



City of Miami Springs, Florida

The Miami Springs City Council held a SPECIAL MEETING in the Council Chambers at City Hall on Thursday, July 25, 2013, at 6:00 p.m.

1. Call to Order/Roll Call

The meeting was called to order at 6:09 p.m.

The following were present:

- Mayor Zavier M. Garcia
- Vice Mayor Michael Windrem
- Councilman Billy Bain
- Councilman George V. Lob
- Councilman Jaime A. Petralanda

Also Present:

- City Manager Ronald K. Gorland
- Assistant City Manager/Finance Director William Alonso
- City Attorney Jan K. Seiden
- Deputy City Clerk Suzanne S. Hitaffer

2. Invocation: Councilman Petralanda

Salute to the Flag: The audience participated.

3. Presentation of Certificates of Completion to Vice Mayor Windrem and Councilman Petralanda for Completion of the 2013 Institute for Elected Municipal Officials

Mayor Garcia presented Certificates of Completion from the Florida League of Cities to Vice Mayor Windrem and Councilman Petralanda for their successful completion of the 2013 Institute for Elected Municipal Officials held June 21-23, 2013 in Palm Beach Gardens, Florida.

4. Resolution No. 2013-3584 – A Resolution of the City Council of the City of Miami Springs Setting the Tentative Operating Millage Levy for Fiscal Year 2013-2014; Setting Time, Date and Place for Public Hearings on the Proposed 2012-2014 Budget and Tentative Millage Rate

City Attorney Jan K. Seiden read the resolution in its entirety.

City Manager Ronald K. Gorland read a memorandum dated July 25, 2013, regarding the FY2013-14 budget analysis and preliminary estimates update as follows:

"Since our June 24 meeting whereby we presented a preliminary budget showing a projected deficit of \$587,484 under the current millage of 6.9950, we have received updated health insurance figures as well as other adjustments which have reduced our deficit to approximately \$468,472 using the current millage of 6.9950 (as shown on attachment A). The millage required to balance the budget without any reductions would be 7.5392 (attachment A-1). The rollback rate is 6.5633 and would result in a deficit of \$840,143 (attachment A-2). The millage rate would need to be 7.8597 in order to balance the budget if the revised golf budget discussed in #11 below were adopted.

As mentioned above, there were two significant issues that reduced our original deficit of \$587,484 to the current \$468,472. Aetna Health informed us that the increase for next year will be 9.9% which is lower than the 15% we originally used in our budget analysis, and second the July 1 final assessed valuation was approximately \$11 million higher than the \$895 million number we received on June 1.

In order to assist you in setting the millage cap for next fiscal year, we have prepared attachment F which shows the history of our reserves for the past ten years. Please note that we have not added to our reserves since FY2009, our reserves have actually declined during the past three years from \$8,421,317 at the end of FY2009 to \$4,394,465 at the end of FY2012. This is why the Administration recommends setting the millage cap today at 7.8950 so the Council may have the flexibility needed during the workshops to address the City's needs."

City Manager Gorland referred to No. 5 under the basic budget assumptions. He noted that there is a correction to #5 and it should say a 5-year lease and not a 4-year lease.

To answer Councilman Bain's question, Assistant City Manager/Finance Director Alonso stated that Attachment B has a breakdown of all of the capital expenditure requests for all of the departments.

City Manager Gorland said that there are D.E.R.M. requirements in excess of \$1MM that the City recently discovered.

To answer Councilman Bain's question, City Manager Gorland said that the requirements are in respect to additional shop space and the equipment needing to be stored inside and a special recycling facility.

City Manager Gorland commented that they met with Atkins at the golf course and discovered many things that need to be addressed.

Vice Mayor Windrem asked if the upper cap includes the potential \$1MM to meet compliance for D.E.R.M. and Mr. Alonso replied that it does not.

Vice Mayor Windrem noted that the \$1MM compliance can possibly be spread out through multiple fiscal years.

City Manager Gorland stated that the City still needs to negotiate with D.E.R.M. This compliance was apparently directed to be done previously, but he had no knowledge of it.

To answer Councilman Bain's question, City Manager Gorland said that there was direction to staff for these requirements to be done back in September of 2012.

City Attorney Seiden said that the theory of setting the millage at this rate is that once it is tentatively set, it cannot be exceeded. The general rule is to set it high with the understanding that Council works and reduces it through their public processes and workshops.

To answer Mayor Garcia's question, Mr. Alonso commented that for the average homeowner, the millage rate will cost approximately \$119 per year in additional taxes. He used an average of \$131,768 as average taxable value for homesteaded properties.

Mr. Alonso stated that he does not have the information for the other parts of the tax bill because the County and the School Board have not set their millage.

City Attorney Seiden noted that the other parts of the tax bill should be repeated every year since there are new taxpayers. It is also shown on the tax bill.

Councilman Bain stated that some time ago, the tax bill showed that two-thirds of taxes went outside of the community.

Mayor Garcia said that he would like to see what the price increase would be for higher and lower priced homes. His calculations showed that the higher priced homes would be approximately \$238. This is something that is important to share with residents if Council decides to go that route.

City Attorney Jan K. Seiden read the resolution including the millage rate of 7.8950.

Councilman Lob moved to adopt Resolution No. 2013-3584. Vice Mayor Windrem seconded the motion.

Councilman Bain commented that Council needs to make sure that their priorities are straight with what needs to be done or not.

Vice Mayor Windrem asked if Council should add to the millage rate anticipating that D.E.R.M. will require the City to comply.

Councilman Lob asked when D.E.R.M. was planning on telling the City when the compliance needs to be completed by because if it cannot be done by September then it does not matter.

City Attorney Seiden explained that this has been an ongoing procedure for quite some time. He referred to the replacement of the tanks and said that the City has actually paid for some of the requirements already. Unless there is an emergency condition that jeopardizes health or safety, D.E.R.M. will usually work with the City to allow compliance within timeframes. The County has been in violation of Environmental Protection Agency (EPA) regulations to the tune of \$30 billion for a number of years. He would doubt that the City would have a \$1MM expense in one year.

City Manager Gorland commented that the City could do a budget amendment if needed, but he is not anticipating spending very much on this during the course of this year but he does not know enough at this time to make that a formal statement.

Councilman Petralanda agreed to the statement made by Councilman Bain. The price increase of \$119 may not seem as much for some residents, but to others it may be a lot.

Mayor Garcia stated that in speaking with residents, many would like to know the magic dollar amount that the City is going to keep spending to lose money at the golf course.

Councilman Lob said that no matter what Council does, they will have to go back to the electorate because they mandated that the City buy the golf course. At some point, the City is going to have to see if something else can be done in that area besides the golf course. This is the last prayer in the world right now for the people who are currently running the golf course. If they cannot turn it around for the City and cannot get the funds, then he feels that the City will have to turn to the electorate to see what else can be done.

City Attorney Seiden clarified that if the City wanted to stop using the property as a golf course, the City would probably not have to go to the electorate.

Mayor Garcia agreed with Councilman Lob. The golf course is projected to lose approximately \$450,000 this year. If that were to happen with anything else within the City, residents would be lining up at Council meetings.

Councilman Bain commented that someone did not take care of the golf course for the past two years. The truth of the matter is that none of the municipal golf courses in the United States are making money. He does not hear any outrage about the golf course. He hears more things about the internal functions of the golf course such as the restaurant. The golf course only caters to golfers and there is nothing inside the Country Club for people who do not golf.

Mayor Garcia asked if Mr. Alonso can provide Council with a graph that shows the losses at the golf course from the date that the City purchased it to date and Mr. Alonso replied that he has one available up to 2012; he will update it to show this year and email it to Council.

To answer Mayor Garcia's question, Mr. Alonso stated that when the irrigation system was installed in FY2010, the loss for that year was \$1,864,000 which includes debt service. The operational loss without the debt service was \$1,466,000, including \$1.1MM for the irrigation system. The net operating loss that year was \$366,000. The lowest loss was \$122,000 in Fiscal Year 2007 before the market went down.

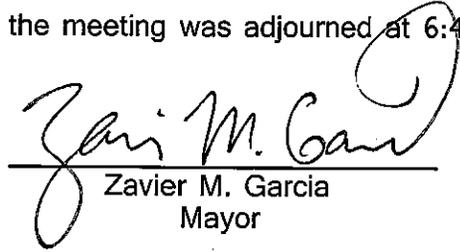
Councilman Petralanda agreed with the comment that Mayor Garcia made about the golf course losing money and that the residents would complain if the money was lost on anything else. He feels that the reason is that the residents do not mind paying for the green space.

Councilman Petralanda is working on a project that involves the golf course, which is still in the planning stages. School Board member Susie Castillo visited at his request because he is trying to work with the District to start bringing school golf club organizations to the golf course in order to better advertise the golf course. He can foresee receiving grants for after school programs so that the kids can play free of charge.

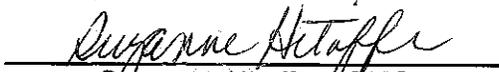
The motion was carried 5-0 on roll call vote.

5. Adjournment

There being no further business to be discussed the meeting was adjourned at 6:49 p.m.


Zavier M. Garcia
Mayor

ATTEST:


Suzanne Hitaffer, CMC
Deputy City Clerk



Approved as written during meeting of: 08-12-2013

Transcription assistance provided by Elora R. Sakal.

Words ~~stricken through~~ have been deleted. Underscored words represent changes. All other words remain unchanged.