we're trying to do now these days -- and, again, when we used to do those monies used to be parked in those funds without being used. They would collect interest earnings, so that's the upside, but the downside is that they're tied up, because they're earmarked for that project, and there could be like more pressing issues that the community needs for other projects. So what we, in conjunction with the executive team, what we did lately is if we have one of those big projects, we fund -- try to match the cashflows, basically what we think they're going to spend each year on those projects, so we try to match those cashflows each year. And we're a little bit more aggressive, so that they don't run out of money, but more than likely there's delays, and you're in construction, so you know --

COMMISSIONER CHAMBERS: Yeah.

MR. SANMIGUEL: -- so it gets delayed. So we've never come into a situation where we don't have enough money for the -- or like a large sum of money that we don't have for those projects. But, yeah, we're trying to be more strategic with how we spend those monies, and so that we don't tie a big amount of money to one project.

COMMISSIONER CHAMBERS: Smart man, thank you. You see where I was going with it. So for the general public, the situation is kind of like the social security funding, the federal government, for each person who paid into it, where this money is specific to social security, but the Congress keeps spending it on other project, so when it comes time to pay the social security benefit, they are relying on other new social security payee to fund it. So instead of having that money in a lock box, according to Mr. Al Gore, it's not in the lock box, it's in the open box, and it's spendable. So this is kind of the situation that we're in, where we are showing this redline, so thank you for explaining that. The City, people like to complain to our business -- in some way it is, but it's not a business, because we cannot take in unlimited money, so whatever comes in, that's all that we have to work with. Someone who set up a business where, let's say they're selling electric cars, Tesla, and if our sales skyrocketing, then we can make as much as we want to do

whatever we want, maybe build a spaceship, or something like that, but the City doesn't have that luxury. So based on the ad valorem taxes, permits, etc., etc., so we have to find a way to balance that. It's just like a home, when the funds are coming to a home, there's so much -- the parents are -- whoever it is that handling the finance at home have to find a way to cut, balance to make it work. The City try to do a lot of different things to accommodate residents, businesses, and it's a good thing; it's a good thing. But things going to get a little dicey to where we have to find a way to make it work. Now this cup of coffee, \$2.45, either you or Mr. Peter can explain how much longer we're going to be able to drink the coffee at \$2.45 for this year, 2026, 2027. What's the forecast?

MR. SANMIGUEL: What's the forecast for?

COMMISSIONER CHAMBERS: How long we can continue to operate at that cup of -- below that cup of coffee.

MR. SANMIGUEL: Well, and that's the thing. That slide was to show the value that the tax, that all of the fees that is an average resident, or the average homesteaded resident's case, right. So it may grow a little bit each year, as it was with everything, with inflation, and everything, the cost of the cup of coffee might go up a couple cents next year, but it's going to still be within that ballpark, right. So we can update that slide in the years to come to show what it is in the next years, but, again, I don't think it's going to grow to -- all of a sudden to like five, six, or eight, \$10.00; it's going to be within that range to show the value that we bring to the community, because we try to really strategize how we use the funds, and to bring the best return on investment for their investment.

COMMISSIONER CHAMBERS: Okay. Thank you for explaining some of the services that the City provides back to our residents. I know have a meeting with you and the City Manager earlier this week, and previously before, and I have two requests for the budget; one existing program that we already have, the HAP program, which did very well in the last budget, cover a lot of residents, and I request an increase for that, which was the loan program. And the second one was the \$500,000.00 for the senior emergency roof repair, and AC, so I'm hoping that you'll be able to work your magic, and get that in the budget somehow.

MR. SANMIGUEL: I'll work with the City Manager on that.

COMMISSIONER CHAMBERS: Thank you. Thank you so much for that. Mr. Stantec, Peter -- can I call you Peter? Good. My question is with the fire -- the new --

MR. NAPOLI: Fire rate?

COMMISSIONER CHAMBERS: -- increased fire assessment. I know you throw a number out there, which is \$5 million. Is that within line that we need to assess?

MR. NAPOLI: So the way the fire assessment programs work is that you hire a consultant, and you do a study, and you establish, basically, the maximum amount of revenue that you can generate with the fire assessment rates, and that's based on the cost of the fire rescue department. One of the things you have to do is you have to separate out EMS, because the State says you can't assess properties for EMS services. So when you take the fire budget, remove the EMS, whatever is left over is your maximum amount. Each year the fire budget goes up with salaries and benefits increases, with grant expirations, with new lease schedules related to new vehicles, which also can be included in the fire assessment program. So that's why cities, every three years, every four years, and sometimes every year, they evaluate their assessment program, and they look at their cost recovery level, because you'll set rates -- the rate that you have now might be -- might have been 100 percent cost recovery when you enacted that rate; I'm not sure when it was, two, three years ago.

COMMISSIONER CHAMBERS: I believe we were at the max now, whatever rate we set, that was --

MR. NAPOLI: Yeah. As you maintain that rate, each year when your costs go up, that rate is, essentially, generating 90 percent cost recovery, 85 percent cost recovery, 80 percent -- if you don't change the rate. So that's why every three years, or so, it's recommended that cities update their program, increase the rates to reflect 100 percent cost recovery, and then that is an important revenue for the City to ensure the financial sustainability.

COMMISSIONER CHAMBERS: It's an important revenue, but maybe not so important for the persons who're going to be paying it. I know they were crying already with what we did over the last couple of years, so is this something that can make up somewhere else if we decide to?

MR. NAPOLI: It would have to be ongoing fix. So the solution, essentially, requires \$5 million beginning in 2027 to fix the gap between the City's revenues and expenses --

COMMISSIONER CHAMBERS: To prevent the redline from going --

MR. NAPOLI: Yes, exactly. So that \$5 million is up to the discretion of the City to find for the -- the fix that we provided in the scenario is the fire assessment, but it could be a cut to services, it could be a property tax increase; it could be all number of things. On the revenue side, though, with the City, you're limited. You can really only affect property taxes, and fire assessment rate. There's maybe some other initiatives, like the billboards, and stuff like that, but a \$5 million gap is a hard one to cover with other sources, so, yeah, you'd have to look on the expense side.

COMMISSIONER CHAMBERS: And that's why I was giving that scenario with a business, an actual business versus a municipality that only brings in so much revenue.

MR. NAPOLI: You bring in exactly what you need. If you start generating too much, then you lower rates. Yeah.

COMMISSIONER CHAMBERS: Right. Thank you so much for the presentation. Appreciate it.

MAYOR MESSAM: Commissioner Cherasard.

COMMISSIONER CHERASARD: Thank you. And thank you so much for both presentations, Rafael, and Mr. Peter. I want to preface my questions by, please, you can chalk anything up to the repeat on the dais, the way I'm asking questions, and what my former line of asking is going to be like. So I'm coming from a position where I would like to ask for modeling scenarios, hard and fast, related to what you alluded to with regards to Tallahassee. I am not a person who is afraid of facing the elephant in the room, and I would rather not be caught with my head in the sand, because the one thing I've seen since November is that you can expect the unexpected with the current administration. And being even slightly prepared to operate financially with less than we are operating with now, you eat an elephant one bite at a time. And if that means preparing incrementally for less, even if it's not what we're facing right now, I would like to see if our city can start practicing that. As mentioned by Commissioner Chambers, there's only so many revenue streams, but expenditures, maybe, once we model, I'd like to see where we can balance relief, one, for residents, which, of course, ends up being through millage. But, also, reducing, if it needs to balance out, expenditures across the board, or where necessary, and reviewing where in our city operations do we take away some of the freebies, if there's space for in Building Department. That's what modeling is for, and I'd like to see some scenarios where we can find an equilibrium between balance, expenditure, and some revenues.

MR. SANMIGUEL: So if you want to see live, right now, --

COMMISSIONER CHERASARD: Yes.

MR. SANMIGUEL: -- we can definitely do that. So if we can share his screen, he has the -- I believe he's got the model up and running; just give us one second.

MR. NAPOLI: There it is; we've got the model here.

COMMISSIONER CHERASARD: Okay. And when I heard live modeling -- and again, you could forgive me for being the repeat; live modeling, I thought meant plugging in certain scenarios, and seeing what they lead to, and where you'd have to adjust to make it balance. Is that what --

MR. NAPOLI: Yes, Commissioner. Some of the things that we can adjust on the fly here with our model, we can adjust the tax rate, we can adjust the taxable value growth, we can adjust -- I could plug in a number for a \$10 million decrease in expenses, or a \$10

million increase in expenses. Some of those very simple high level, but a more detailed look at where efficiencies could be found in the operating budget, I think that would take some time, and we would have to come back with that.

COMMISSIONER CHERASARD: Those you mentioned are sufficient for the purposes that I'm going to ask. One, in your presentation, Mr. Rafael, we compared ourselves with some other cities, and that's regarding the millage rate, the 7.11, and I'm going to tell you personally that the City's we compared to need to be the cities that have the same property values as we do, the same general level of service that we offer to our community, and the same incomes. And I mean the cities there were not cities I would have looked at to compare. When we're talking high value communities, like the City of Miramar, our neighbors are not at 7.11; our high value neighbors are not at 7.11. They operate with a little lower millage, and it's likely because they do have a few more millions less in expenditures. And I love how we operate, I love what we offer our residents, but they actually pay for it through millage; they actually do pay for it. And if relief is coming from the City, the only way we can offer that from now is through a millage reduction, and it would be comparable to our neighbors in Pembroke Pines, and in Weston, and Southwest Ranches, who do have higher values like we do, but they're not at operating at 7.11. Now I don't know the specifics in general of their expenditures, but I do know those two things. If we were to start modeling at a 6.95 millage rate, this is, again, from being the rookie, if we were to model at 6.95?

MR. NAPOLI: So what I'm going to do is open out what we call the last plan, and save it, so that now the green will stay on the previously active scenario, and then I put in the -- the decrease would be about .17 decrease to the millage rate to get to 6.95. And would you want that in 2026 or in 2027?

COMMISSIONER CHERASARD: 2026 or seven.

MR. NAPOLI: One moment.

MR. SANMIGUEL: So while we wait for that model, if I can just address one of your questions. The comparison slide, it takes into account not only the millage rate, but also the fire fee, the wastewater fees, the stormwater assessment rates, and also the debt service millage rate. So now at the City of Miramar, we do not have a debt service millage, whereas some of the cities do have. So in order to have a comprehensive, and fair comparison between the cities, I have to allow, or I have to include that debt service millage rate. Also, to your point, a city like -- with high values, high property values, like Weston, will have a lower millage rate, I cede that point to you, but also they will collect around the same amount of money per resident, because it takes a certain amount of money to run a police department per capita, because we have to pay the going rate for police, and for fire right, so that rate doesn't change. So that's why those numbers are there, but Peter is maybe ready, yes?

MR. NAPOLI: Yes.

MR. SANMIGUEL: Okay, cool.

MR. NAPOLI: Sorry about the delay. So the blue bars on that left-hand graph now show the active scenario, where we have that reduction in millage rate to the 6.95, and it creates a gap there in the revenues and expenses, so that would have to be -- because the previous scenario, the baseline scenario, even with the fire assessment rate increase, the City is basically operating at a net neutral income, revenues and expenses are right on top of each other. Any minor change creates a deficit, so that would have to be filled by either an expense reduction, an ongoing expense reduction, or another revenue increase somewhere else.

COMMISSIONER CHERASARD: And for the dollar amount, because I'm trying to keep my eyes focused; I have stigmatism, so it will not work. You're the numbers person; what does that equate to dollarwise that would need to be adjusted in revenues, or expenditures?

MR. SANMIGUEL: So I can try to answer that question, and if I'm reading this right, it would be a reduction of \$2.6 million.

COMMISSIONER CHERASARD: \$2.6 million?

MR. SANMIGUEL: \$2.6 million reduction to the General Fund per year, so that would be revenue.

COMMISSIONER CHERASARD: So, for clarity, if we were to roll back the millage rate to 6.95, and operate exactly the same way, we'd be right at break even.

MR. SANMIGUEL: We would be running the red at \$2.6 million; we'll have to reduce our expenses by the same amount, or increase other revenues to keep the same level of service that we provide the community.

COMMISSIONER CHERASARD: Okay. And so what I would want to see -- what departments do we have that can reduce -- that can create the type of revenues that we currently don't -- where we're offering -- and I mentioned Building, because I know that that can be a moneymaker. Are there fees for upcoming developments, are there reduced impact fees that we're missing out on revenue for now, because we can afford it, but maybe we need to be prepared to now ask for a fee across the board for all things? Is there room in certain departments to accumulate that \$2.6 million? Again, I'm balancing relief for homeowners, and keeping us operating the way we are. So do we calculate the dollar amount for discounts provided to proposed and incoming projects right now, as a city? Do we?

MR. SANMIGUEL: So let me answer just the question by parts, right, so going back to your suggestion to increase the impact fees, for example. That would definitely -- we can

definitely do that, but impact fees for parks, for police, fire, for storm water, for utilities, they have to be spent on infrastructure, on new things; they cannot be spent on salaries and benefits, for example; they cannot be spent on vehicles, or anything like that. So that wouldn't really supplement the general fund, it would just allow us to build bigger, and better parks, for example, a new park to improve on the new things that we have across the City to allow for the growth of the City. So that's for the impact fees. I know that the other revenues, like the building fees, the building permit fees revenues, they are actually going down, based on trend, because we had a spike in building right after COVID, and that's actually going down. We can increase the fees that we charge, but as to those revenues, again, they have to be spent in building services, right. So even if we increased those fees, and we have more revenues going in, they can only be used to fund the operating cost for us to give that service to the community, to the building community, right. Any other fees that we charge are really -- and as you can see, they shadow -- they're very minuscule when it comes to -- when you compare it to the ad valorem. So, for example, the rental revenues that we charge to folks who are renting our facilities, the vending revenues that we get, they -- every little cent helps, right, but they are not going -- I don't see that making up two and a half million dollars. So, to your point, so we could definitely look at -- and we have looked at that, because we do that throughout the budget process, right, we look at all revenues. I know that ACM Gayle has, at every single budget meeting, has said that we have to keep up with inflation when it comes to the charges, the fees that we charge, right, so that we don't keep everything flat for ten years, and all of a sudden we spike something, like by 100 percent. So we have to keep with inflation with revenue, and we're going to see those revenues when it comes before the dais, I think it's in September when we pass the revenue fee booklet. So that leads to, of course, expenses, right. I know that we always challenge the departments to be more effective, and more efficient, and we can certainly do -- and we have, and City Manager has actually tasked us to look at those kind of scenarios in the past, and we can relook at that again. But when it comes to the expenses, we're really looking at service levels that are going to be decreased, or programs that we cannot do anymore, and that is where the -- in conjunction with the City Manager, that we'd have to make those determinations. But, yeah, we can definitely do that; we can definitely look at those.

COMMISSIONER CHERASARD: Thank you. I had another question when it comes to the numbers we use when we calculate the values for properties for the fire exemption, and my one question would be: Does our fire department operate specifically because we have the fire fee? Without the fire fee, do we even have funding for the fire department outside the funds that come in, because I see it balances out because of that fire fee. Without it, we don't have a fully operational fire department.

MR. SANMIGUEL: You are very correct in that question, yes. So without the \$26 million that we bring in through the fire assessment fee program, that pays almost all of the firefighting capabilities of the fire department, without that we really wouldn't have a fully functioning fire department at all.

COMMISSIONER CHERASARD: And I know a lot of what we do with regards to having our armed services is in preparation for growth that the City of Miramar may expect to happen, and coverage for these additional firefighters, additional police officers comes from development that will likely not bring in as much tax revenues, because a lot of what's coming has a lot of exemptions, because they're going to have affordable units. So the coverage is required, but the money from the tax office to absorb some of the costs will not come, and that may be a very tertiary analysis, but you can help me kind of understand a little bit better, because if these were single-family homes, they'd all be now adding an additional amount for the fire fee. But they're multifamily units with discounts on their taxes, so the dollars will not match up to what we need in manpower for uniform services. And so it's -- it's good that we have the fire fee to kind of make sure that we have the coverage, but the new developments, I feel, do not cover enough when it comes supplementing, and we pay now for those, and they're not even here yet. We pay now for the future, as current fire assessment payers, versus the developments that won't pay their fair share, in my opinion. But thank you for answering that question regarding the fire fee. In the modeling that we have here, regarding savings on spending, it is interdepartmental solely that we'd have to look at decreasing, and that means staff and budget for everything else the City does, besides have buildings, correct?

MR. SANMIGUEL: Right. It would be salary, benefits; it would be operating expenses; it would be equipment that we run; it would be programming that we don't offer to the community; and that would be a discussion that I would have with the executive team led by the City Manager to see what those impacts would be.

COMMISSIONER CHERASARD: Now the redline that we have on this budget that we should never go below, and I think the number looks like a \$40 million in -- is that reserves?

MR. SANMIGUEL: Yes, that is the reserves, correct.

COMMISSIONER CHERASARD: That redline exists because of what? What creates that target? Can shifts in how we operate reduce how much we actually need as that target? Because I mean we see this line we're trying to stay on top of, and so we have all these additional costs to maintain that level, but what can make us operate underneath that level, if that's what's looming?

MR. SANMIGUEL: So that is a minimum fund reserves that we keep as standard practice, and that is from a resolution that was passed by the City Commission that delineates what those funding targets are, and they are recommended by the GFO, the Government Finance Officers Associations, and they're basically best practices. So, for example, when a -- if we ever try to go out for a loan, any type of loan, the rating agencies will look at those funding practices, and the actual funds that we keep, right, in the bank, historically, and they will look at that, and they would determine whether we actually kept those funding levels or not. And because they look at the same standards that we have, and they would say, "Yeah, the City of Miramar will give you a good rating, and good loan

rate, interest rate to borrow for in the market." So it affects those kind of things. The other thing that it affects is actually our emergency management operations, so that, for example, especially now that FEMA is in question, right. Because, in the past, when we get a hurricane, let's say, and it doesn't have to be a direct hit, right, so if we have something like Wilma that happened back in '05, that just clipped the County; it didn't hit us directly, but we had a lot debris, we had a lot of overtime, we had a lot of minor damage to buildings, and power outages that brought our overtime costs. We had to do a lot of debris removal; we had upwards of -- I don't want to say an exact number, but I want to say like around \$6 million of debris removal expenditures back in the day. We had to outlay that from our own pockets, so we have to keep those kind of reserves for those emergency situations. And, mind you, that was a very, very mild situation, so that wasn't really a direct impact to the City. So if we were to now model a direct impact, that would exponentially increase our expenses. Now why do I bring that up right now? Because now the -- with the talk from Washington of eliminating FEMA, or not having FEMA reimburse us for those costs, we have to be very, very careful in keeping those reserves, lest we go into default with loans, with all these things, or we don't have enough money in the coffers to pick up the debris, to take care of the basic services that the citizens have come to expect. So I would say that's the importance of those reserves, not only just to keep to a policy paper, but in actuality, it's just very important to keep those.

COMMISSIONER CHERASARD: I thank you for the very clear, and detailed answer to what would have been that question. I want to re-ask them, because my question really is, let's say we do have to trend towards having the reserves slightly below that number, what would be the reason we can still be qualified? Like if your GPA has to be 95 to be an A, and then the system reviews it, and 89 is an A, but you're still an A, even though you're operating at 89, for us to be okay with reserves at where we might trend, what would we have to do everywhere else for that to still be a good number?

MR. SANMIGUEL: Got you. So for us to keep the reserves, right, as we have prescribed in our policy documents, so if we don't want to go below those reserves, and if our revenues are then depleted, or our revenues go down, then as Commissioner Chambers said, we have to then spend to our means, right; we cannot spend beyond our means, so we have to spend up to our means. So that would mean, again, to reduce expenses, to reduce salaries and benefits, and to reduce programming, and whatnot to the community if you want to keep to those reserves.

COMMISSIONER CHERASARD: Okay. Thank you. And one last thing I want to, I guess, restate in general, with policy that's being driven at levels way above where we sit now, the reality that we could be operating at 50 percent of what our city operates at, before November wasn't as much of a reality as it is today. If most of our money that we spend in the City of Miramar comes from tax revenue, that could disappear tomorrow at the strike of a pen, our city needs to start acting as though it's a possibility, and that means operating with less, and understanding how to operate with less. And not moving things, so that it looks like we're operating with more, but to act as though it is now, because it could happen tomorrow. And so being comfortable saying let's just increase, increase,

increase, where we're increasing or decrease -- where we're decreasing, we need to start operating as though it could happen tomorrow. I'd like to see that in the budget. I mean -- and where that happens, we play a little the next few weeks. But thank you; thank you for being prepared, and thank you for the modeling. Thank you guys both so much.

MR. SANMIGUEL: You're very welcome. Our pleasure.

MAYOR MESSAM: Commissioner Edwards.

COMMISSIONER EDWARDS: Thank you, Mr. Mayor. Rafael, and staff, I thank you so much for taking what I think is a very complex subject matter, and breaking it down into understandable portions, so a layman like me can get a clear understanding of this complex budget process. But I have two questions, and I would just like one -- Commissioner Cherasard said she's the rookie; I'd say this is my first rodeo, and I might need some handholding. So what I loved was your cup of coffee, \$2.45, but what I also just want to understand, and, again, I need some clarity on that, because the revenue that supports the public safety, that comes from the ad valorem taxes, correct?

MR. SANMIGUEL: Right, so there's a lot of revenues that we get in the General Fund, so ad valorem taxes, again, it's the major source of revenue, and also supplementing that is the fire fee assessment, so those two sources of revenue, right, pretty much equal the public safety portion of our budget. And the thing that I want to emphasize, really, is that those are our very basic, the most important things that we do, right, in the City. I don't think that you can do away with Management & Budget; I mean it's gone, the City is still going to run, honestly, it's not going to matter too much, but you might have a lot of cost overruns, but then you need those two basic services, police, and fire, and, of course, trash collection, but trash collection is really paid for by the trash assessments. So what I'm trying to say in this chart is we have ad valorem property taxes, and the fire assessment; those are our most reliable, and also our most -- the revenues that we can best predict, right, in the City. So as soon as those that we have, those revenues cover public safety, I think we'd be in a good position. It doesn't mean that we take our checkbook from the ad valorem tax account, and we pay for police. No, not really. It's just a chart that shows us that we have a structurally balanced budget that where our most reliable, the biggest sources of revenues pay for our most basic expenditures, which is public safety. So I hope that I was able to explain myself.

COMMISSIONER EDWARDS: I get that. When then you refer to that 245, is -- because then you were pulling from the taxes.

MR. SANMIGUEL: Right.

COMMISSIONER EDWARDS: Was that \$2.45 -- say, we get these services for \$2.45, so --

MR. SANMIGUEL: So that is -- so if you go forward, let's see if -- so let's go to the \$2.45, right. So it really starts with one of these -- with this one. So if we take the -- all of these fees, including property tax, including the storm water, the fire fee, and the solid waste, right. So if we take all of those fees that, pretty much, every single residents pays, and this is showing the average homesteaded resident, right, if you take that you break it down into what each individual, right, in those homesteaded households pays, then we get the \$2.45 per day. But includes not only the property tax, but the storm water, the fire fee, and the debt millage, and the solid waste. So, again, Miramar doesn't have a debt millage, but I have to include here just for comparison purposes. And that's what it really takes to run the City. All the other fees that we get are really optional fees, so if you want to rent a space, right, we get that revenue, but, again, not everybody is going to be renting the space. We also get revenue from the State, right, state share revenue, right, but we're going to get that for the -- due to the sales tax revenue that we get, because they share with the State, and then they give us a piece of that. But these are the fees that each resident pays, each homesteaded resident pays, pretty much, directly, so that's what this is trying to show. If we break that down, again, into each person per day, then it's the \$2.45.

COMMISSIONER EDWARDS: I get it totally, and, you know, why it was important for me to totally understand it, because that's one of the areas where we get a lot of complaints; we're paying too many -- too much taxes, and understanding this piece gives me a little more information as to how I can have some conversation with the residents, as to how their tax dollars, one, is spent, and also the revenue, and the burden that they bear a cup of coffee. It may not be Starbuck's, but it's still a cup of coffee.

MR. SANMIGUEL: Right. And I challenge anybody to get a cup of coffee at Starbuck's for less than \$2.50. Challenge.

COMMISSIONER EDWARDS: Now my other quick question, and this is, again, simply because it is a question that I hear daily, and I -- this may not even be the place for it, but our water bill, that is where everybody complains, all the residents complain about that water bill. Is there any way we could make some adjustment to relieve residents on that water bill?

MR. SANMIGUEL: And for that question, I'm going to turn to our esteemed Director of Utilities, Mr. Francois Domond, who I was actually just talking to. We're going to address that same question, so he's very happy to address the dais. And here he is, finally.

MAYOR MESSAM: For purposes of the workshop, okay, answer the question for Commissioner Edwards, and -- although it's outside of the workshop, for the public's workshop, so answer the question directly, but stay in the lane, because that's like solving the Middle East crisis in talking about the --

COMMISSIONER EDWARDS: Thank you, Mayor.

MR. DOMOND: Yeah, good evening. Following the protocol, Francois Domond, Utilities Director, Commissioner Edwards, with regard to the fees included in the utility bill, we have several fees, including sanitation, including water research fees, and so forth. So a water bill, we must perform -- it already started before we change, or remove anything from the bills, in short. We went through a rate study a couple years ago, going to a third year this coming 2026, so that would be my brief answer for you, so with regard to the water bills, what it's contained in it, there are several fees. Once again, it is water fees, wastewater fees as well, but also it includes the sanitation fees combined. So it's not only water and sewer, it's more than that.

COMMISSIONER EDWARDS: Is there any way to move some of those fees to another bill, or another area, so that the water bill is reduced?

MR. DOMOND: The short answer is yes. I believe there is a sanitation bill, fees are going to be on -- rolled to a different area, yes.

COMMISSIONER EDWARDS: Okay. Thank you, thank you.

MR. DOMOND: But we can discuss that also in a one-on-one if you want to.

COMMISSIONER EDWARDS: Yes.

MR. DOMOND: With billing staff, so we can discuss it in detail.

COMMISSIONER EDWARDS: Right, good.

MAYOR MESSAM: Yeah. So the answer to your question, Commissioner, is yes. And we have in the past, because before, storm water was also in our utility bill, so I think it's -- the more folks understand what makes up the bill, it puts into context the amount of the bill. Good questions. Just a couple of comments, for our new commissioners, all great questions, and just remember this is a safe zone; there's no question out of bound, there's no inappropriate question, because it's questions you have are also questions that our residents, so when they hear these questions, again, it addresses uncertainty, and ambiguity. I would first, Mr. Manager, like to thank you and the city staff for always doing a phenomenal job in breaking down a very complex budget, in terms of the City of Miramar, and our budget. I also would like to commend just our process, because ever since I've been on this Commission, which has been a decade now, over a decade, I've seen the continuity of fiscal discipline, of process, regardless of city manager, regardless of budget manager, director, regardless of all of the professionals that serve these very important roles. I also would like to advance the thought that once we implemented the modeling about eight years ago, it really has benefited this process, because, as just demonstrated, we really could drill down, and look at various scenarios on "what if", and we would know without -- I mean with certainty. So, first, I would like to thank current administration, and current leadership in continuing that approach, very measured approach. What I also would like to emphasize is that when it comes to budgets, for me

what makes budgets very simple to me is to keep it simple. It's a matter of revenue versus expenses; needs versus wants; and having very clearly defined priorities to be the guiding principles in making decisions. As the Commission, we, technically, by Charter, really have few responsibilities: hiring a city manager, hiring a city attorney, passing a balanced budget, and we have attendance requirements. This process is, perhaps, one of the most important decisions, and that is bringing forward, and passing a budget that meets the needs of our community. And when we have a clear understanding of our City's revenues, which mean the revenue source, which means the revenue utilization restrictions, as well as our expenses, it will help us make decisions in determining needs versus wants, and our priorities. I'll start first with what is most at risk. Like in our own personal budgets, we must stay true, and fast to being conservative, as it relates to having reserves, monies in the bank. As we have seen, things do arrive, like a pandemic, like storms; we got to have monies in the bank. I would give extreme caution to us to look other places besides tampering with our stabilization property, our emergency fund policy, all of the aspects that will keep our city running if, and when hell breaks loose, whether from Tallahassee, or Washington. In fact, it may be appropriate for us to, perhaps, even considering increasing some, or being even more conservative, especially when there's talk about eliminating property taxes; especially when it comes to Washington talking about eliminating FEMA. It's not a question of if, but when we'll get another natural storm, or disaster, so something to impact our community, and we have to respond. When power goes out, and gasoline is diminished, our residents want relief, and we have to pick trash up all the street, we have to get it off the street, so folks can drive. FEMA only reimburses what we spend, so we have to be able to be in a position to spend. So that will be my first advice, in terms of priorities, and guiding principles for this Commission, as we contemplate our budget. And speaking of elephants in the room, when it comes to expenses, 70 percent of our General Fund expenses comes from the amazing people that provides the service to our community, and any meaningful reduction in costs to the City, I don't see a scenario that doesn't also impact a reduction of staff. So those would be very difficult discussions we would have to have, if we're going to have a meaningful reduction, if we're talking about truly lowering the millage rate. So that begs the question, based off of the level of service that we are currently providing our residents at the existing millage rate, are our residents satisfied with how we are delivering services? Is our community safe? Is our community clean? Is culture alive in our city? Is parks and recs vibrant? Is our economy strong? Are we providing these services well at the cost that our residents are paying? So I think we test the post in the air, and the temperature of our residents, are they satisfied with the services. Since I've been on this Commission since 2011, we have raised the millage rate, I think, only once. We've benefitted by having appreciation in property value over the aggregate, which helps to offset inflation, increase of cost over time, salaries increases, and benefits. So although the millage rate hasn't increased, we have increased our revenue, because we benefit from having amazing property appreciation here in our city, and throughout South Florida. So we have been able to -- but I do think we should always look for opportunities to lower the millage rate when we can, if we're providing the level of service our residents are expecting. What I'll also say with the modeling, some benefits of the modeling, and here are some real examples of what has come out of identifying the threats, because our staff

really does a good job in identifying some of our threats that are coming, that have come. One year we are facing ballooning healthcare costs to our employees; you know, we didn't necessarily have a solution for it, and out of that concern, our staff came back to propose to the Commission for us to get, or to become self-insured, and it also led to our city clinic. And that significantly reduced our healthcare cost to our employees, and to our families. Another threat, due to statutory changes in Tallahassee, and obligations to ensure that we have solvent pension funds, most municipalities in the state, and their projections were out of whack, and lacking. We established an OPEB fund, where we have committed hundreds of dollars a year to pay down our mandatory funding requirements. That came out of modeling. And just now the thought was talking about, okay, what if there's some shifts and changes in property taxes? We saw exactly what that looks like, so now we can begin to prepare for a world, as more policy comes from Tallahassee on what that scenario will look like, because they just can't eliminate property taxes, because every city in the State, as you can see from Miramar, it's almost half of our revenue to our General Fund, that would have to be replaced with some mechanism. So whether it's sales tax, whether it's something, they have to come up with some wild configuration on how that would be distributed statewide to the over 400 plus municipalities in the state. So I say all of that to say this that our process that we have in place allows us the tools to forecast risk, plan for those risks; what our job is for the Commission is to continue to ask the tough questions, ensure that our residents are happy with the level of service that we are providing, and continuing to push the envelope to reduce costs, to increase revenue where we can, while realizing that the most reliable revenue stream is the property tax. The other revenue sources are very volatile, are not guaranteed, in many cases are not reoccurring, and the last priority that has guided us well over the years is to shape our budget in a process where recurring expenses are covered by recurring revenue, and reducing the amount of expenses that don't have an enduring, and recovering revenue source to match that expense. So it will be a fun month or two, as we dive into those needs versus wants, and those priorities, and I am looking forward to our continued discussion, and I thank you all for the presentation.

MR. SANMIGUEL: Thank you, Mayor.

MAYOR MESSAM: Yeah, so hold applause until September.

MR. SANMIGUEL: And if I may, --

MAYOR MESSAM: Yes, yes.

MR. SANMIGUEL: -- real quick, just remind the Commission that, again, on July 9th, we're going to vote on the maximum millage rate.

MAYOR MESSAM: Yes, yes.

MR. SANMIGUEL: Right. And the maximum fire fee. We can always reduce the amount that is adopted in September, but we cannot go back, and then increase it in September,

so in July, we vote for the maximum, and then in September, we vote for the actual millage rate, which, in September, again, we cannot increase from what we voted on on July 9th. I just wanted to make that clear to the Commission.

MAYOR MESSAM: Yes. And what is being proposed as the maximum is the current millage rate?

MR. SANMIGUEL: Is the current millage rate, correct, yes.

MAYOR MESSAM: Commissioner Chambers.

COMMISSIONER CHAMBERS: Yes. Thank you. I just have a few comments, and suggestions. And while I speak -- if you could put the famous \$1.00 bill, and, Mr. Mayor, I do agree with most of your comments. We want to also be clear that FEMA do not reimburse us 100 percent; it's up to a percentage, and sometime we have to fight to get those reimbursement, and it takes a while, so -- and thank you earlier for bringing up ACM Gayle suggestion during the workshops, and so forth. I want to thank ACM Gayle, because this is something that happen to us over a period of time. And just to be clear, for a number of years we subsidized the garbage pickup, where we were paying for it, the difference, instead of passing it onto the residents of Miramar; for quite a while we were paying the difference. And when we finally passed the cost, it showed in the water bill, and people were complaining, but they didn't see that we were paying for it over the years. Also, the -- when the dollar bill goes up, but I just want to say, we -- for most of us that live down here in the South Broward Hospital District, thank goodness for Memorial, the tax portion that Memorial get, because if you were living in the North Broward District, then you have learnt -- a portion of that tax from the hospital would be a lot more. So we want to thank Memorial for keeping the rate low, and providing an excellent service to the South Broward District. One of the thing is that -- look at this famous \$1.00 bill, and the State is pushing more and more towards private school, and charter school, and this number stay the same for our Broward County School Board, where the revenues getting shift, and folks are not seeing the waste that goes on with these charter schools, and private schools, and how the money is being abused. And I don't see this getting changed any time to where the cities should be receiving a larger portion of the tax dollar. One of the thing in Miramar that a lot of us are not looking at, and the income in Miramar goes from \$2 million down to about \$20,000.00 that our residents make, and the income spot that support the City is between \$30,000.00 and \$85,000.00, and for some other cities it's not. Their income is over \$200,000.00 and up, their average income. So for the service that we provide in the City, having those income between 30 and 85, and the 85 is with two people working. And for us to provide that service, and for the City to not being on fire, not burning down, with that lower income, it's amazing, because we're competing with cities with higher income levels. I don't know how we're doing it, but we're doing it, and this is a testament to the caliber of residents that we have working at that low-income level. We have to give them credit for working with us, and well behaved, and working through this with us. We want to thank them for that. So I'm going to suggest that -- I do not know the budget office, you guys work right through the year. Right after October,

September, October, I think we should start looking at the '26/'27 budget, start having meetings, workshops, and to see how we're going to work this moving forward to see what we can do. I know Tallahassee is talking about doing away with the tax; I don't see that possible, given -- you looking at this dollar bill here, so I'm going to suggest for Miramar to be one of the leading cities, the best way for us to go against this is for us to come up with a plan as to how do we put something together, similar to what we did with the incinerator, to get information out to residents as to the value in the property taxes, and how we can -- because I think if we explain the value, and how it work, people will get it. And then what's going to happen is other cities going to pick up on that, and then the next thing, you know, the whole state will be doing what we are doing, explaining how the dollar work, and the value of what -- how detrimental it's going to be if this go away, so I think we need to start working on that, and that's what we're good at. We've got to empower our residents, and empower other cities; just the way we start with events, and now every city is doing what we are doing, we got to take the lead on this. And my last question is, or suggestion, I think we should move towards a -- the garbage, like a tax authority for the garbage collection; that's something we need to look at, and see if that can give us shift, instead of putting it the way we have it, having a taxing authority, and I think that might help us, moving forward. Thank you so much. Thanks you guys for listening. Have a wonderful evening.

MAYOR MESSAM: All right, Mr. Manager, are there any other business, as relates to the workshop?

CITY MANAGER VIRGIN: No, sir. Workshop is complete.

ADJOURNMENT

MAYOR MESSAM: All right. Have a beautiful evening, everyone. This meeting is adjourned.

The meeting was adjourned at 6:40 p.m.

Denise A. Gibbs, MMC
City Clerk
DG/cp