

MEMORANDUM

Agenda Item No. 7(E)

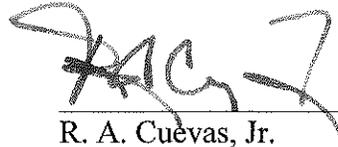
TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: (Second Reading 9-3-14)
June 3, 2014

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Ordinance amending Section 2-1 of the Code relating to the Rules of Procedure of the County Commission to waive the requirement for committee consideration of legislation related to debt obligations and the 4-day rule with respect to certain resolutions related to debt obligations

The accompanying ordinance was prepared by the Finance Department and placed on the agenda at the request of Prime Sponsor Commissioner Esteban L. Bovo, Jr., and Co-Sponsors Vice Chair Lynda Bell and Commissioner Audrey M. Edmonson.



R. A. Cuevas, Jr.
County Attorney

RAC/lmp

Date: September 3, 2014

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor 

Subject: Ordinance Amending Section 2-1 of the Code of Miami Dade-County Relating to the Rules of Procedure of the County Commission to Streamline Approval Process for Capital Needs or Refunding Opportunities

Recommendation

It is recommended that the Board of County Commissioners (Board) of Miami-Dade County, Florida (County) enact the accompanying ordinance (Ordinance), which amends Section 2-1 of the Code of Miami-Dade County in order to streamline the approval process regarding County debt obligations in order to be in the marketplace as soon as possible when there is a capital need or refunding opportunity.

Generally, the proposed Code amendments eliminate the need for committee review for all debt related legislation (ordinances and resolutions), require that public hearings for ordinances be placed on the next County Commission agenda following first reading, and exempt authorizing resolutions from the four day rule.

Scope

This Ordinance will have a countywide impact.

Fiscal Impact/Funding Source

The Code amendment approved by the Ordinance will not have a direct fiscal impact to the County. However, when a debt obligation is brought to the Board for approval, the proposed streamlined approval process will provide the County with maximum flexibility when entering the marketplace. This will increase the County's opportunity to take advantage of favorable interest rates that may result in significant interest cost savings.

Track Record/Monitoring

If approved, adhering to the Code amendments will be managed by the Finance Department, Division of Bond Administration Director, Frank P. Hinton.

Background

The County makes a determination to proceed with a debt transaction after a benefit cost analysis of the transaction based on the then current market interest rates. It is understood that the interest rates will fluctuate and the benefit cost to the County may decrease because the interest rates may increase from the time of the initial analysis.

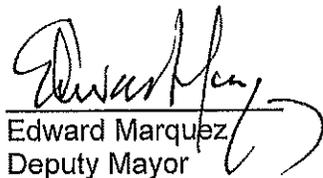
The process to obtain Board approval of a typical bond transaction starts with meeting the agenda deadlines for administrative review, which is approximately three weeks before the ordinance is heard by the Board for first reading and approximately four weeks before the authorizing resolution and ordinance are considered by the committee of jurisdiction. Once the ordinance and related series resolution are approved by the committee of jurisdiction, both are placed on the agenda for the first meeting of the Board in the following month. Without a waiver, the time between committee review and consideration by the Board is another three weeks with an additional ten day veto period to follow after approval by the Board. Therefore, the current approval process for debt obligations takes between two to three months.

This long approval process has become a concern. Recently, both new money and refunding opportunities were adversely affected by rising interest rates during our current approval process. A prime example was in April of 2013, the proposed refunding of certain Aviation bonds had savings of approximately \$65.97 million and in July, at the proposed time of the pricing, the savings had dropped to a negative \$18.91 million, a difference of \$83.98 million. As a result, the refunding was put on hold pending a positive change in interest rates. In March 2014, the County was only able to refund \$344 million of the original \$885.3 million and realized \$17.4 million of savings. Although the County did generate interest savings from the portion that was refunded, savings were less than the amount anticipated in April 2013. Interest rates will have to further reduce in order to refund the remaining portion and generate additional savings.

In addition, the County's interest cost savings on several other recent refundings involving Water and Sewer Bonds, Seaport Bonds and Capital Asset Bonds were significantly less and the interest cost on new money bonds for Water and Sewer and Seaport was higher due to an increase in interest rates during the approval process. If these transactions had been priced sooner through the proposed expedited approval process, the County would have benefitted significantly from a more favorable interest rate environment.

The proposed Code amendments will decrease the total time for Board approval, which will provide the County more flexibility in determining when to enter the market. The proposed Code amendments (i) exempt both debt ordinances and debt resolutions from committee review and the resolutions from the four-day rule; and (ii) require the Board to conduct a public hearing on a debt ordinance at the next Commission meeting following the meeting at which such ordinance is approved on first reading, subject to applicable notice requirements.

In order to keep the Board apprised of any debt obligations that will be brought to the Board, an oral report updating all financings in process will be presented at each Finance Committee meeting.


Edward Marquez
Deputy Mayor



MEMORANDUM
(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: September 3, 2014

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 7(E)

Please note any items checked.

- "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
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 7(E)
9-3-14

ORDINANCE NO. _____

ORDINANCE AMENDING SECTION 2-1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, RELATING TO THE RULES OF PROCEDURE OF THE COUNTY COMMISSION TO WAIVE THE REQUIREMENT FOR COMMITTEE CONSIDERATION OF LEGISLATION RELATED TO DEBT OBLIGATIONS AND THE 4-DAY RULE WITH RESPECT TO CERTAIN RESOLUTIONS RELATED TO DEBT OBLIGATIONS; APPROVING PLACEMENT OF PUBLIC HEARING OF ORDINANCES RELATED TO DEBT ON THE NEXT COMMISSION AGENDA AFTER FIRST READING SUBJECT TO NOTICE REQUIREMENTS; AND 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 2-1 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:¹

* * *

PART 4. COMMITTEES

Rule 4.01. COMMITTEES.

* * *

(j) **EXCEPTIONS TO COMMITTEE REQUIREMENT.**

* * *

(2) Quasi-judicial items, special taxing districts, ordinances for first reading, consent agenda items, other than items related to certificates of

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.

transportation, district office fund allocations, special presentations, namings, renamings or codesignations of County roads, facilities or properties, approvals of namings, renamings or codesignations of federal, state or municipal roads, facilities or properties, citizens' presentations, bid protests, settlements, options to renew contracts, resolutions recommending the acceleration and deceleration of Building Better Communities General Obligation Bond Program funding of projects using unspent bond proceeds, including interest earnings and premium funds, >>notwithstanding Rule 4.01(d)(6), ordinances related to debt obligations, resolutions related to debt obligations,<< resolutions urging an entity or person to take stated action, resolutions taking a position or seeking direction from the Board on legislation or administrative action at the federal, state or local level, resolutions related to contract lobbyist conflict waiver requests and resolutions expressing intent shall be heard directly by the county commission, items awarding, granting, amending or relating to an award or grant of Targeted Jobs Incentive Fund, Qualified Targeted Industry Business incentives, property or utility tax exemptions in enterprise zones, or Brownfield Economic Development Initiative Loan Funds or similar incentives and tax exemption programs; provided, however, any such item relating to an award of Community Redevelopment Agency funding or Community Development Block Grant funding or other funding administered by the Public Housing and Community Development department, or successor department, shall not be excepted from committee review by this subsection (j)(2). On such items, the public shall have the same rights to participate and be heard at the county commission as they would have received had the item been heard in committee.

* * *

PART 5. CONDUCT OF MEETINGS; AGENDA

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Rule 5.05. AGENDA.

* * *

(c) "4-DAY RULE". A copy of each agenda item shall be furnished to the members of the commission not later than four (4) working days before a vote may be called on the item. The provisions of this rule shall

be deemed waived unless asserted by a commissioner before the board takes action on the resolution, ordinance, motion or other item in question. The provisions of the rule may not be waived under Rule 7.01(o); however, this rule is not applicable to special or emergency meetings called pursuant to Rule 3.02, items related to the County's legislative package, resolutions recommending the acceleration and deceleration of Building Better Communities General Obligation Bond Program funding of projects using unspent bond proceeds, including interest earnings and premium funds, items approved at a committee meeting recommending or rejecting award of contracts for public improvements, and purchases of supplies, materials, and services, including professional services, >>resolutions related to debt obligations that do not require a public hearing<< and resolutions or motions directing the Mayor or his or her designee to prepare an item for consideration by the Commission.

* * *

Rule 5.06. Ordinances, resolutions, motions, contracts

(a) PREPARATION AND ENACTMENT OF ORDINANCES. The County Attorney, when requested, shall prepare ordinances and resolutions.

Ordinances may be introduced and listed by title and shall be read by title only before consideration by the commission on first reading. On first reading of ordinances, there shall be no discussion by either county commissioners, county staff or members of the public. On first reading only, the commission may either vote for all ordinances in one vote or may vote separately on any ordinance. At second reading, each ordinance shall be voted on individually. >>All ordinances presented for first reading related to debt obligations shall be placed on the next available regular or special Commission meeting agenda for public hearing and second reading in accordance with applicable public notice requirements and advertising, including but not limited to, those set forth in Section 1.02 B. of the Home Rule Amendment and Charter of Miami-Dade County.<<

Section 2. 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 3. 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 4. 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:

Prepared by:

Gerald T. Heffernan

Handwritten signature of Gerald T. Heffernan, consisting of a stylized 'GTH' in cursive, written over a horizontal line.