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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Date: June 2, 2009

To: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

Agenda Item No. 9(A)(3)

Resolution No. R-721-09

From: George M. Burgess
County Manager

Subject: Reallocation of Miami-Dade Fire Rescue Department Capital Asset Acquisition Bonds and Sunshine Loan to Other Approved Capital Projects

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Recommendation

It is recommended that the Board approve the attached resolution reallocating certain excess capital project funds in the amounts of $600,000 from the $119,845,000 Miami-Dade County Florida Capital Asset Acquisition Fixed Rate Special Obligation Bonds, Series 2002A Bonds (2002A Bonds), $2.3 million from the $50,000,000 Miami-Dade County Florida Capital Asset Acquisition Floating Rate (MUNI-CPI) Special Obligation Bonds, Series 2004A Bonds (2004A Bonds), and $7.175 from the County's $81,160,000 Sunshine Loan entered into in 2006 (2006 Sunshine Loan) to other capital projects within the approved 2008-09 Miami-Dade Fire Rescue District capital budget.

Scope

This item impacts the Miami-Dade Fire Rescue District (MDFD).

Fiscal Impact/Funding Source

This is a reallocation of capital project funds which remain unspent after funding certain MDFD capital projects authorized to be funded from the 2002A Bonds, 2004A Bonds and the 2006 Sunshine Loan. No new funds are being sought. By reallocating these proceeds, MDFD will delay the issuance of new debt until needed, thereby, not increasing its current debt service obligations.

Track Record/Monitor

The Miami-Dade Fire Rescue Department Assistant Director for Budget, Planning and Facilities, Scott Mendelsberg, and Barbara Galvez, the Office of Strategic Business Management Capital Budget Coordinator, will monitor this item.

Background

The Series 2002A Bonds ($12.9 million allocated to the MDFD), the Series 2004A Bonds ($8 million allocated to the MDFD) and the 2006 Sunshine State Loan ($23 million allocated to the MDFD) were utilized by the County to fund various capital needs of the County including capital projects and equipment for the MDFD. Those projects included the purchase of new fire and rescue vehicles and equipment and the renovation, construction, demolition and reconstruction of certain fire stations. After funding the capital projects identified in each authorizing resolution, MDFD has funds remaining from the Series 2002A Bonds in the amount of $600,000, from the Series 2004A Bonds in the amount of $2.3 million and from the 2006 Sunshine Loan in the amount of $7.175 million. The excess funds are a result of projects coming in under budget, interest earnings and an alternative fleet replacement strategy.

The Miami-Dade Fire Rescue Department has an approved capital program that includes construction of a new Training Facility (currently under construction), replacement of three outdated existing fire

stations (Model Cities Station 2, Sunny Isles Station 10, and Homestead Station 16, all in the permitting process), and renovation of 12 older fire stations. The approved capital program also includes construction of new fire stations or additions to house existing units currently in service (North Bay Village Station 27, Cutler Ridge Station 34, West Miami Station 40, Palmetto Bay Station 62, Highland Oaks Station 63, Miami Lakes West Station 64, Doral North Station 69, Coconut Palm Station 70), and the construction of new stations for new services (North Miami Station 18, Arcola Station 67, Dolphin Station 68, Bay Harbor Station 76).

Although the MDFD has received approval for the issuance of additional debt in the amount of $50 million, MDFD wishes at this time to delay the issuing of that debt for as long as possible to avoid a negative impact on the fire district operating budget. In order to do so, the MDFD will reallocate the $600,000 from the Series 2002A Bonds and the $2.3 million from the Series 2004A Bonds to the Doral North Fire Station 69 project which is currently in the permitting phase. The MDFD will also reallocate up to $7.175 million from the 2006 Sunshine Loan for the new fleet facility and the expansion of West Miami Station 40. The fleet facility was purchased in November 2008 for $5 million, and $675,000 will be used for renovation and equipment purchases. The expansion of West Miami Station 40 ($1.5 million) is necessary to accommodate the engine crew that currently relocates to South Miami Station 14 at night. The Station 40 project is in the design phase, with construction commencing later this year.

Alina T. Hudak
Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: June 2, 2009

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

SUBJECT: Agenda Item No. 9(A)(3)

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 Mayor'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. 9(A)(3)
6-2-09

RESOLUTION NO. **R-721-09**

RESOLUTION AUTHORIZING MIAMI-DADE FIRE RESCUE DEPARTMENT TO REALLOCATE $600,000 AND $2.3 MILLION FROM CERTAIN CAPITAL ASSET ACQUISITION BONDS AND $7.175 MILLION FROM 2006 SUNSHINE LOAN TO OTHER BUDGETED MIAMI-DADE FIRE RESCUE DISTRICT CAPITAL PROJECTS

WHEREAS, Miami-Dade County ("County") previously (i) issued its $119,845,000 Miami-Dade County Florida Capital Asset Acquisition Fixed Rate Special Obligation Bonds, Series 2002A Bonds ("2002A Bonds") of which $12.9 million was earmarked for Miami-Dade Fire Rescue District ("MDFD") capital projects and/or equipment and $50,000,000 Miami-Dade County Florida Capital Asset Acquisition Floating Rate (MUNI-CPI) Special Obligation Bonds, Series 2004A Bonds ("2004A Bonds") of which $8 million was earmarked for MDFD capital projects and/or equipment and (ii) entered into an $81,160,000 Sunshine Loan ("2006 Sunshine Loan") A Bonds") of which $23 million was earmarked for MDFD capital projects and/or equipment; and

WHEREAS, the proceeds from the Series 2002A Bonds, the Series 2004A Bonds and the 2006 Sunshine State Loan are to be used for the purchase of new fire and rescue vehicles and equipment and the renovation, construction, demolition and reconstruction of certain fire stations which are public safety facilities and infrastructure necessary for providing critical public safety first responder response capability; and

WHEREAS, excess funds are available from each of the financings which the MDFD wishes to reallocate for the purposes set forth in the accompanying memorandum ("Memorandum"), a copy of which is incorporated in this resolution by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board authorizes the Miami-Dade Fire Rescue Department to reallocate certain excess bond and loan proceeds in the amounts of $600,000, $2.3 million and $7.175 million, respectively, to other budgeted capital projects for the purposes set forth in the Memorandum including a delay in the issuance of additional debt at this time which has a positive impact on the MDFD's operating budget.

The foregoing resolution was offered by Commissioner **Carlos A. Gimenez**, who moved its adoption. The motion was seconded by Commissioner **Dorrin D. Rolle** and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman **aye**
Jose "Pepe" Diaz, Vice-Chairman **aye**

Bruno A. Barreiro	**aye**	Audrey M. Edmonson	**aye**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**absent**
Barbara J. Jordan	**absent**	Joe A. Martinez	**aye**
Dorrin D. Rolle	**aye**	Natacha Seijas	**absent**
Katy Sorenson	**aye**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of June, 2009. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **DIANE COLLINS**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. for DF

Daniel Frastai

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MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

Legislative Notes

Agenda Item:	**9A3**
File Number:	**091398**
Committee(s) of Reference:	**BCC**
Date of Analysis:	**May 18, 2009**
Type of Item:	**Reallocation of Surplus Bond Funds**
Sponsor/ Requester:	**Miami-Dade Fire Rescue Department**
Commission Districts:	**6, 12**

Summary

Under the proposed resolution, the County's Fire Rescue Department (MDFR) is seeking to reallocate unspent excess capital funds derived from certain Special Obligation Bonds and a Sunshine Loan to: (1) fund the construction of the Doral North Fire Station #69, (2) reimburse MDFR for the acquisition of the Penske building which will serve as the new fleet facility, and (3) fund the expansion of the West Miami Fire Station #40.

Specifically, the Department is seeking to reallocate

- $600,000 from the Miami-Dade County Florida Capital Asset Acquisition Fixed Rate Special Obligation Bonds (Series 2002A) for the construction of the Doral North Fire Station #69;
- $2.3 million from the Miami-Dade County Florida Capital Asset Acquisition Floating Rate Special Obligation Bonds (Series 2004A) for the construction of the Doral North Fire Station #69; and
- $7.1 million from the 2006 Sunshine Loan of which $5.6 million will be used as reimbursement for the acquisition of the Penske building, $675,000 will be used to finance renovations and equipment, and $1.5 million for the expansion of the West Miami Fire Station #40.

The excess funds stem from lower than projected costs, earnings from interest, and an alternative fleet replacement strategy consisting of a "pay-as-you-go" strategy in lieu of reliance on issuing bonds.

Background and Relevant Legislation

Doral North Fire Rescue Station #69

Under R-1076-07, the County acquired a 1.634 acre site for the construction of the Doral North Fire Rescue Station #69. The development plan for the Doral North Fire Rescue Station includes a 10,000

square foot, three bay CBS structure, designed to accommodate up to twelve firefighter/paramedics, and designed to operate 24 hours a day, 7 days a week. The station will be equipped with an advanced life support and suppression unit that will respond to fire and medical emergencies. The construction of the fires station is currently in the permitting phase. It is projected to be completed by the end of 2009.

West Miami Fire Station #40

Under R-334-08, the County acquired from the City of West Miami, the West Miami Fire Rescue Station #40 located at 975 S.W. 62 Avenue for $284,750. Fire Rescue Station #40 is currently operating and equipped with a Rescue Unit and an Advanced Life Support Suppression Unit (ALS) consisting of 7 firefighter/paramedics, operating 24 hours a day, 7 days a week. Funding for acquisition was provided from Fire Rescue Impact Fees collected in the fire district. The station, however, lacks sufficient living quarters for the crew. MDFR proposes to construct an addition to the fire station on the adjoining property located at 6181 S.W. 10 Street, for which the BCC approved a Contract for Sale and Purchase on March 4, 2008. The new addition will consist of dormitory space, restrooms, storage, and other ancillary uses.

New Fleet Facility

MDFR currently maintains all heavy fleet vehicles while GSA maintains light and medium duty vehicles. MDFR has proposed siting a new fleet facility on property previously acquired by the County. The fleet facility will provide space for all of MDFR vehicle maintenance functions.

Policy Implications

The Administration is recommending that surplus bond funds and loan proceeds that are in excess of the costs originally calculated for designated planned stations, facilities or equipment be redirected to the above-noted pending fire-rescue capital projects. While the proposed use of surplus funds qualifies under the general categories of authorized bond projects, it overlooks certain other capital obligations that will require future payments. For instance, the costs of the reserve funds, cost of bond insurance and debt service (and loan repayment) are expressly specified in the original bond enactments as capital obligations in which bond proceeds are to be allocated in addition to the named capital projects.

In addition, the fire department, as an enterprise department, has expenses which fluctuate with consumer demand. In the 2008 Fire Financial Status & Forecast Report, in which the Administration analyzed the fiscal challenges of MDFR and its capital programs, it was reported that several high property value municipalities are seeking to opt out of the regional fire rescue district. The Administration noted that this may result in potential future operating revenue shortfalls and have a spillover effect into other areas. Based on the Administration's report, the pending budgetary proposal may not necessarily address prospective financing needs such as the projection of declining revenues.

Budgetary Impact

In light of the excess capital funds, derived from lower than anticipated costs and alternative replacement strategies; the variance in the actual costs versus anticipated costs may be attributable to recent fluctuations in construction costs.

Prepared By: Lauren Young-Allen