

RESOLUTION NO. 07-09

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, IN SUPPORT OF MITIGATION ADJUSTMENT POLICY REVIEW TASK FORCE REPORT ADOPTED ON JUNE 26, 2006 AUTHORIZING THE APPROPRIATE VILLAGE OFFICIALS TO WORK WITH THE COUNTY TO IMPLEMENT THE REPORT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on March 21, 2006, the Board of County Commissioners (“BCC”) adopted Resolution R-342-06 establishing the Mitigation Adjustment Policy Review Task Force (“Task Force”) to advise the BCC on a proposed policy regarding the adjustment of mitigation paid by municipalities as a condition of incorporation; and

WHEREAS, the Task Force was established in fulfillment of an agreement between municipal, County and State elected officials regarding the withdrawal of legislation proposed during the 2006 State legislative session that sought to foreclose the County’s right to impose mitigation as a condition for incorporation and that mitigation should be resolved at the local level; and

WHEREAS, the Village, the Town of Miami Lakes and the City of Doral currently make mitigation payments to Miami-Dade County; and

WHEREAS, the Village, Doral and Miami Lakes have expressed interest in developing a policy regarding the adjustment of their mitigation payments; and

WHEREAS, on June 26, 2006 the Task Force adopted a Mitigation Adjustment Policy Review Task Force Report, a copy of the Report is attached as Exhibit “A” (the “Report); and

WHEREAS, in the Report Task Force concluded that the net effect of the incorporation of the municipalities of Palmetto Bay, Miami Lakes, Doral, Miami Gardens, and Cutler Bay resulted in a net revenue transfer to UMSA, based on the respective impact to UMSA analyses prepared at the time of incorporation of each municipality; and

WHEREAS, the Task Force determined that mitigation should not result in a net revenue transfer to UMSA; and

WHEREAS, the Task Force Report recommends and concludes that mitigation payments by the municipalities of Palmetto Bay, Miami Lakes and Doral should cease; and

WHEREAS, the Village Council supports the conclusion of the Task Force as outlined in the Report.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, AS FOLLOWS:

Section 1. The above Recitals are true and correct and incorporated into this Resolution by this reference.

Section 2. The Village Council supports the findings of the Mitigation Task Force Report and calls upon the Miami-Dade County Board of County Commissioners to implement the recommendations of the Report.

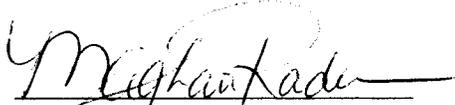
Section 3. The Village Council directs the Mayor, Village's consultants and all appropriate staff to work with the County to implement the findings of the Task Force.

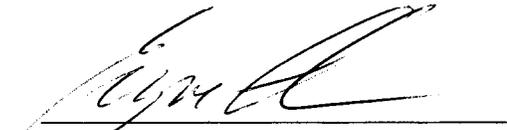
Section 4. The Village Clerk is directed to send a copy of this Resolution to the County Mayor, to the Mayors of the municipalities of Doral and Miami Lakes and to the Board of County Commissioners.

Section 5. This Resolution shall take effect immediately upon adoption.

PASSED and ADOPTED this 8th day of January, 2007.

Attest:


Meighan Rader
Village Clerk


Eugene P. Flinn, Jr.
Mayor

APPROVED AS TO FORM:


Eve A. Boutsis, Office of
Village Attorney

FINAL VOTE AT ADOPTION:

Council Member Ed Feller	<u>YES</u>
Council Member Paul Neidhart	<u>YES</u>
Council Member Shelley Stanczyk	<u>YES</u>
Vice Mayor Linda Robinson	<u>YES</u>
Mayor Eugene P. Flinn, Jr.	<u>YES</u>

**Mitigation Adjustment Policy Review Task Force
Report to the Board of County Commissioners**

The following report is respectfully submitted to the Board of County Commissioners by the Mitigation Adjustment Policy Review Task Force in fulfillment of the charge to submit recommendations to the Board as to an appropriate policy for the adjustment of mitigation payments paid by the Town of Miami Lakes, the Village of Palmetto Bay, and the City of Doral.

Findings and Recommendations

Having reviewed all of the materials presented and heard all of the oral presentations during the course of our meetings, the Task Force finds and recommends to the Board of County Commissioners (BCC) that mitigation should not result in a net revenue transfer to UMSA. The Task Force concludes that the net effect of the incorporation of the municipalities of Miami Lakes, Palmetto Bay, Doral, Miami Gardens, and Cutler Bay results in a net revenue transfer to UMSA, based on the respective impact to UMSA analyses prepared at the time of incorporation of those five municipalities. Accordingly, the Task Force recommends and concludes that mitigation payments by the municipalities of Miami Lakes, Palmetto Bay and Doral should cease.

If in the future a new area wishes to incorporate, then the County should determine the impact to UMSA by the incorporation of that area and whether or not there is to be a mitigation payment by the area seeking to incorporate.

The Task Force further recommends that the standard that has been used thus far to establish mitigation must be changed in the future to more appropriately reflect the actual impacts to UMSA and include a methodology with objective indicators. In this regard, the Task Force recommends that the County retain an expert in mitigation (fiscal equalization) issues to conduct a study of best practices related to mitigation in the United States and to make recommendations to the BCC. The Task Force further recommends that the BCC take whatever actions are necessary to implement the foregoing recommendations.

I. Task Force Overview

On March 21, 2006 the BCC adopted Resolution R-342-06 establishing the Mitigation Adjustment Policy Review Task Force (Task Force) to advise the BCC on proposed policy regarding the adjustment of mitigation paid by municipalities as a condition of incorporation. Three of the subject five municipalities incorporated since the year 2000 currently make mitigation payments to Miami-Dade County: the Town of Miami Lakes, the Village of Palmetto Bay and the City of Doral. These municipalities have expressed interest in developing a policy regarding the adjustment of their mitigation payments. The Task Force was established in fulfillment of an agreement between municipal, County, and State elected officials regarding the withdrawal of legislation proposed during the 2006 State legislative session that sought to foreclose the County's right to impose mitigation as a condition for incorporation. The agreement was based on the understanding that the issue should be resolved at the local level.

In accordance with criteria outlined in R-342-06, Task Force members meeting specific qualifications were appointed by the Chair of the BCC's Infrastructure and Land Use Committee. Pursuant to the resolution, "Two of the members shall be respected members of the community who serve or have served as Judges or high-level executives of business or industry in Miami-Dade County... The Town of Miami Lakes, the Village of Palmetto Bay, and the City of Doral shall select a person, who shall not hold an elected or appointed public office; those municipalities shall provide the names and contact information of these persons to the Clerk of the Board of County Commissioners... One member shall be a professional economist... One member shall be a professional urban and regional planner." The Task Force members and their qualifications are: Henry H. Harnage (former Judge), Rafael Rodon (business executive), J. Antonio Villamil (professional economist), Guillermo Olmedillo (professional planner), Albert A. del Castillo (Miami Lakes representative), Brian Pariser (Palmetto Bay representative), and Ramiro Areces (Doral representative).

The Task Force was charged with conducting a study and submitting recommendations to the BCC as to an appropriate policy for the adjustment of mitigation payments paid by the three municipalities to include any recommendations as to the appropriate formula for determination of the amount, duration, and frequency of mitigation payments. The Task Force held seven meetings during the course of seven weeks. Staff support was provided by Assistant County Manager Roger Carlton; Assistant County Attorneys Craig Collier and Cynthia Johnson-Stacks; Jennifer Glazer-Moon, Director of Office of Strategic Business Management; Sarah Ingle, Assistant Director for Incorporation and Annexation Services; and Budget and Policy Analysts Odell Ford, Cheree Gullley, Robert Kirschbaum, Albert Parjus, and Jason Rodriguez. Staff provided background documentation and additional information requested by the Task Force.

Each meeting was attended by elected officials and staff of the mitigation-paying municipalities, and at each meeting the Task Force provided time for public comment and open dialogue with the municipal representatives and other members of the public in attendance. Each municipality, as well as the County (on behalf of the Unincorporated Municipal Service Area, or UMSA) was given opportunities to make presentations and provide written information for consideration by the Task Force. Audio recordings were made and meeting summaries prepared by County staff for each meeting, and a court reporter under the sponsorship of the City of Doral prepared verbatim transcripts of each meeting.

II. Overview of Proceedings

At the initial meeting of May 5, 2006, the Task Force Chairperson, Henry Harnage explained that he was appointed Chairperson by the Chair of the Infrastructure and Land Use Committee of the BCC through Memorandum submitted to the Clerk of the Board. He discussed their overall charge. The Task Force elected Ramiro Areces as Vice Chairperson. County Attorney Craig Collier provided the Task Force with an overview of the Sunshine Law and the Public Records Law. County staff gave a presentation on the History of Incorporation and Mitigation. The Task Force discussed whether it should limit its study to the mitigation of the three municipalities and not the broader mitigation policy; which was deemed to be a responsibility of the BCC. The Task Force agreed that given the budgetary concern of the municipalities

it should look at mitigation as it relates to the three municipalities only or should it analyze future mitigation issues. The Task Force noted that there should be objective, performance-based criteria to measure the maintenance of service in proximate areas. The Task Force decided to take a limited systems approach to the issue of mitigation, limiting its analysis to the three cities and using the original estimates that the County presented to the Municipal Advisory Committees (MACs) in the Impact to UMSA analyses. The Task Force decided to use the original Impact to UMSA analyses presented to the MACs, primarily because these were the numbers relied upon by the County and each area seeking to incorporate as they negotiated with each other and agreed to mitigation payments. Equally as important, the Task Force considered the fact that these were the numbers presented to the voters in each area and upon which the voters relied. Task Force members voted 5 to 1 that if the net effect of the five incorporations of Miami Lakes, Palmetto Bay, Doral, Miami Gardens and Cutler Bay resulted in a net revenue transfer to UMSA, mitigation should cease as it pertains to Miami Lakes, Palmetto Bay and Doral and that the County should negotiate mitigation separately with future areas seeking to incorporate. (See Item III-2 below.)

At the June 5, 2006 meeting, the Task Force reviewed the recommendations that it has adopted thus far. Jennifer Glazer-Moon, Director of Office of Strategic Business Management, provided information regarding the Impact to UMSA analyses given to MACs seeking incorporation. She noted that the figures in the analyses are estimates at a point in time and that the true impact to UMSA cannot be seen until the first budget after incorporation has occurred. The estimate in the Impact to UMSA analysis is provided as an overview of revenues in the area and the estimated cost of providing municipal type services to the area. The Task Force debated whether there is a need for continuing with mitigation or whether it should recommend that donor areas pay a declining percentage of the impact to UMSA as mitigation. Additionally, the Task Force recommended a hybrid systems approach. County staff will present at the next meeting first full year financial information following incorporation of the municipalities including Miami Gardens and Cutler Bay.

At the June 14, 2006 meeting, the Task Force received a report from Jennifer Glazer-Moon, Director of the Office of Strategic Business Management which provided comparison figures for the Impact to UMSA of the incorporations of Miami Lakes, Palmetto Bay, Miami Gardens, Doral and Cutler Bay based on the County's current reassessment of impacts to the UMSA budget. The more recent figures provided by the County suggest that it has not received a net revenue transfer as a result of the incorporations to date. Notwithstanding the new information, the Task Force reaffirmed its decision to recommend that the amounts to be used should be those presented to the BCC at the time of incorporation approval (see Item III-3 below). The Task Force decided to use the original Impact to UMSA analyses presented to the MACs primarily because these were the numbers relied upon by the County and each area seeking to incorporate as they negotiated with each other and agreed to mitigation payments. Equally as important, the Task Force considered the fact that these were the numbers presented to voters in each area and upon which the voters relied.

The Task Force also suggested that the standard used to calculate the impact of any future incorporation and the related mitigation payment, if any, must be changed to better reflect the actual impact to UMSA and that it include an appropriate

for the upcoming fiscal year a recommendation needed to be provided to the BCC no later than June 15, 2006. County staff was requested to provide impact to the UMSA budget information for the City of Miami Gardens and the Town of Cutler Bay. Also, a request was made to further clarify how the mitigation payment is spent. The Task Force agreed to hear presentations from the three municipalities. Mr. Carlton noted that since the UMSA budget is impacted by mitigation, for the discussion of the Task Force proceedings, UMSA should be considered as a fourth municipality and should make a presentation demonstrating the impact on its budget given that if mitigation was projected to cease or to be reduced the financial impact would have to be absorbed by the UMSA budget. The Task Force agreed with the concept of UMSA as a fourth municipality at the discussion table and agreed to hear a presentation from County staff, on behalf of UMSA, at its next meeting.

At the meeting of May 11, 2006, the Task Force requested a report from Miami-Dade County detailing the mitigation deposits from the three municipalities into the Municipal Service Trust Fund (MSTF) as well as how these funds were applied. Presentations were made by Mayor Wayne Slaton and Town Manager, Alex Rey of the Town of Miami Lakes, Mayor Eugene Flinn and Manager Charles Scurr of the Village of Palmetto Bay and Mayor Juan Carlos Bermudez and Manager Sergio Purriños of the City of Doral and County Manager George Burgess representing UMSA. The recurring observations from the three municipalities were that mitigation has become a net revenue gain to UMSA due to the incorporation of the City of Miami Gardens and that a portion of the MSTF should be spent on direct services to the municipalities paying mitigation. Task Force members asked the County to provide additional information on handouts provided by the municipalities showing that the incorporation of a low tax base area caused a net revenue gain to UMSA in excess of \$23 million. County Manager Burgess noted that the net gain was not \$23 million because certain projected expenses actually were not eliminated from the UMSA budget after the City of Miami Gardens incorporated. The County Manager asked the Task Force to consider whether the concept of mitigation for each area that incorporates is an action independent of those that follow or whether it is cumulative, and if it is cumulative how then to calculate its impact. He indicated that if mitigation is to be a living formula, the formula has to be independent from the actual calculation and that there should be mutual agreement as to how often the formula should be revisited. The Task Force requested that County staff provide a report demonstrating the actual financial impact of the City of Miami Gardens to UMSA.

At the May 18, 2006 meeting, County staff provided handouts to the Task Force detailing the accounting of mitigation funds received from Miami Lakes, Palmetto Bay and Doral. Task Force members discussed the two uses of the MSTF as noted in the various municipal documents: (1) to maintain police service in the proximate area of the new municipality and (2) serve as a municipal assistance retainer for services requested by the contributing municipality. The Task Force discussed whether mitigation payments for the three cities should be reduced or eliminated due to the positive fiscal impact of the incorporation of the City of Miami Gardens and whether mitigation should sunset at some point. The first recommendation of the Task Force was adopted requiring that mitigation should not result in a net revenue transfer to UMSA. (See Item III-1 below.)

At the meeting of June 1, 2006, the Task Force reiterated two concepts: (1) there should be no net revenue transfer to UMSA and (2) the Task Force must determine if

methodology with objective indicators (see Item III-4 below). The Task Force requested that County staff prepare a draft report for its approval for the June 26, 2006 INLUC Committee meeting.

More detailed meeting summaries prepared by County staff and approved by the Task Force are attached (Attachment A).

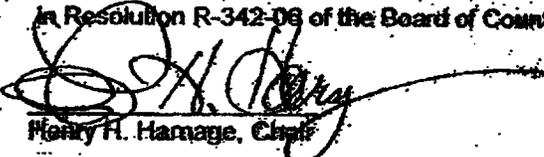
III. Motions Adopted

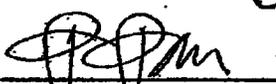
The Task Force adopted the following motions, clarified during the Task Force meeting of June 19, 2006, as their recommendations to the BCC:

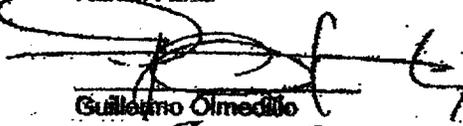
1. Mitigation should not result in a net revenue transfer to UMSA. (Motion passed unanimously.)
2. Mitigation payments should be expended for two purposes: (1) to maintain police services in the unincorporated area proximate to the municipality paying mitigation and (2) for a municipal retainer. (Motion passed unanimously.)
3. If the net effect of the five incorporations of the municipalities of Miami Lakes, Palmetto Bay, Doral, Miami Gardens, and Cutler Bay result in a net revenue transfer, mitigation shall cease. The figures to be used to determine if there is a net revenue transfer or not are the respective impact to UMSA analyses as prepared at the time of incorporation of those five municipalities. If in the future a new area wishes to incorporate, then the County would determine the impact to UMSA by the incorporation of that area and whether or not there is to be a mitigation payment by the area seeking to incorporate (Motion passed 5 to 1.)
4. The standard that has been used thus far to establish mitigation must be changed in the future to more appropriately reflect actual impacts to UMSA and include a methodology with objective indicators (Motion passed unanimously.)

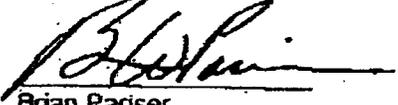
IV. Task Force Members Ratification

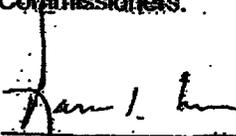
The members of the Mitigation Adjustment Policy Review Task Force respectfully submit the aforementioned recommendations in fulfillment with the charge outlined in Resolution R-342-06 of the Board of County Commissioners.

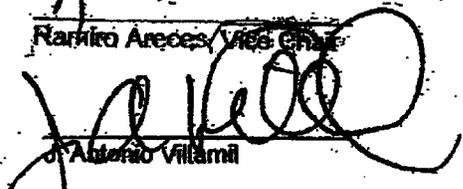

Henry H. Hamage, Chair

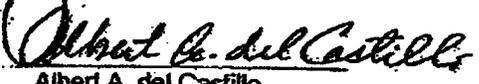

Rafael Roden


Guillermo Olmedillo


Brian Pariser


Ramiro Areces, Vice Chair


J. Antonio Villamil


Albert A. del Castillo

**Miami-Dade County
Mitigation Adjustment Policy Review Task Force
May 5, 2006 – Meeting Summary
CITT Conference Room, 10th Floor**

I. Call to Order

Chairman Harnage called the meeting to order at 1:20 p.m.

II. Charge to the Task Force

The Chairman explained that the group is called the Mitigation Adjustment Policy Review Task Force (MAPTF) created by a resolution adopted by the Board of County Commissioners (BCC). He thanked staff for information provided prior to the meeting.

III. Task Force Members and Staff Introduction

The Chairman requested Task Force members and staff introduced themselves and identified their affiliations subsequent to his own introduction;

- Henry Harnage, former judge, presently working with litigation group of Greenberg Traurig;
- Craig Coller, Assistant County Attorney handles issues relating to incorporation and annexation.
- Ramiro Areces, attorney appointed by the City of Doral
- Guillermo Olmedillo, land use consultant, former Director of Miami-Dade County Planning and Zoning Department; his office handled prior incorporation initiatives such as the Village of Key Biscayne;
- Robert Cruz, representing Antonio Villamil, economist. Mr. Cruz and Mr. Villamil have performed many economic studies
- Albert del Castillo, attorney appointed by the Town of Miami Lakes
- Brian Pariser, attorney appointed by the Village of Palmetto Bay. In 1991 he was appointed by the County to the Citizens Advisory Board for incorporation and in 1994 to the West Kendall. He was also a member of the Village of Palmetto Bay steering committee for incorporation
- Jose Gonzalez, representing Rafael Rodon as business leader; both of them are from Codina Group and will bring the industry point of view as far as how mitigation affects the business community.
- Roger Carlton, Assistant County Manager, additionally he served on the charter commission for the Village of Pinecrest
- Sarah Ingle, Assistant Director for Incorporation and Annexation for Miami-Dade County's Office of Strategic Business Management

Mr. Coller explained that the resolution creating the Task Force does not provide for alternates and that individuals representing members can participate in the discussion but cannot vote on any issues considered by the Task Force.

The following City Officials were also present: Town of Miami Lakes Wayne Slayton, Mayor and Alex Rey, Manager; Village of Palmetto Bay, Eugene Flynn, Mayor and Charles Scurr, City of Doral, Juan Carlos Bermudez, Mayor and Sergio Purriños, Manager.

IV. Sunshine Law Overview

Mr. Collier explained that the Sunshine Law is a Florida Law that is in the Florida Constitution and Florida Statutes which requires that the public business be done in the open. The law applies to advisory boards such as the Task Force. All members are subject to the law. Any discussion on matters that may come in front of the board must take place at an advertised meeting in which minutes are taken. Staff will advertise the meeting and provides minutes. All forms of communications are subject to the sunshine law, such as email, telephone conversations, and letters. He made himself available for clarifications. There are penalties for violation of the law. With regards to the public records law any documents created by this Task Force need to be kept for public inspection including personal calendars if meetings of the Task Force are scheduled in such calendars. He recommended that members maintain a separate calendar for public meetings. Staff cannot act as a conduit among Task Force Members.

Mr. Collier advised that the Ethics Commission advised by written notice to the County Attorney's Office that the Task Force members are not required to complete financial disclosure statements.

V. Election of Officers

The Chairman deferred selection of a Vice Chair until the end of the meeting.

VI. Incorporation History and Mitigation Overview Presentation

Ms. Ingle made a presentation on the History of Incorporation and Mitigation in Miami-Dade County. The presentation included information on the creation of Metropolitan government in 1957 and the adoption of the County Charter. Section 5.05 was highlighted as the power granted to the BCC to create a new city after receiving a recommendation from the Planning Advisory Board (PAB), holding a public hearing, and getting approval by the majority of the voting electors in the proposed new municipality. The BCC could also choose not to create a new municipality. Additional information included: a brief history of the cities that have incorporated since the adoption of the County Charter: moratorium on incorporation; Municipal Advisory Committees and their responsibilities; purpose and calculation of mitigation; conditions for incorporation and mitigation agreements for the municipalities of Miami Lakes, Palmetto Bay and Doral; current County statistics on population, Unincorporated Municipal Service Area and County tax base; definition of revenue neutral municipalities such as Miami Gardens and Cutler Bay; information on a proposed State Legislative Bill during the 2006 session seeking to prohibit a County from using its authority to require payment by certain municipalities as a condition of incorporation and how the Bill would have only applied to Miami-Dade County given its Home Rule Charter. The creation and responsibilities of the Task Force was discussed further.

VII. General Discussion and Key Timeframes

Mr. Areces requested clarification on the incorporation voting process. Ms. Ingle further clarified the process of voting to create a city and the vote to adopt a municipal charter.

Mr. Collier clarified that the BCC does not approve a city charter but rather approves whether a charter will be submitted to the voters of the municipality for approval. He also introduced Assistant County Attorney Cynthia Johnson-Stacks who joined the meeting.

Mr. Areces requested clarification on the purpose of the Municipal Service Trust Fund (MSTF) as to providing police services in unincorporated areas adjacent to the cities paying such mitigation in the form of accounting of such funds.

The Task Force members discussed the deadline for presenting the required report to the BCC within the timeframe established in the resolution. The members agreed that the 60 days deadline from the date of the resolution on March 21, 2006 cannot be met and that the Task Force will require additional time to prepare the report.

Mr. Pariser noted that the cities expect a good faith effort in resolving the mitigation question promptly given the budgetary concern of the municipalities for the upcoming fiscal year and that delaying a report to the BCC until September was not appropriate.

The Chairman observed that one problem is that not every member of the Task Force has the same level of knowledge regarding the subject, which will make it hard to work within the time reference provided.

Mr. Areces noted that he had hoped to get something accomplished by the end of June to address the budgetary concerns of the cities.

Mr. del Castillo noted there are numerous materials to digest. He requested similar information for the two municipalities that have incorporated subsequent to Doral.

Mr. Pariser asked if there has been a change in policy to require a 100% mitigation payment for future donor communities who incorporate.

Ms. Johnson-Stacks clarified that 100% mitigation is required from Commercial, Business, and Industrial areas and that the BCC makes the decision as to the mitigation percentage for a municipality that wants to incorporate.

Mr. Pariser stated that from his understanding the Task Force is limited to looking at mitigation for the three municipalities currently paying mitigation and not to recommend a policy for future incorporations.

Mr. Gonzales noted that from the business standpoint, the issue is one of fairness as to what the cities are getting for the money they are paying to the County, and whether mitigation payments are causing them constraints.

The Chairman noted that section four of the resolution is open ended as to the Task Force's charge.

Mr. Carlton noted from the resolution that they were charged with presenting a recommendation as to the appropriate policy for the adjustment of payment paid by the three municipalities in question. The outcome of the process is in regard to the three municipalities.

Mr. del Castillo noted that to make an appropriate deliberation he would like to see what has happened to other municipalities that have incorporated subsequent to the incorporations of the three municipalities paying mitigation.

The Chairman noted that as to the recommendation on the appropriate formula for mitigation that he was not certain whether the Task Force had to look beyond the three municipalities and whether that will lengthen the considerations of the group.

Mr. Areces noted that he understood that the mitigation payments were not intended to be forever.

Mr. Pariser noted that his understanding was that the Task Force was to look into the mitigation of the three municipalities and not the broader mitigation policy. He noted that to form a new county-wide mitigation policy is up to the BCC. He requested to place on an agenda the matter of how the incorporation of the City of Miami Gardens relates to whether mitigation should still be paid by the three municipalities since the County has a net gain as a result of not having to pay the value of municipal services to that community.

Mr. Olmedillo stated that the charge was clearly defined as to provide a quantitative analysis of how mitigation is being done with the three cities and to conclude whether it is fair or not. Look at the way a deal was reached with three cities, it is fair or not.

Mr. Cruz noted more information is needed as far as how the mitigation formulas were derived, the millage equivalent, etc. He noted that fairness includes what the County has lost not just as of the moment of incorporation but into the future, since those municipal tax revenues are lost to UMSA forever. It is money that would have gone to the County should those municipalities not have incorporated. Therefore, is the mitigation formula adequate for what the County has lost?

Mr. del Castillo noted in response to Mr. Cruz's remarks that it is necessary to look not only at what the County has lost due to incorporation of the three municipalities, but what has happened to incorporation since, because it is possible that the burden has been removed from the remaining UMSA.

Mr. Areces noted he needs clarification on what the mitigation money is earmarked for. He noted that when residents of Doral voted to approve the city charter, they did so with an understanding of how the mitigation funds were to be used; are funds being used accordingly?

Ms. Ingle clarified that the money paid to the MSTF is in fact used to provide police services in the unincorporated areas adjacent to the cities paying mitigation.

At the request of the Chairman, Mr. Collier clarified that the committee can look at how the mitigation money is spent. He noted the resolution gave wide discretion to the Task Force on looking at the mitigation policy.

Mr. Carlton suggested that the Task Force provide Staff within a week a list of additional materials needed to make an informed decision once a meeting schedule is set.

Mr. del Castillo asked whether it was possible to run information through the cities first to ensure all the parties have agreed to the information being provided.

Mr. Carlton stated that while the information could also be sent to the municipalities it is not feasible to send it in advance of distribution to the members.

Mr. Gonzalez requested to hear from the municipalities.

Mr. Carlton noted that the County's unincorporated area is the fourth municipality at the table and that the Task Force should consider impacts to the four jurisdictions.

Mr. Pariser agreed with Mr. Gonzalez' request to hear from the municipalities and stated that they can shed light on what they are expecting from this process.

Mr. Olmedillo noted that until a deadline extension is given to the Task Force they need to act promptly within the charges described in the resolution and then inform the BCC of any additional time needed.

Mr. del Castillo expressed concern with rushing toward a resolution and that he preferred more time to make an informed decision.

The Chairman suggested a recess to allow the city representatives to consult with their municipalities.

The Task Force recessed deliberations at 3:04 p.m. and resumed the meeting at 3:25 p.m.

The Chairman noted that he would attend the BCC's Infrastructure and Land Use Committee meeting on May 16, 2006 to provide a verbal report to the BCC and to request additional time.

Members representing municipalities reported that their respective municipalities were in agreement with the Task Force completing its recommendation report by June 15, 2006 given the need to set their budgets in the middle of July.

Mr. Pariser noted that any recommendation made by the Task Force will have to go before the BCC to be debated prior the municipalities' planning for their next fiscal year's budgets. He inquired as to whether the County was in a different cycle for budgetary purposes.

Mr. Olmedillo asked Mr. Carlton for his advice regarding budgetary and reporting deadlines.

Mr. Carlton noted that the municipalities and the County had different deadlines to set their upcoming year's budgets. He noted that there is a difference between presentation of a proposed budget and maximum millage prior to the July recess and adoption of a final budget and millage rate in September, generally at a lower level than the one adopted in July. He advised that establishing a deadline for closure of the Task Force's work without knowing the additional information needed seemed premature.

Mr. Areces noted that a deadline was set in the resolution creating the Task Force and that six weeks already had passed since adoption of the resolution, thus the Task Force needed to proceed quickly to meet municipal budget timeframes.

The Chairman asked if there was room for the interaction of these budgets between the four municipalities, the unincorporated County area being the fourth.

Mr. Carlton noted that it is important to hear a presentation from the fourth city as well in terms of its budget during next meeting presentation session. If at the end of the process the Task Force recommends changes to the way mitigation is calculated, the impact of that calculation needs to be addressed. It is a complex calculation and time is needed for staff to provide adequate analysis.

VIII. Set Agenda for May 18, 2006 Meeting

Mr. del Castillo noted that a meeting schedule was needed to properly study all the information.

Mr. Gonzalez suggested meeting prior to May 16 in order to have more substance to present to the BCC.

A meeting was set for May 11 at 1:30 P.M.

Mr. Carlton and Mr. Collier noted that they would not be available on May 11th but will make arrangements for appropriate representation.

Members agreed to provide the County with requests for further information by the close of business on Monday, May 8, 2006. All requests are to be sent by email to Ms. Ingle.

Ms. Johnson-Stacks advised that the information needed to be sent to the group as a whole, but without indicating who requested which documents.

Ms. Ingle clarified that depending on the document requested it may not be durable to provide them in advanced to the meeting on Thursday.

The members agreed that at the next meeting each municipality will make a fifteen (15) minute overview presentation to the Task Force. The Chairman requested an executive summary be provided of the presentations.

Mr. Carlton noted that each municipality should provide information as to their budgetary process and how the Task Force discussion will impact it. He asked Jennifer Glazer-Moon, Director, Office of the Strategic Business Management, for clarification on how the County notifies the cities on the upcoming mitigation payment.

Ms. Glazer-Moon noted that tax roll information is available on July 1st and that at that time an analysis is done to determine the mitigation payment amounts.

Ms. Glazer-Moon further noted that the County releases its proposed budget by the end of May. The July 1st tax roll will have an impact on the proposed budget; on July 18th the BCC will approve a millage rate, which will also impact the proposed budget. Decisions made at the September budget hearings can impact the budget as well.

Mr. Scurr noted that the problem will not be with the cities but with the County because theoretically if mitigation goes down the cities will have more money and the County will have less money.

Mr. Glazer-Moon noted each city had different deadlines. However, the cities have to approve a tentative millage rate prior to August 5th, in order for the County to be able to send tax notices in August. The County, by State Statute, has to report to the State the advertised millage rate for the County and all its municipalities on August 5th.

Mr. Carlton noted that it would be helpful to the Task Force to prepare a time line from the County and from the cities reflecting these deadlines.

The Chairman advised the members to try not to take a legal approach and that the Task Force is not an adjudicatory process. He hoped that the Task Force does not try to make legal determinations.

Mr. Areces inquired if the decision as to whether to provide a final report on June 15th is going to be deferred until May 11th.

The members agree that they will proceed with that deadline in mind.

Additional meetings were scheduled for May 18 and June 1, 2006 at 1:30 P.M.

Mr. Carlton provided the Task Force members with a copy of the County Manager's *Report on Incorporation and Annexation*.

IX. Election of Officer

The members unanimously appointed Mr. Areces as Vice Chairman of the Task Force.

X. Adjournment

Meeting adjourned at 4:16 p.m.

**Miami-Dade County
Mitigation Adjustment Policy Review Task Force
May 11, 2006 – Meeting Summary
OSBM Large Conference Room, 22nd Floor**

I. Call to Order and Roll Call

Chairman Harnage called the meeting to order at 1:40 p.m.

The following members were present:

Henry Harnage, Chair; Ramiro Areces, Brian Pariser, Albert del Castillo, Guillermo Olmedillo and Robert Cruz (for Antonio Villamil), and Rafael Rodon.

II. Update Regarding Minutes

Ms. Ingle, Assistant Director, Annexation and Incorporation Services, announced that minutes are being prepared for approval for the May 5th meeting. The minutes will be distributed at the next meeting.

III. Distribution of Requested Information

Chair Harnage suggested that the Task Force review the responses to inquiries raised in the last meeting as provided in the two-page handout distributed by County staff.

Mr. Areces discussed his initial request for information on the accounting of funds deposited into the Municipal Service Trust Fund (MSTF). His request included an accounting of not only money received but also how the funds were applied. He noted that the City of Doral has provided him information showing that the amount paid in mitigation since incorporation is approximately \$25 million. He would like an accounting of how those \$25 million were spent in proximate areas for police services. He indicated that the handout from the County does not provide that information.

Ms. Ingle responded that the first page of the handout indicates that the funds were used to offset expenses within the police district proximate to the municipalities as distinguished by the lighter gray areas on the chart.

County Manager George Burgess noted that the UMSA component of the police budget is approximately \$330 million. The annual expense for the Doral is about \$7.4 million per year in mitigation payments. That amount goes into the MSTF and not directly in the police budget. Costs associated with police activities proximate to those municipalities making mitigation payments exceed \$7.4 million. There are tens of millions of dollars in personnel costs incurred proximate to those cities that far exceed \$7.4 million. Police expense is reimbursed by the MSTF similarly for Miami Lakes and Palmetto Bay.

The question was asked whether 100% of monies received for mitigation go to police services. Manager Burgess responded that a large percent goes to public safety/police. The question was asked whether this percentage could be broken down for the Task Force. The Manager responded yes. Jennifer Glazer-Moon, Director of the Miami-Dade County Office of Strategic Business Management, indicated that such a report would be provided. The chair requested that the information be provided prior to the following week's meeting.

Mr. Cruz indicated that he will forward a request for information to Sarah Ingle that will include economic, demographic and fiscal analysis.

IV. Presentations by Municipalities

Town of Miami Lakes -

Mayor Wayne Slaton presented on behalf of the Town of Miami Lakes. He noted that mitigation has become a profit center which was not its intended purpose. Mitigation was never intended to subsidize the UMSA budget. The Town of Miami Lakes included language in its agreement with the County to protect itself against mitigation ever becoming a windfall for the County. Language included in the agreement between the Town and the County noted that mitigation would be renegotiated should significant changes in the composition of the remaining UMSA occur. This included the incorporation of a low tax base area. The incorporation of Miami Gardens is that example.

Alex Rey, Town Manager, distributed a handout detailing the summary of the impacts of all the incorporations that have been approved since 2000. After the incorporation of the Town of Miami Lakes, there was a negative impact to the County of \$1,150,000, almost \$2 million with Palmetto Bay and a little over \$3 million with Doral. With the incorporation of the City of Miami Gardens, a low tax base area, the County saw a savings of \$23 million per year. The County, with mitigation, received a net gain of \$16 million.

Village of Palmetto Bay -

Charles Scurr, Village Manager, provided a handout and made a presentation. The net loss to UMSA with the incorporation of Palmetto Bay was \$3,572,000. The incorporation of the North Dade area provided a gross gain to the County of \$23 million. Mitigation is now a profit center to the County at approximately \$16 million and this amount will continue to increase. Another concern is the discretion of the MSTF. Each of the agreements specifies what the MSTF is to be used for - the language for Palmetto Bay and Doral is exactly the same and Miami Lakes has a few additional items listed. MSTF will have two purposes: (1) funds will be allocated to preserve police services and (2) the MSTF will serve as a municipal assistance retainer.

The agreement also states that the MSTF will enable the Village to receive benefits and services from the County not available to other municipalities that do not contribute to the MSTF. The agreement also lists the type of things it can be spent on but County documents indicate that the MSTF is going all into police services. It is not going into this municipal retainer. Palmetto Bay has asked for a variety of things including the setting up of a website. A significant portion of the MSTF should be spent on direct services to the villages and towns and this is not occurring.

Ms. Glazer-Moon noted that a number of services have been provided to the municipalities upon request to include maps and building records that have not been charged to the municipalities. Other municipalities that do not contribute to the MSTF are charged for similar services.

Village Mayor Eugene Flinn spoke and reiterated that the Village would feel better knowing that the County has gone back to re-calculate the MSTF with the additional incorporations that have been approved. UMSA has stabilized. Miami-Dade County is in a revenue-surplus situation, \$6.7 without any mitigation. It is now a revenue-neutral grouping. The slate should be wiped

clean. When the next city comes along, the same analysis should be applied, revenue neutral cities should be allowed to leave. If the area is revenue positive, the same mitigation formulas should be applied and the process begins again until Miami-Dade County stabilizes with no more incorporation (which is the state now); then mitigation works out the way it was originally intended.

City of Doral –

Sergio Purriños, City Manager, distributed a power point presentation for review. His discussion focused on how mitigation money should be used. Doral pays \$7.8 million to the County in mitigation. Police expenses are in excess of \$11 million. Mr. Purriños discussed the various needs in the City to include infrastructure, transportation and parks. Mr. Purriños also noted that the County uses the City's police outside its borders.

A request was made of the County Manager to provide a report to the Task Force showing the amount of time UMSA police provide services within the municipality and the amount of time municipal police assist UMSA outside municipal limits. Doral will request the information from the City Commander and copy Sarah Ingle on the request for information.

Mayor Bermudez noted that this process should be about being fair and equitable to all Miami-Dade County residents and there will be no need to proceed with measures through the State legislature.

Unincorporated Municipal Service Area (UMSA) –

George Burgess, County Manager made a presentation on behalf of UMSA. He noted that Miami-Dade County struggled with the issue of how to draw boundaries so that they will not have an extreme adverse affect on the remainder of UMSA. The concept was then created to draw the boundaries monetarily to determine the net impact to the City of UMSA at a point in time. That point in time will change from one year to the next. The County does not take the position that one City should pay the entire amount of loss to the UMSA budget but at least half of that amount and retain the other half for municipal service enhancements, start-up costs of City government etc. The Home Rule Charter was modified with this new approach in order that the concept would stay and withstand amendments in the future. This is to protect the County from cities that would agree to mitigation at the time of incorporation and later change their charters to eliminate mitigation payment requirements.

He noted that the percentage of a city's budget dedicated to police services can be misleading. Doral pays large mitigation payment but it also nets about \$15 million per year in revenue. After the mitigation payment is made, \$7.5 million is in that geographic area that wasn't there before. As far as police calls inside and outside of geographic areas, the same occurs with UMSA even with mutual aide agreements. The County's police respond inside and outside from time to time as it should. The real issue is how to take the broad charter language regarding revisiting mitigation and translate it into something that can be implemented.

The question is whether the concept of mitigation for each area that incorporates is an action independent of those that follow or is cumulative. Furthermore, how would the cumulative impact be calculated? He referred to the issue raised about the gain to the County after the incorporation of Miami Gardens of \$23,543,777. He referred to the page in the North Dade

Incorporation Report detailing the figures. The document indicates that the gross cost of providing services to Miami Gardens is \$46 million of the UMSA budget. The direct gain to the UMSA budget will not be \$23.5 million because many expense items were not eliminated from the budget but continued in order to serve the remaining UMSA. It is not a dollar to dollar reduction. If you argue that mitigation is a cumulative issue, what would logic dictate? What happens if after Cutler Bay another donor area incorporates? Do you add that to the equation and then calculate the numbers again? The Manager stated that he does not have the answer but noted that the Task Force cannot look at these four areas alone. He assured the Task Force that there is not a huge windfall to UMSA and in the next meeting, he will provide a breakdown of numbers of what truly happened in the budget not including any decisions the County made to shift any services somewhere else in UMSA. If we look at the numbers for those four areas, they may show that the County will benefit at some point in the future. The calculation of mitigation has to be a living formula.

Mr. Burgess indicated if mitigation is to be a living formula, there can be agreement regarding the formula. The formula should have nothing to do with what the numbers are. The question is how to work a formula that is fair and determine when to revisit the formula – whether it is every 2 years, every 5 years etc. Mr. Burgess reiterated that there is a MSTF to which these mitigation payments go and from that MSTF, almost 100% go to directly fund police services in areas proximate to these municipalities that contribute to the MSTF. 75% to 80% of the UMSA budget is for police costs. Typically, in a City budget approximately 50% is for police costs but it is different with UMSA because UMSA has a separate and distinct Fire District. Fire rescue service does not come from the UMSA budget like other cities. Police services must be sustained in higher demand/crime areas in proximity of the municipalities in question. It is very important that there be agreement upon the methodology to be used for mitigation as well as how often the issue be revisited.

V. Task Force Working Session

Chair Harnage and members voiced their concern about the charge given to the Task Force. Is the Task Force to look at the current issue with these municipalities only or long range concerns?

The question was asked of Mr. Burgess if it is determined that the County has received a financial gain, would he agree that mitigation should be suspended for this year? Mr. Burgess indicated that he would like to review the numbers and wait until that review is completed before making a response to the question.

There was a concern raised about what actually went before the voters. Did the actual agreement go before the voters? The charter is voted upon by City residents at the second election which is the charter vote. The charter is also voted on by the BCC.

There was a concern raised regarding the impact of incorporations to UMSA. The numbers have to do with the initial analyses. In the case of Miami Lakes, the analysis was done in 1999 or 2000 and in the case of Miami Gardens, it was done much later. These analyses consider different time periods and do not consider inflation and other such factors. Therefore, it is hard to simply aggregate those numbers and come to conclusions as to what they really mean.

There was discussion regarding the advisability of focusing on the methodology of the calculation rather than specific numbers.

The question was asked whether the task force is to consider incorporations prior to 2000. It was determined that the group would not go beyond the incorporations prior to 2000.

The Task Force should decide on the core issues that can be presented to the BCC with recommendations.

VI. Discussion Regarding May 16, 2006 Infrastructure and Land Use Committee (INLUC) Oral Report

The Task Force determined that the only item of discussion in the presentation at INLUC would be to request an extension of the due date for the report. The oral report is a time certain item at 9:30 a.m.

VII. Set Agenda for May 18, 2006 Meeting

Task Force will review figures and reports that County staff will provide.

VIII. Adjournment

Meeting adjourned at 5:05 p.m.

**Miami-Dade County
Mitigation Adjustment Policy Review Task Force
May 18, 2006 – Meeting Summary
OSBM Large Conference Room, 22nd Floor**

I. Call to Order and Roll Call

Chairman Harnage called the meeting to order at 1:45 p.m.

The following members were present:

Henry Harnage, Chair; Brian Pariser, Antonio Villamil, Ramiro Areces, Rafael Rodon, Guillermo Olmedillo, Albert del Castillo.

II. Update Regarding Minutes

Ms. Ingle, Assistant Director, Annexation and Incorporation Services, announced that minutes for the three meetings will be provided to the members prior to the next scheduled meeting.

III. Update Regarding May 16, 2006 Infrastructure and Land Use Committee (INLUC) Oral Report: Vice Chair Areces

Vice Chair Areces and Mr. Olmedillo attended the INLUC meeting. The request for the extension of the report to June 15, 2006 was granted by the Committee and will be forwarded for full Board of County Commissioners approval on Tuesday, May 23, 2006.

IV. Distribution and Explanation of Supplemental Information Regarding Use of Mitigation: Miami-Dade County Staff

Mr. Carlton, Assistant County Manager, discussed the request from the last meeting of an accounting of mitigation funds received from the three cities. A handout was provided detailing the information. Page One of the handout shows the total amount received from the cities is \$29,091,084.

Ms. Ingle provided the Committee with an alternate Report on the Incorporation of North Dade. This report differs from the original handout of May 11th in that it contains the County Manager's memo to the County Commission.

Ms. Ingle reviewed the handout – *Municipal Services Trust Fund (MSTF)* – and noted the following:

- During the first year of incorporation there is a transition period where the County is still providing municipal services in the area. These services are tracked and at the end of the reconciliation period, either the County owes the municipality or the municipality owes the County. With regard to the three cities, the amount the County owed each of them at the end of the reconciliation period was reduced by the mitigation period for that year. All of the backup documents included in the handout, therefore, do not include the first year of incorporation.
- An area that annexes may also have to pay mitigation. These fees also go through the MSTF. Some mitigation entries may not match amounts that are deposited from the three cities because some of the deposits may be from annexations in the same districts.

- Miami Lakes mitigation payments are listed by year on page two of the document. Each subsequent page for Miami Lakes shows a screen shot of the transfer of the money from the MSTF to the police district. The same is done in the document for Palmetto Bay and Doral.

Mr. Pariser noted that the MSTF was intended to be used for two purposes, the first of which to assist in police services/costs for proximate areas and the second as a municipal assistance retainer for services requested by the contributing municipality. He questioned whether 100% of the MSTF is being spent on police service. Ms. Ingle responded that the document shows that 100% is spent on police service but it does not mean that the County does not provide other services to the contributing cities at no charge. Those expenditures are not accounted for in the same way.

Mr. Pariser asked if Ms. Ingle and staff know the distinction between which services are charged and which are not because the Village of Palmetto Bay has provided him with information on services that were charged to the City. He distributed a document detailing these charges.

Ms. Ingle indicated that the dates of the service would be helpful in researching the charges. Mr. Pariser will provide the information on dates and services at the next meeting for County staff to research.

Mr. Rodon asked whether the information on the transfer of funds to police districts is by number of officers and benefits etc. Ms. Ingle responded that the transfer of funds is not earmarked to specific officers in the district.

Mr. Carlton noted that the purpose of the request was to demonstrate that records are kept by the County showing the receipt of MSTF and the transfer of MSTF to police districts proximate to the contributing municipalities.

Mr. Pariser asked about the \$23 million savings the County received after the incorporation of Miami Gardens. He asked the County for documentation that would demonstrate what the true savings was if in fact the savings is not \$23 million. This information is crucial to the Committee's recommendation. Ms. Ingle indicated that the research continues into this matter.

Mr. Alex Rey, City Manager, Town of Miami Lakes noted that services provided to the cities are not only for the transition period but the MAC agreements suggest that services would continue beyond the transition period.

Mr. Carlton believes that the charge to the Committee is to review what has occurred in the past and determine if MSTF funds are being allocated to specific needs of the police departments in area proximate to contributing cities. This has been proven with the information provided. The next concern that has been raised by the cities is whether the use of MSTF should include some non-police functions. He will get clarification on the issue by the next meeting and counsel will be ready to respond as well. He hopes that the committee can agree upon a methodology for mitigation that will work from this point forward.

Mr. Rodon requested a simple chart that tracks which services qualify for provision to participating municipalities through the MSTF.

Mr. Areces noted that the payroll alone for the Doral station is in excess of \$9 million. Did the voters in Doral believe that they would pay for leave time for everyone that works in the Doral station?

V. Public Comment

Mr. Alan Rigerman asked whether Miami Gardens is still paying its transition fees.

VI. Working Session

Mr. Areces summarized the issues raised at the meeting:

- (1) What do police services include proximate to municipalities contributing to the MSTF?
- (2) Whether mitigation payments for the three cities should be reduced or eliminated due to the positive fiscal impact of the incorporation of the City of Miami Gardens?
- (3) Do we look at municipalities as a group of three or each one individually at the time they incorporated?

Mr. Pariser noted that the condition in the incorporation agreements of no more mitigation after Miami-Dade County reached a population of 500,000 residents or fewer served as an inducement to incorporation.

Mr. Carlton indicated that with regard to the population tests, the assumption by cities was that the criteria for incorporation would remain steady forever. Mr. Carlton agreed to follow up to see if that is a correct assumption.

Mr. Olmedillo raised the issue of whether the Committee should view its charge by looking at the three cities only or by including UMSA as a fourth city.

Mr. Villamil asked whether staff had any knowledge of whether a best practices study has been conducted in areas around the country of large urban areas with numerous incorporation efforts.

Mr. Rey noted the language change between the different agreements. The Miami Lakes agreement includes the incorporation of a lower tax base area as an issue in which mitigation could be revisited. This condition is not included in the Palmetto Bay and Doral agreements.

Mayor Slaton, Town of Miami Lakes, noted that UMSA does not have additional money for municipal services because the majority of its funds go to police service.

Mr. Pariser raised the concern that while the language regarding the incorporation of a lower tax base area is not included in the Palmetto Bay and Doral agreements, what is key is that mitigation was not to become a profit center for the County.

Chair Harnage noted various points raised to include:

- Definition of retainage
- Fourth city
- Mitigation as a profit center (both County Manager and Task Force agree it is not to be)

Mr. Rodon summarized the issues in three points:

- Whether the Committee wants to consider the option for cities to expand beyond police services with use of mitigation funds.

- Consider the option of mitigating through in-kind services instead of making direct payments (i.e. provide services beyond boundaries).
- Should mitigation sunset at some point? Time should be given to remainder of the County to adjust, budget, etc.

Mr. del Castillo stated concern that if the Committee focuses on expanding the use of mitigation, this would go beyond the charge which is to determine whether mitigation should remain as it is or be adjusted up or down.

Mr. Pariser noted that the Committee should look at the Miami Gardens situation as it relates to the express condition in the Miami Lakes contract. Is mitigation a revenue producer for the County? Does the committee recommend that mitigation be studied on a continuing basis? How Miami Gardens impacts the County is critical to this process. If Miami Gardens generates a profit, that profit should be used to offset what the three cities pay in mitigation.

Mr. Carlton presented a hypothetical based on the discussion – if three cities' cumulative mitigation is \$20 million and after five years a fourth city incorporates saving UMSA \$10 million, under Mr. Pariser's analysis, the three cities' cumulative mitigation should decrease to \$10 million. In year six, if a donor area incorporates, offsetting the savings to UMSA, does the County go back to the three cities and raise the mitigation again?

Chair Harnage voiced concern with the County changing the rules at different points in time.

County Attorney Craig Collier noted that the modification of a condition of a contract would require a 2/3 vote of the entire Commission.

Mr. Rey noted that, according to the Town's attorney, a change in the mitigation amount would not require an election of the area residents but a letter from the City attorneys accepting the change.

A motion was made by Mr. del Castillo that the first point to be presented from the Committee would be that *Mitigation should not result in a net revenue transfer to UMSA*. Second by Mr. Areces. Motion passed unanimously.

VII. Discussion Regarding Potential Rescheduling of June 1, 2006 Meeting; Tentative Scheduling of Additional Meetings

Mr. Carlton raised concern with the June 1st meeting date taking into consideration the deadline for the Office of Strategic Business Management for the completion of the County budget by May 31, 2006. The Committee recognized the concern but decided to meet on June 1, 2006. Ms. Ingle would email members regarding the time and the dates and times of two additional meetings prior to June 15.

VIII. Set Agenda for Next Meeting

A placeholder will be put on the next INLUC meeting for a report from the Committee.

IX. Adjournment at 5:01 p.m.

**Miami-Dade County
Mitigation Adjustment Policy Review Task Force
June 1, 2006 – Meeting Summary
OSBM Large Conference Room, 22nd Floor**

I. Call to Order and Roll Call

Chairman Harnage called the meeting to order.

The following members were present:

Henry Harnage, Chair; Brian Pariser, Antonio Villamil, Ramiro Areces, Guillermo Olmedillo, Albert Del Castillo.

II. Update Regarding Minutes

Minutes were provided for the 5/5/06, 5/11/06 and 5/18/06 meetings. The Chair requested that the task force review the minutes for approval at the next meeting.

III. Distribution and Explanation of Supplemental Information Regarding Mitigation-Related Technical Assistance: Miami-Dade County Staff

Sarah Ingle, Office of Strategic Business Management explained that the handout provided a side by side comparison of the charter provisions for Miami Lakes, Palmetto Bay and Doral that relate to uses of mitigation in response to the task force's discussion at the previous meeting. The document also provides information from the charters as well as interlocal agreements with the County and municipalities relating to initial mitigation payment, adjustment to mitigation payment and triggers for revisiting mitigation.

Ms. Ingle reported that County staff is working with the Village of Palmetto Bay to resolve the issue about services requested by the Village that may qualify within the municipal retainer.

IV. Public Comment

V. Working Session

Mr. Pariser voiced concern with the municipal retainer being available to cities only for the transitional period. Ms. Ingle noted that municipal assistance has been provided on an ongoing basis to municipalities. Mr. Pariser proposed a motion that the mitigation funds contributed by the three municipalities are to be used both for police services and continuing services as stated in the charters on an ongoing basis and are not limited to start up phases of these municipalities. Mr. Areces offered the amendment that the motion specifically say that the mitigation money is to maintain police services. The motion received a second by Mr. Areces.

A discussion was held regarding maintenance of police service in proximate areas to municipalities. Charles Scurr, Manager, Village of Palmetto Bay, noted that maintenance of service requires that the number of police officers in proximate areas should remain the same after those neighboring areas incorporate.

Roger Carlton, Assistant County Manager noted the challenge to recruit and train new officers for areas that remain in UMSA after an incorporation, especially when new municipalities require additional officers above the UMSA staffing levels.

Mr. Villamil asked about the formula for calculating the amount of mitigation fees reserved for maintenance of police service in order to determine what amount remains for the municipal retainer.

Pete Cabrera, Vice Mayor, City of Doral noted that receiving service through the municipal retainer is challenging because it is at the County's discretion whether a request is approved.

Mr. Pariser explained that the point of his motion was for the task force to recognize that mitigation funds could be expended for two ongoing purposes. It is inequitable because it is purely at the County's discretion. There should be some recourse if the County, in its discretion, denies these mitigation service requests.

Mr. del Castillo noted that the task force's charge is to determine whether mitigation payments should be made in the first place.

Mr. Carlton noted that the Task Force has so far discussed four steps: (1) the need to demonstrate the no net revenue transfer concept – the County will provide numbers regarding the no net revenue concept – the County's budget cycle has caused a delay in getting the information to the Task Force; (2) maintaining police services in the nearby unincorporated areas; (3) municipal retainer – cities should provide the County their list; and (4) see if there is money in the municipal retainer to address the retainer requests.

County Attorney Craig Collier noted that the task force has the charge to propose a change or no change in mitigation. The task force should not feel restricted by the language in the different mitigation agreements.

Mr. Areces voiced disagreement with Attorney Collier. The task force could determine whether the County is spending mitigation money on items other than what was approved.

Mr. Olmedillo noted that the task force is not a court of law to determine if the County is spending the money properly. Charters are changed through amendments and the task force is to recommend changes to the mitigation process. The core issues involve whether mitigation is for replacement or replenishment of the UMSA budget and how often an accounting of mitigation should be conducted.

Mr. Del Castillo noted that the issue is how much should be paid in mitigation and how mitigation should be applied. A determination of how mitigation has been used in the past is secondary.

Mr. Carlton noted that the County is preparing the documentation to give the task force comfort that mitigation is not a profit center for the County. He suggested that the task force focus on the recommendations on the process in the future. The task force should determine the methodology that looks at the information that the City and the County need so that there is an interchange each year to resolve what the numbers will be. Additionally, the task force should determine a recourse process in case the interchange does not result in closure.

Mr. Pariser restated the motion that there is a finding by the task force based upon statements presented by Miami-Dade County and by language in charters that mitigation is to be expended for two purposes – (1) to maintain police services and (2) municipal retainer. Mr. Areces provided the second. The motion passed unanimously.

There was discussion about the Municipal Advisory Committee (MAC) agreements. These agreements propose what the MAC is willing to accept as a basis for its incorporation. Mr. Collier stated that the MAC agreements can be reviewed for intent but the charter is the agreement that is binding.

Mr. Pariser asked whether the handout omitted the language from the Miami Lakes Charter relating to triggers for revisiting mitigation. The MAC agreement for Miami Lakes contains language regarding triggers for revisiting mitigation; Attorney Collier explained that the charter is the operative document. Mr. Pariser noted that all municipalities should be treated equally.

Attorney Collier reiterated that the task force has broad authority with the recommendations it can make to the Board of County Commissioners. He referred to page 2 of the resolution creating the task force as evidence.

Mr. Villamil noted that the resolution speaks to a formula and the task force should consider some type of objective criteria with regard to resolving these mitigation issues.

Mr. Areces noted that the first determination is whether mitigation should be continued at this time based on what the voters approved and based upon whether the monies are being applied properly. If the task force finds that mitigation can continue because mitigation is being applied as the voters approved, then the task force can move to step two.

Mr. Carlton stated that the County demonstrated during the May 5th task force meeting that the mitigation fees stayed in the Municipal Service Trust Fund (MSTF). Mr. Areces and Chair Harnage noted that the issue had not been resolved by the task force. Chair Harnage noted that no one suggested that anything happened with the funds that should not have happened but with the State legislative mandate maybe it should not continue to be handled that way. The task force has not taken any position on the issue.

Vice Mayor Cabrera, during public participation, indicated that when the concept of mitigation first started, it was a viable idea, but now the County is making a profit. Additionally, Doral has not been able to get much from the municipal retainer. Another concern is whether there has been a thorough accounting of the municipal trust fund. The police department should not be given MSTF dollars until it is proved that they maintained the level of service.

He distributed a definition of 'proximate' and raised the question of how the definition of proximate changes for Palmetto Bay, Miami Lakes and Doral. The cities are not supposed to pay for the policing in the proximate areas but to maintain it. Currently, it takes Doral \$11 million to pay for its entire police service. Why does Doral have to pay \$8 million to maintain service in the proximate area?

Mr. Olmedillo noted that there are core issues – (1) no net revenue is to be created by mitigation and (2) how do we treat mitigation in time – is it only the 3 or 4 cities or should we keep taking an account as new cities incorporate and then the balance sheet changes?

Mr. Villamil noted that there should be objective criteria to measure the maintenance of service in the surrounding areas to the incorporated cities. The task force should come up with objective, performance-based criteria.

Mr. Pariser indicated that there are considerations now that were not there in the initial stages of mitigation like the 19% increase in property value in UMSA. The front page article in the June 5th Miami Herald is upsetting because the Commission is considering lowering the millage rate. Does keeping the millage rate artificially low affect mitigation? There should be a statement by the task force addressing the issue.

Mr. Carlton noted that to create a nexus of a proposed millage rate of an enormously complicated budget to an issue relative to mitigation seems to be a political discussion, not one belonging in the task force. He further noted that millage rates are recommended and adopted after public hearings, and it is a political statement, not a logical conclusion, to say that the BCC can never lower the millage rate in the UMSA area until mitigation goes away. Note: Later in the meeting, the Miami Herald article was corrected since it reversed the UMSA and countywide millages. The UMSA millage was recommended by the County Manager to remain constant.

The task force took an eight minute recess.

Mr. Olmedillo asked to revisit the issue of a dynamic system rather than a static system. Everyone has agreed there should be no net revenue transfer. The task force should recommend that every time there is a new incorporation, mitigation should be revisited.

Mr. Villamil noted that every time there is new incorporation, the city managers will have to figure out tax changes in the new municipality. This is a practicality issue that may be cumbersome. The principle is right – look at it system-wide and revisit it every time there is a new incorporation.

Mr. del Castillo indicated that the task force should consider the cost to UMSA of a donor community incorporating, not the cost to UMSA of some other donor community incorporating. If another donor community incorporates, are we going to require the first city to make mitigation payments because of the incorporation of a separate donor area?

Mr. Scurr, City Manager, Village of Palmetto Bay noted that one way to look at it is that there is now a revenue neutral group of four cities. The four cities taken together are revenue neutral so you reset the clock and in the future if a donor city incorporates, they have the same policy obligation to provide mitigation.

Mr. Villamil agreed with Mr. Scurr's point that if you have another city, you have to recalculate everything if you look at it from a dynamic point of view.

Mr. Olmedillo referred to UMSA, the fourth city. UMSA has to readjust every time a new city incorporates.

Chair Harnage noted that the three cities have a vote of their citizens as compared to UMSA having a vote.

Mr. Olmedillo noted that the fourth city does not vote and that is an inequity in the system. If we affect it every time we incorporate, we must look at the whole thing.

Mr. del Castillo says that the "stop the clock" approach does consider UMSA as the fourth city. It says if you have a donor area leaving the system, they have to pay for the impact of their own withdrawal for the system, not for someone else's, and they pay until the system balances itself because a recipient community has incorporated.

Mr. Areces noted that the process is not arbitrary because it is what has been used all along by the County for the areas to incorporate.

Mr. del Castillo offered an amendment to the motion regarding the two uses of mitigation funds for ongoing purposes. His amendment is to look at the impact of the mitigation payments being made by the three cities and then the subsequent incorporation of Miami Gardens. The correct phrasing of the motion should be to look at the net effect of the five incorporations, Miami Lakes, Palmetto Bay, Doral, Miami Gardens and Cutler Bay. The numbers provided at the second meeting showed that the net effect of those five incorporations was approximately a \$16 million net revenue gain to UMSA based on the original estimates.

Vice Mayor Cabrera provided clarification that the motion should note that it is the numbers used at the time of incorporation.

Mr. Carlton excused himself from the meeting in order to catch a flight.

Mr. Areces restated the motion: *if the net effect of the five incorporations of Miami Lakes, Palmetto Bay, Doral, Miami Gardens and Cutler Bay results in a net revenue transfer, mitigation should end. In the future, if another area wishes to incorporate, that city would have to negotiate with the County to pay whatever mitigation is necessary for withdrawal. That city would continue to pay mitigation until a subsequent incorporation negated the revenue loss to UMSA.*

Mr. Pariser seconded the motion and noted that it is a hybrid dynamic system because you are looking at what is going on as you move along.

Mr. Villamil agreed that you want to have an ongoing system from a dynamic point of view but you're talking about "comparative statics." It is a systems approach but in a way it is a hybrid.

Mr. Olmedillo disagreed with the hybrid approach because it is created out of convenience. Miami Gardens and Cutler Bay are thrown in to make the numbers work. Why are these two cities being brought in today without considering other cities in the future? This is for convenient math because it brings the group to the desired numbers.

Mr. Pariser understood Mr. Olmedillo's argument but the reason for mitigation is to make the County whole in the maintenance of services to UMSA but at that point UMSA is not being hurt. Why not take these four cities and future cities fall back on the same policies when they incorporate?

Mr. del Castillo made the point that the task force is dealing with the facts as they exist today. The task force does not tell the county to never approach mitigation again but to do so if another donor area seeks to incorporate.

Mr. Pariser noted that the task force is forced to rely on information provided by the County.

Vice Mayor Cabrera noted that the task force should rely on the original budgets at the time of incorporation.

Mr. Areces amended the motion to include language that the calculations will be based upon the MAC figures as originally calculated.

Ms. Ingle asked if the task force was referring to the Impact to UMSA report. She explained that that report is not a budget. It is an impact to UMSA analysis that is done to serve as a tool to the County and the MAC.

Vice Mayor Cabrera noted that the report is used in the BCC's decision in determining mitigation. Ms. Ingle noted that the process for setting the mitigation payments for Doral was different than the process for setting them for the other municipalities in question. Doral contains a substantial Commercial, Business and Industrial (CBI) area for which mitigation payments are calculated differently. The actual initial payments for Doral were calculated not as a fixed number but as a millage basis on the assessment roll.

Ms. Ingle explained that the impact to UMSA report does not consider all revenues and expenses.

Chair Harnage asked if the numbers in the impact to UMSA report were the numbers relied on by the voters. Ms. Ingle noted that for each municipality, a report was presented to the BCC which included a conceptual agreement, a pro forma budget from the MAC and a staff report, including the one-page Impact to UMSA analysis.

Ms. Ingle noted that the actual mitigation payments are established by the BCC. The BCC did not set Doral's mitigation based upon the number in the estimated impact to UMSA because a different number was derived.

Vice Mayor Cabrera said that the determination of Doral's mitigation involved the same concept.

Ms. Ingle reiterated that the numbers in the Impact to UMSA report are estimates in a point in time subject to discussion and possible changes at the time of the BCC meeting and do not actually reflect the actual impact of the incorporations. They were used as a basis of formulating mitigation payments but they pre-date the actual charter and initial budget year. While they are helpful and illustrative, they don't clearly illustrate the true current year impact.

Mr. Pariser noted that while they are estimates, they were relied upon and the task force cannot go back.

Mr. Villamil noted that there is no final number that the County came up with for mitigation. Ms. Ingle noted that the Impact to UMSA report is to give an indication of whether mitigation should be charged or not. The actual calculation is worked out through the negotiations with Miami Lakes and a number was established and that process became a model for future incorporations.

Mr. Olmedillo noted that the BCC makes a political decision of what percentage of the impact of the incorporation will be charged to the cities through mitigation. There is no rational nexus between a figure that was a proposed impact and the actual impact. For the task force to rely on such figures today suffers from the same issues that cause the debate today.

Mr. Areces repeated the motion as if the net effect of the five incorporations of the municipalities of Cutler Bay, Palmetto Bay, Doral, Miami Lakes and Miami Gardens result in a net revenue transfer, mitigation shall cease. The figures to be used to determine if there is a net revenue transfer or not are the Impact to UMSA analyses prepared at the time of incorporation of those five municipalities. If in the future another area wishes to incorporate, then the County and that prospective municipality will have to determine the impact to UMSA by the incorporation of that particular municipality and whether or not there is to be a mitigation payment.

Mr. Pariser gave the second to the motion as amended.

Five members voted in favor – Chair Harnage, Mr. Pariser, Mr. Villamil, Mr. Areces and Mr. del Castillo. One member opposed – Mr. Olmedillo.

Mr. Olmedillo noted that the actual figures should be revisited and it should be a fair system. The goal should be to create a fair system to all. To create these convenient pockets in time departs from the principle and he is a firm believer in a systematic approach.

The task force requested that the court reporter have the two motions prepared for the next meeting.

VI. Scheduling of Additional Meetings

The next meeting is Monday, June 5, 2006 at 1:30 p.m. in the CITT conference room.

VIII. Set Agenda for Next Meeting

IX. Adjournment

**Miami-Dade County
Mitigation Adjustment Policy Review Task Force
June 5, 2006 – Meeting Summary
CITT Conference Room, 10th Floor**

I. Call to Order and Roll Call

Chairman Harnage called the meeting to order at 1:55 p.m.

The following members were present:

Henry Harnage, Chair; Ramiro Areces, Vice Chair, Albert del Castillo, Guillermo Olmedillo and Rafael Rodon. Mr. Pariser was absent due to the illness of his mother.

Mayor Flinn, Village of Palmetto Bay, noted that transcripts are being taken by the court reporter at the expense of the Village of Palmetto Bay. He offered a copy of the transcripts upon request. The County will pay for its copy of the transcript.

II. Approval of Minutes

The task force offered amendments to the minutes of 5/5/06, 5/11/06 and 5/18/06. In the 5/5/06 minutes, the task force should be referred to as Mitigation Adjustment Policy Review Task Force. On page 4, the word "to" should be changed to "through". Albert del Castillo's name should be corrected throughout each document with a lower case 'd'. In the 5/18/06 minutes on page 4, the motion was made by Mr. del Castillo and not Mr. Pariser. Mr. Areces noted that the minutes are not comprehensive. There was discussion about attaching the transcripts prepared by the court reporter to the minutes.

Assistant County Attorney Craig Collier noted that minutes are not required by law to be verbatim. He noted that the minutes, as distributed, are more detailed than the minutes provided to other Boards and meet the sunshine law requirement. Because the court reporter is not the official reporter of the task force, the minutes provided by County staff are the official minutes of the task force. Mr. Collier said that there is no problem attaching the transcripts to the minutes. The task force agreed to refer to the minutes as meeting summaries. Mr. Collier noted that they could be referred to as summaries and reminded the task force that, in addition to the meeting summary, a tape recording of each meeting is being maintained to meet the requirements of the sunshine law.

Mr. Carlton asked, with regard to attaching a copy of the transcript, how can the task force ensure that the content of the transcript is what all parties actually stated?

The motion was made by Mr. Olmedillo to accept each of the meeting summaries with amendments with a second by Mr. Rodon. The motion passed unanimously.

Mr. Rodon noted that he thinks it is important that the task force have access to the transcripts from the court reporter but it is not necessary to attach copies to the minutes. He requested the transcript from the June 1, 2006 meeting.

Ms. Ingle indicated that the task force would have the June 1, 2006 meeting summary by June 9, 2006.

A copy of the transcripts and the meeting summaries will be kept in Ms. Ingle's office and can be inspected during normal business hours.

Mr. Olmedillo noted that if the task force agrees that the meeting summaries contain what was said in the meeting, the recommendations that are reached are what is important.

III. **Public Comment**
IV. **Working Session**

Chair Harnage led the task force in a review of the resolutions that passed at the previous meeting.

Mr. Carlton noted that two things would be helpful to County staff in preparing for the next meeting: (1) to make sure that the wording in the resolutions is what was agreed upon by the task force when it voted at the last meeting; and (2) to translate the words into an actual formula in order to capture in the calculation what the task force wants.

Mr. del Castillo noted that in the last meeting, the task force decided to review the way the last motion was phrased. He offered changes to the language of the motion that was presented from the minutes of the court reporter's transcript. He characterized the resolution as: *If the net effect of the incorporation the municipalities of Cutler Bay, Palmetto Bay, Doral, Miami Lakes and Miami Gardens results in a net revenue transfer, mitigation shall cease. The figures to be used to determine if there is a net revenue transfer or not are the respective Impact to UMSA analyses as prepared at the time of incorporation of those five municipalities, as prepared at the time of incorporation of the five municipalities. If in the future a new area wishes to incorporate, then the County and that new area would have to determine the impact to UMSA by the incorporation of that area and whether or not there is to be a mitigation payment.*

Mr. Olmedillo noted that only the Board of County Commissioners (BCC) can approve incorporations, yet the wording in the proposed resolution suggests that a proposed municipality has authority to make this determination.

Mr. Rodon noted that he was absent at the last meeting and required an explanation of whether the standard for mitigation would be the same for future incorporations as the current cities or is a different standard being proposed for the future with this recommendation?

Mr. Olmedillo noted that a systematic approach was not agreed upon. Chair Harnage noted that it was not agreed upon because the task force had not been given any contrary figures from the County other than the ones initially received.

Mr. Rodon asked whether the task force was addressing any standard to follow for future municipalities. The response was not within the current resolution.

Attorney Collier noted that the task force is a recommending body and is not bound by what is currently in place.

Mr. del Castillo suggested that the words "and the new area" be removed from the resolution.

There was discussion regarding whether a new charter vote was required to implement the changes.

Attorney Collier noted that anything the task force does during the course of its existence is subject to amendment until such time as a presentation is made to the BCC.

Mr. Carlton noted that clarification of what the task force wants the formula to be would assist the County in what it has to do with the calculations.

Jennifer Glazer-Moon, Director, Office of Strategic Business Management (OSBM) reported to the task force that one of the County's concerns is the issue of whether the estimated impact to UMSA that is presented during the analysis of potential incorporations reflects what actually happens to the incorporated area budget when the incorporation is enacted. The impact to UMSA figures are estimates and include some cost of providing service to the area that cannot in fact be eliminated from the budget. The figures assist the area considering incorporation to understand some of the costs that the area might have to bear once their municipal government is developed, but do not provide an exact estimate of actual impacts when the incorporation takes effect. For instance, the police director's salary is not reduced because a particular area incorporates.

Chair Harnage asked whether this was verbalized with the three municipalities. Ms. Glazer-Moon responded that the County explains to interested Municipal Advisory Committee's (MAC) that this is a way of estimating the costs and the actual impact would be different.

Ms. Glazer-Moon noted that costs associated with internal support and policy formulation, including the Mayor's office, County Manager's office, Commission, Budget and Finance cannot simply be reduced because of an incorporation. The first budget after incorporation has occurred provides a more realistic picture of what the impact to UMSA was of a particular incorporation.

This is when the impact can be seen in the County's budget. It will differ from the estimate because (1) the estimate is prepared for a different purpose, such as providing an overview of revenues in an area and the estimated cost of providing municipal type services and (2) because the estimate is prepared a year or more before the actual incorporation. Time changes some of the assumptions that are made. The changes are both positive and negative financially. Chair Harnage asked if those figures have been submitted to the task force. Ms. Glazer-Moon indicated that the figures are being compiled by OSBM for the task force and apologized for the delay because of the completion of the County's budget. The information should be provided at the next meeting of the task force.

Ms. Glazer-Moon made the point that mitigation was never intended to cover 100% of the impact to UMSA so the fact that the impact shifts slightly in one direction or the other does not impact the fact that mitigation should be paid.

Mr. del Castillo suggested that based on the discussion, the numbers that County staff presents to the BCC are not really accurate numbers.

Ms. Glazer-Moon indicated that she would never characterize that the information that is provided to the BCC is inaccurate but that it is provided for a particular purpose at a particular point in time.

Mr. del Castillo noted that typically an estimate would be somewhere in the neighborhood of reality and noted that a certain deviation percentage could be determined. He stated that the rigidity in the task force's position is not to be arbitrary or capricious but to attempt to understand what was acted upon at the time the decisions were made. The BCC decides on mitigation based on numbers presented to it with each of the five municipalities.

Mr. Areces noted that if there is no longer an impact to UMSA, there is no longer the need for mitigation. The figures do not matter because the task force is discussing an approach of how to resolve the situation. The task force is looking back to the numbers and the process that the cities relied upon when they first incorporated.

Mayor Flinn noted that in the initial stages of the Village of Palmetto Bay's incorporation the village looked at revenues of approximately \$9.4 million and \$5.4 or \$5.8 million in expenses based upon County estimates. The Village wanted to maintain the county's police number of 3.2 officers per thousand but the Village did not have that ratio. The Village has approximately 25,000 residents with about 36 officers and 42 including all personnel. These police numbers raise the expenses higher than the \$5.8 million estimate. If you don't like the numbers, change the methodology but use the numbers that were relied upon in the beginning.

Mr. Olmedillo suggested that the task force focus on basic core principles and let the figures fall where they may. The task force should decide on the percentage of the impact to UMSA mitigation should cover. No budget of any community hits the target exactly.

Mr. Carlton indicated that figures will be provided at the next meeting on June 14th at 2 p.m., 22nd floor conference room.

Mr. Areces raised the concern that he would be unable to attend the next meeting. He asked that meetings not be scheduled through emails. Mr. Areces offered to call in to the meeting but Attorney Collier noted that the County has determined attendance is required in order to vote. This is based on an Attorney General's opinion. Judge Harnage requested a copy of the opinion for his review.

Charles Scurr, Manager, Village of Palmetto Bay raised the concern that the task force report to the BCC prior to its summer recess. Mr. Carlton noted that there is a procedure to receive a waiver of the rules to proceed to the full BCC after committee review. A placeholder will be put on the June 26 INLUC committee agenda for the report from the task force. Mr. Areces indicated that this is not a concern of the task force.

The task force announced an additional meeting of June 19 at 1:30 p.m., 22nd floor conference room.

Mr. Scurr asked that the task force recommend established guidelines for use of mitigation funds, with the majority to be used as a municipal retainer.

Mr. Areces asked what would happen if the retainer was not used. Where would the funds go?

Mr. Scurr noted concern with the part of the motion that says that mitigation will cease if there is a net revenue transfer. If the County presents numbers for Miami Gardens that are lower than \$23

million and there is a small net revenue loss, the task force should recommend mitigation at a proportional reduction. It should not be all or nothing.

Mr. Areces said that he could not see the task force delving into numbers because it is not qualified to do so.

Mr. Olmedillo reviewed his position from the last meeting to answer questions raised by Mr. Rodon who indicated he was at a disadvantage because of his absence at the last meeting.

Mr. Olmedillo said that mitigation should be treated as a system through time and should not stop with these four cities and begin again with future incorporations. This is the fair way of treating the issue. To stop with the four cities is convenient to the cities involved now.

Mr. Areces reiterated that Mr. Villamil said in the last meeting that the task force recommend a hybrid of a systematic approach. Now that there is a net revenue transfer, mitigation should cease. If an area wants to incorporate in the future, the county should look at it and determine mitigation.

Mr. Rodon asked whether estimates are used to determine mitigation. Ms. Glazer-Moon said that estimates are not used to set mitigation payment amounts.

Mr. Alex Rey, Manager, Town of Miami Lakes said that estimates are the basis for negotiations.

Ms. Glazer-Moon said that she and Mr. Rey are saying the same thing. She said that the estimation in the Impact to UMSA analysis is taken into account because it is what determines whether an area is a donor community. The numbers in the impact to UMSA analysis are not used to determine the mitigation amount because the county does not require 100% mitigation. Mitigation is determined through negotiations.

Mr. Areces asked whether the numbers that the County brings to the task force will matter. The task force should determine what the goal is for the next meeting.

Mr. Rodon suggested that the task force work with the estimates that were used at the time of incorporation.

Mr. Carlton indicated that the information the County will provide at the next meeting will be simple in form and will include the first full fiscal year following incorporation including Miami Gardens and Cutler Bay.

The meeting was adjourned at 5:02 p.m.

**Miami-Dade County
Mitigation Adjustment Policy Review Task Force
June 14, 2006 – Meeting Summary
OSBM Large Conference Room, 22nd Floor**

I. Call to Order and Roll Call

Chairman Harnage called the meeting to order at 2:12 p.m.

The following members were present:

Henry Harnage, Chair; Ramiro Areces, Vice Chair, Albert del Castillo, Guillermo Olmedillo and Rafael Rodon, J. Antonio Villamil.

Chair Harnage thanked County staff for the minutes from the 6/5/06 meeting. The next meeting was announced as June 19, 2006, 1:30 p.m. in the 22nd Floor Conference Room.

II. Presentation on Impacts of Incorporation/Working Session/Public Comment

Jennifer Glazer-Moon, Director, Office of Strategic Business Management, provided a presentation on the impacts of incorporations. She noted that the incorporation issue is a complex public policy issue that is felt nationwide. The impact of incorporation lasts in perpetuity. Ms. Glazer-Moon acknowledged that Miami-Dade County should not be making a profit from mitigation but the County must look at the true impact of incorporations which is not reflected in the initial estimates provided to the Municipal Advisory Committees (MACs).

Mr. Villamil voiced concern with Ms. Glazer-Moon viewing incorporation and mitigation in a static instead of dynamic sense because incorporation helps both the County and unincorporated areas.

Ms. Glazer-Moon said that the County's biggest concern is for the areas where expenses exceed revenue and growth is slow. These areas are therefore harmed by losing what could have been available to them in revenues.

Chair Harnage noted that the original estimates at the time of BCC approval of incorporation were updated by actual figures one year after incorporation in the presentation. He questioned the appropriateness of using different figures to validate incorporation payments each year rather than using the original estimates that voters and the BCC relied upon.

Ms. Glazer-Moon noted that the report details the first year that the Unincorporated Municipal Service Area (UMSA) did not have that municipal area in its budget. The numbers used to calculate the expenditures no longer borne by the unincorporated area were the figures used in the transition and reconciliation period. This is the time when the municipality was incorporated but the County was receiving certain revenues in its behalf and providing certain services. These figures demonstrate how much it actually cost the County to provide services to the area.

Chair Harnage asked if voters would have voted the same with the knowledge that the initial figures served as estimates and not proven numbers.

Mr. Carlton responded that when the voters decide on whether to incorporate, they do so based on the estimates because there are no proven numbers at the time.

Ms. Glazer-Moon said that the Task Force is using the estimates in a way that they were not intended. The purpose was to show how much it costs to provide service to an area. It was never intended to be a budget for the area and it should not be assumed that the County's budget would be reduced by that estimate.

Mr. Rodon asked for the intent of the estimates.

Ms. Glazer-Moon indicated that they were to show whether an area is a donor or recipient community or revenue neutral.

Chair Harnage noted that less attention should be paid to the past and more attention to how the County moves forward from this day forth with the issue of mitigation.

Mr. Areces said that his concern is that the City officials will not accept the County's revised numbers and that the Task Force has no way of verifying them. He did not think the Task Force should get into whether the revised numbers are actual numbers.

Mr. Carlton noted that the Task Force does not have to accept the numbers but the report should be heard because it represents the position of the fourth city at the table, UMSA.

Mr. Areces raised a concern with the Cutler Bay numbers which in the original estimates indicated it was a revenue neutral area and the revised numbers provided by the County in the handout indicate that it is donor community.

Mr. Olmedillo said that the Task Force should recommend to the County other criteria to establish the initial mitigation payment because it is proven with Cutler Bay that the current method does not work. One suggestion could be based on per capita property tax value.

Mr. Rodon noted that he is uncomfortable with changing the rules but the Task Force should suggest something that is fair.

Ms. Glazer-Moon continued the review of the handout indicating that on page 9 there is an explanation of how the revised impacts were determined. An explanation was provided of how the Public Works, Team Metro and Planning and Zoning figures were derived. The most difficult is the calculation of police service. The County looked at the cost of police service during the transition period and applied the variable overhead to that figure. The last three pages of the document provide a summary. Ms. Glazer-Moon suggested potential trigger points, as the charters are not specific in this respect and the Task Force could say that these should be more definitive.

Mr. del Castillo noted that the revised numbers show an increase in the extent to which Miami Lakes, Palmetto Bay and Doral are donor communities. Ms. Glazer-Moon said that there are different factors that lead to this; revenues are different the year after the actual incorporation, as are expenditures. There are fixed costs that the County will bear whether there is incorporation or not.

Mr. del Castillo inquired whether the increase in revenue is due to increased millage. Ms. Glazer-Moon noted that staff used a flat millage rate, the same as UMSA. Mr. del Castillo asked whether the County would like to benefit from the activity taking place in areas post-incorporation, such as

increase in the building permits, that has occurred in the incorporated area which may not have occurred if the area had not incorporated? Ms. Glazer-Moon said that the issue is how to determine whether the property tax rolls have increased in incorporated areas because of the area being incorporated or because it is a desirable place to live and we're running out of places to live.

Ms. Glazer-Moon said that the County is not trying to change the rules. The County has agreed that there are trigger points but there is no set methodology for revisiting mitigation. What the County is providing is a way of looking at the issue. The County was never adverse to revisiting mitigation.

Mr. Carlton noted that there are two positions. The one of the municipalities is to look at mitigation as a cumulative issue based on the original estimates. The other is reflected in the chart, which shows the actual numbers are the year after incorporation.

Ms. Glazer-Moon noted that while UMSA's revenue has increased, so its population and service requirements and expenditures. She clarified that the handout shows the original estimate of what the property tax value was by area that UMSA would have received and the revised number which is the actual property tax amount in those areas based on the UMSA millage rate that UMSA did not receive.

Mr. Olmedillo noted that the Task Force already voted to use the initial set of numbers. The Task Force should provide the Board of County Commissioners (BCC) with a set of recommendations.

Chair Harnage noted that the Task Force has made suggestions based upon the initial estimates. He does not want the BCC to think that the Task Force has rejected the County's numbers. He wants the BCC to realize that the Task Force has not made a definitive adjudication of the figures that have been provided by County staff.

Mr. Areces indicated that the Task Force was scheduled to discuss the phase out of mitigation.

Mr. Rodon noted that, with regard to the third motion adopted by the Task Force relating to the net effect of the five incorporations, different thinking can be applied to each part of the motion. He noted that in the first part of the motion, mitigation was based on the best information available at the time. Regarding the second part of the motion, the Task Force may want to look at figures from the first year of incorporation or even beyond. He noted that the discussion should not involve whether the County's numbers are correct.

The Task Force recessed for 15 minutes.

Mayor Slaton, Town of Miami Lakes, stated that Miami Lakes did not have a vote approving incorporation until the mitigation issue was resolved with the County, that all potential municipalities were aware of the proposed incorporation of Miami Gardens, and that Miami Lakes voters based their expectations on the numbers and information provided by the County.

Mr. Alan Rigerman noted that while the property tax revenues have increased approximately 19% in UMSA, there is growth in both municipalities and the County. He stated that property taxes never pay for infrastructure so this growth does not meet the cost of growth within UMSA.

Mayor Flinn of the Village of Palmetto Bay noted that the County received the benefit of capturing 90% of the property value because of a seven year delay in the approval for incorporation of the Village of Palmetto Bay. He spoke of concern with the revised figures showing that Cutler Bay is a donor community and is not assessed mitigation because the original numbers showed that Cutler Bay was a recipient community. Based on their most favored nations clauses the three cities should be released from paying mitigation.

Mr. Areces asked Mayor Flinn's thoughts regarding the recommendation to phase out mitigation from the three cities. Mayor Flinn said that a phase out should have been initiated at the time of incorporation of Miami Gardens.

Mr. Olmedillo noted that the Task Force had already agreed that there should be no net revenue transfer and that the numbers should be the original ones. Since both these items were voted upon, the issues should not be revisited.

Mr. del Castillo stated that based on what the Task Force has found, there is the clear conclusion that mitigation should cease and the clock should begin again with new incorporations. Mr. Rodon agreed.

Mr. Areces suggested that something should be said about the estimates that will be used in the future. Perhaps the Task Force should suggest that for future incorporations, the estimates should be those used at the reconciliation.

Mr. Rodon stated that the Task Force does not have enough information to create a new mitigation formula for future mitigation payments. The Task Force may be able to make a few suggestions regarding the issue.

Mr. Olmedillo offered a motion and Mr. Villamil offered a friendly amendment that the standard used thus far to establish the mitigation concept must be changed to more appropriately reflect the real impact and that it include an appropriate methodology with objective indicators. Mr. Villamil provided the second to the motion. The motion passed.

III. Set Agenda for Next Meeting

Chair Harnage requested a draft final report from staff for the next meeting.

Ms. Glazer-Moon noted that the suggestions for future methodology could be difficult but if the Task Force would like a list of potential aspects to consider, the draft report could be completed by Friday afternoon.

IV. Approval of Minutes

Paragraph four on page 5 of the 6/5/06 minutes should read: *Mr. Areces reiterated that Mr. del Castillo said and Mr. Villamil agreed in the last meeting that the task force recommend a hybrid of a systems approach.*

In paragraph 2 of page 1 of the 6/5/06 minutes the words *to meet the requirements of the Sunshine law* should be deleted.

The meeting was adjourned.

**Miami-Dade County
Mitigation Adjustment Policy Review Task Force
June 19, 2006 – Meeting Summary
OSBM Large Conference Room, 22nd Floor**

I. Call to Order and Roll Call

Chairman Harnage called the meeting to order at 1:50 p.m.

The following members were present:

Henry Harnage, Chair; Ramiro Areces, Vice Chair, Brian Pariser, Rafael Rodon, Alberto del Castillo, Antonio Villamil, Guillermo Olmedillo

Chair Harnage thanked County staff for the meeting summaries and the draft report for the Board of County Commissioners. He stated that as a former judge, it was a pleasure to receive a draft work product that accurately reflected what occurred during the meetings.

II. Approval of Minutes

The meeting summary for June 14, 2006 was moved by Mr. Rodon and seconded by Mr. del Castillo with the following correction: Mr. Villamil's name should be added to the attendance. On page three, seventh paragraph, Mr. Rodon referred to the *third* motion instead of the *fourth* motion. The motion passed unanimously.

III. Presentation of Draft Report for the Board of County Commissioners by County Staff

Sarah Ingle, Office of Strategic Business Management provided an overview of the draft report that was distributed to the Task Force.

Chair Harnage asked if the names of County staff should be included in Section I of the Task Force overview. The Task Force agreed that the names should be added.

Mr. Rodon asked for clarification on whether the motions included in the report were the final ones the Task Force approved. Ms. Ingle indicated that they were the final approved motions.

Mr. Pariser asked if new motions could be offered for inclusion in the report. Chair Harnage said that motions would be accepted with the approval of the Task Force.

Mr. Rodon offered a change to paragraph one on page one. The revised sentence reads: "Three of the subject five municipalities incorporated since year 2000 currently make mitigation payments to Miami-Dade County..."

Mr. del Castillo offered a change to the first paragraph on page two under *Overview of Proceedings*. The sentence reads: "The Task Force discussed whether it should limit its study to the mitigation of the three municipalities and not the broader mitigation policy; which was deemed to be a responsibility of the BCC."

Mr. Castillo offered a revision to the last sentence in paragraph three on page three. The sentence reads: "The Task Force decided to use the original Impact to UMSA analyses presented

to the MACs primarily because these were the numbers relied upon by the County and each area seeking to incorporate as they negotiated with each other and agreed to mitigation payments. Equally as important, the Task Force considered the fact that these were the numbers presented to voters in each area and upon which the voters relied."

The Task Force requested clarification on the sentences in the last paragraph on page three. Mr. Carlton offered the following sentence which was acceptable to the Task Force: "The Task Force debated whether there is a need for continuing with mitigation or whether it should recommend that donor areas pay a declining percentage of the impact to UMSA as mitigation. Additionally, the Task Force recommended a hybrid systems approach."

The Task Force discussed the first paragraph on page four and agreed on the following language:

"At the June 14, 2006 meeting, the Task Force received a report from Jennifer Glazer-Moon, Director of the Office of Strategic Business Management which provided comparison figures for the impact to UMSA of the incorporations of Miami Lakes, Palmetto Bay, Miami Gardens, Doral and Cutler Bay based on the County's current reassessment of impacts to the UMSA budget. The more recent figures provided by the County suggest that it has not received a net revenue transfer as a result of the incorporations to date. Notwithstanding the new information, the Task Force reaffirmed its decision to recommend that the amounts to be used should be those presented to the BCC at the time of incorporation approval (see Item III-3 below). The Task Force decided to use the original Impact to UMSA analyses presented to the MACs primarily because these were the numbers relied upon by the County and each area seeking to incorporate as they negotiated with each other and agreed to mitigation payments. Equally as important, the Task Force considered the fact that these were the numbers presented to voters in each area and upon which the voters relied."

The Task Force also suggested that the standard used to calculate the impact of any future incorporation and the related mitigation payment, if any, (see Item III-4 below) must be changed to better reflect the actual impact to UMSA and that it include an appropriate methodology with objective indicators. The Task Force requested that County staff prepare a draft report for the Task Force's approval for the June 26, 2006 INLUC Committee meeting

The Task Force agreed on the following revisions in Section III of the report:

"The Task Force adopted the following motions, clarified during the Task Force meeting of June 19, 2006, as their recommendations to the BCC:

3. If in the future a new area wishes to incorporate, then the County would determine the impact to UMSA by the incorporation of that area and whether or not there is to be a mitigation payment by the area seeking to incorporate (Motion passed 5 to 1.)
4. The standard that has been used thus far to establish mitigation must be changed in the future to more appropriately reflect actual impacts to UMSA and include a methodology with objective indicators (Motion passed unanimously.)"

The Task Force agreed to delete *Section IV. Additional Issues for Consideration* and replace it with *Section V. Task Force Members Ratification*.

The Task Force members discussed the need for a Conclusion section in the report. Mr. del Castillo provided a written draft to County staff for inclusion in the report, as follows:

"Having reviewed all of the materials presented and heard all of the oral presentations during the course of our meetings; the Task Force finds and recommends to the Board of County Commissioners (BCC) that mitigation should not result in a net revenue transfer to UMSA. The Task Force concludes that the net effect of the incorporation of the municipalities of Miami Lakes, Palmetto Bay, Doral, Miami Gardens, and Cutler Bay results in a net revenue transfer to UMSA, based on the respective Impact to UMSA analyses prepared at the time of incorporation of those five municipalities. Accordingly, the Task Force recommends and concludes that mitigation payments by the municipalities of Miami Lakes, Palmetto Bay and Doral should cease. If in the future a new area wishes to incorporate, then the County should determine the impact to UMSA by the incorporation of that area and whether or not there is to be a mitigation payment by the area seeking to incorporate. The Task Force further recommends that the standard that has been used thus far to establish mitigation must be changed in the future to more appropriately reflect the actual impacts to UMSA and include a methodology with objective indicators. In this regard, the Task Force recommends that the County retain an expert in mitigation (fiscal equalization) issues to conduct a study of best practices related to mitigation in the United States and to make recommendations to the BCC. The Task Force further recommends that the BCC take whatever actions are necessary to implement the foregoing recommendations."

The Task Force members agreed that the Conclusion section should appear at the beginning of the report.

IV. Adjournment.

The meeting was adjourned at 5:35 p.m.