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

MEMORANDUM Agenda Item No. 11(A)(1)

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

DATE: November 17, 2009

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

SUBJECT: Resolution directing County Mayor or County Mayor's designee to explore alternatives based on feasibility study for Miami-Dade County to form its own credit union or bank and to become its own depository

Resolution No. R-1311-09

This item differs from the original in the following way: The word "operating" is replaced with the word "total" in the first two whereas clauses.

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Bruno A. Barreiro.

R. A. Cuevas, Jr.
County Attorney

RAC/cp

MEMORANDUM
(Revised)

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

DATE: November 17, 2009

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

SUBJECT: Agenda Item No. 11(A)(1)

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 Manager'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**

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Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(1)
11-17-09

RESOLUTION NO. **R-1311-09**

RESOLUTION DIRECTING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXPLORE ALTERNATIVES BASED ON FEASIBILITY STUDY FOR MIAMI-DADE COUNTY TO FORM ITS OWN CREDIT UNION OR BANK AND TO BECOME ITS OWN DEPOSITORY

WHEREAS, the County's 2008-2009 >>total<<[1] [[~~operating~~]] budget was approximately $7.5 billion (the ">>Total<< [[~~operating~~]] Budget"); and

WHEREAS, throughout the year a portion of the funds constituting the >>Total<< [[~~Operating~~]]Budget is deposited with outside financial institutions in return for an interest rate set by such financial institutions; and

WHEREAS, this Board desires to direct the County Mayor or the County Mayor's designee to explore the alternatives for the County to form a credit union or bank and to act as its own depository of funds,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The foregoing recitals are incorporated in this resolution and are approved.

Section 2. This Board hereby directs the County Mayor or the County Mayor's designee to prepare a feasibility study to explore the alternatives for the County to form a credit union or bank in order to act as its own depository of funds. The feasibility study shall be

[1] The differences between the substitute and the original item are indicated as follows: words stricken through and/or [[double bracketed]] shall be deleted, words underscored and/or >>double arrowed<< constitute the amendment proposed.

prepared and presented to the Board within ninety (90) days from the effective date of this Resolution.

The Prime Sponsor of the foregoing resolution is Commissioner Bruno A. Barreiro. It was offered by Commissioner **Bruno A. Barreiro**, who moved its adoption. The motion was seconded by Commissioner **Audrey M. Edmonson** and upon being put to a vote, the vote was as follows:

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

Bruno A. Barreiro	**aye**	Audrey M. Edmonson	**aye**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**aye**
Barbara J. Jordan	**aye**	Joe A. Martinez	**aye**
Dorrin D. Rolle	**absent**	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 17th day of November, 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. JRA

Juliette R. Antoine

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

Legislative Notes

Agenda Item:	**11A1**
File Number:	**092547**
Committee(s) of Reference:	**BCC**
Date of Analysis:	**September 3, 2009**
Type of Item:	**Directive to Explore the Feasibility of Establishing a County-operated Bank**
Sponsor:	**Commissioner Bruno A. Barreiro**

Summary
This resolution directs the Mayor to explore the feasibility of establishing a County-owned and operated credit union or bank which will serve as the County's depository institution.

Background
Presently, the County deposits portions of its revenues derived from taxes and special assessments in designated, interest-bearing, depository banks which is later transferred to the operating budget funds. While all interest accrued from money deposited in these banks is deemed County income, the banks are entitled to charge for commissions and fees which are extracted from portions of the interest earned from investments of the public funds. This resolution would enable the County to retain the interest accrued from the deposits of the County's budget which totaled approximately $7.5 billion for FY 2009.

A survey of other jurisdictions discloses that the state of North Dakota established a state-owned and operated bank known as Bank of North Dakota. Its primary deposit base is the State of North Dakota. Thus, all state funds and funds of state institutions are deposited with Bank of North Dakota, as required by North Dakota's law. Deposits are also accepted from private citizens and the federal government. To date, the Bank operates with more than $160 million in capital. (Source: Bank of North Dakota's website - http://www.banknd.nd.gov).

Relevant Legislation
Article I, §1.01 (A)(10) of the Charter empowers the County to levy and collect taxes and special assessments, borrow and expend money and issue bonds and other obligations of indebtedness. To accomplish these functions, the Charter also confers the implicit authority to use any means necessary to carryout the express powers.

Policy Change and Implication

In forming and managing a bank, a County created-bank would be subject to a number of federal regulatory requirements t and state conditions and limitations imposed under the state banking code which regulates capital adequacy, asset quality, management, earnings, and liquidity. (Source: http://www.flofr.com/banking/howtoorg.htm;Florida Office of Financial Regulation's Division of Financial Institutions (Guide to Organizing a New State Bank in FL)). Therefore, creating a county-operated bank raises new cost, service, and policy implications such as organizing expenses; earning prospects; the experience and competence of management; lending practices; and cash reserve requirements which may constitute a percentage of the deposits.

Budgetary Impact

Conducting a feasibility study will have minimal fiscal impact on staff man-hours.

Prepared by: Lauren Young-Allen