



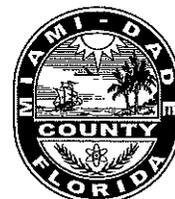
MIAMI-DADE COUNTY
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Meeting Minutes

Board of County Commissioners
Stephen P. Clark Government Center
111 N.W. 1st Street
Miami, FL 33128

Thursday, May 24, 2007
As Advertised

Harvey Ruvin, Clerk
Board of County Commissioners

Kay Sullivan, Director
Clerk of the Board Division



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Members Present: Bruno Barreiro; Jose "Pepe" Diaz; Sally A. Heyman; Barbara J. Jordan; Dennis C. Moss; Natacha Seijas; Katy Sorenson

Members Absent: Audrey M. Edmonson; Carlos A. Gimenez; Dorrin Rolle; Rebeca Sosa; Javier D. Souto

Members Late: None.

Members Excused: Joe A. Martinez

Members Absent County Business: None.

1A INVOCATION

1B PLEDGE OF ALLEGIANCE

1C ROLL CALL

Report: *Chairman Barreiro called today's workshop to order at 4:14 p.m. and asked that all municipal elected officials, City and County Managers, Chief Financial Officers for the various municipalities represented today to introduce themselves.*

The following municipal representatives introduced themselves: Ms. Janice Smith, City of Homestead Finance Director along with the Assistant Finance Director; Mr. Randy White, Village of Key Biscayne Finance Director; Ms. Jacqueline Menendez, Village of Key Biscayne; Mayor Paul Vrooman, Town of Cutler Bay; a Village of Palmetto Bay representative; Village of El Portal Manager Jason Walker; Mayor Kevin Burns, City of North Miami, Mr. Clarence Patterson, City of North Miami Manager; Village of El Portal Vice Mayor Joyce Davis; and Mr. Frank Spence, Village of Biscayne Park Manager.

The following staff members were present: Honorable County Mayor Carlos Alvarez, County Manager George Burgess, Assistant County Attorney Jess McCarty, Office of Strategic Business Management Director Jennifer Glazer-Moon, Office of Strategic Business Management Assistant Director Hugo Salazar, and Deputy Clerks Diane Collins and Jovel Shaw.

ITEM NO. A

071593

Discussion Item

FOLLOW-UP DISCUSSION ON PROPERTY TAX REFORM

Presented

Report: Chairman Barreiro provided opening statements regarding property tax reform. He emphasized the importance of Miami-Dade County and all its municipal governments to communicate their positions on the issue of property tax reform. He noted the meeting held on Monday, May 21st in Tallahassee, Florida, had no public input from local communities. Chairman Barreiro asked the County Manager to provide a briefing along with staff on their discussion and information obtained from the State legislators.

County Manager Burgess presented and provided an overview of a Microsoft PowerPoint presentation entitled, "Property Tax Reform Workshop."

Ms. Jennifer Glazer-Moon, Director, Office of Strategic Business Management, provided a brief overview of different scenarios in order to illustrate the taxpayer impacts.

County Manager Burgess noted the remaining issue was with community redevelopment agencies (CRAs) and how the County would handle current CRAs obligations. He pointed out some had debt obligations and commitments; therefore, strategies needed to be developed to capture, through a formula, a millage adjustment for that CRA's jurisdiction that picked up the value of the CRA and held it harmless. In addition, he noted counties and jurisdictions in the State of Florida were discussing the need to hold harmless certain special districts, such as hospital districts.

Commissioner Diaz questioned how many cities were present at today's meeting and approximately eight cities were present. He informed the Board that the municipalities located in Commission District 12 were not present and were not notified of today's (5/24) meeting.

Responding to Commissioner Diaz' inquiry regarding the notification of today's meeting, Chairman Barreiro noted the Miami-Dade League of Cities should have notified all of the municipalities of today's meeting.

A discussion ensued among Ms. Glazer-Moon, County Manager Burgess and Commissioner Sorenson regarding the different factors and formulas that defined a fiscally constrained county/municipality, such as the millage capacity and real estate value.

Commissioner Sorenson informed the Board of an email she received from Minority Leader of the Florida House of Representative Dan Gelber that outlined some issues for discussion at the June 4, 2007, Special Session of the Legislature. She highlighted some of the items contained in the correspondence as follows:

- the goal to have as many stakeholders present at this Special Session specifically local government officials to comment,
- the need to address the method and the amount of homestead property tax relief,
- the method and the amount of non-homestead residential property tax relief including renters of these properties,
- the method and the amount of commercial property tax relief,
- the State and Local government revenue controls,
- the Save Our Homes limitations,
- the portability for homestead properties,
- the assessment limitations on real property, and
- the improvement of exemptions for mitigation for fiscal constraints counties and cities, special taxing districts education funds.

Commissioner Sorenson also noted he laid out all of the issues that should be addressed in order to have a comprehensive plan. She stated local governments should encourage the State Legislators to move forward with a comprehensive approach and to work with local municipalities for a tiered approach that would provide more fairness for taxpayers.

Responding to Commissioner Moss' inquiry regarding constitutional elections, County Manager Burgess noted in order to have a ballot question presented to the voters that contained multiple issues would require a three-fifth vote of the House. He further stated a three-quarter vote of each House would be required in order to call that special election. County Manager Burgess stated this type of tax initiative on a ballot in a referendum would require 60 percent voter support. He informed the Board of discussions by the legislators of September 25, 2007, as a potential date for the special election assuming the Special Session outcome was successful in enacting property tax reform legislation.

Commissioner Moss questioned how the local municipal budgets would be impacted if the Legislature enacted legislation following the Special Session and what steps the County could undertake during the interim.

Responding to Commissioner Moss' inquiry regarding the potential enactment of legislation and the impact to local municipal budgets, County Manager Burgess indicated the implementation of a change in laws would occur in fiscal year (FY) 2008-09. He noted staff was currently preparing a proposed budget for 2007-08. Mr. Burgess informed the Board that the County could not do a compound multi-year rollback, and then subsequently have a super-exemption concept as well because it would result in an enormous cumulative reduction. Therefore, the County would have to construct a rollback budget for 2007-08. Mr. Burgess noted, for FY2008-09 when the constitutional amendments would become effective, the County could hold harmless the revenue to stay consistent with the millage rate that may need to be increased to counteract the significant reduction due to the super exemptions.

Commissioner Moss referenced the projected \$237 million cut to County budgeted line items and \$47 million for Fire Rescue. He questioned what would be the impact to the fire services.

Responding to Commissioner Moss' comments regarding the impact to fire services, Mayor Carlos Alvarez informed Commissioner Moss that Office of Strategic Business Management (OSBM) had prepared a "Conceptual Consensus Framework" that was outlined in the PowerPoint presentation; therefore, the County must wait and see what happened in the Special Legislative Session. Mayor Alvarez noted all of the County constituents desired a property tax relief and staff was well aware of that. He stated the County's need to send a positive message to Tallahassee in terms of property tax relief, and propose some ideas such as the super exemptions.

Commissioner Heyman noted her concerns with responsible tax reform and reduction. She noted all of the charts reflected that local government needed to cut cost and the different types of impact status to taxpayers such as commercial, non-homestead and homestead.

Responding to Commissioner Heyman's comments concerning what the County budget reflected, Ms. Glazer-Moon noted these impacts would apply to the tax-supported portion of the County budget in the approximate amount

of \$2.3 billion. She noted the County Manager's report, Attachment no. 3 entitled, "Impacts of the Rollback Scenarios to various municipalities" presented at the May 18, 2007, Special Board meeting contained information on each municipality and their total budget, and also the ad valorem revenues; therefore, the County could see the portion of their budget because municipalities generated proprietary revenues as well. She indicated the reduction would occur in the ad valorem taxes because those were discretionary revenues in each municipality budget.

Responding to Commissioner Heyman's comments regarding the non-availability of the funds for reduction, Ms. Glazer-Moon noted that a majority of the budget was revenues tied to expenses, and the County could not cease or reduce certain activities. She noted all of the State and Federal mandates passed down to the local jurisdiction, such as an annual payment in the amount of \$10 million for the Department of Juvenile Justice pre-adjunction costs, and a payment for Medicaid must come out of the tax-supported budgets.

Commissioner Heyman stressed the importance for all local governing bodies to comeback with a positive approach for dialogue and let the Legislature understand what the budget cuts would do to the local services, but most especially it was important for us to list the expense from State mandates that were passed down to local governments. The Florida Association of Counties for the last two years has spent \$1 billion for unfunded mandates passed down to local governments. She felt the County need to evaluate if in the mix of proposals to reduce local government spending the state would be obligated to assume some costs.

Commissioner Heyman asked the County Manager to identify spending reductions by the County and any unfunded State mandates as part of the property tax reform proposals.

Mayor Kevin Burns, City of North Miami, noted there a consensus should be reached that all local municipalities and the County agreed to go forward with one plan. He asked that the County not conduct a rollback and encourage the legislators to allow a time period for local governments to adjust following the passage of any property tax reform legislation.

Commissioner Diaz commended the Finance Department and OSBM for their efforts. He stressed the need for County and municipal unity and educating residents on what may occur as a result of the property tax reform and relief. He noted the impact to the quality of life and the local economy in this community.

Mayor Alvarez concurred with Commissioner Diaz that all local municipalities, including the County, are united and continues dialogue with the Florida legislators. He noted OSBM had been in contact with all municipalities and in dialogue with Tallahassee to present the position of the County and municipalities, to exchange ideas, and to present alternatives in order to have input on the property tax reform.

Commissioner Diaz asked that the County administration and local municipalities make funding available immediately, depending upon the outcome of the Special Legislative Session, to develop a marketing strategy to inform and educate the public on potential cutbacks and tax rollbacks.

Commissioner Jordan asked if a municipal government could impose fees for

services similar to how the County imposed fees to its residents.

Responding to Commissioner Jordan's inquiry regarding the imposition of fees by municipalities, County Manager Burgess noted an item for discussion in the Special Session related to caps and limitations on fees, which would limit the ability of a local government to impose fees to cover the cost of certain, defined services that could be fee supported. He stated that under no circumstances should any government impose fees for a service that were not properly structured to cover the cost of the service. Mr. Burgess stated to restrict a city, a county, or anywhere in the State of Florida from imposing a fee for a legitimate fee supported activity did not make sense.

Commissioner Jordan noted her discussion with a mayor who noted the potential impact to its public safety department and the need to impose a fee in order to make up for the potential revenue loss. She stated there were creative ways to implement fees, and expressed concern with the overall impact on the County's tourism and everything that generated a healthy community, and how the County could recover from the worst case scenario.

Mayor Paul Vrooman, Town of Cutler Bay, expressed appreciation to County Manager Burgess and OSBM for all of the information they provided during the discussion on property tax reform. He noted the issue was about affordability for Floridians to achieve the American dream. Mayor Vrooman stressed the need for a balance while providing property tax relief.

Commissioner Richard Steinberg, City of Miami Beach, and the First Vice President of the Miami-Dade League of Cities noted the potential tax rollback for next year and the impact to municipal services. He encouraged the County in its discussions in Tallahassee to allow local municipalities to have the flexibility to determine their own budget.

Commissioner Sorenson asked County Manager George Burgess to prepare a mock-up property tax bill reflecting the State's proposed property tax roll-back for distribution to the Florida legislators and the constituency.

Mayor Alvarez asked for the County Commission's support to meet, to offer suggestions, and to keep the dialogue open with the State legislators to provide alternatives regarding property tax reform. He stressed the need to have the ability to provide input on how property tax reform would impact this community and others throughout the State of Florida.

Responding to Commissioner Sorenson's inquiry regarding the impact to the homesteaded property owner with a roll-back, Ms. Glazer-Moon stated the homesteaded property owner does see a reduction in property taxes when the County set a roll-back millage because the homesteaded property owner assessed value was capped at 3 percent consumer price index (CPI). Ms. Glazer-Moon stated property tax relief would occur in the first year.

Mayor Burns, City of North Miami, noted today's meeting was to reach a consensus from the municipalities and the County Commission that we would move forward with the plan presented today (5/24). He stated if the State legislators accepted a roll-back, it should be only for one year, fiscal year (FY) 2004-05, in lieu of some proposals to roll back to FY2002-03, and/or 2003-04. Mayor Burns concluded his comments by suggesting that at least 200 members from municipalities including the County Manager and County Mayor should be present during the Special Legislative Session in Tallahassee.

Commissioner Diaz questioned the Miami-Dade County League of Cities' position on the foregoing issue regarding the proposed approach to address the property tax reform legislation.

Mr. Steinberg, Miami-Dade County League of Cities, stated the League had not taken a position on the proposed approach to address property tax reform.

Commissioner Sorenson informed those present of the Florida Association of Counties' position that support all of our citizens who should decide on the approach for property tax reform, which included the following:

- a 10% cap for non-homestead property, businesses, renters and second home owners;
- a 25% business exemption;
- a \$25,000 tangible personal property exemption; and
- a tax relief for affordable rental housing;
- a tax relief for commercial waterfront properties; and
- a tax relief for first-time home buyers.

She indicated this position was consistent with the County's Conceptual Consensus Framework.

Mayor Vrooman concurred with Mayor Burns and spoke in support of attending the June 4th, Special Legislative Session and a mayoral caravan.

Ms. Glazer-Moon noted one change to the application of the Conceptual Consensus Framework from the May 18th, meeting was the treatment of commercial properties, the original plan was 25% of the first \$250,000 of value and the County changes it to 25% up to \$1 million for a total of \$250,000 for the exemption.

Mayor Burns noted a Miami Herald newspaper article printed regarding the proposed property tax reform plan and questioned the County Manager if he had received any feedback from Florida House Speaker Marco Rubio or legislators concerning that plan.

County Manager Burgess noted County staff and he had met with the State legislators to discuss the proposed property tax reform plan.

Chairman Barreiro noted he felt there was a consensus to move forward and travel to Tallahassee for the June 4th, Special Legislative Session to ensure that the proposed property tax reform plan presented today was presented to the State legislators. He indicated that the issue of the roll-back, for some immediate property tax relief, should be no further than one to two years.

Mr. Ronald Book, attorney representing numerous cities and the County, supported the comments made by County Manager Burgess and Ms. Glazer-Moon. He advised everyone present of a Town Hall meeting scheduled for Tuesday, May 29, 2007, at 7:00 p.m. at Florida Christian School to allow input from South Florida residents on proposed property tax reforms.

Commissioner Sorenson stressed the need to educate constituents of the consequences if the State legislators adopted the rollback proposal.

Commissioner Diaz noted the reality of the outcome of the property tax reform plans was uncertain. He concurred with Commissioner Sorenson that

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constituents should be made aware of the meaning of a rollback to local government and the impact to fire and police services as well as social services and elderly issues.

Commissioner Moss stated he agreed with educating the community. He also expressed concern with not being able to obtain a definitive answer on the impact to County and/or local cities' services, and the potential rollback to the residents of this community. Commissioner Moss questioned whether a rollback budget would mean less money equaling less service.

Commissioner Seijas stressed the need for municipal mayors to attend the Town Hall meeting scheduled for Tuesday, May 29th, at 7:00 p.m. at Florida Christian School. She asked the County Manager to inform and invite all municipal officials to attend this Town Hall meeting.

County Mayor Alvarez noted his intent to attend the meeting and an invitation should be extended to all municipalities to attend, as well as the June 4th Special Legislative Session, to narrow down the property tax reform proposals. He also shared Commissioner Moss' frustration with not knowing the outcome of the property tax relief.

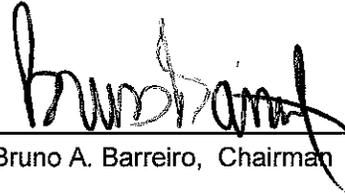
Commissioner Diaz asked the County Mayor to find out if local officials could speak at the Town Hall meeting.

Commissioner Sorenson noted the areas where budget cutbacks could occur, such as public works, administration, social services and other areas. She noted other areas where cutbacks could not occur, such as aviation, water and sewer, environmental resource management. She indicated the County was not aware of the cutback amount and the potential impact on services for local government budgets.

Chairman Barreiro reminded everyone present of the Town Hall meeting scheduled for Tuesday, May 29th, and then following that meeting the preparation of the agenda to be presented during the June 4th Special Legislative Session.

ADJOURNMENT

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Bruno A. Barreiro, Chairman

ATTEST: HARVEY RUVIN, CLERK



By: Kay Sullivan, Deputy Clerk