



MINUTES OF THE CITY OF MIRAMAR FIRE PROTECTION ASSESSMENT & FISCAL YEAR 2020 BUDGET PUBLIC HEARING

SEPTEMBER 12, 2019

6:00 P.M.

The first reading of the City of Miramar Fiscal Year (FY) 2020 Budget Public Hearing of the Miramar City Commission was called to order by Mayor Messam at 6:00 p.m. in the Commission Chambers, Miramar City Hall, 2300 Civic Center Place, Miramar, Florida.

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

Mayor Wayne M. Messam
Vice Mayor Alexandra P. Davis
Commissioner Winston F. Barnes
Commissioner Yvette Colbourne
Commissioner Maxwell B. Chambers

The following members of staff were present:

City Manager Vernon Hargray
City Attorney Burnadette Norris-Weeks
City Attorney Norman Powell
City Clerk Denise A. Gibbs

MAYOR MESSAM: Good evening. The Fiscal Year 2020 Fire Protection Assessment and Budget Public Hearing the City of Miramar is now called to order. Please call the roll.

CITY CLERK GIBBS: Mayor Messam.

MAYOR MESSAM: Here.

CITY CLERK GIBBS: Commissioner Barnes.

COMMISSIONER BARNES: Here.

CITY CLERK GIBBS: Commissioner Chambers.

COMMISSIONER CHAMBERS: Here.

CITY CLERK GIBBS: Commissioner Colbourne.

COMMISSIONER COLBOURNE: Here.

CITY CLERK GIBBS: Vice Mayor Davis.

VICE MAYOR DAVIS: Here.

CITY CLERK GIBBS: City Manager Hargray.

CITY MANAGER HARGRAY: Here.

CITY CLERK GIBBS: City Attorney Powell.

CITY ATTORNEY POWELL: Here.

PLEDGE OF ALLEGIANCE

MAYOR MESSAM: Let us all rise for the pledge of allegiance. (Pledge recited)

A MOMENT OF SILENCE

MAYOR MESSAM: At this time, we'll observe a moment of silence for any condolences we're experiencing in the community. Thank you.

PRESENTATIONS

NONE

PUBLIC HEARING

MAYOR MESSAM: Agenda item number one. Public hearing to set ad valorem tax millage rate; first reading, Temp. Ordinance #1730. Mr. Attorney, please.

1. **FIRST READING** of Temp. Ord. #O1730 **establishing and adopting** the City of Miramar **Ad Valorem Tax Operating Millage Levy Rate** at 7.1172 mils, or \$7.1172 per thousand dollars of taxable assessed property value for the 2019 Tax Year, which is 4.91% greater than the rolled-back rate of 6.7840 mills; providing for

conflicts; and providing for an effective date. (*Management & Budget Director Norman Mason*)

CITY ATTORNEY POWELL: Yes. An ordinance of the City Commission of the City of Miramar, Florida, establishing and adopting the City of Miramar Ad Valorem Tax Operating Millage Rate at 7.1172 mills, or \$7.11 per thousand dollars of taxable assessed property value for the 2019 Tax Year, which is 4.91% greater than the rolled-back rate of 6.7840 mills; providing for conflicts; and providing for an effective date. Chapter 200.065, Section 2E1, Florida Statutes, requires that the governing body of the City shall adopt its proposed millage rate prior to adopting its tentative budget. The establishment of a millage rate is necessary to generate ad valorem tax revenues, which is part -- which, in part, are necessary to fund the General Fund. The City has proposed a millage rate of 7.1172 mills. This rate constitutes a 4.91 percent increase compared with the rollback rate of 6.7840 mills. The rollback rate is the rate that would be needed to bring the same ad valorem tax revenue as last year. In addition, Section 200.065D, Florida Statutes, requires that prior to the adoption of the millage rate -- the millage levy, the Mayor may make the following public announcement.

MAYOR MESSAM: The City has proposed a millage rate of 7.1172 mills. This would constitute a millage rate that is 4.91 percent above the rollback rate of 6.7840 mills and is necessary to fund the budget. The City Manager will now explain the specific purposes for which ad valorem tax rate assessment -- tax -- tax rate revenues are being used, and we will then hear a presentation from staff regarding the proposed millage rate.

CITY MANAGER HARGRAY: Good evening, Mayor, Vice Mayor, Commissioners. It has been a struggle for all the employees who have been involved in this budget process, but we're proud to say without a millage increase or a fire fee, that we present a balanced budget. It's a long journey. We know that we have a lot of challenges in the future, but I can say that all the staff, all the staff of Miramar has been a part of this success. At this time, we'll have Mr. Norm to present the budget.

MR. MASON: Good evening, Mayor, Vice Mayor, Commissioners, City Attorney, City Clerk. Thank you for this opportunity. I echo the Manager's sentiments in regard to the challenges we've had, but also a budget that doesn't raise any fees in regard to the citizens. Mayor, I would like to address that this presentation will incorporate the millage rate, the fire fee assessment, as well as the budget being presented. I would be remiss -- I'd like the budget team to stand up. They've been working on this budget since early January, and I appreciate their efforts, along with the departments, so thank you very much for your dedication and effort. Thank you. As we all know, one of the most critical items you will consider this year is the budget for next year, the funding for 2020. Thank you for this opportunity. There's a lot of information I'm going to present. I'm going to try to do it in a way that is not too fast paced, but I will be done, and we won't need a bathroom break before I complete, so. This would regard -- I would like to start out with the budget philosophy. It's very important in regard to what's been done here in the last four years, and how I haven't addressed that up to this point, so bear with me. The first couple slides

are about the philosophy; what is the philosophy of the City of Miramar for the budget? Is there a philosophy? Yes, there is. It takes all three of these components. A team, as I just introduced, but as well as all the departments, so when I talk about our team, that's one team, but it's all the departments as well, as long with you on the City Commission, the citizens, and everyone with the City Manager and staff working together. The second part of that is creating a culture. We all know that that has to permeate throughout the City, in terms of creating a balanced budget, so we've done that over the last four years. I wouldn't say that to you the first or second year, but after four years, I feel more comfortable that we have a culture, and the departments will echo that. And, of course, it takes leadership, starting at the City Manager level, to address the budget. Without his leadership, we would not complete it and, of course, we would have more challenges, in terms of the direction of it. So thanks to him, we have a direction, and it's very strategic. And I'll just go through these three components, because without all three of them, a team, a culture, as well as leadership, you're not going to achieve a balanced budget for the citizens, as well as a structured balance going forward. So the budget team, we have an adopted budget. Many cities revise their budget; we do transfers within it, but we don't add any money to the bottom line of any department the last four years. There's very few cities across the country that have done that, so we live by the adopted budget. As your budget director, I don't care what the revised or changed budget is, we're going to march to the contract that you give us, which is the adopted budget. We haven't done any budget amendments in four years, so starting on October 1st, we will work for the taxpayers to make sure we're within the State statute, that we don't go over budget for any department or fund. But, again, we haven't done that for four years. The normal for most cities is that they do budget amendments throughout the year; the City of Miramar probably, from 1955 to 2015 did a midyear budget amendment. The last four years, we haven't done those. So even though this is acting up -- I'll turn that off, go to this one. You can hear me?

MAYOR MESSAM: Mm-hmm.

MR. MASON: Okay. So, believe it or not, my notes are on there, but you'll laugh at this.

I said, earlier in the year, they came to me for a budget amendment for a new sound system, because they said they didn't have any money for that, and that's in my notes here, so it's a coincidence, but that's an issue. But we have a new sound system; sorry there was a problem there, but it wasn't in the budget for this year. But why do we have a new sound system? So the budget team working with the departments was able to achieve that by substituting some things they were going to do, and sacrificing areas of their budget, in order to get it done. So that's why you have a sound system that wasn't in the budget for this year. Just as in life, people ask me why is the budget different than the actual; well, things happen in life, and you appreciate that last week -- our lives changed for an emergency. So, again, we got a sound system, and thanks to the City Manager and the team, we were able to work with the departments; and that's just one example. Now we focus on both years. Most cities I've worked at, in January when they start on next year, they have to hand in this year, because they're spending eight to nine months working on next year's budget, and they kind of neglect the current year. So we

spend a lot of time working on both years, so we have been simultaneously, these nine individuals, working on the '20 budget from January, but also monitoring every dollar spent in the current year. What used to be done here up until 2015 is you compiled a list of things, and you did a midyear budget amendment. I call that not focusing on the current year, so it takes a lot of work and a lot of time, early mornings, late hours, but we do that for the citizens, for you, for the Manager to live within the budget. So we're working on two budgets for nine months. So, sometimes, I finish next year's budget as they do, 6:00 or 7:00 at night, and then I go start looking at the expenditures for that day, and which ones I approve, which ones I go to discuss with the Manager that may not be critical, and so that's the difference with this budget team. We're working on both years, so we don't do midyear budget amendments. I don't care about adding to the departments' expenses unless it's a critical need, so that's why we get it done. You may say why don't others do it, but it takes a lot of time. If you could click on the budget calendar, please. I just want to show you this real quickly. We won't get into the details. If you enlarge that a little. So this is just a quick look. On January 22nd we started the process for 2020, and you can see we do training in February. The system opens, and real quickly, you can see that March and April we're meeting with the executive team, the City Manager, then we do a second update in May. Why do I do that? That's mainly to look at where are you this year at six months of the year. A lot of cities don't do that, so that May process has nothing to do with next year's budget, but it has to do with looking at the current year. So we go through every department, every line item to see where they stand after six months in the year. That's why you don't do a budget amendment, because we start early. And if you wait until August or something, you're going to need a budget amendment, so we start earlier to identify savings. And then, again, we get through July and, finally, at this point, we have our workshop. This year it was later, but then you have the hearings, two hearings this month, so I appreciate that. We have about, what, two weeks left, and we have to get this hearing done, and another one, so we appreciate your patience in working with this, and then the budget will start, by State Statute, on October 1st. So that's the hard work that everybody has put in, so thank you. Now stay with me a second. This is not a detailed exercise, but just real quick; what do we use in the City is called the continuous improvement process. At the top, it says January. That means after four months, you should have spent 33 percent of your budget in an ideal world. So you see the 33 percent in a couple cases there, accreditation, communication. This is an example of one department uniforms cost, like the fire department, so all those are fine. If you were taking a test and you went to school, what's the one problem area? One problem is wrong here, and that's the office supplies. They've exceeded where they're supposed to be. They spent 50 percent. So I don't sit with them for a long time, because we all know you have to use some commonsense in evaluating that. They might have bought a little bit of the inventory for the year of their office supplies, so they're going to be a little higher. But what this city does different, we don't focus on the negative. So see the two asterisk in vehicle field and other supplies, they saved ten percent after four months, so this is what we go after. Different than in school, when I got an exam, if I got five questions wrong, all I did was focus on the five questions I got wrong, not the 45 I got right. All I looked at is what did I get wrong. That's what most cities do, they look at the office supplies and say, "Stop spending." We look at the things you're doing well in: where are

your efficiencies, vehicle fuel, and other supplies. So what do we do in the meeting with them in January and February? If you saved ten percent after four months, tell me and explain to me how you did that, instead of punishing you for being over in office supplies. So if you save ten percent in four months, most people think: if I just stay flat, I'll save ten percent, but this budget director doesn't want you to save ten percent. If you save ten percent after a third of the year, I expect you to save another ten percent the next four months, and then the last four months. If you see at the bottom -- so we're looking for a 30 percent saving. That's how we cover the expenses that some of you say: Well, why don't we do budget amendments? Well, this is why, because we have a continuous improvement that we go forward with that. And, real quick, I think it was last week, there's a gentleman from KAPOW, he was doing a presentation. He showed some of business partners, as well as the City of Miramar. One of them was the Jim Moran Foundation. I worked for Jim Moran for five years; I went to Japan with him, and they used the continuous improvement process on the assembly line. What does that mean? They went to each part of the assembly line, but they didn't start at the worst part; that's what most people do. They looked at the bottleneck, and how do we fix that, and you spin your wheels for a long time. They went after the best portion of each station and said: Let's just flood it, like I'm doing here, give it more and more product until they can't handle it, and then we'll back off a little, and then we'll go to the next station, and keep doing that. So you continuously improve everything, and that's how you improve the assembly line. So they redesigned the Henry Ford assembly line, and that's why Southeast Toyota is the number one car dealership, and JM Lexus on Sample Road is the number one dealership in the world. And they use the continuous improvement process. So we use exactly what they used. And, real quick, if you're old school like me, you saw a show called "I Love Lucy". One of the most famous episodes is at a candy factory, and they're putting the candy down, and they keep up with that for a while, but then as the conveyor belt increases, they can't keep up anymore. So that's what you do on the assembly line. Go as fast as you can, and then back it off a little, and then you go to the next station, and maximize what you can do. I love sports. This is the same concept. You give the ball to the player who's the best; until they can stop them, you just keep feeding them the ball, and that's the concept of that on a team atmosphere, so that's what we do. We encourage the departments, so don't get it wrong that it's just us, but we meet with the departments and help them see where their efficiencies are, and then we say: Keep doing the good things that you're doing, and that's how we'll save the money to pay for a sound system, for instance, and many other things that come up during the year. So appreciate you allowing me to look at that, but it's called like the trend is your friend. What is the trend that you're experiencing, and let's continue to go with that. Okay. Thank you. Now, real quick, we expect -- this is the culture part. The departments kind of understand now that each month, you're supposed to spend about eight percent of your budget. So after 12 months, you're right around 100 percent. So we watch each month, and those that are doing better than their seven, six percent, so we still meet with them. The staff meets with every department once a week. We get out of our chair, as the Manager said, you need to move around and get to see things and what's going on in the City, as well as other cities. So we go meet with the departments, and they will echo that each week. So, as my previous example, after four months, you should be at 33 percent, so four times

the 8.3, that's how we get that. The adopted budget is the only budget I care about, so the rest of the cities, they work on their amended or revised budget. I don't care what that is, I'm here to deliver, and the team is -- on what you give us on October 1st, we'll do everything we can, and why do I say that's a good thing, because we've done it for four years. And, again, I would be neglectful to say, it's a collaboration, as the Mayor had said in collective bargaining, it has to be a full collaboration. Same thing with budget. We have to have all the departments, the City Manager, as well as my staff working together collaboratively, otherwise it doesn't work. So I think all of them to help, you know, get this culture spreading throughout the organization. Now I'm almost done with this part, and I'll get to the budget for 2020, but this is important. The leadership of the City starts at the top, so if the City Manager wants to do budget amendments, am I going to tell him no? Then I won't be working here long. So he has to embrace the culture, and I'll just say this. I've worked with three to four city managers in this City already, and all of them -- that's why we don't have any budget amendments in four years, so they must have embraced what I was selling, and that's where the taxpayers and for you to live within the budget that's given to us. So I appreciate the leadership again. Without the City Manager, I wouldn't get done as a team what we have to do and deliver within the budget. Now it takes a lot of time and effort, a lot of time and effort, not just a little time. So, real quick, you were going to become really good at basketball. You'd have to spend thousands of hours with this basketball -- or some basketball, right? So we spend a lot of hours getting done and perfecting what we're doing working with the departments. Sometimes you have ex-athletes who have exceeded and done the same thing, they spend thousands of hours. I know a gentleman named Michael Jordan, "Little kids come up to him still: Mr. Jordan, Mr. Michael Jordan, how long did it take to learn how to play basketball like that?" And he looks at them and says, "All of my life." Most of the smaller kids walk away and look back and say, "I don't have that much time." Everybody wanted to be Michael Jordan, but nobody wanted to put in the time to be Michael Jordan. So this budget team, we're not Michael Jordan, but we're striving to be the best we can, so we put in the time. Like with that basketball, if you only practice an hour a week, you'll never an elite basketball player. You might be average, but you're not going to be very good. We're not here to be average, we're here to be elite and be a leader with the City Manager, so that's why we deliver, because we spend a lot of hours; but we work hard and play hard, so hopefully, it's a well-rounded life for most of them, except me. Just kidding. Okay, the last thing, sharpening the pencil. I've heard that a lot. Here's our pencil, it's very sharp. Most cities, and I've been in them before, they go -- right now, and it's been said here, no disrespect to anyone. Go back and sharpen our pencils now. Well, we're sharpening the pencil every day. I just showed you what we do; we monitor everything during the year, so we save taxpayer money by five to \$6 million a year, because we don't do budget amendments. So these other cities, I've been in them, and you can do -- go back now, and cut a million or two million out of the budget, but then they do a six and \$7 million budget amendment at the middle of the year. You used to do that, but the last four years, it ended. So if you want to go back to the old way, that's fine, but I won't be here, because when you do a budget amendment, you're basically saying you can't accomplish the budget that was adopted. So that's it for that, thank you. Now, real quick, the budget amendments, other cities, this is what they've done in the last three years, \$119 million

of budget amendments, and that's right from their budget books, okay. Next. So the average is about six and a half million dollars. If we had done budget amendments like we historically did, we'd be right in the middle here, about \$5 million a year, so the budget amendments for the City of Miramar is zero. We've done zero, except for a hurricane, but that didn't even come out of the departments, so we haven't done any budget amendments during these three years. Your sister six cities that over 100,000 people, they've pulled \$6.6 million a year out of their budget, and increased their budget out of the -- their reserves, and so we haven't touched the reserves at all to operate the budget on a -- on an annual basis. Where would we be if we kept going? 2009 to 2015, we did \$38 million in budget amendments in this City; you did \$38 million, that's five and a half million per year. Since then, on December 7th, 2015, the process, the culture changed here, and now in the past three years, we've done \$0.0. So you can see that's a savings of about \$5.5 million. You don't see it right now, but you'll get it throughout the year, okay. Thank you. Real fast, the -- you may think this all goes smoothly. Last year, the first two weeks, these five departments walked in and asked me to do a budget amendment for them; they walked out of my office, how much did they get? \$0.0, so they didn't get \$259,000.00. If they keep coming every two weeks, it would be \$6.7 million, but most of them don't come to my office anymore, because they'll be sitting there a long time waiting for a budget amendment. What do we do? How do we accomplish that? We monitor your actual spending. A lot of people think the budget is just about the budget, but we're monitoring the actual spending. We review it every month, and -- and, actually, every week, then we provide solutions, so you can pay for things that weren't in your budget, and then we have to track that to make sure you don't go back and spend where you told us you were going to save. All right. This is the City policy. This is your CAFR, closed last September of '18. Real fast, I'll just talk about the committed \$19 million, that's your stabilization; emergency preparedness is \$6 million; the taxpayers' money as reserves that we need to meet the City policy, all your bond covenants, and everything. There is your 16 percent. The national standard is 16.67; how do you get that? Two months divided by 12, so we're right there at 16 percent. Then you can see our unassigned is just under \$8 million at this point, so those are the three main components. Real quick, next slide, please. What happens if we would have done budget amendments of five and a half million dollars the last three to four years? It would be four years we do five million. We would have eight percent, because we would have had to take \$20 million out of reserves, and we would have had only eight percent for our committed. We would have been in violation of State statute. Our emergency preparedness would be zero. We'd have nothing left, and we'd have no unassigned. That's because we went from 35 to 15; that's what you used to do here, not you specifically, but the City up until the year 2015. Sharpening of the pencil again. What did we do this year working with the City Manager? We introduced, again, attrition; that's vacancies, when someone leaves, the larger departments, there's five of them, Police and Fire, of course, but you have a vacancy, and until it gets filled, it creates an attrition, so we've met those numbers the last four years, so we have baked in about \$2.5 million for next year in attrition. That's sharpening the pencil. Operating expenses, I talked about in the workshop; we reduced it to the 18 level. That took out \$3.3 million of requests the departments had. We went back and reduced their budget and said, "No, you're not getting an increase

unless you prove it.” And, again, the budget amendment savings I just talked about that you’re going to realize in the year going forward is 6.7. Why can I say that? Because we’ve done it for four years. So, as others have said, we need to get started now what we started four years ago, and so this is another 12 and a half million. Now when we talk about: what is the budget rationale? We’re going to now show the 2020 budget. The logical basis for a course of action; what did we do? You can either enhance your budget, you can maintain, or you can consolidate. What the City Manager, and working with the departments, we’re in a maintenance mode right now; that’s our rationale, as it has been for a couple of years. When you’re in a high growth situation, you can maybe move to an enhancement. So we are maintaining the fees, maintaining the department expenses, as well as the taxpayer money. So, again, what does this budget accomplish? It maintains the existing City services, the quality of life for the residents and, most importantly, aside from the residents, it’s maintaining that healthy level of fund balance, which keeps the bond covenants and the ratings of the City, and everything that we need to meet financial requirements, so that’s not operational, but that’s very important. And then, again, the first two are funding for maintaining the services that they’re expected to receive at the level and quality. Again, it -- it accomplishes that. Real specifically, the stabilization is fully funded at 12 percent. The emergency reserves, we all know how critical those are. That’s fully funded at four percent, and the pension I’ll get into a little more, but the un -- accrued liabilities that aren’t paid for at this point, and the OPEB are unfunded actuarial liabilities. So we have funded those to start with the second year, and a CIP contribution is included for those projects you are concerned with, as well as the citizens to provide the capital projects that are wanted. And the unassigned is also supplemented, which is a best practices edict from the auditors. Again, no millage rate increase. All of this was done at the direction of working with the City Manager, and we balanced the budget with no millage rate increase, and no fire assessment fee increase, but we were able to address all those issues I previously spoke about. What are the budget challenges? It’s not just our city. You see in the corner, recurring. It happens every couple years for collective bargaining of course, so we’re kind of handcuffed; whatever the collective bargaining is, we have to bake in those increase: the salaries, pensions, as well as other healthcare and things that are in the collective bargaining. The rest of it, I won’t read all those, but public safety, we all know what we’re facing in regard to that, as well as debt. At different times, I’ve talked about the debt, and so that is something that we have to deal with; we pay it. And then also health insurance. I’ll get into more how we’re addressing that, but that’s a national issue, not limited of course, at all, to the City of Miramar. Okay. The total budget for 2020 is \$318 million for all funds. Most importantly, the General Fund is 56 percent of that; that’s where the challenges lie. Enterprise funds include health, risk, IT, information technology, and -- and fleet; and so those are balanced, because they charge out, and they bring the money back in. The debt service people I talked about. Well, why do you say the debt is significant, it’s only four percent? But the point is, when you compare to other cities, we pay ten to 12 million a year; the average city in Broward County pays three to four million, so if you had a cell phone, and it’s \$400.00 a month, it might only be four percent of my income. But if it’s \$400.00, and everyone else is only paying \$100.00, that’s an issue. So that’s why the percentage is not significant, but the dollar amount we pay each year is ten to 12 million; that is

significant. But the taxpayers are saved, because there's no debt millage in the City of Miramar, so they should be very appreciative that these facilities and everything were built with the dollars within the City, and there's no debt funding to the citizens for that. Where does it come from? So the revenue that comes into the City to balance \$179 million, the ad valorem, which we did not raise is 41 percent; the fire protection fee is 12 percent. Just store that -- there's a lot of numbers but those two added together are 53 percent. Just remember that two slides from now. So 53 percent of our revenue comes from the ad valorem and the fire fee alone. Other taxes are 11 percent, and then, again, you have special fees, charges for services, and the intergovernmental revenues that we get from the State, which is about nine percent. I know it's a lot of numbers, but I'm going to get to some more detail the expenses. Where does all that money go, \$179 million? Well, 69 percent for the whole city, in terms of the General Fund, is -- 69 percent is salary and benefits alone, so that's all the departments together. Operational expenses are only 19 percent. As collective bargaining grows again next year, this will go up, because the salaries and benefits are going to go up due to the third year of the contract. So the operational expenses, in my opinion, will be 16 to 17 percent, so they are scraped to the bone. We all know when you have your own household, there are certain expenses you have to pay. It would be ridiculous not to pay the electric bill, so you could go out to dinner. It would be ridiculous not to pay your water bill, so you could buy a new cell phone. So, again, we have some expenses here. Insurance, electricity, utilities that have to be paid. My point is, when you see 19 percent, it's much less than that that is variable and something you can work with. Now to break down the salary and benefits, 60 percent is employee pay, 21 percent is pensions, 11 percent is health. That's 92 percent of the budget, and collective bargaining taps into all those. So 92 percent of the salaries and benefits are impacted by collective bargaining. That's why it's so crucial to make headway in collective bargaining, because we just have to increase those in the budget. But if we can change that, we won't have to increase those that significantly. And the intangible is health; that's another problem that's outside of the collective bargaining. There are issues that they talk about in collective bargaining for adjusting payments, and etc. of the health, but nationwide, we don't know where health is going in total. Payroll tax real quick, I don't know why they call it payroll tax, because all of us are investing in an insurance plan; social security, as well as Medicare. When I pay my income taxes, I don't expect to get them back, so it's really not a payroll tax; we're going to get that back. And don't worry that they say social security will bankrupt; that can be fixed pretty easily by adjusting a few things, and even me, as a budget director, can figure that out. So that'll be around. But, anyway, that's the payroll insurance is what it really is, and Workers Comp and other benefits are the remaining part. But the whole takeaway from this, 92 percent of the salaries and benefits are affected by collective bargaining. General Fund expenses by category. So let's look at the departments. Remember when I showed you on the first page revenues are 53 percent from the ad valorem and the fire fee. So we're the only city in Broward county -- the expenses are 52 percent of our budget for fire and police. So don't overlook that. We're the only city that is able to pay for fire and police with our ad valorem and our fire fee. It's -- it's wholly balanced. Other cities try to do that, and they outsource either their fire or police or both, and they still can't balance the fire safety against the revenues for ad valorem and fire fee. But that's a challenge. As we know,

we can't keep raising that every year, so that's why we're reviewing our expenses. The City Manager and all of us, including you, are working on affecting those salaries and benefits, because we'll never be able to chase down these increased costs by raising the ad valorem and fire fee; that's not going to happen. Public safety budget alone; so let's look at that one. Over 52 percent of the budget is public safety. Again, salaries and benefits -- remember how I showed you the whole city is -- 69 percent of your budget is salary and benefits for all of the departments. Police and fire alone, 85 percent; 85 percent of their budget is salary and benefits. And the challenge; sometimes people ask me can you cut more of their operating expenses? Well both the Fire Chief and the Police Chief can get up and tell you, I mean we're down to 11 percent on their operating expenses. It -- it's really rough to be able to fund that adequately. And so as this grows with collective bargaining again, you've seen the model brought by Stantec. So that will, pretty soon, get close to 88 and 89 percent. So that's where -- the takeaway again is if we're going to address anything within public safety, it has to be in this area. Again, how do we balance the budget? There's a lot of things here, but the thing I just want you to focus on here is the ad valorem and the fire fee I keep talking about, but it's \$95 million, roughly, 53 percent, and your cost for fire and police. We're trying to hold them down in total, including the collective bargaining. But, again, that's paid for right here. That's why it's 53 percent and 52 percent. I've heard sometimes that the collective bargaining increases that were signed on the last contract weren't paid for in terms of the budget, well, if that wasn't true, you wouldn't be balanced. So the revenue from your fire fee and your ad valorem, it covers the police and fire expenses. So it is balanced, and it is included in that increased for the ad valorem and the fire fee. So that was done correctly to make it balanced. Without that, you're -- you're in trouble here to balance, because you have \$86 million versus about 84 and a half, so they're short here, so that's the problem later. You can't balance public safety against your ad valorem and fire fee. You're in trouble, because these are guaranteed revenues, down here are not. You know volume and demand and tariffs, things go up and down, but we're going to get the ad valorem, and we're going to get the fire fee. Best practices; what issues? As we met with the City Manager, he's very interested in making sure we achieve our financial objectives. Along with Finance, the City policies, those first four you see have been funded; this is the incremental amount. How much did we add to stabilization? \$780,000.00 to meet the required 12 percent. We added another \$250,000.00 to meet the four percent. As the budget goes up some, this percentage goes up in terms of the dollars to meet that. And I'll show you the exact balances, but this is just the difference. We made our second payment on the Pension Trust; thank you for approving that to address the unfunded liability; that's one percent for your policy, so that's added onto last year's payment. And then the OPEB is \$500,000.00, the second payment. So I'll show you that balance would be a million. So we've addressed all four policies here. The unassigned funds, again, it's a good practice for the citizens, the financial stability that you have some money increasing in your unassigned, and then your capital improvement, which will be presented again on September 25th, but that contribution is critical to get many of the things you know done. So that came from the General Fund to the CIP fund. People ask me, "Well, how was this paid for? How'd you do it?" The property values went up 4.8 percent. Somebody said, "Well, that's not good." It's good for the citizens that your values

go up. Some cities, their property values are going down. So, again, your property has appreciated, so that makes your taxes -- when I show the tax bill a couple slides from now -- but that growth, without a millage rate increase, paid \$3.5 million of this \$6 million. And then assigned funds had to be used from the 2019 budget you approved, \$3 million went forward. I know it was about the homestead I said was going to happen, but it didn't. But that's \$3 million that had to be used in the 2020 budget. It was assigned. So that's how we paid for all these best practice incremental increases. Now the fire assessment was \$398.23 last year. In 2020 -- sorry, this year. Next year, it's going to be \$398.23. So the study was updated in 2018, there may be a future one, but not right now. Again, remember this is fire protection. It's your protection and suppression of fire, not fire rescue. This is full cost recovery. What does it cost for protection and suppression, and so that's fully funded through this fee, so it's a calculation to recover those costs. And that's, again, a principle of general accounting; you want to recover your costs. I want to let everyone know as a citizen, the hardship exemption is available. The window to apply for that was from May 1st through July 31st each year, so that's what, a three-month period, so make sure if you're -- feel that you will meet that criteria, you make that application during that time period. Fifty properties qualified in 2019. A recap for the citizens, as well as everyone else in the City, but this is important. The millage rate remains at 7.1172, no change. The fire, as I just said, recapping it here is \$398.00. The Broward County Property Appraiser gives us an average. They take all the properties in Miramar, add them up, and do an average. The average taxable value went from 169 to 174 right here in red. That's that 4.8 percent increase I said is a good thing, because your property is going up. So, in this case, 4.8 percent is about \$5,000.00 on this property, and so that causes, after the homestead, to go up \$5,000.00. The City tax went up, not because of the millage rate, but because of that increase in the value. It's now 174 versus 169, so the taxes went up \$36.00 on that particular average property. When that's more, higher value is going to have a little more, and lower value would be less than the \$35.00. Fire assessment, full disclosure right here, \$398.00, remains the same, zero change to the tax bill. So this average homesteaded property of \$174,000.00, that tax bill for the year went from \$1,603.00 to about \$1,639.00. I'm not diminishing that, but that's a \$36.00 increase, which comes out to about \$3.03 because of the increase across the City of 4.8 percent in value. Real quick. The average commercial; again, \$637,000.00, it went up \$34,000.00 from the City appraiser; you see it right there. The square footage is 15,000 on this average commercial property. The City tax, again, just like on the residence, it goes up because of that valuation; it's a computation off of this taxable value using the millage rate, and it goes up \$244.00. So this average commercial property would -- would be \$244.00 more, the fire assessment, of course, is much greater for something of that size. But, again, there's no change, based on the calculation, so this would go up \$244.00. Again, no millage rate increase to balance the budget and, as I just showed you, no fire assessment fee increase. I'd like to let everyone know we appreciate the attendance tonight. Everyone being interested in the budget. Miramar is 35 percent of your tax bill. However, I'd like you to know the 65 percent of it is consumed by School Board, County, and others, which is Florida Inland Navigation and some other districts. So I encourage you, if you see the schedules for those to attend hearings, also for the School Board, as well as the County, because that's a critical portion of your tax bill,

actually, 65 percent in total. Why do the expenditures increase? Like all of you, in my household budget, I'd love my expenditures to stay flat from year to year. I want to do that here, but it's tough because you have a population increase; we're the fourth largest city in Broward County, and it's been growing. That's a good thing, though, that people are coming to Miramar. Demands for services go up, because you have more users. And the City Manager and I, with the team, are trying to deliver the same quality and level of service, but you have more users. Collective bargaining, I'll just say again, that's a major challenge, because of salaries and benefits. The marketplace, healthcare, those other things, public safety, we all know is a national issue. Technology, I hear things -- something, I think it was about 800 hits on the average organization like hours on a daily basis to try to infiltrate your cyber security and your IT network; 800 hits a day, so that is crucial that we fund those technology upgrades that I don't understand at all, but it just reboots my computer ever couple Tuesday nights. So I don't like that, but it's important to have it. Now there's inflation we have to deal with, and a new intangible is tariffs, so again, I'm not a genius, but don't let somebody tell you that the tariffs aren't going to increase some cost for things, because they are. Okay. Thank you. Again, no millage rate increase or fire assessment fee. I have that there to show you, we met all those challenges you just saw, and we didn't have to go back to reducing service levels, reducing departments, the number of people to deliver the service and quality and meet all those challenges I just showed you. But those are ongoing challenges, but we will address them each year. There's no need to panic, you just have to it in a strategy going forward. What are some of the major issues the City has behind or in addition to just the daily operational costs? Debt, as I showed you, is \$207 million. This year it's about \$10 million, ten to \$11 million, so we're going to pay that every year; it's like your mortgage, and so in 20 years, it will be paid off; you can do the math, so that will be paid off. The pensions I've talked about, thank you for starting that trust fund last year. That's an unaccrue -- unfunded liability, sorry; it keeps going up; it's open ended. It could go down a little but, again, it's the difference between what is the assets we have today. They project those forward for 20 to 30 years, and they compare that to the liabilities that we have going forward for the retirees and the pensions, and we're short, as many cities, counties, states are short in that, but we're addressing it. Many counties and cities, they don't address it, they just ignore it. I don't know if I can say this; the city of Chicago, they just put it in the drawer, and they haven't addressed their pensions in like 20 years, because they can't keep up with it, so they do pay as they go. And so they don't even look at the actuarial report that's showing this is what you need to pay, in addition to the current active retirees. We make that payment for the citizens and for all of us here to make sure it's solved. But a lot of cities don't have the funds, so they ignore the report, and they just pay as go, and hope one day there's going to be a drastic change in those particular cities. The OPEB, post-employment benefits; we've met on this a number of times. But, again, this is affected by collective bargaining. It's a benefit that's given to the employees here when they retire to get them to age 65, then Medicare takes over, so it's a bridge that provides them a stipend, so that is part of collective bargaining too. Right now, that's accumulated to be \$45 million when they do the actuarial study; we owe \$45 million more than what's been set aside, but we're starting to put at least \$500,000.00 away per year, and that's a part of collective bargaining again. So they're saying over the

next 25 to 30 years, that would be something you have to address. Why are those two in red? I'm showing you they're different than your mortgage. If you make this payment every year, you're going to pay this off. We don't know if we made payments and I had an open checkbook I would pay this amount each year, but in 20 years, we might not even have these paid off, as they could increase more. It's like a mortgage going up, the balance, but that's rough to address. So, again, this is what we're trying to do, and we have the irrevocable trust set up, so payments can be made in addition at different times. What does the 2020 budget accomplish again? To make sure you know, all the service levels, the quality of life and, again, the stabilization, the emergency, the pension, the OPEB I just talked about, so that's a lot in terms of that, but it's the unfunded liabilities we're trying to address. It's better than ignoring them. Auditors will come and tell you, if you don't address the pension, the OPEB, it tells us that you don't understand it, or you're just ignoring it; you're putting the bill away and not addressing it. So that's a good thing for the citizens and for the City and you that we are addressing at least those unfunded liabilities, and that helps in your credit rating as well, because those assets you put aside accounts towards that liability. Fund balance uses; I have this one more time, because I'm going to show you on the next slide what are the balances, so this is what we added, this \$5.5 million, to meet the policy, as I showed you on the previous screen a couple four, five slides ago. But we added this \$5.5 million for the policy, the first four, and then best practices, the unassigned, and the capital improvement. Now here's those balances in total. From the CAFR, you see a million here in non-spendable, that's mainly donations, scholarships, and other things that can't be spent, and you have committed of \$19 million, the emergency, and then you have the unassigned. So if we hit this, I hope that we're going to see -- in the 2020 budget now, you would have to talk to Finance, more intelligent people than me, but that's inventory, other assets and prepaid. So we just keep that constant, and those have to be accounted for, because they're non-spendable, and they can explain it. I don't have a CPA. And then the others, \$366,000.00 of commitments, donations and scholarships. So I just wanted to show you those first; we carry those forward, because we don't know what they'll be until the CAFR comes out in '19. Now here's the important thing, \$19 million in committed. That's your budget stabilization. We had to increase that to meet the 12 percent. So it went from \$19 million to 20.3, but we have addressed that for the citizens, for you, for everyone; we're meeting the standard. The emergency preparedness, we all know what that's for, and so, again, that went from 6.1 to meet the four percent; it went up to 6.5. Thank you again for the pension trust; we made two payments. Remember that 1.7 or so I showed you, now we had 1.5 last year, we have \$3.3 million at the end of 2020 to address the pension. That counts towards your credit rating, towards your liability, because you've set those monies aside. The OPEB is real simple, \$500,000.00 a year, so we have \$1 million. In ten years, we'll have \$5 million there. The unassigned has gone from 7.9 9.4, so that's money we have. Some of the Commissioners I've talked about, there's no guarantee in life that we may only have one emergency. We could have more than one. So, in my opinion as your budget director, see that \$9 million, and even in the CAFR, \$7 million, that's more than enough to cover the second emergency at this point. So if you had to replenish that during the year -- if your balance was only two or three million a year, I would alert you to that fact, but the unassigned is at least more than your emergency. Now I've been at a city, I got

there, there was \$600,000.00 in fund balance, and there was supposed to be \$50 million. \$600,000.00 was all they had; it was basically an insolvent city in Broward County. Seven years later, we're working on the continuous improvement process; we had \$150 million. I bring that up, because we had \$85 million unassigned. Lots of citizens were coming to the meeting saying, "We want some of our money back." So we went from nothing to having too much, in my opinion, in the unassigned. So we're comfortable with this at seven to eight million, but you want to gauge that against your emergency preparedness, and some of you know who I've talked to about that, so it's important that we have a secondary amount to cover that. Again, we did all that. You just saw all those things that are addressed in accordance with the Manager, also working much closer than me with all the departments from an operational point of view to deliver the services at the level and quality. So everything was addressed with no millage increase to the citizens and residents, and no change to the fire fee at all. Now next month, real fast, I'm going to be attending the Annual Perform Summit; hundreds of cities attend that. I went last year, and I got to speak. They'll come up and ask you, "How did you do all those budget strategies? We want to do a continuous improvement process? We want to not have any budget amendments. How do you finish the year under your adopted budget? We're generally six to eight million over our adopted budget." And I explain to them some of the techniques that we do. They say, "How do you do all that while you're working on next year's budget? How do you monitor everything?" I said, "We meet with them all the time." And they say, "How long did it take you to learn how to do all those strategies?" And, of course, I tell them what, "All of my life." Most of them walk away and say, "I don't have that much time." So, it's true. Okay. Next -- what are the next steps? I'm almost done. So, in my opinion, as your budget director, we need to adopt the '20 budget. As many of you have said at the budget workshop, we've got to get moving on addressing the big issues. A collaborative effort on what? A collaborative effort on the collective bargaining. As your budget director, the Manager may be surprised when is ay this, but we're going to take care of '19, we did; we're taking care of '20 with his direction, and I'm going to say this, not like Pat Riley, that it's a three-peat, but we're going to take care of 2021. But I need your help, and everyone's help with the collective bargaining that's going to start for '22, '23, '24, and as you have said, we don't need to wait. The consultant said we need to start now. But the biggest challenge, we've said, is how do you get everyone in a collaborative, congenial effort to work to the best of the team? We can't all be the quarterback, but sometimes it seems in negotiations we all want to be the quarterback; we've got to be a member of the team. Somebody has to block, somebody has to go out for the pass; we can't all be the quarterback, so that's the challenge, I think, for the City. How do we get to that state, so we can have a collective bargaining that won't drive those salaries and benefits up, and -- and end up being 90 something percent for public safety? It's unsustainable, as well as the other departments. So collective bargaining is the future, in my opinion, of the City; that's the challenge that we need to address going forward, and I thank the Manager, working with us on a daily basis, and he works hard on the budget, as well as all the departments, but we appreciate that. But I need your help in addressing the collective bargaining. So tonight we'll be seeking for this first reading, the approval of the 7.1172 operating millage rate, which is an ordinance, the approval of the 100 percent fire protection assessment fee is a resolution, so that'll be read tonight, and it's done if it's

past. It will not be reheard on September 25th. If I remember, we have so many meetings, that's the date. And then the approval at this point of the budget, as you want to see it, and you will, you know, work the Manager on that, but there'll be a second reading on the budget and the Capital Improvement Program on September 25th. At this point, before the questions, I'd like to introduce the Assistant Director, Rafael Sanmiguel, just to cover a few things, and he'll be a lot quicker than me, so thank you.

MR. SANMIGUEL: Thank you, Director Mason, homestretch, understand. Mayor, Vice Mayor, Commissioners, Rafael Sanmiguel, Assistant Director of Management & Budget. I'll be talking about changes to the tentative budget that will be presented on the second reading on September 25th. A memorandum will be going out to Commission detailing all of these changes I'm going to be talking about, and these are just some of the highlights. These changes come as a result of extensive one-on-one meetings with Commission and staff. The Budget Department will ensure that they will have a minimal impact on the 2020 budget. So, to start with, some CIP items, the first one is the playground equipment for Harbour Lake Park; that's one of the items that was discussed at the budget workshop; it's going to be included. Next is the landscaping and beautification of Miramar Boulevard from University Drive to Palm Avenue. Next we have the buffer wall out on Pembroke Road. That is a project from -- roughly from the Forzano Park to the Walmart site, that is on the north edge of the University Park plat. There's currently a -- a wooden fence there that will be replaced by a masonry wall. The Wi-Fi Infrastructure Project, the scope is being expanded to include not just the amphitheater, but the whole of the Regional Park, and this project ties into the Smart Cities initiative that the City will be embarking on soon. Last CIP is the retroaction of \$700,000.00 from the tennis complex project to the amphitheater at Regional Park back-of-house project that will fix the issue that we've been having when weather does not cooperate during events. Next, just some items. We're going to be segregating the amphitheater revenues and expenses, so that they're easily identifiable in the budget document. And, for discussion today for the Commission, a City Commission COLA increase of three percent. And, at this time, I'd like to turn over back to Director Mason. Thank you.

MR. MASON: So, at this point, Mayor, we've concluded the presentation, so at your direction, it can be opened up for questions, comments, anything you please. Thank you.

MAYOR MESSAM: Thank you so much, Mr. Mason and staff. At this time, I will call upon members of the general public to speak and/or ask questions. Pursuant to Florida Law, this public comment is being heard prior to the adoption of any measure by this governing body. So, at this time, if there are any members from the public that wish to comment on the presentation, you may do so at this time. Good evening. Can you state your name and address for the record. Is there a green light on? Can you --

MS. SCIALABBA: Okay.

MAYOR MESSAM: Now --

MS. SCIALABBA: Debra Scialabba, 6490 SW 26 Street. Expense number 51003, Shirley Branca Park pavilion, \$100,000.00. Perry Park and Wellman Field is 6.59 acres of green space, when Shirley Branca is only two and a half acres, plus you have the splash pad. All that is at Perry Park is trees, two benches and playground equipment. This is a beautiful park that the City has been neglecting for years, many, many years. The park stretches from SW 34th Street across from Annabel Perry Elementary School, cornered with SW 68th Avenue from Wells Fargo Bank. It should not be used as a parking lot for events held at Shirley Branca. There are two pieces of exercise equipment donated by Memorial Hospital for the seniors and the community; a four-seat leg press and equipment for arm strengthening for the disabled with wheel chairs. The seniors cannot use the equipment. This isn't any -- there isn't any shade, pathway or benches to walk around the park. Please invest in this park, plant trees, sidewalk and benches. In the center, place a square with a canopy, shade trees and benches, and call it a fitness court. Picnic table, pavilion should be there in the center. There's so much room for the mobile stage for DJ, food trucks, etc. for various events held. Our senior center is a focal point with seniors from other countries -- other countries -- excuse me, other cities attend as wellness -- as well as Miramar residents. The \$700,000.00 allocated for the tennis complex at regional park is a want and not a need. Please construct it in year 2021, 2022; invest a portion of that money into the renovation of Perry Park for the year 2020. The historic side of the City needs the 13 wrap-arounds for the electrical box -- the junction boxes at the traffic lights. We have two to three designs to choose that goes with the spirit of the historic side of Miramar. We were told by former attorneys that we would not be allowed to install them, as it was a fire hazard, where Cooper City, Hallandale, Pembroke Pines, Coral Springs, many other cities have them. They are coated with some kind of coating where it would be easy to wash off the residue adhesive from the large poster signs that are put there, advertising an event. I will email you pictures, so you can see what the residue of the adverts look like -- the residue adhesive looks like. The \$141,500.00 janitorial services increase due to new bid; is this expense for Miramar employees? Do we have a read out of the Miramar employees with the addresses? We do not know -- again, I repeat, we do not know what our new law firm is going to charge for the year 2020. Thank you.

MAYOR MESSAM: Thank you. Are there any other members from the public that wish to comment or speak on this item? Any other members from the public? Any other members from the public? Seeing none, back to the dais. The Commission will now discuss the proposed millage rate. And if you can just indicate on your screen, so I can have the queue. And our first speaker is Commissioner Chambers; you're recognized.

COMMISSIONER CHAMBERS: Thank you, Mayor. I have a question for Mr. Mason, please. In regard to the \$3 million that was set aside in last year budget for 2019, and moving forward into the 2021 budget, how are we going to make adjustment if we don't have that excess \$3 million?

MR. MASON: Okay. That was set aside from '19, so we're using that to fund that five and a half million. Unless you were to take any action to carry forward monies to the next

year, there won't be any money set aside for that. So that \$3 million, when we put together next year's budget, I don't know what the taxable values will be or increase; I can't speak for the City Manager, in terms of millage and fire fee, but he can address that at this point. I wouldn't be -- anyway, so he would address that. So, right now, that \$3 million is not to be made up, because nothing is going to go forward, so it's not an issue, because we will rebalance for 2021 based on what revenues we get at this point for 2021. And so that \$3 million won't cause a gap, because we have to bring in all of the intergovernmental revenues, the taxable values. So we will address it accordingly, and come up with a solution without the \$3 million going forward into the next year's budget. But that certainly helped us this year, otherwise we would have had to reduce something. Let's just do an example: that \$1.6 million contribution to CIP, that could have been at risk, because that \$3 million wasn't in the budget for '20. I'm not anticipating, because I was wrong before any homestead legislation, there could be some later, but we're not asking to set aside any monies for 2021 in this budget for 2020. So, in answer to your question, we will put that all together. There's couple hundred revenues, and there's four to 500 expense lines, so we will adjust the budget and balance it for 2021 without any monies needed from the budget for '20.

COMMISSIONER CHAMBERS: So, pretty much, we cross the water when we get there?

MR. MASON: Correct.

COMMISSIONER CHAMBERS: I want to ask. What's your opinion on the -- the 65 percent of -- of the dollar that goes to the County, including the -- the -- the School Board and the 28 percent?

MR. MASON: I missed the first part. What's the --

COMMISSIONER CHAMBERS: The 65 percent of each dollar that goes to the County, that's include the School Board and the County portion, because the School Board get their budget from the County, so that's 65 percent of the dollar; we only get 35. So --

MR. MASON: The County tax bill is that one portion, and then the School Board is a part of their taxable bill as well, and then those other entities, so all those are appearing on the tax bill.

COMMISSIONER CHAMBERS: Yeah. But I'm saying, technically, the -- the -- the two together is -- is under the County, even though it's kind of separate. Isn't that a bit --

MR. MASON: Well, they're separate entities; the School Board is one entity, and the County has a separate budget, so they have to balance those just like ours, so, yeah, there's no -- that I know of, nothing connected in regards to that, so they're separate taxable entities.

COMMISSIONER CHAMBERS: So, in terms of our resident, if they want to disagree with those two budget, the County and the School Board, they would have to show up to those two meetings to voice their opinion?

MR. MASON: Absolutely, yes, sir. That's why I encourage that, to look on the schedules for those meetings, and attend those and voice your opinion, as was here, a public speaking is -- is invited at each of those hearings. So I wanted to make sure they addressed the other 60 to 65 percent of their tax bill that is not impacted through the City of Miramar.

COMMISSIONER CHAMBERS: Because, in reality, we only getting 35 percent?

MR. MASON: Yes, sir.

COMMISSIONER CHAMBERS: Okay. Thank you, Mr. Mason.

MR. MASON: You're welcome.

MAYOR MESSAM: Thank you, Commissioner. Are there any other speakers? Commissioner Colbourne, you're recognized.

COMMISSIONER COLBOURNE: Thank you. Good evening all. First of all, I'd like to thank staff for all the work that goes into producing this document. I don't know how many people have -- have a printed copy of it, but this is -- this is what the printed copy looks like. It's -- it's a huge document, and -- and I'm sure that doesn't include all of their -- your work document, so I can only imagine all that actually goes into -- to being able to produce this, so I sincerely want to thank staff for all of the work that they do. Throughout these past weeks, I've had the opportunity to meet with our City Manager and many of our departments, and -- and I want to say thank you again to all of those that I met with. It was truly enlightening. All of the information that was shared with me. In some cases, I know that there were -- there were time constraints, and maybe other meetings that -- that they would have needed to attend, but they took the time to explain things to me, and I am truly appreciative of that. During our discussion, there were -- there were certain things that were highlighted, certain things that we continue to discuss. One of the things that -- that we touched on was the organizational structure that's currently in the book that's provided to us, and in many of the departments, there were some changes to that. So I do look forward to sometime between now and our second budget hearing to see an updated organizational structure for those departments, and for the overall city to better reflect the intentions of our City Manager. There were some -- some -- some things that came up as well, some other things, such as the progress of some of -- some of the projects that were approved in previous budgets. Such as Forcina Park -- Forcina Fields, the progress of B & M, and also the progress of Haven Lakes, Red Road beautification. These are projects that have been -- been on the books for some time, funded at some point, and sometimes not funded, and I would really like the City Manager to take a look and make sure that those projects continue to move forward, and I will continue talks with

the City Manager on those projects. One of the things that -- that is different this year is that we are -- we -- we have taken on the U.S. Census, and I don't see anything in the budget that reflects some of the activities that need to be done in order for us to -- in order for us to continue our efforts with Census. So that's one of the areas that I will be speaking to the City Manager as well, so that it will be reflected in the budget. Budget amendments. I -- Mr. -- Mr. Budget Director, one of the things -- and I actually didn't have this on -- on my list of things to -- to comment on, but during -- you know, when reviewing a budget, considering that I really don't have time to read every single thing in the budget, you look at things that stand out. So you said budget amendment a lot of times, so, therefore, that stands out to me as something very important. You said that we don't do budget amendments, and you said there are some savings associated with the fact that we don't do budget amendments, if I understand that. However, as I go through this book, in every -- in every chart, it says amendment -- it says amended budget. I know we talk a lot about that during budget discussions, and we need to talk about that some more, so that I can get a better understanding of what it says, and when -- what exactly it refers to when you say amended budget, since we don't -- since you don't come before us and amend the budget. So I would appreciate ongoing conversation on that.

MR. MASON: Could I add one thing on that or --

COMMISSIONER COLBOURNE: You -- you can, but I do want to continue the conversation, so that I can have a better understanding. That's really the comments I wanted to make.

MR. MASON: Yeah. I'm going to go --

COMMISSIONER COLBOURNE: You said amendment a lot of times already.

MR. MASON: So next year, we'll -- in accordance to that, we're going to change in the budget book, it will say "revised" and then I'll be glad to meet with you on that. But just real quick, the -- the -- the budget, by State statute, if you look at the bottom line in your budget book of each department and the fund, as long as that doesn't exceed it, so we don't amend that. You used to add five or six million, so there can be transfers within the department from one expense to another, so that's the amended column; unfortunately, they called it amended. I will make sure, and the team has already noted it, and it's in their office on different sheets of paper saying that we're going to change it to "revised" in that column, and I will be glad to meet with you on that. But it -- there's no amendments to add to the bottom line at all in the last four years to any department, so that's the distinction. But we have revised the budget and moved money from line item to line item, but I appreciate that, and we will make that clearer with that change to revised.

COMMISSIONER COLBOURNE: That's -- that's fine, and whether or not it says revised or amended for that matter, I do want to understand the -- the figures --

MR. MASON: Absolutely.

COMMISSIONER COLBOURNE: -- that are under that column as well.

MR. MASON: I will be glad to meet with you at -- at your convenience.

COMMISSIONER COLBOURNE: I sincerely thank you for all that you've shared with me so far.

MR. MASON: No problem. Thank you.

COMMISSIONER COLBOURNE: Thank you. That's it for -- let me see. That's -- that's it for right now. Thank you.

MAYOR MESSAM: Thank you, Commissioner. Commissioner Barnes, you're recognized, followed by Vice Mayor Davis.

COMMISSIONER BARNES: Thanks. As -- as -- as ever, my commendation goes to staff and the incredible work that they continue to do, especially -- especially with the steps that have been taken to avoid the pitfalls that a number of other cities have had befall them. I think, if nothing else, bringing that kind of data to us helps us to place this in context. I remember joking around with our friends from Pembroke Pines, who had come to visit years ago, and we talked -- I boasted about how we timed the previous problems we had, '08, '09 and '10. Since then, they've created some buildings that are bigger and nicer than some of ours. But the point is well taken; when you're able to give us that perspective that says, "Hey, this is what other people do; this is what other people are unable to do that we get done." So thanks for placing it in that context. At our next meeting, I'll offer notes on exceptions I have to additional spending that is being contemplated, and, hopefully, after the budget is completed, I would love to sit with you and talk about the possible impact on a city like ours, if this potential recession does become a reality. And thank you, again, for your work and -- and that -- that of your department.

MAYOR MESSAM: Thank you, Commissioner. Vice Mayor, you're recognized.

VICE MAYOR DAVIS: Thank you, Mr. Mayor. Once again, I'd like to thank budget staff for meeting with me over a period of weeks, and going through the budget, mainly, areas of concern that I have to explain those, and make more aware of what we are doing and where we are. I still have a few concerns, and I did mention them to the City Manager, and one of the things that I would like before the second reading is a presentation, either at that meeting, or before regarding the Innovation & Technology Village. I do see here where we are looking to borrow \$10 million and spend an additional \$4 million, and the last time we had a presentation, there has been various changes. And I don't believe -- I know that -- that's for myself, I'm not clear on why we -- we're borrowing the \$10 million, and spending \$4 million on this Innovation & Technology Village. We need to be clear about the plan for our historic neighborhoods before we start borrowing. And I echo the

concerns about the possible recession. I don't want to be in a situation that happened with, say, Pembroke Pines when they began their project over there at their City Center during the downturn, and they had to stop midstream. They could do no more work, and even us here, for a while, this Town Center, they could no longer do any kind of work, because we weren't getting the -- the people weren't spending money. We weren't getting ad valorem taxes that we normally would get, because, you know, we didn't have the increase in prices, in terms of our homes. So I don't want us to start getting into more debt; already, as the Budget Director mentioned, that we are paying out over \$10 million; other cities are paying out \$3 million. And to add on to the debt that we already have under the situation that we're in, under the -- the bleak forecast, I think is not prudent, and so we'd have to be very, very clear on what's expected in our historic neighborhoods, and if we can achieve the goals that we want to achieve and -- and why we would approve this \$10 million loan and the expenditure of another \$4 million in this area. So I do need that -- you know, that presentation to be brought forth during the second reading. Additionally, I know we do have a lot of special events, and I haven't seen anything in that regard. I'm assuming that that's going to be brought forth during the second reading. We can discuss where we need to go with that, and -- and the list itself, the funding for it, and -- and so on and so forth, so that always needs to be thrashed out, so that each person knows what, you know, we can expect, in terms of special events going forward into the 2020 budget. The note is well taken with regards to Perry -- Perry Park. Ms. Scialabba mentioned about that park, and I -- I certainly had concerns about that park myself. I had proposed the -- the picnic pavilion in the Shirley Branca Park, only because we already have the splash pad there, and it seems conducive to have picnics, and be able to use the splash pad and so on. But I do know that Perry Park does have the slides and the swings, and so on and so forth, but there -- there are other improvements that could be made there. I know, even for the baseball area, that's really not being used; there should be some plans in place as to how we can repurpose that -- that area. Let's see what else. Those are the two main things; the -- the -- the Innovation & Technology Village needs to be really properly planned out before I can agree to commit \$14 million over there. The issue with the -- also with the repurposing of the tennis complex monies, just to explain that a little more, because that -- that was new to me. I had not known about that one, so if that could also be explained, that \$700,000.00 for that. And that's it for me.

MAYOR MESSAM: Thank you, Vice Mayor. And -- as well as thank you to all the Commissioners and members from the public for your comments regarding the presentation. I echo everyone's sentiments regarding the comprehensiveness and thoroughness of the presentation. It was really quite clear, sets out a vision, assesses where we are currently from a fiscal standpoint, and what we need to do currently, and what we need to do moving forward. I did have a question before I give some other comments and observations from the presentation, and it's for Mr. Mason. I made a note during the presentation when you shared -- in terms of our debt service, and its comparisons to comparable cities. And it was the \$10 million for -- for Miramar, as well as the \$3 million compared to other cities. My question is, for our comparable -- our peer cities that are paying \$3 million annually on average, is that \$3 million just their debt coverage on monies borrowed from either financial institution? Does it also include,

perhaps, any general obligation debt, pledges? Is -- or is there a segregation? Can you clarify that for us?

MR. MASON: Thank you, Norm Mason. Yeah, we did a comparison, so the average is a 50/50 split for most of them, so their total debt would be about six, to seven, sometimes \$8 million; of that, they were paying about three to four out of their general fund or their debt fund. So, apples to apples, we're paying ten to 12, but they're paying three to four, but in total, they're paying about seven to eight. The other is general obligation that we put in a separate column, so to speak, in that analysis, so that's on the -- as you well know, the debt millage is a separate item on their tax bill. But you are correct, we're just showing the portion, so that disclosure wasn't completely accurate on my part, so I -- I'm sorry for that. But the total bill for them, on average, is about -- a little less than 50 percent, 45 to 50 percent is that \$3 million, so three to \$4 million is coming from the general obligation.

MAYOR MESSAM: So when -- so apples to apples, it would be more like their total debt, including and combining their debt service and general obligation payments, about \$8 million to our ten? Ours is still higher, but it's -- when you combine their complete debt coverage, whether it's a general obligation bond or a debt service to financial institutions, that would be the aggregate?

MR. MASON: Yeah. I wouldn't pick specifics in the difference, --

MAYOR MESSAM: Yeah.

MR. MASON: -- but somewhere between seven and eight, --

MAYOR MESSAM: Eight.

MR. MASON: -- so I'm -- I'm with you. Well higher with eight, but it was somewhere around seven. Our analysis showed it was like 48 percent paying that three to four, so I agree with you; double that, you're -- you're somewhere between seven and eight would be the average.

MAYOR MESSAM: Okay. Okay. I just wanted to make that distinction for the public, because in Miramar, we do not currently have any general obligation bonds where we have a separate millage for that debt coverage pledge to property taxes that would cover general obligation funding for specific projects in the City. We just have debt service from financial institutions that we've -- we've borrowed money from.

MR. MASON: Absolutely correct. And I just want to add one thing that, out of that, I think it was 22 of the 31 cities that are eight or nine. I talked about before, there's nothing wrong with those smaller cities, but they have no debt for the most part, so out of the 20 to 22, like you said, that average is somewhere between seven and \$8 million, their total debt, I would say, in -- in comparison to our ten to 12, and it varies. You may say, "Why

isn't it an exact number?" Some -- some are retired and refinanced, so there's differences, but you are 100 percent correct that it -- it would be closer to the seven to eight, compared to our ten to 12, so.

MAYOR MESSAM: Okay.

MR. MASON: Thank you.

MAYOR MESSAM: In wrapping that topic up, and the \$10 million that we're paying in debt service, actually, when you look at that, when you look at the -- the -- the solutions and the services and facilities that our community enjoys -- for example, across the street, we have a brand new LEED Gold Police Headquarters that we now owned, as opposed to spending half a million a year in rent in inadequate facility for our best and finest to be able to protect and serve our City. Brand new Fire Station 107 to cover service gaps in the central part of our community, as well as other capital improvement and infrastructure projects, as well as refunding of old debt, where instead of paying \$10 million, we probably would be paying more like 16 or \$17 million, because we took advantage of very historic low interest rates in the private -- in the -- from institutions to get, basically, like refinancing a mortgage, where you're paying eight percent in your interest rate, and now you have a -- a new loan paying at three and a half percent. So I just like to always provide that perspective to the public, so that they can understand the true complexion of our current debt situation. Obviously, in an ideal world, you don't want any debt, but it's just like any family, it's kind of hard to even go and buy your home for \$250,000.00 cash. Most of us, perhaps, would have to get a mortgage and have some -- some mortgage payment to finance our home. So we're, basically, financing our home, and our utility systems, and other assets of the City that provides a great quality of life in the City of Miramar. Some observations I would like to -- just to bring forward is that I appreciate the City Manager and our Management & -- Management & Budget Department in providing our proposed budget. I mean we had these books months ago, before the summer, I think it was May, perhaps, early June? Yeah, early June we received these books, and it provides us a lot of time to be able to review; many members of the Commission actually go -- go through them and meet with staff and talk about the -- the proposed budget. So I -- I commend staff for turning around a proposed budget before we even go on break to begin to assess what is being planned, and the efforts that you began back in January, so I thank you all for that. I also commend the City Manager for the visioning session that we had that talked about some of the restructuring of our administration departments, as well as some strategic projects across the City, and particularly Historic Miramar, which talks about a very transformative prospect of redeveloping and creating a downtown historic east Miramar, which, in part would include the Innovation & Technology Village that was brought up earlier. I'm -- I'm convinced that when each member of the Commission has an opportunity to look at the proposed plan for that project that could revolution -- revolutionize east Miramar, because the components would include affordable housing, the information technology village that will prepare an adequate workforce for our corporate community and our residents, as well as retail and recreational space in partnership with land from the Broward County Public Schools, as well as partnerships

with Broward County Transit. It's -- it's an exciting prospect, and I'm convinced once every -- as this continues to develop that it will be very straightforward, in terms of the -- the prospects. My understanding of the financing component is that the -- I think \$10 million that would be borrowed would be -- it's basically on creative financing. Financing secured by revenues pledged from revenue from the billboard project, just as a security or collateral. It would not have any impact to the General Fund, thus not impacting the - - our millage rate, or being required to come from the -- the millage rate. It would be secured by revenue that was created or being pledged that would be generated from the billboard project that is about to come online. So, again, I'm convinced that once everyone has an opportunity, including myself, to continue to meet with staff to get even more information that we will all be supportive of the vision and the prospects of really providing a catalyst project in historic east Miramar to deliver what residents really have been calling for. When can there be something for us out east to have in our neighborhoods that -- that is comparable to west Miramar and central Miramar being newer areas of the community. Some of the things I would like to see before the next coming or upcoming reading on -- second reading on September 25th; I, too, would like to see a schedule of the proposed special events, City events with their cost, and I would like to have that benchmarked against what was spent last year or this current fiscal year. I am interested in seeing and working with City administration on how we can provide a more transparent of an account of City events, in terms of what is paid for, and the funding sources for those events. I also -- not necessarily tied to the second reading, but -- but as it was discussed in terms of cost savings to attrition when vacancies come up and not filled. That presents two issues: it presents a cost savings, because we're not paying for staff in those positions; however, think about the job function or the duties that aren't being performed. What duties going to other employees, perhaps causing strain. But I see it as an opportunity, however, and I think it presents a great opportunity, if we quantify what those savings are, which we already know what they are, and they have been significant, that we perhaps use those cost savings to invest in smart city concept, utilizing Big Data, artificial intelligence, or some form of tech -- technology to fill that gap. Not to replace jobs, per say, but to ensure that job duties continue to move forward by the investment of using some smart city concepts, artificial intelligence, Big Data or technology solutions, and that we put the investments into that. So, obviously, it's going require planning, it's going to require strategic thought, in terms of what positions are best fit for these applications, so I know that the City Manager and staff have already been looking at some of these smart city concepts, working with partners such as: Florida International University, which is a leader, in terms of these technologies, and I'm excited about those prospects. Because we have to begin to think about how we leverage this new gig economy to be more efficient, so that we can be more solvent and sustainable as a municipality. And my final comment is this is -- I remember clearly when -- when Mr. Mason came on, and he expressed some concerns about how our budget process looks or was operating, in terms of budget amendments, in terms of us righting this ship. And I will say, over the last two more, probably more recent years, these budget meetings have been a lot less stressful, in terms of how are we going to solve these challenges, and I commend his leadership in that, along with his team. And one of the things that stuck out was the statement of having recurring or our known, recurring revenue to handle

our recov -- our recurring expenses, so that we're not having these budget shortfalls. And -- and it's just -- it's just been great to see how we continue to come every year moving forward with challenges, nonetheless; however, clearly having our expenses covered by, for the most part, recurring expenses. And there are some examples, as was brought up and identified by Commissioner Chambers in regards to the \$3 million that is not a recurring revenue, so that -- that question was spot on, on terms of being able to see how we continue to meet that gap. But, overall, I'm very excited about the future of the City; I'm very excited about us meeting these challenges; I like to call them opportunities, and I think that as we work together as a city, that we can meet these challenges. We may not necessarily agree on every line item, we may not agree on every capital project. But I think together and collectively, if we stay focused as a city, City administration, City staff, Miramar City Commission, our bargaining groups, our collective bargaining groups, our employees, our unions see that we are all in this boat together, and if we work collaboratively. I think this process is very transparent. There's no numbers being hidden. We know where the dollars are, and I think that we all have to give up a little something for us to ensure that the City continues to move forward, and I look forward to working with our staff in making that a reality. Thank you.

COMMISSIONER COLBOURNE: Mr. Mayor, before you -- I had a couple other comments.

MAYOR MESSAM: Yes, Commissioner Colbourne.

COMMISSIONER COLBOURNE: Thank you. A couple of things that I wanted to -- to add to what was said before. I do think a project on -- on the east side -- I think with more information, I -- I think it's certainly worthy of -- of support, so I do look forward to additional information on that as well. A couple of things came up also during our budget meetings. Social Services, one of the departments, and it -- it may be -- it may be in other departments as well, but I really picked that up in Social Services, where you had a number of part timers, and they have been part time for a long time, many years, in some cases, maybe 15 or more years. One of the things that I've asked staff to do is to take a look at that, and -- and see how we can -- you know, we can better right size that area, and -- and make part timers full timers, where possible, to achieve that -- that continuity with employees, and compensate employees accordingly. Another area was the area of recycling. And I'm asking the City to take a look at -- I think, over the years, there have been cutbacks in that area, and I'm trying to really understand what kind of oversight we really have on that. And, also, for the next budget hearing, school crossing guards; that is, I would really like to know what would be the cost of -- of doing that in house. That's something that the City can take a look at and provide cost for that. It's not something that -- that I'm necessarily asking for it to be included in this year's budget, but it's certainly something I think we need to -- to take a look at, if I can get information on that. Thank you.

MAYOR MESSAM: Thank you, Commissioner. Commissioner Chambers.

COMMISSIONER CHAMBERS: Thank you, Mayor. Commissioner Colbourne, thank you so much for mentioning Social Service. We do often get a few complaints from some of those employees, so I'm on board with you for staff to take a look at that, also the crossing guard. And I also want to mention -- I know Ms. Debra Scialabba mentioned Perry Wellman Park, and I'm hoping that staff doesn't just run and do something. We really need to take a look at what we can do there, something nice need to be done and done right, and hope that staff have some communication with the elected officials, so we could make it work well. Thank you.

MAYOR MESSAM: Thank you, Commissioner. I would now entertain a motion to adopt the ordinance and set the millage rate at 7.1172 mils. May I have a motion on item number one, please.

COMMISSIONER COLBOURNE: Motion to approve.

VICE MAYOR DAVIS: Second.

MAYOR MESSAM: Record the votes.

CITY CLERK GIBBS: Commissioner Barnes.

COMMISSIONER BARNES: Yes.

CITY CLERK GIBBS: Commissioner Chambers.

COMMISSIONER CHAMBERS: Yes.

CITY CLERK GIBBS: Commissioner Colbourne.

COMMISSIONER COLBOURNE: Yes.

CITY CLERK GIBBS: Vice Mayor Davis.

VICE MAYOR DAVIS: Yes.

CITY CLERK GIBBS: Mayor Messam.

MAYOR MESSAM: Yes.

On a motion by Commissioner Colbourne, seconded by Vice Mayor Davis, to approve Ordinance #O1730, the Commission voted:

Commissioner Barnes	Yes
Commissioner Chambers	Yes
Commissioner Colbourne	Yes

Vice Mayor Davis
Mayor Messam

Yes
Yes

SECOND READING SCHEDULED for September 25, 2019

Passed 1st Reading

MAYOR MESSAM: Based on the proposed millage rate of 7.1172 mills, a 4.91 percent increase in property taxes, compared with the rollback rate of 6.7840 mills, is tentatively adopted by the City of Miramar. The second public hearing to adopt the final millage rate will be held Wednesday, September 25th, 2019, at 6:00 p.m. in Miramar City Hall. Item number two, please.

2. Temp. Reso. #R7008 relating to the provision of **fire protection services**, facilities, and programs in the City of Miramar, Florida; amending the Preliminary Rate Resolution; re-imposing Fire Protection Assessments against assessed property located within the City for the Fiscal Year beginning October 1, 2019; approving the rate of assessment; approving the assessment roll. (*Management & Budget Director Norm Mason*)

CITY ATTORNEY POWELL: A resolution of the City Commission of the City of Miramar, Florida, relating to the provision of fire protection services, facilities, and programs in the City of Miramar, Florida; amending the Preliminary Rate Resolution; re-imposing Fire Protection Assessments against assessed property located within the City for the Fiscal Year beginning October 1st, 2019; approving the rate of assessment; approving the assessment roll, and providing for an effective date.

MAYOR MESSAM: Staff may now make its presentation regarding the fire assessment rate resolution, if any.

MR. MASON: Thank you. The fire was incorporated in the total budget presentation. Thank you.

MAYOR MESSAM: Thank you. Being that this is a separate item, are there any members from the public that wish to comment or have questions on item number two? Any members from the public? Seeing none, back to the dais. Are there any questions or comments from the dais? If not, I'll entertain a motion.

COMMISSIONER COLBOURNE: Motion to approve.

VICE MAYOR DAVIS: Second.

MAYOR MESSAM: Record the votes.

CITY CLERK GIBBS: Commissioner Barnes.

COMMISSIONER BARNES: Yes.

CITY CLERK GIBBS: Commissioner Chambers.

COMMISSIONER CHAMBERS: Yes.

CITY CLERK GIBBS: Commissioner Colbourne.

COMMISSIONER COLBOURNE: Yes.

CITY CLERK GIBBS: Vice Mayor Davis.

VICE MAYOR DAVIS: Yes.

CITY CLERK GIBBS: Mayor Messam.

MAYOR MESSAM: Yes.

On a motion by Commissioner Colbourne, seconded by Vice Mayor Davis, to approve Resolution #R7008, the Commission voted:

Commissioner Barnes	Yes
Commissioner Chambers	Yes
Commissioner Colbourne	Yes
Vice Mayor Davis	Yes
Mayor Messam	Yes

Resolution No. 19-166

MAYOR MESSAM: Item number three, please.

3. **FIRST READING** of Temp. Ord. #O1729 adopting the **Tentative Operating and Capital Improvement Program** as the City of Miramar's **final budget** for **Fiscal Year 2020**, allocating, appropriating, and authorizing expenditures in accordance with and for the purposes stated in said budget, excepting certain appropriations and expenditures from requiring further City Commission action; authorizing budgetary control by department total for all appropriations; providing for the authorization of all budgeted employment positions; providing for the creation of balanced revenue and expenditure accounts for receipt of monies by gift, grant, or otherwise, and the management and disbursement thereof; providing that the budget hereby adopted may be adjusted or modified by ordinance; providing for the authorization to lapse all encumbrances outstanding on September 30, 2019; providing authorization to re-appropriate lapsed capital outlay and capital

improvement encumbrances in the 2020 Fiscal Year; and providing for an effective date. *(Management & Budget Director Norman Mason)*

CITY ATTORNEY POWELL: An ordinance of the City Commission of the City of Miramar, Florida, adopting the Tentative Operating and Capital Improvement Program as the City of Miramar's final budget for Fiscal Year 2020, allocating, appropriating, and authorizing expenditures in accordance with and for the purposes stated in said budget, excepting certain appropriations and expenditures from requiring further City Commission action; authorizing budgetary control by department total for all appropriations; providing for the authorization of all budgeted employment positions; providing for the creation of balanced revenue and expenditure accounts for receipt of monies by gift, grant, or otherwise, and the management and disbursement thereof; providing that the budget hereby adopted may be adjusted or modified by ordinance; providing for the authorization to lapse all encumbrances outstanding on September 30, 2019; providing authorization to re-appropriate lapsed capital outlay and capital improvement encumbrances in the 2020 Fiscal Year; and providing for an effective date.

MAYOR MESSAM: We will now hear a presentation by staff on Fiscal Year 2020 Budget, if any new information.

MR. MASON: The 2020 Budget was included in the prior presentation. Thank you.

MAYOR MESSAM: Being that this is a separate item, item number three, are there any members from the public that wish to comment on item number three? Any members from the public that wish to comment on item number three? Seeing none, back to the dais. Are there any further, additional questions from the dais? Seeing none, I will now entertain a motion.

COMMISSIONER CHAMBERS: Motion to approve.

COMMISSIONER COLBOURNE: Second.

MAYOR MESSAM: Record the votes.

CITY CLERK GIBBS: Commissioner Barnes.

COMMISSIONER BARNES: Yes.

CITY CLERK GIBBS: Commissioner Chambers.

COMMISSIONER CHAMBERS: Yes.

CITY CLERK GIBBS: Commissioner Colbourne.

COMMISSIONER COLBOURNE: Yes.

CITY CLERK GIBBS: Vice Mayor Davis.

VICE MAYOR DAVIS: Yes.

CITY CLERK GIBBS: Mayor Messam.

MAYOR MESSAM: Yes.

On a motion by Commissioner Chambers, seconded by Commissioner Colbourne, to approve Ordinance #O1729, the Commission voted:

Commissioner Barnes	Yes
Commissioner Chambers	Yes
Commissioner Colbourne	Yes
Vice Mayor Davis	Yes
Mayor Messam	Yes

SECOND READING SCHEDULED for September 25, 2019

Passed 1st Reading

MAYOR MESSAM: A second public hearing on Fiscal Year 2020 Budget ordinance will be held Wednesday, September 25, 2019, at 6:00 p.m. at the Miramar City Hall. Item number four, please.

4. Temp. Reso. #R7017 relating to the provision of **storm water management services** in the City of Miramar, Florida; re-imposing storm water management service assessments against assessed properties located within the City for the fiscal year beginning October 1, 2019; approving the rate of assessment, approving the assessment roll. *(Public Works Director Anthony Collins)*

CITY ATTORNEY POWELL: Yes. A resolution of the City Commission of the City of Miramar, Florida, relating to the provision of storm water management services in the City of Miramar, Florida; re-imposing storm water management service assessments against assessed properties located within the City for the fiscal year beginning October 1, 2019; approving the rate of assessment, approving the assessment roll, and providing for an effective date.

MAYOR MESSAM: Good evening.

MR. COLLINS: Good evening, Mr. Mayor, Madam Vice Mayor, Commissioner, City Manager, City Attorney. Anthony Collins, Public Works Director. We're here this evening to present the storm water management assessment rate for fiscal year 2020. The issue here is the -- the approval of the final authorization of the storm water management

assessment rate approval for fiscal year 2020 required to bill assessment on property tax bill. Little background here. City Commission approved the preliminary assessment rate on June 12th, 2019, by a Resolution No. 19-136; final approval of assessment rate needed for Broward County Property Appraiser to bill assessment on property tax bill in November 2019. The annual assessment revenue; the annual assessment revenue remains unchanged for preliminary rates: \$102.00 per equivalent residential unit; projected revenues to be collected in fiscal year 2020 totals \$5,497,147.00. Revenue funds storm water operations, capital projects, equipment and debt servicing. Next, please. This is just a slide that shows some of the drainage project that this storm water assessment fee will -- will fund. Next, please. And the City Manager recommends approval.

MAYOR MESSAM: Thank you. Are there any members from the general public that wish to comment on this item? Any members from the public that wish to comment on this item? Seeing none, back to the dais. Are there any questions for comments? If not, I'll entertain a motion.

COMMISSIONER COLBOURNE: Motion to approve.

COMMISSIONER CHAMBERS: Second.

MAYOR MESSAM: Record the votes.

CITY CLERK GIBBS: Commissioner Barnes.

COMMISSIONER BARNES: Yes.

CITY CLERK GIBBS: Commissioner Chambers.

COMMISSIONER CHAMBERS: Yes.

CITY CLERK GIBBS: Commissioner Colbourne.

COMMISSIONER COLBOURNE: Yes.

CITY CLERK GIBBS: Vice Mayor Davis.

VICE MAYOR DAVIS: Yes.

CITY CLERK GIBBS: Mayor Messam.

MAYOR MESSAM: Yes.

On a motion by Commissioner Colbourne, seconded by Commissioner Chambers, to approve Resolution #R7017, the Commission voted:

Commissioner Barnes	Yes
Commissioner Chambers	Yes
Commissioner Colbourne	Yes
Vice Mayor Davis	Yes
Mayor Messam	Yes

Resolution No. 19-167

MAYOR MESSAM: Item number four, please.

5. Temp. Reso. #R7022 adopting a **fee schedule** for **water and wastewater utility services**; adjusting water and wastewater service rates to be consistent with the findings in the Water and Wastewater User Rate Study recently performed by the City's utility consultant. (*Utilities Director Roy Virgin*)

CITY ATTORNEY POWELL: A resolution of the City Commission of the City of Miramar, Florida, adopting a fee schedule for water and wastewater utility services; adjusting water and wastewater service rates to be consistent with the findings in the Water and Wastewater User Rate Study recently performed by the City's utility consultant, GovRates, Inc., and providing for an effective date.

MAYOR MESSAM: Staff may now make its presentation regarding the adoption of fee schedule for the water and wastewater utility services resolution.

MR. VIRGIN: Good evening, Mr. Mayor, Madam Vice Mayor and Commissioners, Mr. City Manager, Attorney. Roy Virgin, Director of Utilities. The item before you, Temporary Resolution 70 -- please go back, for me, please, first slide. First slide. I'll just -- I'll just talk a little bit, give a brief overview, and then we have our rate consultant who will give a more comprehensive analysis of the study. So the City of Miramar provides water and wastewater services to its residents and business through the utility enterprise fund. It is, therefore, our responsibility for making sure that customers are charged enough to cover all the expenses to operate the system. The City is also responsible for spreading those charges fairly and equitably among all our customers. So here are some of the -- we looked at a few of the pointers, and we take into consideration where we approach the rate adjustment development, and one of them -- I'll go through about three or four of them, was that the rate must be set at a level that covers all the cost to produce, treat, store, and distribute water to and collect waste water from all customers. Two, the rate must be fair and equitable, which -- fair means that they are adequate to cover all the costs for the operating system, and equitable means that all the customers are charged whatever is rightfully theirs to share. Three, good rate structures are based on actual, accurate financial information and good customer service record. Four, customers should know what the rates are. This is a time when we demand transparency from our government. But the proposed rate will be posted on the utility bills, and any other notification, as deemed necessary by the State. Five, and what I would consider most importantly, is that a -- the rate structure should be easy to administer. It is too -- if it is

too complex, chances are it is going to be hard for customers to understand and support. With that brief overview, I'll turn it over to our rate study consultant, Mr. Bryan.

MAYOR MESSAM: Good evening, and welcome, sir.

MR. GRAHAM: Thank you. Thank you, Commissioners, thank you, Roy. For the Record, my name is Bryant Mantz from GovRates, Incorporated, and I'm here to discuss the results of the water and wastewater rate study. And the way to -- okay. When we're talking about the -- Miramar's utility, we're talking about an entity that provides an essential service on a continuous basis, where public health and safety is the primary objectives. It's also a very highly regulated entity, and some of the regulatory bodies for the utility include: The Florida Department of Environmental Protection, the South Florida Water Management District, the Florida Department of Health, the Environmental Protection Agency, and permits issued by these regulatory bodies require compliance with various regulations. It's also an enterprise fund, and enterprise funds are used in government to account for business-type activities, where operations are primarily funded through user rates and fees. The -- Miramar's utility is, essentially, the City's largest business, where you have about \$300 million installed cost of capital assets under City management, and certainly it's important to make sure that they're working properly. Certainly, Miramar has come a long way since the early 1980s, and this chart here shows that the -- kind of the challenges, some of the challenges the utilities had to face, where you've had to accommodate growth, while maintaining safe and reliable service. And here you see how in the early 1980s, Miramar had around 33,000 people, and today you're looking at 137,000. That's tremendous growth, and certainly challenges in -- in managing that growth, certainly from a water -- providing safe water and wastewater services. Looking forward, there are a lot of major costs affecting the utility system; certainly operating expenses are projected to continue increasing. The bottom line is permanent increases in cost must -- must, ultimately, be passed through to ratepayers. The Congressional Budget Office is projecting the national consumer price index (CPI) to increase 2.3 to 2.6 percent per year through the -- throughout the forecast period considered in the rate setting, which is through 2024. But due to the regulatory environment and the capital -- cap -- capital intensive nature of utilities, the -- and also commodity increases, certainly, utilities are heavily dependent upon electricity, chemicals, fuel; utility costs tend to increase at a higher rate in general CPI inflation. We also have to recognize increases in labor costs due to collective bargaining agreements and additional positions, and we also have to consider the funding, the increases, and the utilities transfers to the General Fund to reimburse for the cost of services provided by the General Fund departments that benefit the utility. The City has been great in taking advantage of low-cost, state-revolving fund loans through the -- administered through the Florida Department of Environmental Protection. The -- the last budget amendment was -- I think the -- I'm sorry. The last loan amendment that -- that the City was approved for was -- had a -- an interest rate of about .82 percent, which is incredible. It's -- it's hard to beat; it's almost the same as cash. But, certainly -- you know, like I said, the utilities have been able to take advantage of these, but, certainly with loans, you do need to pay -- repay them. And the -- some of these payments will start becoming due in the next few

years, so that the annual debt service is going to increase from \$4.1 million to an estimated \$6.1 million in the next few years. The utilities bond resolution, and -- and SRF loan agreements are, essential, formal agreements between the City and the bond holders, and also the Florida Department of Environmental Protection, and it's important that the -- that the -- that the City and the -- the utility honor the rate covenants associated with those agreements. But from the best management practice, it's good to target debt service coverage above the minimal required, in order to provide cash funding of routine or recurring capital needs. So after -- when your net rev -- after your net revenues fund your annual debt service, the revenues remaining can be used for the recurring or routine capital needs, which utilities always have a lot of. We've also -- there's also a lot of capital needs recognized through the 2024; these include replacements, and re -- rehabilitations of utility assets reaching the end for their service lives, in order to provide -- continue providing reliable water and wastewater service. We're extending the public water supply to Country Club Ranch residents. We're constructing and expanding water and wastewater infrastructure to meet the citywide new and redevelopment capacity requirements. We're expanding the reclaimed water system to comply with the South Florida Water Management District Water Consumptive Use Permit requirements. We're going to continue eliminating septic tanks in the service area, and we also have sustainable, renewable energy and conservation initiatives. And here we have some -- some pictures of ongoing capital projects. Here you see the -- the East Water -- Water Treatment Plant renovation. You see the east Miramar fire hydrant and water main improvement. You also see Historic Miramar infrastructure improvements Phase III. So these are, again, pictures of some ongoing capital projects. When we look at project -- making financial projections through 2024, we have to take a look at many different elements: operation and maintenance expenses, the -- what we need to do to -- to -- to fund our capital program, what we need to do to honor our rate covenants with the -- the -- with our bond holders, and also the Florida Department of Environmental Protection, and also fund any administrative transfers. So all of these elements together make up what is known in rate making as the annual revenue requirements; it's what we need to fund through our utility rates. So our projected need for -- the need for additional revenues, and here we're -- as you can see from this chart -- and, again, this is -- this -- this is just the -- the extra revenue that we're -- that we're -- that we're projecting you need. In 2020 and 2021, we're showing the need for additional five percent revenue, and then for 2022 through 2024, we're showing the need for three percent additional revenue. So when we -- when we translate those percentages to dollars and cents, for an increase in a single family residential customer, which make up about 95 percent of the customer base, that would be for -- for a usage of 5,000 gallons, which is the average usage, it would be about \$3.60 extra per month for -- for a -- for, like I said, a user of 5,000 gallons. When we -- if we were to take the total bill, the total water and wastewater bill, and divide it by 5,000 gallons, that comes out to about 1.5 cents per gallon. So that really communicates the value of water and wastewater service when you can consider the cost per gallon of some other commodities that you might buy, like bottled water or -- or milk, or some other commodity. But from the best utility financial management practices, it's just good to -- for -- to have smaller incremental increases over time to help avoid future rate shock, and higher catch up rate increases. A few months ago, I had to in -- I had to

present the need for a 94 percent rate adjustment to a -- to a community that had not been proactive in -- in addressing its -- its -- its needs, and that was not a pleasant experience for anyone involved, and so it's -- it's commendable to -- to the City that -- that the City has been so proactive in making sure that the rates keep up with cost and -- and with -- with the regulatory forces and inflationary forces. As far as financial targets are concerned, we're -- what we would -- recognized an unrestricted cash target equal to a minimum six-months, days cash on hand. That's, basically, six months-worth of operating expenses, not including depreciation. That's what the day's cash on hand means. And we're also recommending all-in debt service coverage. In other words, net revenues divided by both your bond payments and your SRF loans together to be at 150 percent in a fiscal year. Those are our two financial targets. This chart shows how our revenues are comparing against the revenue requirements, which, as I mentioned, are -- are our expenditure needs that we have to recover from rates. So you can see that this -- the dotted red line represents revenues under existing rates, and the solid red line represents revenues under the proposed adjustments. If the revenues were exactly covering all of our expenditure needs, the red line would intersect at the top of the -- of the -- of the bars, and you can see what the proposed rates -- we have a plan to do so -- so that we are meeting all of our revenue requirements. This chart here just shows that, you know, we're -- we're setting cash targets for unrestricted cash and meeting them. Now this one -- this chart is -- is very important. As I mentioned, we're setting a -- we set a debt service coverage, net revenues divided by all of our debt service, equal 150 percent. And, as you can see, through 2024, we're meeting our 150 percent -- as I mentioned, our annual debt service is increasing due to some of the SRF loans coming online to -- to be -- being paid. And, as you can see, the -- we're -- we're meeting our target, but we're not exceeding it by -- by much at all. The small -- the -- the -- the lighter blue bar shows, you know, what the coverage might be if we had no action on rate adjustments, and, as you can see, we'd -- we would run into coverage problems. We would have about 50 percent coverage, if we had took no rate action. So someone might say -- and -- and some -- sometimes I do get -- as -- as a rate consultant, I get the question: well, what if we don't meet debt service coverage? What happens? Well, if you don't meet debt service coverage in a particular given year, that's known as a technical default. And, usually, your agreements specify that you have a certain amount of time remedy the situation. If the debt service coverage situation gets so bad that you start making debt pay -- missing debt payments, then there -- there is a risk that all the principal could be called, and -- and would be due all at once, which is not a good situation to be in. So it's just good to -- to honor the -- the rate covenants of the -- of the -- as I mentioned, of the -- of -- of the bond agreements, and the -- also the agreements with the -- the FDEP. As I mentioned, we -- we did consider some other rate options. We -- we had extensive discussions. One was: what if we didn't do anything? And -- and that was not financially feasible. Another thing -- another option considered was one-percent rate adjustments, that's -- that's recognized in the -- in the City code, and that also was considered financially feasible, due to the additional debt coming online. We would run into coverage issues. three-percent rate adjustments, we wouldn't meet our debt service coverage target. And then we also looked at: well, what if we targeted -- instead of 150 percent all-in debt service, and six months of days cash on hand, what if we looked at 200 percent, and 365, which would probably be the

minimum levels, in order to maintain the utilities high credit ratings, like a true -- because, right now, the utility is rated AAA by Standard & Poor's. And that would require some significantly higher rate adjustments. And so the -- the thought was, since the utility was not planning to -- there's -- there's no issuance of bonds anticipated, most likely any future borrowings would be through the SRF fund program, probably it's a higher priority to keep the rates lower. That was the -- that was the thinking. There are financial risks of not adjusting the rates at this time. Certainly, you have -- you'll have an inability to fund all the revenue requirements that have been identified in order to fund the -- the capital program, or to meet your debt -- you'd -- you would run into some debt service coverage prob -- problems, and -- and, certainly, you wouldn't be able to meet your financial targets. And another risk is that user rates may be even higher in the future. Certainly, renewal and replacement needs that -- when you have, you know, very old pipes, I mean that problem is not something that's going to go away, but even during recessionary times, inflation is a -- is a -- is a part of -- of life. And, you know, so the cost to address the problems, just -- will just continue to increase, because inflation and the cost of construction continue to -- affect system costs. And these charts here just show that, with no adjustments, we'll start running out of cash, and we'll also have debt service coverage problems. So -- so the user rate design for that -- that's -- that's proposed is that for fiscal year 2020 and 2021, the additional five percent adjustments are proposed to be recovered by increasing only the volumetric rates. We're proposing to leave the base charges the same, and that -- that helps out smaller users, and it shifts the cost burden to those users that are -- are using more of the -- of -- of the service. And here you can see the -- the -- the -- so, as a result, customers with lower usage, would have a lower increase than customers with higher usage. Then for fiscal years 2022 through 2024, which are the three percent adjustments, we're recommending that they be applied uniformly or across the board. So here we -- we have a bill comparison that -- that kind of shows the effect. As I mentioned, single family residential customers comprise about 95 percent of your customer base, so 95 percent of your customers will some -- will fall somewhere on this chart. But, as you can see, under the fiscal year 2020 rates, with zero usage, your -- you have -- you have no increase. A 1,000 gallons of usage, you have less than a \$1.00 increase, or a 1.7 percent increase, 2,000, it's 2.9; and you can see that the more you use, your higher -- the higher the -- the -- the increase. But -- but, certainly, with -- by having the rate adjustments being recovered through the volumetric charges, your -- your -- you're helping out the smaller users, and -- so it's -- it's -- we thought that was an appropriate strategy. And here we have a -- just a -- I guess a -- a simulation of an old bill versus a new bill for a usage of 5,000 gallons. The -- the reason you see \$94.50 and then \$98.26, the -- the bill includes solid waste service, and also the -- the utility tax, but that -- that just shows a -- a simulation. Now how does -- you know, the -- so how do we compare -- compared what other municipalities charge. And here we have -- showed this -- this chart of -- of -- of how the existing and proposed rates would compare against other Broward County utilities. And, as you can see, under proposed rates for a user of 5,000 gallons, it's at \$76.18, which is close to the average what other Broward County utilities are charging right now. A -- an important takeaway of this chart is that the utilities that are shown in capital letters that also have the little asterisk, those are all utilities that are either -- they're involved a rate study, they have a -- they're planning to conduct a rate

study, or they already have a -- have a -- a -- some sort of adjustment already -- already planned. So this shows -- this comparison shows the -- the bills under fiscal year 2019 rates, so come October 1st, a bunch of these utilities are -- they're bills are going to be -- are going to be increasing, and so Miramar's, by comparison, will most likely be close to where you are at this time. So the -- the point is, Miramar's bills are anticipated just to continue to be extremely competitive under this rate and financial plan. So what are the benefits to the residents of this rate and financial plan? You know, certainly, public health and safety, and having adequate fire protection, continued, reliable and safe and quality drinking water. You're going to have advanced wastewater treatment, expanded reclaimed water service, and also new water and sewer infrastructure. So requested Commission action is to recommend -- we -- this is a recommendation to adopt proposed user rates for fiscal years 2020 through 2024 to help ensure full cost recovery, make sure we meet all of our rate covenants, and address the capital needs. And also, as we mentioned, smaller incremental rate increases over time help to avoid future rate shock, and larger catch up of rate increases in the future. And the rates are considered competitive and affordable, because that's certainly something that we always look at in our -- in our plans. In all fiscal years, the combined bill for the average single family residential customer is less than two percent of the median household income, which is the affordable metric -- affordability metric used by credit rating agencies. And so, by industry standards, the -- this rate and financial plan is considered affordable and, certainly, over time, you want to monitor your actual and projected financial results, and update the financial rate plan as needed. And the City Manager does recommend approval of this rate and financial plan.

MAYOR MESSAM: Thank you for the presentation. At this time, do we have any members from the general public that wish to comment on this item? Good evening.

MS. SCIALABBA: Good evening. You know that I have to say something. I'm not going to repeat a lot of that stuff.

MAYOR MESSAM: Name and address for the record, please.

MS. SCIALABBA: Sorry. Debra Scialabba, 6490 SW 26 Street. Okay. So a usage of 5,000 gallons, the average monthly usage level of a single family customer, combined water and wastewater bill under the proposed fiscal year 2020 rates would be lower than those of City of North Lauderdale, the City of Hollywood, the City of Sunrise, City of Dania Beach, City of Oakland Park, Wilton Manors, and the Town of Davie. Establishing the rates to maintain the utilities, very high credit rating would require higher user adjustments than what is being proposed, and we want to keep our AAA rating with S&P. However, I don't think it's included in this, but the \$90 million calculated -- was the \$90 million that City of Hollywood was supposed to give us credit or whatever for the reclaimed water? I don't know if that was calculated in this study, but it -- I don't remember the exact -- I didn't get the minutes, but I remember \$90 million we're getting from Hollywood. Because --

MAYOR MESSAM: Actually, that number was -- is \$7 million for the reclaimed water virtual credits.

MS. SCIALABBA: Oh, seven. Seven? I don't know where I got 90. Okay. But, anyway, I don't know if that was calculated in this study. Thank you.

MAYOR MESSAM: Thank you. Are there any other members from the public that wish to comment on this item? Seeing none, back to the dais. Are there any comments or questions? All right. Vice Mayor Davis, you're recognized. And if I could ask everyone just to queue yourselves in the speaker queue if you wish to speak.

VICE MAYOR DAVIS: Thank you. We certainly appreciate the presentation. I know I've spoken with Director Virgin on this item already. And one of the things that I wanted to point out, and I did speak with you on that is what are we doing for outreach. I wanted to ensure, since we're talking about, you know, the volume of water that's being consumed, that we have some conservation options for our residents. For example, I'm not sure if there are any grants out there right now that would allow, for example, the -- when you flush your toilet, perhaps, and you have that old system, but now you have the two buttons, where you can use a lesser amount, even though that's -- I guess that's going to the sewers. But when we shower, you know, the -- the shower heads that you use to produce and give to our residents to conserve. So these are the types of things; so is there anything we can put, as far as on our taps in our kitchen sinks. And so I'd like for us to explore that, and be able to provide information to our residents, whether it's at our special events, or through a newsletter. Because we know -- you know, everybody complains about our water bill. They don't understand all the ramifications involved, that it does include sewer, it does include recycling and other things, and so any way that we can educate our residents, in terms of water conservation would help. Do we have anything planned?

MR. VIRGIN: Madam Vice Mayor, yes, we do. That's straight up. What -- what we've done is to -- we're putting in -- in -- in process a water conservation plan that will -- will allow staff to meet with residents in -- in a different -- in different -- through different medium. One, we could -- we will be doing print material and all of that, but also that we -- we -- we're talking about looking at ways to -- to bring them, maybe, even in a town hall setting that we could explain to -- to residents some of the ways in which they can conserve water. Because we do know that a lot of people don't recognize that by just, maybe, taking some simple measures, can significantly reduce their water bill. And so that is part of the program that we're putting together to ensure that conservation is a key component to this.

VICE MAYOR DAVIS: Thank you, appreciate that. That's it for me.

MAYOR MESSAM: Thank you, Vice Mayor. On that note, I would ask staff to keep the entire Commission updated on when the -- I guess the upcoming planned City outreach for explaining this rate study, and the potential, if this should pass, rate increase, so that

we all can be informed, so -- because all of us deal with residents who, at some point or another, may either have concerns or questions regarding their utility bill. Commissioner Chambers, followed by Commissioner Colbourne. Commissioner, you're recognized.

COMMISSIONER CHAMBERS: Thank you. I've got a question for the presenter. I noticed the -- on the chart we go up until 2024.

MR. MANTZ: Yes.

COMMISSIONER CHAMBERS: What happen after 2024?

MR. MANTZ: After 2024, presumably, you would reevaluate -- well, certainly, you would want to revalue -- continue to monitor your financial plan, but after 2024, you should reassess where you are, and then make a determination at that point, whether --

COMMISSIONER CHAMBERS: We stay there or we go back or move forward? We have three options, right?

MR. MANTZ: Yeah. Absolutely. Just see where -- where you are, where -- where you are as far as your financial targets, and -- and -- and being financially sustainable, then make a decision at that point.

COMMISSIONER CHAMBERS: Thank you. Mr. Virgin, you know, for me, I'm close to this issue with our resident with water, and I know when we met, we were -- several issue -- one that I'm having with -- excuse me, with Country Club Ranch to make sure they have potable water; that's a project that we're working on. But, also, you mentioned conservation with our resident, and we spoke about that, and one of the thing is that the showerhead that we do give out at a certain event, as we always do, we might want to take a look at that to make some changes to that to maybe set up an independent volunteer service to make sure those showerheads get installed to our resident home. Because once one come and get a showerhead, it -- it can be sitting at home somewhere in a box, in a corner in the garage, and may -- may not be installed. And we just want to make sure if one needed and they get it, it gets installed. So I know we got to take our time and look at different ways we can help our resident to make sure the showerhead gets installed. Now, as far as saving water, and I know one of the biggest culprit. People don't normally pay attention to the toilet, and the toilet can be running for days, weeks, months, and not even notice. So that's something we going to have to take a look at, and make sure we can give our residents simple step in how to encourage them to check their toilet. I always do on the radio, something like that. And -- and not just the toilet; there's other area with maybe a turnoff valve might be dripping a little bit, and -- and -- and so forth. So this is a -- a tough decision for me to move forward with this item, but as it stand, I -- I think I'll support moving forward and support this item, and -- with -- working in conjunction with the water conservation project to help our resident to -- to save, and like Vice Mayor said, finding grants and ways to help our resident. So, with that, I'll -- I'll support this item. Thank you.

MR. VIRGIN: Thank you, Commissioner. As -- some of those suggestions that you alluded to were exactly some of the stuff that we'll be putting into the conservation measures to educate our residents, because we are -- we do -- we are aware that some of these simple things, and that -- that a resident may not be aware of can -- if we implement them, and if we educate them on how to -- to find out the -- where these problems are, in terms of leakages and -- and they can reap significant savings through those measures.

COMMISSIONER CHAMBERS: Thank you. And I hope we can also we could revisit the -- my donation program that was put in place to help residents, so that's something we could improve on, and maybe set some money aside to -- to promote that program, and to help our residents. So it's a lot that we can do if we put our heads together and work together. And I'll be front and center, because I encounter this situation every day with resident needed help with their utility bill. Thank you so much.

MAYOR MESSAM: Thank you, Commissioner Chambers. Commissioner Colbourne, you're recognized.

COMMISSIONER COLBOURNE: Thank you. Commissioner Chambers, this is -- this is very close to me as well, because I -- I pay these fees as well. I -- I am a customer as well, so it -- it definitely something that I keep my eye on, for the residents as well as for my own household. Question, FP&L has a -- a pro -- an assessment program where they will come to your house and do an assessment, and I believe -- I may be saying it wrong, but as a result of the assessment, they'll tell you how you can save or -- or you get some sort of a savings. Is that something that we can do with our residents as far as the water usage is concerned? Can we do an assessment, one-on-one, and give some specific recommendations for -- for their home? Or provide some sort of savings from them if they -- if they go through that assessment and -- and they follow up with it?

MR. VIRGIN: Commissioner Colbourne, certainly that's an area in which we can look into. It is not beyond our scope to be able to make a -- do that kind of analysis in -- and -- and I know that -- and as I said repeatedly, that too often we take for granted or we don't simply know that when we take certain basic measure, conservation measures, the savings can be great. And -- and there -- and we have in one of our conservation a little ruler, and it has some little holes in it and will tell you that tiny hole, if water keep running through that for 24 hours, how much water you'll waste or lose through that.

COMMISSIONER COLBOURNE: Right.

MR. VIRGIN: So we certainly could -- could look into that kind of -- an approach, and -- and that will help our resident to -- to save.

COMMISSIONER COLBOURNE: I -- I think -- I think it will be good to be able to offer residents that -- that type of -- that type of attention, you know, and recommendation,

giving them one-on-one recommendation as to what they can do, and then providing -- provide them some sort of a savings, as a result of them committing -- their commitment to save water. I don't know if you're already doing outreach on our -- on our Miramar TV, but -- but this type of outreach is what I would like to see when -- this is not your doing it, but I guess it is part of you -- you -- your department, as well as marketing. But this is the type of thing I think our residents would like to see in our newsletters; this is the type of thing that they would like to see programming on Miramar TV, and in other areas. So I look forward to outreach in different areas, and just kind of trying to find different things, such as make an assessment, individual assessment on homes.

MR. VIRGIN: And you're spot on with that, Commissioner Colbourne, because we -- we had a meeting of maybe a few days ago with the Marketing Department to look at exactly what -- what you're talking about, so that customer -- residents are informed as to --

COMMISSIONER COLBOURNE: Wonderful. Thank you so much for -- for such a very detailed presentation. I appreciate it. Thank you.

MAYOR MESSAM: Thank you, Commissioner. Commissioner Barnes, you're recognized.

COMMISSIONER BARNES: For our consultant. There was a slide that mentioned monitoring versus projected. Were we talking about rates or usage?

MR. MANTZ: On the -- which slide?

COMMISSIONER BARNES: There was a slide that mentioned monitoring versus projected.

MR. MANTZ: Actual versus projected, perhaps?

COMMISSIONER BARNES: Mm-hmm.

MR. MANTZ: Right. And the -- the -- the idea is that the -- you know, the City is -- has been provided with a comprehensive rate study report with all the assumptions, and you would just want to monitor the -- the projections over the next few years with -- with actual results, and -- and just keep track of -- of where you are financially. How you're -- how well you're meeting the -- the recognized financial targets.

COMMISSIONER BARNES: I have to add significance to that, because in his presentation, our Budget Director mentioned actual versus -- he spoke about monitoring, as well, as we proceed. In other words, we're not simply inserting a number of systems where things happen, and at the backend, you take a look and see what happened. But you continue to monitor -- monitor what's actually going on.

MR. MANTZ: Sure.

COMMISSIONER BARNES: Thanks. And we do have, interestingly, a -- this is more to Mr. Virgin -- there is a video on Miramar TV that actually speaks to water conservation, and the thing I like about it is that it is directed mostly at youngsters, so they understand why it is important, for example, for you to keep a tap locked at all times, and so on. And, obviously, there can always be improvement, but that I find very informative. And -- and I think the -- the -- sadly, the people who would benefit from some of these measures at -- at savings are the people who are so busy, that they can't find time to get this information. What is sometimes called activities of daily living prevent people from -- from accessing this kind of information. And I think, even as elected officials, there is that job for us to do, and almost any department will -- will tell you that when I meet with them, my first or last question is, "How are we telling this story to our residents?" It's all well and good to convince ourselves of these savings as we go along; our residents have to also get an understanding of this going forward. And you mentioned some of the simple things you can do in your home to -- to save water usage. We know that thing about inserting something in the water tank to reduce the actual volume of water that is used and so on. And -- and I think we need, as a community, as a city, to get to that place where this has become second nature. And a lot of times, for example, the -- the implementation of showerheads and so on, incredible idea, but there are so many other things that can be done that -- I think we just haven't thought about, and maybe so much of a campaign that we can mount is just to remind our residents about things that they've taken for granted, and things that might have fallen out of use. But I comment the -- the work that is being done, and, yes, we all -- all of us have to do a better job of informing our residents. Thank you.

MAYOR MESSAM: Thank you, Commissioner. Commissioner Chambers. Oh, it was -- okay. You didn't have -- okay. All right. Just a couple of points. Actually, the -- if you all recall, there is a Mayor's water challenge by the Wyland Foundation, actually, that the City of Miramar has been very active in. In fact, not in two thou -- not this past year, but the year prior, the City of Miramar actually finished in the top ten in the nation for cities of our size between, I think, 99,000 and 200,000 in population. And -- and there's great incentives for the community to get involved. The first place city actually wins a Toyota SUV for a charity in our community for the community prize. The individual prize is that if you win individually, in terms of your water conservation, you actually get your water your utility bills paid totally for free for an entire year. So there's a lot -- that's just in addition to what we can also expand on, because the City actually has been recognized nationally on that. So every year we issue a resolution to get the City geared up for it, and -- and look forward to continuing those efforts. What I would say about our utility is that I'm very proud of our utility. I've had the great fortune to brag about our utility system all across this country. We're an award-winning utility, and it's something that all of us can walk around with our -- with our head held high, knowing that this is a very responsible and solvent utility. What I like most about this presentation is that it honors our duty to be fiscally responsible, in terms of us being stewards of our assets, while being sensitive to our residents and our end users by reducing the impacts of rate shock, as we try to be in the position to have a solvent utility. So I commend all of our current employees, and

those who have retired, who have been a part of the foundation of our utility. We have a world class utility. Many of our assets are new, including the recent renovation of our East Water Treatment Plant. While other cities across this country are dealing with crises about their water quality, whether it's lead or other impurities that seep into their system with a failing infrastructure, we have invested wisely and timely to ensure that our city has the best assets, so that we can deliver the most precious commodity that we know, and that is water. I remember when I first ran for office in 2011, and I challenged our staff about looking and seeking alternative revenue for the City, and that how our utility can be a source for that. And to see how our utility system has -- has grown over the years, especially with the expansion of our reclaimed water distribution network is just testament of -- with our current local agreements with neighboring municipalities, like Coconut Creek, which the utility was able to do an agreement for \$3 million to offer them virtual credits for their reclaimed water requirements. As well as our most recent agreement earlier this year with the City of Hollywood, with an agreement for \$7 million, utilizing our excess capacity for reclaimed water. And now, with our distribution and transmission main going west of I-75, now we increase our capacity even tenfold, in terms of using reclaimed water, instead drinking water to irrigate our -- excuse me, our common spaces. So this is the type of creativity that our staff has been able to -- to -- to bring to the table on the benefit -- for the benefit of our -- of our residents, and that's why I'm so proud of this young utility. And -- and I think it was a very challenging exercise, I'm sure, in terms of taking the results of this rate study, and understanding the dynamics of wanting to maintain the utility, and maintaining a AAA rating, but also realizing that the residents and -- who are most of our users come first. And what use, necessarily, having a AAA rating on the backs of the residents when we're not utilizing the rating, because there's no need for debt service for that. So I commend you for bringing forward a solution that the Commission can consider passing, so that our residents can be able to enjoy the same quality service, while maintain the solvency and sustainability of our utility. And, on that note, that concludes my remarks. And if there are no other comments, I'll entertain a motion.

COMMISSIONER CHAMBERS: Mr. Mayor, if I may.

MAYOR MESSAM: Okay, Commissioner Chambers.

COMMISSIONER CHAMBERS: I just want to let staff know, I was just reading an email I received from a gentleman in Historic Miramar, and this is in regards to the hookup for their new sewer system and the new waterline. And one of the question he was asking, why wasn't there notice -- notify like a year out that they would be paying for -- for the portion from the street to their homes. So a -- a while back I suggest that we should assist our resident with encouraging them to bundle. Maybe one street can put together and hire one contractor, instead of each individual try to go on their own and try to get a contractor. I think if we encourage them and have some meeting to do that, then there would be significant savings by negotiating together for the whole block. So there was more question in regard to ID to get some qualification for services, in terms of grant and, please, Mr. Virgin or staff, talk to me as to how we can assist those resident, making sure they get some savings for the hookup portion to their home. Thank you.

MAYOR MESSAM: Thank you, Commissioner. If no other comments or questions, I'll take a motion.

COMMISSIONER CHAMBERS: Motion to approve.

COMMISSIONER COLBOURNE: Second.

MAYOR MESSAM: Record the votes.

CITY CLERK GIBBS: Commissioner Barnes.

COMMISSIONER BARNES: Yes.

CITY CLERK GIBBS: Commissioner Chambers.

COMMISSIONER CHAMBERS: Yes.

CITY CLERK GIBBS: Commissioner Colbourne.

COMMISSIONER COLBOURNE: Yes.

CITY CLERK GIBBS: Vice Mayor Davis.

VICE MAYOR DAVIS: Yes.

CITY CLERK GIBBS: Mayor Messam.

MAYOR MESSAM: Yes.

On a motion by Commissioner Chambers, seconded by Commissioner Colbourne, to approve Resolution #R7022, the Commission voted:

Commissioner Barnes	Yes
Commissioner Chambers	Yes
Commissioner Colbourne	Yes
Vice Mayor Davis	Yes
Mayor Messam	Yes

Resolution No. 19-168

MAYOR MESSAM: And, final announcement. Upcoming budget public hearing, Wednesday, September 25th, 2019, 6:00 p.m. for fiscal year 2020 budget hearing right here in the Commission Chambers at City Hall.

UPCOMING PUBLIC HEARING

Date	Time	Subject	Location
9/25/2019	6:00 p.m.	Budget Public Hearing	Commission Chambers

ADJOURNMENT

MAYOR MESSAM: This budget hearing is adjourned.

The meeting was adjourned at 8:38 p.m.

Denise A. Gibbs, CMC
City Clerk
DG/cp