

Memorandum

MIAMI-DADE
COUNTY

Date: May 17, 2005

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

Agenda Item No. 7(A)

From: George M. Burgess
County Manager



Subject: Ordinance relating to annexation and incorporation; requiring new municipalities or annexing municipalities to be responsible for proportionate share of bond indebtedness

This action was recommended by the Incorporation and Annexation Subcommittee of the 2002-2004 Budget and Finance Committee.

RECOMMENDATION

It is recommended that the Board of County Commissioners (BCC) adopt the attached ordinance relating to annexation and incorporation; requiring as a condition of annexation and incorporation, that the municipality be responsible for its proportionate share of bond indebtedness. thereby creating Section 20-8.5 and amending Section 20-26 of the Miami-Dade County Code.

BACKGROUND

The Incorporation and Annexation Subcommittee (Subcommittee) held several meetings over the last year to review the County's incorporation and annexation policies and practices. Public input and commentary were provided and considered at these meetings. During this time, staff provided the Subcommittee with two detailed reports. At the direction of the Chair and Members of the Subcommittee, the first of these reports included policy approaches and recommendations that could be used to guide future incorporation and annexation requests. The report also served to clarify existing policies. The report was forwarded to both the Budget and Finance and Governmental Operations and Environment Committees for their review and consideration in January 2004. No action was taken at that time, but subsequently staff developed an updated report with recommendations. The revised report provided by staff recommended that the BCC continue with the established incorporation and annexation guidelines, and implement the codification of certain policies, and the report also provided additional policy matters for review. The Subcommittee met on October 14, 2004, and favorably forwarded this recommendation to the Budget and Finance Committee and BCC for consideration.

Florida Law provides that incorporated or annexed areas continue to be responsible for their pro-rata share of indebtedness. The changes to the County Code contained herein allow for the codification of this provision for purposes of clarity and requires annexing and newly incorporated municipalities to continue payment of their pro-rata share of current debt service payments. It further allows for a requirement for interlocal agreements to ensure bond payments and payment of stormwater utility indebtedness outstanding at the time that a municipality elects to separate from the County's stormwater utility. The Code changes also

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describe the method of calculation and codify the practice of the County to continue collecting and distributing pledged revenues in a manner consistent with the requirements of the debt.



Alex Muñoz
Assistant County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: May 17, 2005

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 7(A)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required.
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 7(A)

05-17-05

ORDINANCE NO. _____

ORDINANCE RELATING TO ANNEXATION AND INCORPORATION; CREATING SECTION 20-8.5 OF THE CODE OF MIAMI-DADE COUNTY; REQUIRING ANNEXING MUNICIPALITY TO BE RESPONSIBLE FOR PROPORTIONATE SHARE OF BOND INDEBTEDNESS; AMENDING SECTION 20-26 OF THE CODE OF MIAMI-DADE COUNTY TO REQUIRE, AS A PRE-AGREED CONDITION OF INCORPORATION THAT NEW MUNICIPALITIES BE RESPONSIBLE FOR PROPORTIONATE SHARE OF BOND INDEBTEDNESS; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. Section 20-8.5 of the Code of Miami-Dade County, Florida, is hereby created to read as follows:

Sec. 20-8.5. Annexing Municipality's Responsibility for Bond Indebtedness.

Any changes in the boundaries of a municipality involving the annexation of unincorporated areas of the County shall be effective only upon the condition that such municipality shall be responsible for (i) its pro-rata share of any County debt outstanding for the area annexed at the time of annexation; and with respect to any municipality that is part of the Stormwater Utility, debt outstanding for the area annexed at the time the municipality elects to be separated from the Stormwater Utility through an interlocal agreement or by exemption and (ii) its pro-rata share of any refunding of such debt. The municipality's annual pro-rata share of debt service for the annexed area shall be determined by multiplying the total debt service on the outstanding debt in each Fiscal Year by the municipality's percentage share of pledged

revenues (revenues pledged by the County to the repayment of the debt). The municipality's percentage share shall be determined by dividing the pledged revenues collected within the annexed area during the County's Fiscal Year in which annexation is executed, and with respect to the Stormwater Utility in the Fiscal Year in which the municipality elects to separate from the Stormwater Utility district; by the total pledged revenues collected in that same Fiscal Year. It is further provided that the annexation shall be effective only upon the condition that the County continues to collect and distribute the pledged revenues in a manner that is consistent with the requirements of the debt. The requirements of this section shall be the subject of an interlocal agreement between the County and the annexing municipality that shall be adopted by the annexing municipality prior to the County Commission's adoption of any ordinance authorizing a boundary change.

Section 2. Section 20-26 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:¹

Sec. 20-26. Future Municipalities' Obligations to the County.

* * *

>>(e) As a condition of incorporation approved pursuant to Article V of the Miami-Dade County Home Rule Charter, each new municipality shall include in its charter that such municipality shall be responsible for (i) its pro-rata share of any County debt outstanding at the time the municipality incorporates and with respect to the Stormwater Utility, outstanding at the time the municipality elects to be separate from the Stormwater Utility through an interlocal agreement or by exemption and (ii) its pro-rata share of any refunding of such debt. The municipality's annual pro-rata share of debt service shall be determined by multiplying the total debt service in each Fiscal Year by the municipality's percentage share of pledged revenues (revenues pledged by the County to the repayment of the debt). The municipality's percentage share shall be determined by dividing the pledged

¹ Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

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revenues collected within the municipality during the County's Fiscal Year in which municipality incorporates, and with respect to the Stormwater Utility in the Fiscal Year in which the municipality elects to separate from the Stormwater Utility district; by the total pledged revenues collected in that same Fiscal Year. It is further provided that the municipality's charter shall authorize the County to continue to collect and distribute the pledged revenues in a manner that is consistent with the requirements of the debt and shall recognize the municipality's obligations pursuant to this subsection.<<

Section 3. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 4. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 5. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

RA6

Prepared by:

CHC/CJS

Craig H. Coller/Cynthia Johnson-Stacks

Sponsored by Commissioner Jose "Pepe" Diaz and
Chairman Joe A. Martinez